

instituted in the local police court, though there is a right of appeal to Quarter Sessions in any case when a fine of over twenty shillings is imposed. The fine means the actual penalty inflicted, and does not include the costs imposed in addition.

MULTIPLE TELEGRAMS. (Fr. *Télégrammes multiples*, Ger. *vervielfältigte Telegramme*, Sp. *Telegramas multiplicados*, It. *Telegrammi multipli*.)

Multiple telegrams are telegrams sent to several persons in the same place, or to one person at several residences or addresses in the same place.

MUSTER. (Fr. *Échantillon*, Ger. *Muster*, Sp. *Muestra*, It. *Mostra*, *campione*, *campionario*.)

This is a sample or collection of samples taken from the bulk of any article of merchandise, and serving as a specimen of the whole. The expression to "pass muster," therefore, means that the bulk is quite equal to the sample in every way, and that it will pass inspection.

MUSTER ROLL. (Fr. *Rôle d'équipage*, Ger. *Musterrolle*, Sp. *Rol de la tripulación*, It. *Ruolo dell'equipaggio*.)

The muster roll is a book kept on board ship, containing the names, ages, qualities, professions, places of residence and birth of every person on board.

MUTUAL LIFE INSURANCE COMPANY. (Fr. *Compagnie mutuelle d'assurance sur la vie*, Ger. *Lebensversicherung auf Gegenseitigkeit*, Sp. *Sociedad mutual de seguros*, It. *Compagnia mutua di assicurazione sulla vita*.)

This is a company in which there are no shareholders, but the profits belong entirely to the insured, and are divided amongst them, either by cash payments, by reduction of premiums or by periodical additions to the amounts of the policies.

MYRIAGRAMME. (Fr. *Myriagramme*, Ger. *Myriagramm*, Sp. *Miriagramo*, It. *Miriagrammo*.)

In the metric system the myriagramme is a metric measure of weight, consisting of 10,000 grammes, and equal to 22.046 lbs. avoirdupois, or 321½ troy ounces.

MYRIAMETRE. (Fr. *Myriamètre*, Ger. *Myriameter*, Sp. *Miriametro*, It. *Miriametro*.)

The myriametre is a metric measure of length, equal to about 6½ miles, or more correctly, to 6.214 miles.

N. This letter is used in the following abbreviations:—

N/A., No Advice (banking).

N/a., Non-acceptance.

N.B., Take Notice.

N/e., No Effects.

N/f., No Funds.

No., Number.

N/S., Not Sufficient (banking).

NAME DAY. (Fr. *Deuxième jour de liquidation*, Ger. *Erfüllungstag*, Sp. *Segundo día de liquidaciones*, It. *Secondo giorno di liquidazione*.)

This is the second day of the settlement on the Stock Exchange. It is sometimes known as Ticket Day.

NAMED POLICY. (Fr. *Police nommée*, Ger. *benannte Police*, Sp. *Póliza nombrada*, It. *Polizza nominata*.)

A marine insurance policy is called a named policy when the name of the vessel carrying the goods insured is inserted in it.

NATIONAL DEBT. (Fr. *Dette publique*, Ger. *Staatsschuld*, Sp. *Deuda pública*, It. *Debito pubblico*.)

The national debt is the entire debt of a country, consisting of money borrowed by the Government, which either guarantees a fixed rate of interest until the debt is repaid or grants annuities for a term of years or for life.

NATIONAL INSURANCE ACTS. The first National Insurance Act was passed in 1911 and came into operation on the 15th July, 1912. An amending Act was passed in 1913. There can be little doubt, whatever may be the criticism with respect to the principle involved, that no more far-reaching statutes have ever been passed by a British Government, and time alone can prove their advantages or disadvantages to the nation at large. The preamble of the Act of 1911 itself is worth recording. It is as follows: "An Act to provide for insurance against loss of health and for the prevention and cure of sickness and for insurance against unemployment, and for purposes incidental thereto." As the Act, therefore, divides itself naturally into two parts, sickness and unemployment, its main provisions will be considered in the light of this division.

I. Sickness.—The general scheme of the Act of 1911 was to include all employed persons, unless there was a special exemption provided with respect to them, between the ages of sixteen and seventy years. The Act applies to persons of either sex, and nationality makes no difference—an alien must be insured just the same as a British subject. Therefore, except as will be noticed directly, all persons employed in manual labour in the United Kingdom must be

insured, irrespective of their remuneration—and this includes out-workers—and all persons employed and receiving money payments under any contract of service or apprenticeship in the United Kingdom, where the remuneration does not exceed £160 per annum, are likewise to be compulsorily insured. It will be seen at once how broad this statement is, and unless an employer is desirous of indulging in a course of litigation, it is always safer to assume that his employees fall within the insurable class rather than without it, unless it is absolutely certain that they are expressly outside; for it must never be forgotten that it is the employer who is responsible for the payments of the various contributions which are required by the Acts. Moreover, it seems to be the policy of the scheme to extend rather than to restrict the number of those who must be insured. Thus, by the Act of 1913, persons employed by local authorities are expressly included, although not coming within the compass of the Act of 1911. Again, the Act of 1911 specially provides that all persons employed upon a British ship shall be insured, and also all persons who are engaged in plying for hire with any vehicle or vessel.

Special provisions are made as to men serving in the army and navy; but these need no further notice here. As to outworkers, a difficulty often arises, especially when there are several employers. The Insurance Commissioners are empowered to make rules as to this particular class of people, and these rules must be studied for further information. It has already been stated that aliens must be insured, if they fall within the ranks of those employed in manual labour. But the aliens are subject to certain limitations. They can only become members of an approved society on certain conditions, the State pays no contributions in respect of them, and the benefits accorded in the case of sickness are materially lower than those of British subjects. This reduction, however, does not apply in the case of aliens who were members of an approved society on the 4th May, 1911, or of a society which amalgamates with an approved society, provided that the aliens have been resident in this country for five years. It does not apply, either, in the case of aliens transferred to an approved society pursuant to any arrangement arrived at between the

British Government and a foreign State.

The persons specially exempted are set out in part 2 of the first schedule of the Act of 1911. In addition to soldiers and sailors in the navy, already referred to, and the employees of local authorities—now expressly included by the Act of 1913—the following, amongst others, are outside compulsory insurance:

(1) Clerks or other salaried officials in the service of a railway or other statutory company, where the Insurance Commissioners are satisfied that provision of a satisfactory character is made as to sickness or disablement.

(2) Teachers in elementary schools, who are entitled to superannuation under former Acts.

(3) Agents employed on commission by more than one employer, unless mainly dependent upon one employer.

(4) Apprentices, learners, and children of an employer, and employees on an agricultural holding when no wages are paid.

(5) Casual workers, where the employment is not for the purpose of the employer's trade or business. But persons employed for the purposes of games must be insured, e.g., golf caddies.

(6) Wives employed by their husbands, and husbands employed by their wives.

(7) Outworkers who are employed in an occupation of such a nature as to be a subsidiary kind of employment, and not the principal means of livelihood.

(8) Members of the crew of a fishing vessel, where the remuneration is made by means of shares in the profits of the gross earnings or otherwise in accordance with any custom or practice prevailing at any particular port, provided that the Insurance Commissioners are satisfied with the working of the same.

There is also another class of persons who are exempted from the class of the compulsorily insured, and it is here necessary to set out in full section 2 of the Act of 1911:—

“Where any person employed within the meaning of this part of this Act proves that he is either—(a) in receipt of any pension or income of the annual value of £26 or upwards not dependent upon his personal exertions; or (b) ordinarily and mainly dependent for his livelihood upon some other person; he shall be entitled to a certificate exempting him from the liability to

become or to continue to be insured under this part of this Act." There are special rules as to this kind of exemption which must be carefully observed. It must also be borne in mind that even when the persons themselves are exempt from compulsory insurance, the employer is not freed from his contribution. The employer must pay, and the amount of his contribution is applied to medical and sanatorium benefit.

Having arrived at a general idea as to the persons who must be insured, it is now necessary to see what is the rate of contribution and who is responsible for the same being made. It is easy to dispose of the latter point by stating at once that the employer is the person liable to see that the contributions of himself and his workmen are made. The employer is entitled, however, to deduct the amount of the employee's contribution from the workman's wages, but he must not deduct his own. If a contributor is employed by more than one person in any one week, it is the first employer who is liable for the contribution which is to be paid by the employer, subject to any regulations made in respect thereof by the Insurance Commissioners. Heavy penalties are enacted if the employer fails to carry out this part of his duties. As to the former point, the amount of the joint weekly contribution in ordinary cases is 7*d.* for a man and 6*d.* for a woman. In each case the employer pays 3*d.* and the employee the remainder. The contribution of the State is equivalent to 2*d.* per person.

A difference, however, is made when wages of the employee fall below a certain amount. If the total amount of wages is less than 15*s.* per week, the insurance money is paid as follows:—Where the amount is between 12*s.* and 15*s.* the employer pays 4*d.* and the workman 3*d.*; between 9*s.* and 12*s.*, the employer pays 5*d.* and the workman 1*d.*; less than 9*s.*, the employer pays 6*d.* and the workman nothing. If there are no wages paid the employer must still find 6*d.* As far as women are concerned, an alteration is only made when the wages are below 12*s.* per week. Thus, in the case of wages between 9*s.* and 12*s.*, the employer pays 4*d.* and the employee 1*d.*; when the wages are below 9*s.*, the employer pays 5*d.* and the employee nothing. The rates set out above are those in force in Great Britain; there is a lower

rate in force for Ireland, where the benefits are different. It is also to be noted that the rates just mentioned refer to persons over the age of twenty-one. For those under that age, the rates are uniform, the subscription of the male worker being 4*d.* and of the female worker 3*d.*, the employer being responsible for 3*d.* in each case.

The contributions are collected by the employers through whom the insurance scheme is worked. The method adopted is the stamping of an insurance card. The card is printed and published by the Insurance Commissioners, and it is obtained by the insured workman either from a post office or through the approved society of which he or she is a member. The insured person hands the card to the employer, or to a servant of the employer, who is responsible for seeing that a stamp of the proper value is affixed week by week, partly his own contribution and partly that of the employee, the amount of the latter being deducted from the wages due. Each card has twenty-six divisions, and when it is filled the same must be handed by the insured person to the post office or the approved society, as the case may be, when a new card will be supplied for the ensuing half-year, to be filled up in its turn.

Instead of paying the full amount of the insurance, an employer may, under certain circumstances, be placed in a special position if he guarantees full wages to his servant for the first six weeks of sickness on the part of the employee. In such a case the employer and a male employee will each pay 1*d.* per week less by way of contribution, whilst if the employee is a female, the employer will pay $\frac{1}{2}$ *d.* less and the employee 1*d.* less. This modified rate does not apply where the wages are less than 10*s.* per week. At the end of the six weeks the employee becomes entitled to the ordinary benefits of the Act.

Contributions are not payable during unemployment, but the accumulation of arrears may affect the rate of benefit. No notice, however, is taken of any arrears when they arise through unemployment occasioned by sickness. Three weeks in a year is the limit allowed for which no reduction will be made for failure to pay during unemployment. Medical, sanatorium, and maternity benefits, however, are not suspended until the contributions are twenty-six weeks in arrear.

In addition to those who must be

compulsorily insured and those who may be "optionally" insured, there is another class provided for, namely, voluntary contributors. These are persons under the age of 65, who, although not "employed persons" under the Act, are engaged in some regular occupation, and are mainly dependent upon their labour for their livelihood. The contributions of such persons vary according to age, but for those who became insured after the 15th January, 1913, the rates are as follows:—

Age.		Contribution.	
		s.	d.
16 and under	18	0	7
18	25	0	7½
25	31	0	8
31	35	0	8½
35	39	0	9
39	42	0	9½
42	44	0	10
44	46	0	10½
46	48	0	11
48	50	0	11½
50	51	1	0

and rising therefrom to 1s. 4½d. for those from 60 to 61, and 1s. 5d. from 61 to 65. In the case of women the contributions are somewhat reduced.

In the case of voluntary contributors the State also contributes 2d. towards every 9d. expended on benefits and the cost of administration.

As the business man is mainly concerned with seeing to the payment of the contributions, and is liable to heavy penalties for any infringement of his duties, the only provisions in the Act which affect him personally have here been considered. Into the details of management and into the nature of the benefits accruing it is unnecessary to enter. If a workman is in receipt of compensation under the Workmen's Compensation Act, he gets no insurance benefit if the weekly compensation is equal to or exceeds what he is entitled to under the National Insurance Act.

II. Unemployment.—The second part of the Act of 1911 deals with unemployment, and the management of the same is under the control of the Board of Trade. At present only a certain number of trades are included in the Act, and they are set out in the sixth schedule, being connected with building, construction of works, ship-building, mechanical engineering, iron-founding, construction of vehicles, and saw-milling. With the exception of indentured apprentices, all workmen engaged in the above trades over the

age of 16 must be insured. Some difficulty has arisen as to who are and who are not engaged in the above trades, and there are still doubts periodically cropping up which await solution. Inquiries should be made upon the matter at the Labour Exchanges.

As in the case of sickness insurance, the unemployment funds are derived from three sources, namely, the workman, the employer, and the State, their contributions being 2½d., 2½d., and 1½d. per week respectively. If the workman is under 18 years of age, the weekly contribution is 1d. both for him and for his employer. When a workman is employed for only one day a week the contribution is also only 1d.; when employed for two days 2d. Any period of employment in excess of two days is considered as employment for a week.

The employer is responsible for the collection of the contributions of the workmen, which he may deduct from his wages, as well as for the payment of his own share, and cards are used for this kind of insurance also, the cards being obtainable at the Labour Exchange. If an employer retains a workman in his employment for a whole year, the Board of Trade may refund to him one-third of the total amount paid by him into the unemployment fund. Again, if an employer undertakes to pay full wages during times of depression, he may have the whole of his contributions returned.

As in the former case, it is not proposed to go into any details as to management and benefits. Full particulars as to the latter can easily be obtained by applying to one of the Labour Exchanges, where information can also be gained as to the cases in which the benefits will be withheld.

NATURALISATION. (Fr. *Naturalisation*, Ger. *Einbürgerung*, *Naturalisierung*, Sp. *Naturalización*, It. *Naturalizzazione*.)

Naturalisation is the name given to the proceedings by which an alien subject is enabled to divest himself of his nationality and become the subject of another country. Each State has its own laws as to the matter. In the United Kingdom, generally speaking, it is effected by means of residence for a certain period, the payment of fees to the amount of £3, and the approval of the Home Secretary. For full particulars application must be made to the Home Office. (Until quite recently the fees amounted to £6, and it must be understood that the

present fees of £3 may be altered at any time.)

Naturalisation in the United Kingdom rests upon the British Nationality and Status of Aliens Act, 1914, which has replaced the Naturalisation Act, 1870. Its important sections, as to naturalisation, are the following:—

“ 2. (1) The Secretary of State (i.e., the Home Secretary) may grant a certificate of naturalisation to an alien who makes an application for the purpose and satisfies the Secretary of State—

(a) that he has either resided in His Majesty's dominions for a period of not less than five years in the manner required by this section, or been in the service of the Crown for not less than five years within the last eight years before the application; and

(b) that he is of good character and has an adequate knowledge of the English language; and

(c) that he intends if his application is granted either to reside in His Majesty's dominions or to enter or continue in the service of the Crown.

(2) The residence required by this section is residence in the United Kingdom for not less than one year immediately preceding the application, and previous residence, either in the United Kingdom or in some other part of His Majesty's dominions, for a period of four years within the last eight years before the application.

(3) The grant of a certificate of naturalisation to any such alien shall be in the absolute discretion of the Secretary of State, and he may, with or without assigning any reason, give or withhold the certificate as he thinks most conducive to the public good, and no appeal shall lie from his decision.

(4) A certificate of naturalisation shall not take effect until the applicant has taken the oath of allegiance.

(5) In the case of a woman who was a British subject previously to her marriage to an alien, and whose husband has died or whose marriage has been dissolved, the requirements of this section as to residence shall not apply, and the Secretary of State may in any other special case, if he thinks fit, grant a certificate of naturalisation, although the four years' residence or five years' service has not been within the last eight years before the application.

“ 3. (1) A person to whom a certificate of naturalisation is granted by a Secretary of State shall, subject to the provisions of this Act, be entitled to all

political and other rights, powers, and privileges, and be subject to all obligations, duties, and liabilities, to which a natural-born British subject is entitled or subject, and, as from the date of his naturalisation, have to all intents and purposes the status of a natural-born British subject.

(2) Section 3 of the Act of Settlement (which disqualifies naturalised aliens from holding certain offices) shall have effect as if the words 'naturalised or' were omitted therefrom.

“ 4. The Secretary of State may in his absolute discretion, in such cases as he thinks fit, grant a special certificate of naturalisation to any person with respect to whose nationality as a British subject a doubt exists, and he may specify in the certificate that the grant thereof is made for the purpose of quieting doubts as to the right of the person to be a British subject, and the grant of such a special certificate shall not be deemed to be any admission that the person to whom it was granted was not previously a British subject.

“ 5. (1) Where an alien obtains a certificate of naturalisation, the Secretary of State may, if he thinks fit, on the application of that alien, include in the certificate the name of any child of the alien born before the date of the certificate and being a minor, and that child shall thereupon, if not already a British subject, become a British subject; but any such child may, within one year after attaining his majority, make a declaration of alienage, and shall thereupon cease to be a British subject.

(2) The Secretary of State may, in his absolute discretion in any special case in which he thinks fit, grant a certificate of naturalisation to any minor, although the conditions required by this Act have not been complied with.

(3) Except as provided by this section, a certificate of naturalisation shall not be granted to any person under disability.

“ 6. An alien who has been naturalised before the passing of this Act may apply to the Secretary of State for a certificate of naturalisation under this Act, and the Secretary of State may grant to him a certificate on such terms and conditions as he may think fit.

“ 7. (1) Where it appears to the Secretary of State that a certificate of naturalisation granted by him has been obtained by false representation or fraud, the Secretary of State may by order revoke the certificate, and the order of revocation

shall have effect from such date as the Secretary of State may direct.

(2) Where the Secretary of State revokes a certificate of naturalisation, he may order the certificate to be given up and cancelled, and any person refusing or neglecting to give up this certificate shall be liable on summary conviction to a fine not exceeding one hundred pounds.

" 8. (1) The Government of any British possession shall have the same power to grant a certificate of naturalisation as the Secretary of State has under this Act, and the provisions of this Act as to the grant and revocation of such a certificate shall apply accordingly, with the substitution of the Government of the possession for the Secretary of State, and the possession for the United Kingdom, and also, in a possession where any language is recognised as on an equality with the English language, with the substitution of the English language or that language for the English language:

Provided that in any British possession other than British India and a dominion specified in the first schedule to this Act (i.e., Canada, Australia, New Zealand, South Africa, and Newfoundland) the powers of the Government of the possession under this section shall be exercised by the governor or a person acting under his authority, but shall be subject in each case to the approval of the Secretary of State, and any certificate proposed to be granted shall be submitted to him for his approval.

(2) Any certificate of naturalisation granted under this section shall have the same effect as a certificate of naturalisation granted by the Secretary of State under this Act.

" 9. (1) This part of this Act shall not, nor shall any certificate of naturalisation granted thereunder, have effect within any of the dominions specified in the first schedule to this Act, unless the legislature of that dominion adopts this part of this Act.

(2) Where the legislature of any such dominion has adopted this part of this Act, the Government of the dominion shall have the like powers to make regulations with respect to certificates of naturalisation and to oaths of allegiance as are conferred by this Act on the Secretary of State.

(3) The legislature of any such dominion which adopts this part of this Act may provide how and by what department of the Government the powers conferred by this part of the Act on the

Government of a British possession are to be exercised.

(4) The legislature of any such dominion may at any time rescind the adoption of this part of this Act, provided that no such rescission shall prejudicially affect any legal rights existing at the time of such rescission."

In the case of a woman, she was always presumed to follow the nationality of her husband, taking that which he had at the date of the marriage—just as she took his domicile—and changing the nationality whenever he changed his. Infant children were in the same position, that is, the nationality as well as the domicile of the father decided the nationality and the domicile of all the children under age. Some change was made in the law by the Act of 1914, and the national status of married women and infant children is thus dealt with:—

" 10. The wife of a British subject shall be deemed to be a British subject, and the wife of an alien shall be deemed to be an alien: Provided that where a man ceases during the continuance of his marriage to be a British subject it shall be lawful for his wife to make a declaration that she desires to retain British nationality, and thereupon she shall be deemed to remain a British subject.

" 11. A woman who, having been a British subject, has by, or in consequence of, her marriage become an alien, shall not, by reason only of the death of her husband, or the dissolution of her marriage, cease to be an alien, and a woman who, having been an alien, has by, or in consequence of, her marriage become a British subject, shall not, by reason only of the death of her husband or the dissolution of her marriage, cease to be a British subject.

" 12. (1) Where a person being a British subject, ceases to be a British subject, whether by declaration of alienage or otherwise, every child of that person, being a minor, shall thereupon cease to be a British subject, unless such child on that person ceasing to be a British subject, does not become by the law of any other country naturalised in that country: Provided that, where a widow who is a British subject marries an alien, any child of hers by her former husband shall not, by reason only of her marriage, cease to be a British subject, whether he is residing outside His Majesty's dominions or not.

(2) Any child who has so ceased to be a British subject may, within one year

after attaining his majority, make a declaration that he wishes to resume British nationality, and shall thereupon again become a British subject."

By the Act of 1914 provision is also made as to loss of nationality by a British subject. The following sections deal with the point:—

"13. A British subject who, when in any foreign state and not under disability, by obtaining a certificate of naturalisation, or by any other voluntary and formal act, becomes naturalised therein, shall thenceforth be deemed to have ceased to be a British subject.

"14. (1) Any person who by reason of his having been born within His Majesty's dominions and allegiance or on board a British ship is a natural-born British subject, but who at his birth or during his minority became under the law of any foreign state a subject also of that state, and is still such a subject, may, if of full age and not under disability, make a declaration of alienage, and on making the declaration shall cease to be a British subject.

(2) Any person who though born out of His Majesty's dominions, is a natural-born British subject, may, if of full age and not under disability, make a declaration of alienage, and on making the declaration shall cease to be a British subject.

"15. Where His Majesty has entered into a convention with any foreign state to the effect that the subjects or citizens of that state to whom certificates of naturalisation have been granted may divest themselves of their status as such subjects, it shall be lawful for His Majesty, by Order in Council, to declare that the convention has been entered into by His Majesty; and from and after the date of the order any person having been originally a subject or citizen of the state therein referred to, who has been naturalised as a British subject, may, within the limits of time provided in the convention, make a declaration of alienage, and on his making the declaration he shall be regarded as an alien and as a subject of the state to which he originally belonged as aforesaid.

"16. Where any British subject ceases to be a British subject, he shall not thereby be discharged from any obligation, duty, or liability in respect of any act done before he ceased to be a British subject."

As before stated, the rules here given as to naturalisation apply to the United

Kingdom alone, and the defects exhibited during the Great War will no doubt cause a speedy alteration in various particulars, especially as it has been made clear that a German can, by his law, become naturalised in another country without losing all the privileges which would attach to him in his own country if he had not altered his status.

As the law stands at present, an alien who is naturalised becomes entitled to all the privileges of a natural-born British subject. He is eligible for any public office. He can be made a Privy Councillor. But the British Government declines to afford protection to a naturalised person who, on returning to his former country, is subjected to any difficulties or penalties to which he was liable in his native land prior to his naturalisation.

An alien who is naturalised in a British Dominion does not thereby become a naturalised subject in the United Kingdom as a matter of course. He may still be an alien here in spite of his naturalisation.

NAUTICAL ASSESSORS. (Fr. *Assesleurs nautiques, taxateurs marins*, Ger. *nautische Assessoren, Schätzer, Taxatoren*, Sp. *Tasadores náuticos*, It. *Tassatori nautici*.)

These are the members of Trinity House (*q.v.*), who sometimes sit with the judges exercising Admiralty jurisdiction to assist them upon Admiralty matters.

NAVY BILLS. (Fr. *Billets maritimes*, Ger. *Marinenoten*, Sp. *Vales de marina*, It. *Effetti della marina, cambiali della marina*.)

There are two kinds of these bills—one issued by the Admiralty in payment of stores for ships and dockyards, and the other drawn at short date by officers in the navy on the Accountant-General for pay due to them. These latter bills are readily purchased at foreign stations as convenient remittances on London.

NECESSARIES. (See *Contract and Infant*.)

NEGOTIABLE DOCUMENTS or INSTRUMENTS. (Fr. *Documents négociables*, Ger. *verkäufliche Dokumente*, Sp. *Documentos negociables*, It. *Documenti girabili, documenti negoziabili*.)

and
NEGOTIABLE PAPER. (Fr. *Papier négociable*, Ger. *übertragbare Papiere*, Sp. *Papel negociable*, It. *Effetti o carte girabili o negoziabili*.)

These are the documents, instruments, or paper which, on being transferred *bonâ fide* from one person to another, convey to the transferee a legal right to the property named therein, free from

the claims of any other person whatsoever. The most familiar examples are coin of the realm, bills of exchange, and promissory notes. To these may be added Government bonds, dock warrants, foreign Government bonds, and all instruments to which by the law merchant or by statute the character of negotiability attaches. It was thought until recently that the list of negotiable instruments was fixed, but it has been decided that where a mercantile usage has been proved to treat as negotiable such instruments as the debentures of an English company, the court will give effect to the usage, even though it is of recent origin only.

Negotiability must be distinguished from assignment. Thus, a bill of lading is assigned by indorsement, and the indorsee can sue upon the document, but it is not a negotiable instrument.

NET or NETT. (Fr. *Net (produit)*, Ger. *Nettobetrag*, Sp. *Neto producto*, It. *Netto, esatto*.)

This word may mean:—

(1) The amount of any charge or cost after all deductions have been made.

(2) The actual amount when no deductions of any kind are allowed.

NET or NETT WEIGHT. (Fr. *Poids net*, Ger. *Netto- or Reingewicht*, Sp. *Neto peso*, It. *Peso netto*.)

This is the actual weight of goods themselves without reckoning the package in which they are enclosed, and after allowances have been deducted for waste, turn of the scale, etc.

NISI PRIUS. (Fr. *Nisi prius*, Ger. *Nisi prius, Grafschaftsgericht*, Sp. *Nisi prius*, It. *Nisi prius*.)

This name is usually given in England to the sittings of the courts in the first instance in civil cases. The phrase is derived from the first two words of the old Latin writ, which summoned the parties to appear at Westminster, "unless before" the appointed day the judges should come into the county.

NO FUNDS. (Fr. *Pas d'encaisse*, Ger. *kein Guthaben*, Sp. *No tiene fondos*, It. *Senza fondi*.)

This is a term which is sometimes put upon cheques by bankers when cheques have been paid into a bank for collection, but are returned by them to the senders as the parties giving the cheques have no funds to meet them.

NOMINAL. (Fr. *Nominal*, Ger. *nominal-, nenn-*, Sp. *Nominal*, It. *Nominale*.)

This word means "in name only." It is used in various combinations, as nominal accounts, nominal capital,

nominal consideration, nominal damages, nominal exchange, nominal partner, and nominal value.

NOMINAL PARTNER. (Fr. *Associé fictif*, Ger. *Nominalteilhaber*, Sp. *Socio nominal*, It. *Socio nominale, testa di legno*.)

A nominal partner is a person who has no real interest in a business carried on under, or styled with his name, but who allows his name to be used in connection with it. If he holds himself out as apparently having an interest in the business he is liable for the debts as though he were a partner. A person often continues as a nominal partner in a business after he has retired from it, when it is thought that a change of name might damage the reputation which the business previously enjoyed.

By the Limited Partnerships Act, 1907, it is possible for a person who occupies the position of a nominal partner to limit his liability under certain conditions. (See *Partnerships*.)

NOMINAL PRICE. (Fr. *Prix fictif*, Ger. *Nominalpreis*, Sp. *Precio nominal*, It. *Prezzo nominale*.)

The nominal price is the price given as the nearest market value of goods and securities which are but little dealt in, it being understood that the price exists in name only, and that business may or may not be done at it.

NOMINEE. This word means either—

(1) (Fr. *Personne dénommée*, Ger. *Empfänger einer Leibrente*, Sp. *Persona nombrada*, It. *Persona nominata*.)

One on whose life an annuity or a lease depends.

(2) (Fr. *Nominataire*, Ger. *Übernehmer*, Sp. *Nominatario, nombrado*, It. *Eletto, nominatario*.)

One who is named, and put forward in any transaction instead of the real person who is interested.

NON-SUIT. (Fr. *Désistement, Ordonnance de non-lieu*, Ger. *Zurückweisung*, Sp. *Deserción de causa*, It. *Ordine di non luogo a procedere*.)

The withdrawal of a suit at law, either voluntarily or by the judgment of the court, is called a non-suit.

NOTARY PUBLIC. (Fr. *Notaire*, Ger. *öffentlicher Notar*, Sp. *Notario público*, It. *Notaro*.)

This is an officer who certifies deeds and other documents. The name "notary" originated in Rome, where the Latin name given to a writer was *notarius*.

The duties of a notary include

(1) The attestation, copying, and

translation of documents, so as to render them valid when sent abroad.

(2) The presentation of dishonoured bills of exchange, and noting their non-acceptance or non-payment, and afterwards protesting them if required.

NOTE-BOOK. (Fr. *Carnet*, Ger. *Notizbuch*, Sp. *Agenda*, *libro de notas*, It. *Libro di appunti o note, taccuino*.)

This is a book in which orders or memoranda are written.

NOTE OF HAND. (Fr. *Promesse*, *billet*, Ger. *Handschuldschein*, Sp. *Pagaré*, It. *Vaglia cambiario*.)

This is a common name for a promissory note.

NOTING A BILL. (Fr. *Noter*, *protester*, Ger. *notieren*, *protestieren*, Sp. *Notificación*, *protesto*, It. *Appuntare una cambiale nel protocollo notarile*.)

This is the recording on the face of a bill of exchange, by a notary public, the fact of a refusal of acceptance or payment as a ground of protest. When a bill of exchange has been presented for acceptance or payment, and returned unaccepted or unpaid, the holder applies to a notary public, who presents the bill a second time; and if it is not then accepted or paid, he notes the facts of the case upon the bill and upon a slip of paper, which he attaches to the bill.

NOT NEGOTIABLE. (Fr. *Innégociable*, Ger. *nicht übertragbar*, Sp. *No negociable*, It. *Non girabile, non negoziabile*.)

These words are very frequently written across the face of a cheque, and the effect of them is to limit the rights of a holder, even though he is a holder in due course. They destroy the negotiable character of the instrument. But they in no way prohibit the transfer of the document. It may pass from hand to hand just as freely as though the words were not there; but if it happens that the transferor had any defect of title, the transferee takes it subject to the same defect. Amongst negotiable instruments it is only crossed cheques which can be treated in this manner. The marking of postal orders as "not negotiable" is only a matter of caution to the public.

NOVATION. (Fr. *Novation*, Ger. *Neuerung*, Sp. *Novación*, It. *Novazione*.)

Novation in law means the substitution of a new party to a contract in place of the original one. A creditor can always assign his rights to another person, subject to the equities, but a new debtor cannot take the place of the former without the consent of the two

original parties and the substitute. The assent of the creditor may be express or implied, but by the Life Assurance Companies Act, 1872, it is provided that where a company has transferred its interest or been amalgamated with another company, the fact that a policyholder has paid premiums to the new company shall not be deemed to be an abandonment of his rights against the old company. The abandonment of the right against the old company and the acceptance of the liability of the new one must be signified in writing, signed by the holder of the policy, or by his agent.

NUDUM PACTUM. This is a Latin phrase, meaning an agreement made without any consideration. Such an agreement, unless under seal, gives no right of action.

NURSE AN ACCOUNT. (Fr. *Retenir par devers soi*, Ger. *ein Konto zurückhalten*, Sp. *Hacer un préstamo en valores sin mercado*, It. *Tenere un conto in sospeso*.)

Sometimes a banker makes an advance upon an unmarketable or other security, and afterwards finds that if the loan were called up the party would be unable to pay, and the bank sustain a loss. Instead, therefore, of realising the security at once, at the best price it will fetch, the banker locks it up, hoping, eventually, to sell at a profit, or that the borrower will be able to redeem his pledge, and pay the interest upon it. This is called "nursing an account."

O. This letter is used in the following abbreviations:—

°, Degree.

O/a., On account.

O/d., On demand.

% , Per cent.

‰ , Per mille—per thousand.

O.S., Old Style.

OBLIGATIONS. (Fr. *Obligations*, Ger. *Obligationen*, Sp. *Obligaciones*, It. *Obbligazioni*.)

Obligations are acts which bind persons to the performance of specific things. The name is often given to the bonds or shares of foreign railway companies.

OBSCURATION. (Fr. *Différence de degrés alcooliques*, Ger. *verborgener Alkoholgehalt*, Sp. *diferencia de la fuerza del licor*, It. *Differenza del grado alcoolico*.)

This is defined by the Customs as "the amount of proof spirit hidden, or 'obscured,' by matter in solution in the spirituous liquor; in other words, the difference between the true or actual

strength and that indicated by the hydrometer."

OCTAVO. (Fr. *In-octavo*, Ger. *Oktavformat*, Sp. *Octante*, It. *Ottavo*, *formato in ottavo*.)

This is a book, or sheet of a book, having eight leaves to the sheet. The word is generally contracted into 8vo.

OCTROI. This word has two meanings:—

1. (Fr. *Octroi*, Ger. *Handelsprivilegium*, Sp. *Octroi*, It. *Concessione di diritti esclusivi di commercio*.)

A grant of exclusive trading rights.

2. (Fr. *Octroi*, Ger. *Accise*, Sp. *Consumos*, It. *Dazio di consumo*.)

A tax levied at the gates of a city on articles brought into the city.

OFFER. (See *Contract*.)

OFFICIAL LIST. (Fr. *Liste officielle*, Ger. *offizielle Liste*, Sp. *Lista oficial*, It. *Listino ufficiale*.)

This is the list of prices and dealings in stocks and shares issued under the authority of the Stock Exchange Committee.

OFFICIAL RECEIVER. (Fr. *Syndic*, Ger. *öffentlicher Massenverwalter*, Sp. *Sindico de una quiebra*, It. *Curatore del fallimento*.)

This is the officer appointed by the Board of Trade under the Bankruptcy Act, 1914, to perform certain duties in the bankruptcy of any person, and especially to take charge of the debtor's estate as soon as a receiving order has been made against him. To these duties have been added many corresponding ones in the winding-up of companies.

For the purposes of the administration of the Bankruptcy Act the country has been divided into districts, with an official receiver for each.

1. *Bankruptcy*.—The duties of the official receiver are concerned both with the conduct of the debtor and also with his estate. And the general supervision which he exercises as to each continues even after the trustee in bankruptcy has been appointed. As to conduct, the official receiver is required:—

(a) To furnish the debtor, against whom a receiving order has been made, with a copy of instructions and all the necessary forms for the preparation of his statement of accounts;

(b) To investigate the circumstances of the case and to report to the court whether there is reason to believe that the debtor has been guilty of any misdemeanour under the Bankruptcy Act;

(c) To make another report as to the

conduct of the debtor during the bankruptcy proceedings, upon which the court will act when an application is made for discharge, or for the approval of a composition or scheme;

(d) To take part in the public examination of the debtor, as authorised by the Board of Trade, either personally or by means of a solicitor or counsel;

(e) To take such part in the prosecution of fraudulent debtors as the Board of Trade may direct.

With respect to the property of the debtor, the official receiver's duties are—

(a) To act as receiver of the same until a trustee is appointed; and also as manager, where a special manager is not appointed;

(b) To act as trustee during any vacancy in the office, and in the case of small bankruptcies to act as trustee throughout;

(c) To authorise any special manager to raise money or make advances for the purposes of the estate where it appears beneficial to do so;

(d) To summon and preside over the first meeting of creditors, and to acquaint the creditors with any proposed scheme on the part of the debtor for liquidating his affairs.

(e) To advertise all the proceedings that are required to be so done by statute.

(f) To render full accounts of all matters in connection with the estate to the Board of Trade.

The official receiver has all the powers of a trustee in bankruptcy, whenever he is acting in that capacity. He can, if any of the creditors desire it, give instructions that the business of the debtor shall be continued, and appoint a special manager for that purpose. Also if any of the property consists of perishable goods, he can dispose of them on the best terms obtainable, whilst with respect to other property he is not liable for incurring any ordinary expense in the preservation of it. He has full power to administer oaths for the purpose of affidavits, verifying proofs and petitions, and for all other proceedings under the Bankruptcy Act.

2. *Company Winding-up*.—When an order is made by the court for the winding-up of a joint-stock company, the official receiver acts as liquidator until another person is appointed to act, just as in bankruptcy he acts as trustee until a trustee in bankruptcy is appointed. He is likewise the person to act during any vacancy in the office.

His first duty on the winding-up order being made is to obtain a statement of the affairs of the company from the officials of the company, and for this purpose special forms are supplied, as in bankruptcy. This statement of affairs should be prepared as early as possible, and a summary of it forwarded to each contributory and each creditor before the holding of the first meeting.

The second duty of the official receiver is to prepare a report as to the company, setting forth the amount of the capital, whether issued, subscribed, or paid up, the estimated assets and liabilities, the cause of the failure of the company (if it is insolvent), and the desirability of inquiry being made into the circumstances connected with its promotion, formation, and failure. If there are any grounds for suspecting any fraud committed by any person in connection with the company, the official receiver may issue a further report, and the court may, upon such report, order any promoter, director, or other official to be publicly examined as to the same. The official receiver must take part in this public examination either personally or, with the permission of the Board of Trade, through the medium of a solicitor and counsel.

The official receiver summons the first meetings of the creditors and contributories, and acts as chairman in each case. And so long as he acts as liquidator he has all the powers given to that official with respect to the conduct of the liquidation, that is, he must do what is best for both the creditors and the contributories in dealing with the estate, realising at once where it is necessary to do so, and preserving, even at the cost of the estate, what is likely to prove of benefit at a later period. (See *Liquidator*.)

OLD AGE PENSIONS ACTS. Under the Old Age Pensions Acts of 1908 and 1911, pensions are payable by the State to every person of the age of 70 or upwards, provided that (1) his or her income does not exceed £31 10s. per annum; (2) he or she is a British subject, natural born or naturalised for at least twenty years, and (3) has resided for the twelve years preceding the date of claiming the pension within the United Kingdom.

The ordinary scale of pension is 5s. per week (increased in 1917 to 7s. 6d.), but the following rates are payable if the would-be pensioner has any "means," which is to be taken to signify any advan-

tage accruing or likely to accrue in the succeeding year:—

If means not above £21 a year, 5s.

If above £21 but not exceeding £23 12s. 6d., 4s.

If above £23 12s. 6d. but not exceeding £26 5s., 3s.

If above £26 5s. but not exceeding £28 17s. 6d., 2s.

If above £28 17s. 6d. but not exceeding £31 10s., 1s.

In the case of a husband and wife living together, the means of either are to be taken as one-half of their total means.

A widow is entitled to a pension if she fulfils the ordinary requirements, and if she has been married to an alien—by which, of course, her nationality becomes changed to that of her husband—she is still eligible in the same manner as a British widow. A British-born woman is also eligible if she has been deserted by her husband, British or other, for a period of two years.

OMNIUM. (Fr. *Omnium*, Ger. *General-schuldverschreibung*, *Gesamtsumme an Obligationen*, Sp. *Omnium*, It. *Omnium*, *aggregato di valori o capitali*.)

This Stock Exchange term signifies the aggregate value of the different stocks upon which a loan is founded.

ON DEMAND. (Fr. *Sur demande*, à *présentation*, Ger. *bei Sicht*, Sp. *A presentación*, à *vista*, It. *A vista o a presentazione*.)

This phrase is inserted in bills of exchange when they are payable upon presentation. Such bills need no acceptance.

ON PASSAGE. (Fr. *En destination*, Ger. *unterwegs*, Sp. *en viaje*, It. *A destinazione*, *in viaggio*, *nella traversata*.)

This term is applied to the cargo of a vessel when it is on its voyage, but has not yet reached its destination.

ON THE BERTH. (Fr. *Mouillé*, Ger. *auf der Reede*, Sp. *En el cargadero*, It. *All' ancora*, *ancorato*.)

This is an expression for a ship, describing her when she is either loading or discharging, or is ready to receive or to discharge.

ONE MAN COMPANY. (See *Private Company*.)

OPEN ACCOUNT. (Fr. *Compte ouvert*, Ger. *offenes Konto*, *offenstehende Rechnung*, Sp. *Cuenta abierta*, It. *Conto aperto*, *conto corrente*.)

This, in book-keeping, signifies an account which is not settled.

OPEN CHEQUE. (Fr. *Chèque ouvert*, *chèque non-barré*, Ger. *offene Check*, Sp.

Cheque abierto, cheque en blanco, It. Cheque non-sbarrato.)

Every cheque is either an open cheque or a crossed cheque. A crossed cheque cannot be paid except through a banker. An open cheque may be paid over the counter, provided it is regular in form, and indorsed with the name of the payee if made payable to order.

OPEN CREDIT. (Fr. *Crédit ouvert*, Ger. *offener Kredit*, Sp. *Crédito abierto*, It. *Credito in bianco, credito aperto.*)

This is the name given to a letter of credit which contains an unconditional request to pay money to another person.

OPEN POLICY. (Fr. *Police ouverte*, Ger. *offene Police*, Sp. *Póliza abierta*, It. *Polizza aperta.*)

In marine insurance, an open policy is one in which the value of the goods, etc., carried is not fixed, but a certain amount provisionally insured, leaving the declaration of the goods and their value to be named subsequently. If it should be discovered afterwards that the amount insured is insufficient to cover the value of the goods, an additional insurance is effected, and a supplemental policy obtained. But if, on the other hand, the value of the goods is less than the sum insured, there is said to be an "over insurance," and the difference is called "short interest." A declaration of this sum being at once made on the policy entitles the insured to a proportionate return of the premium paid.

OPTIONS. (Fr. *Réponse des primes*, Ger. *Differenzgeschäfte*, Sp. *Opciones*, It. *Opzioni.*)

This is a mode of speculating on the Stock Exchange, where a person pays down so much per cent. (or so much per share), for the option of buying or selling so much stock (or so many shares) at a fixed price on a certain day, thus limiting his liability or possible loss to a fixed amount. The option to buy is termed a "call"; the option to sell a "put"; and the double option to buy or sell a "put and call." The "put of more" means that the seller of a stated amount has the option of selling double the quantity; the "call of more," that the buyer of a stated amount has the option of buying twice the quantity.

Other markets besides the Stock Exchange deal extensively in options, and in all of them the terms "put" and "call" have the same meanings as above. But the "put of more" and the "call of more" are known on some exchanges as an "option to double,"

the former being called the "seller's option to double," and the latter the "buyer's option to double."

ORDER XIV. This is the name given in legal circles to the procedure by which judgment is sought in the High Court in the most expeditious manner. If the writ to an action can be "specially indorsed," that is, if the claim put forward by the plaintiff is one of those included in Order III, rule 6, of the Rules of the High Court, namely, a claim for a debt or a liquidated sum or money payable by the defendant, with or without interest, arising (a) upon a contract, express or implied, e.g., on a bill of exchange, promissory note, or cheque, or other simple contract debt; (b) on a bond or contract under seal for payment of a liquidated sum of money; (c) on a statute where the sum sought to be recovered is a fixed sum of money or in the nature of a debt other than a penalty; (d) on a guarantee, whether under seal or not, where the claim against the principal is in respect of a debt or liquidated demand only; (e) on a trust; (f) in actions for the recovery of land, with or without a claim for rent or mesne profits, by a landlord against a tenant whose term has expired or has been duly determined by notice to quit, or has become liable for forfeiture for non-payment of rent, or against persons claiming under such tenant, the plaintiff may issue a summons for judgment after the defendant has entered an appearance to the writ, when the case will be immediately disposed of or transferred to a special list for speedy trial. Great care is required before resorting to this procedure, as if the plaintiff acts at all improperly he may be mulcted in the costs and the case will be dismissed. The procedure is called Order XIV, because it is taken under that Order of the High Court Rules. There is a somewhat similar process in the county court which is known as procedure by default summons.

ORDINARY STOCK or SHARES. (Fr. *Actions*, Ger. *Kapitalaktien, gewöhnliche Aktien*, Sp. *Valores ordinarios*, It. *Valori ordinari.*)

This name is given to the stock or shares of a joint-stock or other company, which do not confer any special rights or obligations upon the holders of the same. The stock or shares are postponed as to rights to preference stock or shares, and also, in certain cases, to founders' shares, but they have priority over any deferred shares. The particular

preference is determined by the memorandum or articles of association, or by any special circumstances applicable to the company.

ORIGINAL BILL. (Fr. *Billet original*, Ger. *Originalwechsel*, Sp. *Letra original*, It. *Cambiale originale o senza girata*.)

An original bill is one which has been drawn and discounted before any indorsement has been placed upon it. Such bills can never command a good price in the market unless they have been drawn and accepted by houses of the highest repute.

OUNCE. (Fr. *Once*, Ger. *Unze*, Sp. *Onza*, It. *Oncia*.)

This is a denomination of weight, from the Latin, *uncia*, signifying the twelfth part of anything. The ounce in troy weight is the twelfth part of a pound, and contains 480 grains. In avoirdupois weight, the ounce is the sixteenth part of a pound, and contains $437\frac{1}{2}$ grains troy. In apothecaries' weight, the ounce is equal to eight drams. A troy ounce is equal to 31.1035 grammes, and an avoirdupois ounce to 28.3 grammes.

OUT PORT. (Fr. *Port éloigné*, Ger. *Aussenhafen*, Sp. *Puerto exterior*, It. *Porto o punto franco, porto esterno*.)

An out port is one which is situated away from the main Custom House, near London Bridge.

OUTPUT. (Fr. *Rendage, rendement*, Ger. *Angebot, Leistungsfähigkeit*, Sp. *Producción*, It. *Produzione*.)

This trade term is used to signify the deliveries or shipments of a business firm, or the quantity of goods produced, within a certain given time. The value of the output in money is called the "turnover."

OUTSIDE BROKERS. (Fr. *Coulistiers*, Ger. *nicht zugelassene Makler*, Sp. *Agentes de la acera*, It. *Mediatori non autorizzati, coulissiers*.)

Outside brokers are those stockbrokers who are not members of the Stock Exchange.

OVERALL. (Fr. *Surtout, pardessus*, Ger. *überzieher*, Sp. *Sobretudo*, It. *Soprabito*.)

This word refers to packages, and means the extreme measurements of the same.

OVER CAPITALISED. (Fr. *À capital excessif*, Ger. *mit zu grossem Kapital*, Sp. *Demasiado capitalizada*, It. *A capitale eccessivo*.)

A company is said to be over capitalised when the earning capacity of the concern is not large enough to pay interest on the capital.

OVERDRAFT. (Fr. *Dépasser le crédit accordé*, Ger. *Überschreitung des eingeräumten Kredits*, Sp. *Girar en exceso del crédito concedido*, It. *Eccedenza del credito accordato, oltrepassare il credito accordato*.)

An overdraft is the amount of cash which a banker allows his customer to draw out of his banking account in excess of the total moneys paid into the customer's account. This excess is generally secured by the deposit of some kind of security with the banker by the customer.

OVERDUE BILL. (See *Bill of Exchange*.)

OVERHEAD PRICE. (Fr. *Prix moyen*, Ger. *Durchschnittspreis*, Sp. *Precio medio*, It. *Prezzo medio*.)

This is the price which includes all items usually charged as extras over the basis price.

OVER-INSURANCE. (Fr. *Surassurance*, Ger. *Überversicherung*, Sp. *Sobre seguro*, It. *Soprassicurazione, assicurazione supplementare*.) (See *Open Policy*.)

OVER-TONNAGE. (Fr. *Surabondance de vaisseaux*, Ger. *zu viel Schiffsraum*, Sp. *Demasiados buques*, It. *Soprabbondanza di navi*.)

This signifies that there are more vessels available than are required for the freight which is offered.

OVERTRADING. (Fr. *Commerce trop étendu, spéculations*, Ger. *überspekulation*, Sp. *Especulaciones*, It. *Traffico troppo esteso, speculazione oltre il capitale disponibile*.)

This is a trading beyond the capital embarked in a business or company.

P. This letter occurs in the following abbreviations:—

P/A.,	Power of Attorney.
P/C.,	Price Current.
P.c.,	Per Cent.
Pm.,	Premium.
P/N.,	Promissory Note.
P.O.,	Postal Order.
P.O.O.,	Post Office Order.
P.p.,	<i>Per Procurationem</i> .
Pro,	For.
Prox.,	Proximo—next.
P.S.,	Postscript.

PACKAGE. This word is used with two meanings:—

1. (Fr. *Paquet*, Ger. *Paket*, Sp. *Paquete*, It. *Pacco, bollo*.)

A bundle, bale, or any other receptacle for goods.

2. (Fr. *Frais d'emballage*, Ger. *Verpackungskosten*, Sp. *Empaque, gasto de embalar*, It. *Spesa d'imballaggio*.)

The charge made for packing.

PACTION. (Fr. *Pacte*, Ger. *Pakt*, *Vertrag*, Sp. *Pacto*, *contrato*, It. *Contratto*.)

This is another name for a contract or agreement.

PAID UP CAPITAL. (Fr. *Capital versé*, Ger. *eingezahltes Kapital*, Sp. *Capital pagado*, It. *Capitale interamente versato*.)

Paid up capital is the total sum paid on the shares or stock of a company.

PAID UP SHARES. (Fr. *Actions libérées*, Ger. *vollbezahlte Aktien*, Sp. *Acciones liberadas*, It. *Azioni saldate*.)

These are the shares of a company upon which the full nominal value has been paid.

PANIC. (Fr. *Panique*, *terreur-panique*, Ger. *Panik*, *Schrecken*, Sp. *Pánico*, It. *Panico*, *timor panico*.)

A panic is a sudden and violent alarm which occurs when, through want of confidence, the public rushes to realise stocks, shares, and other securities, or when, owing to rumours, a bank is said to be unable to meet its liabilities, and a sudden demand is made by the depositors for the repayment of their deposits.

PAPER CREDIT. (Fr. *Crédit sur effets*, *papier-monnaie*, Ger. *Wechselkredit*, Sp. *Efectos de créditos*, *papel moneda*, It. *Effetti di credito*.)

This is the system of dealing on credit by means of acknowledgments of indebtedness written on paper.

PAPER CURRENCY. (Fr. *Papier-monnaie*, Ger. *Papierwahrung*, Sp. *Papel moneda*, It. *Carta monetata*.)

The paper currency of a country consists of bank notes and similar documents which represent money, but are made a legal tender by some Governments.

PAPER MONEY. (Fr. *Papier-monnaie*, Ger. *Papiergeld*, Sp. *Papel moneda*, It. *Carta monetata*.)

This includes all engagements to pay, issued by banks or Government departments, etc., and circulated in place of coin, such as bank notes, promissory notes, bills of exchange, and money orders.

PAR. (Fr. *Pair*, Ger. *Pari*, Sp. *Par*, It. *Pari*, *alla pari*.)

Par means the nominal value of stocks or shares. Thus, a £5 share, fully paid up, is at par when it will realise £5 in the open market.

PAR OF EXCHANGE. (Fr. *Pair*, Ger. *Parikurs*, Sp. *Par de cambio*, It. *Pari di cambio*.)

The par of exchange between any

two countries means that certain amount of currency of the one which is equal to a certain amount in the currency of the other, supposing the currencies of both to be of the precise weight and purity fixed by their respective mints.

Thus, according to the mint regulations of Great Britain and France, £1 sterling is equal to 25.22 francs, which is said to be the par between London and Paris. The par of exchange between Great Britain and the United States is 4.86, that is, £1 sterling is worth 4 dollars 86 cents; but it is taken at 4 dollars 84 cents according to tariff, a minute deduction being made for mint remedies, and for a moderate amount of wear and tear.

Canada has no gold coinage, but the United States eagle of 10 dollars, and the English sovereign are both legal tender to any amount. The English sovereign exchanges at 4.87 dollars. Silver coins are dollars and cents. The former are legal tender up to 10 dollars, and the latter up to 25 cents.

In Newfoundland the unit of value is the dollar, which is equal to 1.014 of the United States dollar. The actual gold coins in use are 2-dollar pieces. The English sovereign and the United States dollar are full legal tender for 4.8 and .985 dollars respectively. The silver coins are legal tender up to 10 dollars.

In India the unit is the silver rupee, which is equal to 16 annas. The English sovereign passes current at 15 silver rupees. The coins in use are the rupee, the half rupee, the quarter rupee, and the eighth rupee—all of silver. 100,000 rupees is called a lac of rupees.

The rate of exchange between England and France is said to be at par when a bill drawn for £100 in London is worth 2,522 francs in Paris, and conversely when £1 in London will buy more than 25.22 francs, exchange is said to be in favour of London.

The Latin Monetary Union consists of the following countries in which the standard coin, under different names, is equal in value to the French franc—

(1) *Belgium*; (2) *France*; (3) *Greece*; (4) *Italy*; and (5) *Switzerland*.

The countries which have adopted the Latin Monetary System without joining the Union are—

(1) *Finland*; (2) *Roumania*; (3) *Serbia*; (4) *Spain*.

The countries which have assimilated their coinage to that of the Latin Union are—

(1) *Chili*; (2) *Colombia*; (3) *Ecuador*;

(4) *Guatemala*; (5) *Peru*; (6) *Uruguay*; and (7) *Venezuela*.

The Scandinavian Monetary Union includes the Norse countries, *Denmark*, *Norway*, and *Sweden*.

"In *Belgium*, *Bulgaria*, *Greece*, *Italy*, *Roumania*, *Serbia*, *Spain*, and *Switzerland*, the money of account is identical with that of *France*—the franc—the names alone differing.

"Nearly all the South American States issue standard coins corresponding to the peso of *Chili*, which is identical with the 5-franc piece of *France*.

"The principal circulating medium of *Austria-Hungary*, *Russia*, *Argentine Republic*, and *Brazil*, is paper, but, in the first-named country, the paper is in process of being withdrawn and the currency placed on a gold basis, with the crown as a new unit of account.

"In *Russia* the gold imperial is now rated at fifteen instead of ten roubles, and the paper currency is being replaced by silver and bronze.

"The currency of *Japan* is now on a gold basis, silver bearing a ratio to that metal of 1 to 32.348.

"In *British Honduras* the money of account is now the United States gold dollar of 100 cents, subsidiary coins being specially struck for the colony.

"*Ceylon* and *Mauritius* also possess special subsidiary currencies on the basis of the rupee.

"By an order in Council, passed in 1894, a British dollar was authorised to be issued for circulation in the East. It is identical in weight and fineness with the Japanese yen, and has been made legal tender in *Hong Kong*, the *Straits Settlements*, and *Labuan*."

The values given on the next page are the present exchange values. There are always considerable fluctuations, but for general purposes the table may be taken as sufficiently accurate. A good guide to the rate of exchange is given in the quarterly *Post Office Guide*, which shows what must be paid for money orders payable in other countries.

(N.B.—The figures do not take into account the abnormal conditions occasioned by the existence of the Great War.)

PARCEL. (Fr. *Partie*, *envoi*, Ger. *Partie*, *collo*, Sp. *Partida*, *fardo*, It. *Pacco*, *collo*, *partita*, *invio*.)

This is the term applied for each separate shipment of goods.

PARCEL POST. (See *Mail*.)

PARI PASSU. (Fr. *Au pur et à*

mesure, *proportionnellement*, Ger. *verhältnissrüssig*, Sp. *En proporcion*, It. *Proporzionatamente*, *a proporzione*.)

This is a Latin phrase which signifies in equal proportion.

PARQUET. (Fr. *Parquet*, Ger. *Parkett*, Sp. *Parquete*, It. *Parquet*, *recinto*.)

The parquet is composed of the sixty official brokers or Agents de Change on the Paris Bourse. In the centre of the Bourse there is a small enclosure called the "parquet," which is reserved for the official brokers to carry on their business.

PARTIAL LOSS. (Fr. *Perte partielle*, Ger. *teilweiser Verlust*, Sp. *Pérdida parcial*, It. *Perdita parziale*.)

In marine insurance this signifies a loss other than total.

PARTICULAR AVERAGE. (See *Average*, *Particular*.)

PARTNERS. (Fr. *Associés*, Ger. *Teilhaber*, Sp. *Socios*, *asociados*, It. *Soçi*.)

Partners are persons who place money in any private company or business for the purpose of carrying on jointly any trade or business.

Partners are active, sleeping, or nominal. The first take a personal part in the business, the second supply funds but take no personal part, and the third are those who lend their names to the business without having any real interest in it. The liability to third parties is the same in the case of each.

Nominal partners are sometimes known as partners by estoppel. If they have acted so as to lead other people to believe that they have a substantial connection with a business firm, they will not be heard to the contrary in any proceedings taken against them to recover contributions, etc.

By the Limited Partnerships Act, 1907, there is a further division into "general" and "limited" partners. The former correspond to the "active" partners, and the latter to the "sleeping" or "nominal" partners. The advantages of limited liability may be obtained by certain steps being taken which are laid down in the Act. (See *Partnership*.)

PARTNERSHIP. (Fr. *Association*, Ger. *Handelsgesellschaft*, Sp. *Sociedad*, *asociación*, It. *Società*, *associazione*.)

The combination of two or more persons for purposes of trade with a view to profit is called a partnership. A company is also a combination of persons; but there is a great difference between a partnership and a limited liability company. In the former, the individuality of each member is not

PRINCIPAL MONETARY UNITS OF FOREIGN COUNTRIES, WITH THEIR APPROXIMATE VALUES IN ENGLISH MONEY AND THE NUMBER OF COINS RECEIVABLE FOR £1 STERLING AT PAR.

Country.	Money of Account.	Approximate value in English money.		No. of coins receivable for £1 at par.
		s.	d.	
Argentine Republic ..	Peso of 100 centavos	1	9	.. 11.4
Austria-Hungary ..	Krone (new unit) of 100 heller ..	0	10	.. 24
Belgium	Franc of 100 centimes	0	9½	.. 25.22
Bolivia	Boliviano of 100 centavos	2	0	.. 10
Brazil	Milreis (paper)	1	4½	.. 14.5
Bulgaria	Leva of 100 stotinki	0	9½	.. 25.22
Chili	Peso of 100 centavos	0	10	.. 24.
China	Yuan of 100 cents	2	0	.. 10
Colombia	Peso of 100 centavos	4	11½	.. 4
Costa Rica	Colon	1	11	.. 10.43
Denmark	Krone of 100 öre	1	1¼	.. 18.2
Ecuador	Sucré of 100 centavos	2	0	.. 10
Egypt	Pound Egyptian of 100 piastres	20¾	3	.. 0.98
Finland	Markka of 100 penni	0	9½	.. 25.22
France	Franc of 100 centimes	0	9½	.. 25.22
German Empire ..	Reichsmark or mark of 100 pfennige	0	11¾	.. 20.43
Greece	Drachma of 100 leptá	0	9½	.. 25.22
Holland and Java ..	Florin or guilder of 100 cents ..	1	8	.. 12.
India	Rupee of 16 annas	1	4	.. 15.
Italy	Lira of 100 centesimi	0	9½	.. 25.22
Japan	Yen of 100 sen	2	0½	.. 9.76
Liberia	Dollar of U.S.A. is current	4	1¼	.. 4.87
Mexico	Dollar or Peso	2	0	.. 10
Norway	Krone of 100 öre	1	1¼	.. 18.2
Persia	Khnan of 20 shahis	0	4½	.. 50
Peru	Sol	2	1	.. 9.7
Porto Rico	Dollar	4	1¼	.. 4.87
Portugal	Escudo	3	4	.. 6
Roumania	Ley of 100 banis	0	9½	.. 25.22
Russia	Rouble of 100 kopecks	2	1½	.. 9.46
Serbia	Dinar of 100 paras	0	9½	.. 25.22
Spain	Peseta of 100 centimos	0	9½	.. 25.22
Sweden	Krone of 100 öre	1	1¼	.. 18.2
Switzerland	Franc of 100 centimes	0	9½	.. 25.22
Turkey	Pound of 100 piastres	18	0¾	.. 1.11
United States	Dollar of 100 cents	4	1¼	.. 4.87
Venezuela	Bolivar	0	9½	.. 25.22

entirely lost, and a partner cannot, in many cases, escape personal liability for what is done in the name of himself and his co-partners. But in a limited liability company the individuality is lost in the entity established by law.

The combination of persons acting in partnership is generally known as the "firm," and the name under which trading takes place is called the "firm-name." As a man is entitled to trade in his own name, so a combination can trade in the names of all the partners, even though there may be another firm in existence which is known by the same firm-name. The only case in which an injunction can be obtained restraining one firm from using a firm-name

which is being used by another firm is where it is clearly shown that a fraud is being perpetrated or is in contemplation. But no two companies bearing the same title can be registered, except when one company is being wound up and another is being formed for the purpose of carrying on the business.

Since the Companies Act of 1862, no partnership with the object of carrying on business for gain can be established if it consists of more than twenty persons, and in banking businesses the number of partners must not exceed ten. A combination consisting of more than these numbers is illegal, and the contract of partnership is void, unless there has been a registration under the

Act, or unless the partnership is incorporated.

By the Partnership Act of 1890 the substantive law upon the subject has been codified. But the whole law is not to be found within the Act itself, since it is specially provided by the Act that "the rules of equity and common law applicable to partnership shall continue in force except so far as they are inconsistent with the express provisions of this Act."

Who are Partners.—At one time it was assumed that if a person could be shown to be a sharer in the profits of a business, that was enough to constitute him a partner, and to render him liable upon partnership contracts. That doctrine is now destroyed, and the true view is that, although the sharing of profits is strong evidence of the existence of a partnership, it is not conclusive. In particular, the following facts alone do not constitute a beneficiary a partner:—

(a) The receipt by a person of a debt or other liquidated amount by instalments or otherwise out of the accruing profits of a business.

(b) A contract for the remuneration of a servant or agent of a person engaged in a business by a share of the profits of the business.

(c) The receipt by the widow or child of a deceased partner of a portion of the profits made in the business in which the deceased was a partner, by way of annuity.

(d) The receipt of interest varying with the profits, or of a share of the profits of a business by a person who has advanced money by way of loan to a person engaged or about to engage in any business, provided the contract is in writing and signed by, or on behalf of, all the parties thereto.

(e) The receipt of a portion of the profits of a business by way of annuity or otherwise by a person in consideration of the sale of the goodwill of the business.

These exceptions are set out in the Act of 1890; but with respect to (d) and (e), if the borrower in the former case, or the purchaser of the goodwill in the latter, becomes insolvent or compounds with his creditors, the lender or seller is postponed as to his rights until the other creditors have received twenty shillings in the £. If, however, a creditor is secured in any way by a charge or a mortgage, his rights under such charge or mortgage will not be affected.

It is clear, therefore, that participation in the profits of a business is not the

real test of partnership liability. It is certainly strong evidence of the existence of a partnership, but something more must be shown. The best proof of its existence is probably obtained by showing that the trade is carried on by persons acting as the agents of the persons whom it is sought to make liable.

As persons who share in the profits of a business may not be partners, as far as liability to the world at large is concerned, so persons who do not share in the profits may be held to be partners. For instance, a man may act in such a manner that it would be generally supposed that he was connected with the business. This is what is called "holding-out," and by the Act of 1890 it is provided that "Every one who by words spoken or written or by conduct represents himself, or who knowingly suffers himself to be represented, as a partner in a particular firm, is liable as a partner to any one who has on the faith of any such representation given credit to the firm, whether the representation has or has not been made or communicated to the person so giving credit by or with the knowledge of the apparent partner making the representation or suffering it to be made." The law has not prescribed any particular form of "holding-out," and therefore each case must depend upon its own facts. A person so lending his name to a business, without having any real interest in it, is called a "nominal" partner. He is to be distinguished from a "dormant" partner, whose name does not appear to the world, but who shares in the profits.

Formation of Partnership.—Subject to what has already been said, any number of persons may combine to form a partnership. They must have capacity to contract according to the general rules applicable to all contracts. If an infant is a partner, the members of the firm who are not infants are alone liable upon any partnership contract. If one or more of the partners is an alien, the partnership is dissolved as soon as war breaks out between this country and the country to which the alien belongs.

The contract is one of a consensual nature, that is, it is formed by consent alone. No particular formality is required. It may be created orally, or it may be inferred from the conduct of the parties. Such a thing, however, is extremely rare. The general practice

is to have a written agreement or a deed drawn up, which contains all the provisions of the partnership contract. The document is styled the "Articles of Partnership." What it should contain must be decided by the parties themselves. So much must depend upon the amount of capital each party puts into the business, and upon the business capabilities of each of the partners, that no rules can be laid down which will meet every case. Plenty of precedents are to be found in books on practice, and these can be varied according to the wishes of the persons interested. The Articles of Partnership may be varied at any time with the consent of all the parties to them.

When a partnership has been constituted, no new partner can be admitted except with the consent of all the old ones, since a contract cannot be altered against the wishes of any of the original parties to it. In many cases, when a new partner is introduced into the old firm, if the business is a good one and well established, a sum of money is demanded as a price for the introduction. This is called a "premium." It is generally provided that if the partnership comes to an end before the time fixed for its determination, a proportionate part of the premium shall be repaid to the person who has provided it.

It is almost invariably set out in the Articles of Partnership for what period the partnership is to last. Should this period be exceeded, the partnership is called a "partnership at will," and may be terminated at any time. But as long as it lasts the terms of the original partnership agreement are applicable to a partnership at will.

Just as no new partner can be introduced into a firm without the consent of all the existing partners, so no member can be expelled, unless there is an express power of expulsion conferred by the partnership agreement.

Relationship of Partners to one another.—This is generally and very properly provided for by the Articles of Partnership. In its absence the following are the general rules laid down in the Act of 1890:—

(1) All the partners are entitled to share equally in the capital and profits of the business, and must contribute equally towards the losses, whether of capital or otherwise, sustained by the firm.

(2) The firm must indemnify every

partner in respect of payments made and personal liabilities incurred by him,

(a) In the ordinary and proper conduct of the business of the firm; or

(b) In or about anything necessarily done for the preservation of the business or property of the firm.

(3) A partner making, for the purpose of the partnership, any actual payment or advance beyond the amount of capital which he has agreed to subscribe, is entitled to interest at the rate of five per cent. per annum from the date of the payment or advance.

(4) A partner is not entitled, before the profits have been ascertained, to any interest on the capital subscribed by him.

(5) Every partner may take part in the management of the partnership business.

(6) No partner shall be entitled to remuneration for acting in the partnership business.

(7) Any differences arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners, but no change may be made in the nature of the business without the consent of all existing parties.

(8) The partnership books are to be kept at the place of business of the partnership (or at the principal place, if there is more than one), and every partner may, when he thinks fit, have access to and inspect and copy any of them.

(9) Each partner is bound to render true accounts and full information of all things affecting the partnership to any other partner or to his legal representative.

(10) Every partner must account to the firm for any benefit derived by him without the consent of the other parties from any transaction concerning the partnership, and from any use by him of the partnership property, name, or business connection.

(11) If a partner, without the consent of the other partners, carries on any business of the same nature as, and competing with that of, the firm, he must account for and pay over to the firm all profits made by him in that business.

All the property originally brought into the business or subsequently acquired by the firm is partnership property, and must be held and applied for the purposes of the partnership alone. If it consists of land, as between the partners themselves, it is regarded as movable or personal property, and

devolves as personalty on the death of a partner, as far as his share is concerned, to the legal representative, the executor or administrator, of the deceased.

Relationship of Partners to Third Parties.—The Articles of Partnership only regulate the duties of partners as far as they themselves are concerned. Third parties have no right to inspect these articles, as they can and must, at their peril, examine the Articles of Association of a limited liability company. As a result, any act of a partner, which is within the scope of the partnership business, and done in the ordinary course of that business, is binding upon all the other partners, unless the person with whom the partner deals actually knows that the particular act is forbidden. In fact, every partner is an agent for the firm and his other partners for the purposes of the partnership, and all the ordinary rules of agency apply to his acts. His position is that of a general agent.

But for those acts which are outside the scope of the partnership business, the other members of the firm are not liable, unless there is a subsequent ratification. A partner cannot bind his firm by deed unless he is empowered to do so by a power of attorney. He is also unable to bind his firm by a guarantee, or by a submission to arbitration.

If he exceeds his authority and does an act outside the scope of the ordinary partnership business, a partner renders himself personally liable in the same manner as an agent acting in excess of his authority. An example of such an excess of authority would be the acceptance of a bill of exchange by a member of a firm of solicitors, since a transaction of this kind is not within the ordinary scope of the business of a solicitor. In the case of a mercantile firm, a partner has naturally full authority to do such an act.

The agency of a partner may continue, even after a dissolution of the partnership, so far as is necessary to wind up the affairs of the firm.

Liability of Partners.—The liability of a partner for the debts and obligations of the partnership commences at the moment he becomes a member of the firm, but he is in no way liable for debts previously contracted. So long as he remains a member of the firm he is jointly liable with his co-partners for all debts contracted while he is a member of it. His liability ceases, as to all subsequent debts, when he retires. But

this release is subject to the qualification that notice of retirement must be given when the business of the firm is continued. An advertisement in the *Gazette* is a sufficient notice to all those persons who have had no previous dealings with the firm; but to all those who have had dealings express notice, by circular or otherwise, must be given. Since a dormant partner does not appear to the world as a partner, no notice of his retirement is necessary, except to those persons who knew that he was a partner.

An express agreement made between a creditor, the retiring partner and the other members of the firm may discharge the liability of the retiring partner for debts due to that creditor incurred during the partnership, and in certain cases, without any express agreement, but from the conduct of a creditor and the remaining partners, such a discharge will be implied.

When one of the partners dies, and the partnership is thereby dissolved, his private property is liable for the payment of the partnership debts, so far as they are unpaid, subject to the prior payment of his private debts. But the private creditors of the deceased partner must first be paid in full before any claim can be made by the creditors of the firm.

The liability of partners may be considerably altered through the Limited Partnerships Act, 1907. A limited partnership must not consist, in the case of a partnership carrying on the business of banking, of more than ten persons, or, in the case of any other partnership, of more than twenty persons, and must have one or more persons called general partners, who shall be liable for all the debts and obligations of the firm, and one or more persons to be called limited partners, who shall at the time of entering into such partnership contribute thereto a sum or sums as capital or property valued at a stated amount, and who shall not be liable for the debts or obligations of the firm beyond the amount so contributed. A limited partner cannot, during the existence of the partnership, draw out or receive back any part of his contribution, and he must not in any way interfere with the working of the business. The limited partnership must be registered, and the register must be regularly kept up to date, so that the public may be as fully acquainted with the facts concerning a limited partnership as with a joint-stock company. For full particulars

the Act must be consulted, and it can be purchased at an extremely small cost.

Owing to the new statutory regulations as to "private" companies, it is doubtful whether limited partnerships will become common.

Dissolution.—If there are Articles of Partnership, some clause or clauses in them will have reference to the termination of the partnership. Subject to any such terms, however, a partnership is dissolved,

(1) If entered into for a fixed time, by the expiration of that term.

(2) If entered into for a single adventure or undertaking, by the termination of that adventure or undertaking.

(3) If entered into for an undefined time, by any partner giving notice to the other or others of his intention to dissolve the partnership, or by the mutual consent of all the partners.

(4) By the death or bankruptcy of any partner.

(5) By a partner suffering his share of the partnership property to be charged under the Partnership Act for his separate debt. This is only a cause for dissolution at the option of the other partners.

Irrespective of the terms of any agreement, a partnership will be dissolved upon the happening of any event which makes it unlawful for the business of the firm to be carried on, or for the members of the firm to carry it on in partnership.

Sometimes the court will decree a dissolution of the partnership. The power is entirely discretionary, but, as a rule, a dissolution will be decreed,

(a) When a partner becomes a lunatic, or incapable of performing his part of the partnership contract.

(b) When a partner has been guilty of conduct prejudicially affecting the carrying on of the business of the firm.

(c) When a partner is guilty of wilful misconduct.

(d) When the business can only be carried on at a loss.

(e) When circumstances have arisen which render it just and equitable that there should be a dissolution.

After Dissolution.—In the absence of any special arrangements, on the dissolution of a partnership the whole of the partnership property is converted into money, and the money is disposed of as follows:—

(1) The debts and liabilities of the firm must be paid.

(2) If money has been advanced by

any of the partners, beyond the amount of his share of the capital, the advances must be repaid.

(3) After the above claims have been satisfied, each partner is entitled to receive the share of his capital which is due to him.

(4) Any residue is divided among the partners according as they are entitled to share in the profits of the business. (See *Goodwill.*)

PART OWNERS. (Fr. *Propriétaires partiels*, Ger. *teilweise Eigner*, Sp. *Proprietarios parciales*, It. *Proprietari parziali.*)

The several shareholders in a ship are generally known by this name.

PAR VALUE. (Fr. *Pair*, Ger. *Nennwert*, Sp. *Par*, It. *Pari.*)

This means the face value of securities.

PASS-BOOKS. (Fr. *Carnets de banque*, Ger. *Kontobuch*, Sp. *Libros bancarios*, It. *Libretti di conto corrente.*)

These are books which pass between a trader and his customers, in which credit purchases or deposits are entered. They are also given by bankers to their customers. They show the amounts paid in by the customer, and the amounts paid out by the bank on his behalf on the cheques he has drawn. It is usual for the pass-book to be made up monthly, when the paid and cancelled cheques are returned with the book to the customer.

In an old case it was necessary for a report to be made to the court as to the nature of the pass-book, and the custom of bankers concerning it. As the existing law is concisely stated in that case, it is reproduced here:—

"A book called a passage-book is opened by the bankers, and delivered by them to the customer, in which at the head of the first folio, and there only, the bankers, by the name of their firm, are described as the debtors, and the customer as the creditor in the account, and on the debtor side are entered all sums paid to or received by the bankers on account of the customer, and on the creditor side all sums paid by them to him or on his account. And the entries being summed up at the bottom of each page, the amount of each, or the balance between them, is carried over to the next folio, without further mention of the names of the parties until, from the passage-book being full, it becomes necessary to open and deliver out to the customer a new book of the same kind. For the purpose of having the passage-book made up by the bankers from their own books of account, the customer

returns it to them from time to time as he thinks fit, and the proper entries being made by them up to the day in which it is left for that purpose, they deliver it again to the customer, who thereupon examines it; and if there appears any error or omission, brings or sends it back to be rectified; or, if not, his silence is regarded as an admission that the entries contained in it are correct; but no other settlement, statement, or delivery of accounts, or any other transaction which can be regarded as the closing of an old or opening of a new account, or as varying, renewing, or confirming (in respect of the persons of the parties mutually dealing) the credit given on either side, takes place in the ordinary course of business, unless when the name or firm of one of the parties is altered, and a new account thereupon opened in the new name or firm.

"The course of business is the same between such bankers and their customers resident at a distance from the metropolis, except that, to avoid the inconvenience of sending in and returning the passage-book, accounts are from time to time made out by the bankers, and transmitted to the customer in the country when required by him, containing the same entries as are made in the passage-book, but with the names of the parties, debtor and creditor, at the head, and with the balance struck at the foot of each account; on receipt of which accounts the customer, if there appears to be any error or omission, points out the same, by letter, to the bankers; but if not, his silence, after the receipt of the account, is in like manner regarded as an admission of the truth of the account, and no other adjustment, statement or allowance thereof usually takes place."

The entries in a pass-book are *primâ facie* binding on the banker, but he is not precluded from showing that such entries were made by mistake, unless a customer has acted on the faith of such entry.

It may happen that circumstances will arise in which the pass-book would not of itself be sufficient to satisfy a court of law as to certain transactions between a banker and his customer. To prevent the inconvenience of producing the books of a bank in court, an Act was passed in 1879, called the Bankers' Books Evidence Act, by which a copy of any entry made in the books will be received as *primâ facie* evidence of such an entry. The copy must be

duly sworn. But although admissible as evidence of an entry, neither the copy nor the book itself is conclusive proof of the correctness of the entry. Any party to an action may obtain an inspection of a banker's books by an order of the court, if it is clear that such inspection is necessary for the purpose of the action. It is usual to serve the notice of the order upon the banker three clear days before the inspection is to be made. If the banker fails to comply with the order he will be liable for costs and expenses incurred through his default or delay.

PASSING A NAME. (Fr. *Faire l'appel des noms des acheteurs*, Ger. *Angabe des Namens*, Sp. *Mencionar los nombres*, It. *Far l'appello dei compratori*.)

On the Stock Exchange this signifies giving the name of the actual purchaser at the settlement.

PASSIVE BONDS. (Fr. *Bons de la dette passive*, Ger. *Passivobligationen*, Sp. *Bonos de la deuda pasiva*, It. *Obbligazioni passive*.)

These are bonds which do not bear any interest, but which entitle the holder to some future benefit or claim upon them.

PASSPORT. (Fr. *Passe-port*, Ger. *Pass*, Sp. *Pasaporte*, It. *Passaporto*.)

A passport is an official document which gives to a person the right to enter or to leave a country.

Passports are granted by the Foreign Office only to natural born British subjects, or to persons naturalised either in the United Kingdom or in the British dominions. By a recent order no passport is available beyond five years from the date of issue. A fresh passport must then be obtained.

Applications for passports must be made in writing and addressed to the Passport Department, Foreign Office, London. The charge is 2s., whatever number of people may be named in it. If the applicant resides in the provinces, and if it is desired that the passport be sent by post, a postal order for 2s. must accompany the application.

Passports are granted to all persons, either known to the Secretary of State, or recommended to him by some person who is known to him, or upon the application of any banking firm established in London or in any part of the United Kingdom, or upon the production of a certificate of identity signed by any mayor, magistrate, minister of religion, justice of the peace, physician, surgeon, solicitor, or notary public residing in the United Kingdom.

The bearer of a passport granted by the Foreign Office should sign his passport as soon as he receives it. Without such signature the validity of the passport may be questioned abroad. Travelers who may have an intention of visiting the Russian Empire, the Turkish Dominions or the Kingdom of Roumania at any time in the course of their travels, must not quit England without having their passports indorsed at the Russian Consulate in London, 17, Great Winchester Street, E.C.; at the Consulate-General of the Sublime Porte, 7, Union Court, Old Broad Street, E.C., and at the Roumanian Consulate-General, 37, Old Jewry, E.C., respectively. Travelers about to proceed to any other country need not obtain the indorsement of the diplomatic or consular agents of such country resident in the United Kingdom, except as an additional precaution, which is recommended in the case of passports of old date. A passport must bear a stamp of the value of sixpence.

Although British subjects are now free to enter Belgium, France, Holland, Italy, Denmark, Sweden, and Norway without passports, and the rules about passports have been virtually relaxed in other countries, nevertheless, British subjects about to visit the Continent are recommended not to omit to provide themselves with passports, for even in those countries where they are no longer obligatory, they are found to be convenient, as offering a ready means of identification, and more particularly when letters have to be claimed at a *poste restante*.

Diplomatic and consular officers issue passports to British subjects abroad. The passport stamp duty is 6d.

It is almost superfluous to mention that there have been and still are many difficulties connected with the granting of passports owing to the Great War of 1914. The statement in the text, therefore, has reference to normal times and not to a period of war.

PATENT. (Fr. *Brevet*, Ger. *Patent*, Sp. *Patente*, It. *Patente*.)

A patent is a species of incorporeal property granted by the Crown to the author or authors of a new invention, by which the profits of the same are secured for a limited period. It is so called because the grant is contained in a charter, or "letters patent," that is, open letters (*literae patentes*), of which Blackstone says: "They are not sealed up, but exposed to open view, with the

great seal pendent at the bottom, and are usually directed or addressed by the King to all his subjects at large."

The law as to patents was contained in a number of statutes beginning with that of 1883. These have been repealed, and the whole of the law is contained in the Patent Act of 1907. The changes made, however, are not great, except in so far as practice is concerned, and also as restricting foreigners claiming patents in Great Britain without working them in this country.

The effect of the grant is confined to the United Kingdom and the Isle of Man.

Patents are survivals of the ancient monopolies. After the Statute of Monopolies, 1623, the Crown could not grant any trading monopoly, but an exception was made in favour of grants of privilege, for a certain number of years, "of the sole working or making of any manner of new manufactures within this realm, to the true and first inventor or inventors of such manufactures, which others, at the time of making of such letters patent and grants, shall not use; so as also they be not contrary to the law, nor mischievous to the State by raising prices of commodities at home, or hurt of trade or generally inconvenient."

The invention or discovery, in order that it may be the subject matter of a valid patent, must be a manufacture, and of some utility. There can be no patent in a mere principle or idea. Moreover, it must be a new invention within the realm.

It must be borne in mind that an invention is different from a discovery. A discovery is not subject matter for a patent unless it is an addition not only to knowledge, but to known inventions, and produces either a new and useful thing or result, or a new and useful mode of producing an old thing or result.

As to utility, the headnote to a case decided a few years ago shortly states the law upon the subject: "A very small amount of utility is sufficient to support a patent. Utility, in patent law, does not mean abstract, or comparative, or competitive, or commercial utility; but as applied to an invention, it means that the invention is better than the preceding knowledge of the trade as to a particular fabric, better, that is, in some respects, though not necessarily in every respect. For instance, an invention is useful by which an article good, though not so good as one previously known, can be produced

more cheaply by a different process. And an invention is useful when the public are thereby enabled to do something which they could not do before, or to do in a more advantageous manner something which they could do before—or, in other words, an invention is patentable which offers the public a useful choice.”

An application for a patent may be made by any person who claims to be the true and first inventor of an invention, whether he is a British subject or not, and whether alone or jointly with any other person. The application must be made in the prescribed form, and must be left at, or sent by post to, the patent office in the prescribed manner. The application must contain a declaration to the effect that the applicant is in possession of an invention whereof he, or, in the case of a joint application, one at least of the applicants claims to be the true and first inventor, and for which he desires to obtain a patent, and must be accompanied by either a provisional or complete specification.

The provisional specification must describe the nature of the invention, and the complete specification must describe and ascertain the nature of the invention and the manner in which the same is to be performed. The comptroller may require drawings, samples, specimens, etc., to be deposited with the complete specification, so that a thorough investigation may be made. The comptroller refers the application to an examiner, who reports upon the whole matter. The comptroller then may accept or refuse the application, or may require the applicant to produce further particulars. There is a right of appeal to the law officer against the decision of the comptroller.

Where an application for a patent in respect of an invention has been accepted, the invention may, during the period between the date of the application and the date of sealing such patent, be used and published without prejudice to the patent to be granted for the invention; and such protection from the consequences of use and publication is called provisional protection. Also the rights of an inventor are not affected by the exhibition of his invention at an industrial or international exhibition prior to his application for a patent, upon his giving notice to the comptroller of his intention to do so, provided that the application itself is not delayed beyond six months from the date of the opening of the exhibition.

When a provisional specification only is lodged at the time of applying for a patent, the complete specification must follow within six months. This period may be extended to seven months upon payment of a prescribed fee, but not longer.

The lodgment of a provisional specification is a great boon to the intending patentee. Within the period of six months—or seven months as stated above—allowed for further consideration, he may discover that his supposed invention is not new, or that it is capable of further improvement, and in any case he will save himself from any expense, beyond the sum of £1, which must be paid when the application and provisional specification are left with the comptroller. An additional sum of £3 must be paid when the complete specification is lodged, and these are the total fees payable up to the end of the fourth year from the date of application, except the sum of £1 which is now to be paid on sealing the patent.

In addition to the examination made by the examiner, every facility must be given to the public generally to see whether the alleged invention is an infringement of any patent previously granted, or whether it is in any way an interference with the vested rights of any person claiming to have anticipated the invention for which a patent is demanded. For this purpose the application is advertised, and any person aggrieved may give notice of opposition to the grant. The objection must be taken within two months from the date of the advertisement of the acceptance of a complete specification. The grounds of objection are: (a) That the applicant obtained the invention from him, or from a person of whom he is the legal representative; (b) that the invention has been claimed in any complete specification for a British patent which is or will be of prior date to the patent the grant of which is opposed, other than a specification deposited pursuant to an application made more than fifty years before the date of the application for such last-mentioned patent; (c) that the nature of the invention or the manner in which it is to be performed is not sufficiently or fairly described and ascertained in the complete specification; (d) that the complete specification describes or claims an invention other than that described in the provisional specification, and that such other invention forms the subject of an application

made by the opponent in the interval between the leaving of the provisional specification and the leaving of the complete specification. The comptroller deals with the objection in the first case, but his decision is subject to appeal to the law officer. On certain grounds, mainly those of fraud, a duly granted patent may be revoked.

The patent is dated with the date of the application and lasts for fourteen years. But the extension beyond four years is dependent upon the payment of certain fees. By the Act of 1907 a scale of fees was prescribed, in addition to the £4 mentioned above. This scale has been altered, and is now as follows:—

On notice of desire to have the patent sealed . . . £ s. d.
1 0 0

And for renewal beyond four years, in respect of each succeeding year and before the commencement of the year—

For the 5th year . . . 5 0 0

„ 6th „ . . . 6 0 0

„ 7th „ . . . 7 0 0

„ 8th „ . . . 8 0 0

„ 9th „ . . . 9 0 0

„ 10th „ . . . 10 0 0

„ 11th „ . . . 11 0 0

„ 12th „ . . . 12 0 0

„ 13th „ . . . 13 0 0

„ 14th „ . . . 14 0 0

An inventor may sometimes obtain an extension of time, up to an additional fourteen years. For this purpose a petition to the High Court of Justice, in accordance with prescribed rules, is necessary. The principal grounds upon which prolongation is recommended are the merit of the invention and the inadequate remuneration of the inventor. Each case will depend upon its own peculiar merits. In a certain case where it appeared that the invention was of considerable merit, that there had been great difficulties in introducing it, and that the petitioner had incurred losses in his efforts to do so, an extension of ten years was recommended. Similarly, on good cause shown, a lapsed patent may be revived.

A patentee has a right of action against any person who infringes his patent. He may claim either an injunction or damages, or both. But he cannot obtain damages against any person who is an infringer if the court is satisfied that the infringement was innocent.

Patents are generally taken out through a patent agent, and this is the best plan for an inventor to adopt.

A patent agent must be a person registered under the Act of 1907. Any person who advertises himself as a patent agent, without being duly registered under the Act, is liable to a fine of £20. As the law on the subject of patents is extremely intricate and technical, it is almost impossible to dispense with the services of a patent agent, who will undoubtedly save the inventor much trouble and worry.

A register is kept at the Patent Office, and in it are entered all particulars as to patents, the names and addresses of the grantees, notifications of assignments and transmissions, of licences, of amendments, of extensions and revocations, and of such other matters as affect their validity and ownership. The register is open to public inspection, and certified copies of any entries can be obtained. Any person aggrieved by an entry in the register may apply to the court for its rectification.

A patentee may assign his patent absolutely, or limit the same to any part of the United Kingdom or the Isle of Man. Although it does not appear to be necessary that the assignment should be made by deed, it is the common practice to use a deed not only for an assignment, but also for a licence.

Any person who is interested in the working of a patent may present a petition to the Board of Trade, if it is alleged that the reasonable requirements of the public with respect to the patent are not being satisfied, praying for a grant of a compulsory licence, or, in the alternative, for a revocation of the patent. If the Board of Trade is satisfied that a *prima facie* case is made out, the petition is referred to the High Court, when such order is made on the petition as is thought fit.

It has been held that the right of making and using a patented chattel, and the licensing others to use it, is an incorporeal right distinct from the right of property in the chattel itself. Therefore, although a landlord, under a distress for rent, may seize and sell the chattel if it happens to be on the demised premises, the person purchasing it can be restrained from using the chattel.

The Crown may make any arrangement with a foreign state for mutual protection of inventions, designs, or trade-marks, and if an order in council to such effect is in force, any person who has applied for protection for any invention, design, or trade-mark in any

such state is entitled to protection in this country, and the patent, or the registration of the trade-mark, is to have the same date as the date of application in such foreign state. The application must be made, in the case of a patent, within twelve months, and in the case of a trade-mark within four months, from the application for protection in the foreign state.

It is claimed that the greatest benefit bestowed by the Act of 1907 is the provision which compels the working of British patents within the United Kingdom. As this matter is considered to be of such importance, the whole of sect. 27 is here set out:—

(1) At any time not less than four years after the date of a patent, and not less than one year after the passing of this Act (i.e., January 1, 1908), any person may apply to the comptroller for the revocation of the patent on the ground that the patented article or process is manufactured or carried on exclusively or mainly outside the United Kingdom.

(2) The comptroller shall consider the application, and, if after inquiry he is satisfied that the allegations contained therein are correct, then, subject to the provisions of this section, and unless the patentee proves that the patented article or process is manufactured or carried on to an adequate extent in the United Kingdom, or gives satisfactory reasons why the article or process is not so manufactured or carried on, the comptroller may make an order revoking the patent either—

(a) forthwith;

(b) after such reasonable interval as may be specified in the order, unless in the meantime it is shown to his satisfaction that the patented article or process is manufactured or carried on within the United Kingdom to an adequate extent:

Provided that no such order shall be made which is at variance with any treaty, convention, arrangement, or engagement with any foreign country or British possession.

(3) If within the time limited in the order the patented article or process is not manufactured or carried on within the United Kingdom to an adequate extent, but the patentee gives satisfactory reasons why it is not so manufactured or carried on, the comptroller may extend the period mentioned in the previous order for such period not

exceeding twelve months as may be specified in the subsequent order.

(4) Any decision of the comptroller under this section shall be subject to appeal to the court, and on any such appeal the law officer or such other counsel as he may appoint shall be entitled to appear and be heard.

The effect of the section has already been felt, and many foreigners holding British patents have set up factories in the United Kingdom. It is estimated that, at the present time, there are some 70,000 British patents in existence of which three-sevenths are held by foreigners.

Designs.—Under the Act of 1907, which is known as the Patents and Designs Act, designs may be registered and protected in the same manner and subject to many of the same conditions as patents. A design is protected for five years, though this period may be extended for a second five years if satisfactory reasons are produced for its continuance.

PATENTEE. (Fr. *Breveté*, Ger. *Patentinhaber*, Sp. *Poseedor de patente*, It. *Patentato, chi ha ottenuto un brevetto*.)

This is the person to whom a patent is granted.

PATTERNS. (Fr. *Échantillons*, Ger. *Muster, Proben*, Sp. *Muestras*, It. *Mostre, campioni*.)

These are specimens of goods which serve to show the quality or design of the bulk from which the patterns are taken.

PAWN or PLEDGE. (Fr. *Gage*, Ger. *Pfand*, Sp. *Prenda*, It. *Pegno*.)

The delivery of the possession of goods, or of documents of title to goods by one person, called the transferor, pawner, or pledgor, to another, called the transferee, pawnee, or pledgee, as a security for the payment of a debt or the performance of a specified engagement. Its effect is to transfer along with the possession all consequent rights, and therefore the transferee, pawnee, or pledgee can maintain an action for the return of the goods or documents pledged, if they are taken from him, as well as the transferor, pawner, or pledgor.

There is no need of writing or other formality to complete the security created by a pledge. The pledgee has the right to retain possession of the goods until the debt is paid, and if it is not paid on the date fixed, or after reasonable notice requiring payment when no date is fixed, he may sell the goods pledged, deduct the amount of his

debt together with interest and costs, and return any balance to the pledgor. If the sale of the goods does not produce a sum sufficient to satisfy the debt, interest, and expenses, the pledgee has a personal claim against the pledgor for the balance.

Since the property or ownership in the goods does not pass to the pledgee, there is no right of foreclosure such as is incidental to a mortgage. There is an implied undertaking on the part of the pledgee to return the articles pledged when the debt is paid, unless they have been already sold under the above-mentioned right of sale.

The pledgee must use ordinary diligence in his care of the pledge: but if it is lost, in spite of such diligence, he incurs no liability. Again, if the pledge is stolen, the pledgee must prove that he was not wanting in the care which an ordinarily prudent man would have shown in doing all he could to insure safety. If it is taken in robbery the pledgee is entirely exonerated. He must not use the pledge, unless it is of such a nature that it will not deteriorate by wear, and if he does so he acts at his peril.

PAWNBROKER. (Fr. *Prêteur sur gages, commissionaire au mont de piété*, Ger. *Pfandleiher*, Sp. *Prestamista*, It. *Prestatore su pegno*.)

A pawnbroker is a person who lends money on pawns or pledges, being duly licensed to do so.

The business of a pawnbroker is regulated by the Pawnbrokers Act, 1872, of which the principal provisions are:—

(1) The Act does not apply to loans of more than £10.

(2) The pledge must be authenticated by a pawn-ticket.

(3) Every pledge may be redeemed at any time before sale, except that where the amount lent is not more than 10s., the pledge becomes the absolute property of the pawnbroker after twelve months and seven days.

(4) If the loan exceeds 10s. the pledge must be sold by auction. Any balance, after the expenses of the sale, the loan, and the interest have been paid, belongs to the pledgor, who is, in turn, liable to be sued for any deficiency.

(5) Special contracts may be entered into when the amount of the loan exceeds 40s., and must be authenticated by special pawn-tickets signed in duplicate.

The rate of interest which a pawnbroker is entitled to charge is—

(a) On pledges for sums not exceeding

10s., one halfpenny for every month or part of a month on each 2s., and a halfpenny for the ticket.

(b) On pledges for sums between 10s. and 40s., the same rate as before, and one penny for the ticket.

(c) On pledges for sums between 40s. and £10, one halfpenny for every month or part of a month on each 2s. 6d., and one penny for the ticket.

As a pawnbroker is liable for loss by fire, it is his duty to protect himself by insurance.

If a pawnbroker takes in pledge stolen goods, or goods which are not the property of the pledgor, he may be compelled to restore the same to the rightful owner, and he is not entitled under ordinary circumstances to any compensation for the loss he sustains. On the sale of a pledge there is no warranty of title on the part of the pawnbroker. The buyer has only the rights in the pledge transferred to him, which the pawnbroker himself had. If, therefore, for example, an article is stolen and pledged with a pawnbroker, and the pawnbroker sells it under his statutory right, the real owner can demand restitution of the article from the buyer, and the buyer has no remedy, in the absence of any express warranty or of fraud, against the pawnbroker.

The holder of the pawn-ticket is presumed to be the owner of the pledge, and is entitled *prima facie* to demand its production. If the real owner loses the ticket he must apply to a magistrate for relief.

The licence of a pawnbroker, which is only granted on the production of a magistrate's certificate, costs £7 10s. per annum for each shop kept by him. An additional duty of £5 15s. per annum is charged if the pawnbroker deals in plate, without regard to weight.

PAWNEE, or PLEDGEE. (Fr. *Prêteur sur gage*, Ger. *Pfandbesitzer*, Sp. *Prestamista*, It. *Prestatore*.)

This is the person who takes any article in pawn or pledge, or with whom such article is deposited.

PAWNER, or PLEDGOR. (Fr. *Emprunteur sur gage*, Ger. *Pfandgeber*, Sp. *Depositante*, It. *Pignorante, chi prende a prestito su pegni*.)

This is the person who deposits an article with a pawnee or pledgee by way of security for a debt.

PAY DAY. (Fr. *Jour de paye, jour de paiement*, Ger. *Stichtag, Zahltag*, Sp. *Tercero dia de liquidaciones*, It. *Giorno di pagamento*.)

This is the last day of the settlement on the Stock Exchange, when stocks and shares are taken up and paid for, or the differences paid and received.

PAYEE. (Fr. *Porteur*, Ger. *Inhaber*, *Remittent*, Sp. *Portador*, It. *Portatore*.)

The payee is the person or the firm to whom a bill of exchange or cheque is made payable.

When a bill is not made payable to bearer, the payee must be named or otherwise indicated with reasonable certainty. By French and German law the payee must be named.

It is now possible, since the Bills of Exchange Act, 1882, to make a bill payable to two or more payees jointly, or in the alternative, and the payee is sufficiently indicated if he is simply described as the holder of an office for the time being, e.g., "the treasurer of the A society."

Where the payee is a fictitious or non-existing person (and this includes a real person who never had or was intended to have any right to the bill), the bill may be treated as one payable to bearer.

If the bill is payable to a person or his order, it must be indorsed by that person before it can be negotiated. (See *Bill of Exchange*.)

As to the meaning of "account of payee," see *Cheque*.

The word "payee" (Fr. *bénéficiaire*, Ger. *Empfänger*, Sp. *Cobrador*, It. *Beneficiario*, *percipiente*) also signifies any person to whom money is paid.

PAYER. This word is used in two senses:—

1. (Fr. *Payeur*, Ger. *Bezahler*, Sp. *Pagador*, It. *Pagatore*.)

The person who pays money.

2. (Fr. *Payant*, Ger. *Bezogener*, Sp. *Pagador*, It. *Pagante*.)

The person or firm by whom or which a bill of exchange or promissory note is paid.

PAYING IN SLIP or **DEPOSIT SLIP.** (Fr. *Bordereau*, Ger. *Einzahlungszettel*, Sp. *Vale*, It. *Distinta di deposito*.)

This is the document upon which is written the amount of bills, notes, cheques, and money paid into a bank to the credit of the person or firm whose name appears on the slip.

PAYMENT FOR HONOUR SUPRA PROTEST. (Fr. *Paiement par intervention*, Ger. *Ehrenzahlung*, Sp. *Pago por intervención*, *pago por el honor de firma*, It. *Pagamento per intervento*, *pagamento per onore di firma*.)

When a bill of exchange has been

refused payment and protested, it may be taken up and paid by any person for the honour of any person who is a party to the bill.

PECK. (Fr. *Picotin*, Ger. *ein Viertel Buschel*, Sp. *Cuarta de fanega*, It. *Un quarto di staio*.)

This is a dry measure of two imperial gallons, or 554½ cubic inches; the fourth part of a bushel.

PENALTY CLAUSE. (Fr. *Clause de l'amende*, Ger. *Geldstrafenklausel*, Sp. *Cláusula de la multa*, *pena pecuniaria*, It. *Clausola della multa*, *della pena pecuniaria*.)

This is a clause which is often inserted in a contract specifying the sum of money which is to be paid by the party who is to default in case of the non-fulfilment of the terms of the contract.

PENNY. (Fr. *Penny*, *dix centimes*, *deux sous*, Ger. *Etwa acht Pfennig*, *Penny*, Sp. *Penique*, *diez centimos*, It. *Due soldi o centesimi 10 circa*.)

A penny is a bronze coin used in the English currency. The name is extremely ancient. It was a coin introduced by the Saxons, and was the only one current for a long period. At first it was composed of silver, and minted with a cross engraved so deeply as to enable it to be broken into halves and quarters; hence the terms halfpenny and fourthing, or farthing. The letter *d*, which indicates a penny, is the initial letter of the Latin *denarius*, consisting of ten, a Roman coin marked X, and consisting of ten units.

PENNYWEIGHT. (Fr. *Denier de poids*, Ger. *Pfenniggewicht*, Sp. *Peso de 24 granos*, It. *Peso di grani 24 o grammi (1.55)*.)

This is a troy weight, consisting of 24 grains, each of which is about equal in weight to a grain of wheat from the middle of a well-dried ear. It derives its name from the old silver penny, the weight of which was the same. Twenty pennyweights are equal to one troy ounce. The word is contracted in writing into *dwt*.

PER ANNUM. (Fr. *Par an*, Ger. *per annum*, *jährlich*, Sp. *Por año*, *al año*, It. *Per anno*, *all' anno*.)

This Latin phrase means "by the year."

PER CENTAGE. (Fr. *Pourcentage*, *percentage*, Ger. *Prozentsatz*, Sp. *Por ciento*, It. *Percentuale*.)

This means the duty, commission, or allowance on a hundred.

PER CONTRA. (Fr. *Par contre*, Ger. *dagegen*, Sp. *Por contra*, It. *Qui contro*.)

This term is used in book-keeping and accounts generally to mean "on the other side."

PER DIEM. (Fr. *Par jour*, Ger. *pro Tag*, *täglich*, Sp. *Por día*, It. *Per giorno*.)

This Latin phrase means "by the day."

PER MILLE. (Fr. *Le mille*, Ger. *pro Mille*, *vom Tausend*, Sp. *Per milla*, It. *Per mille*.)

This means "by the thousand." It is a charge made by bill-brokers on the issue of foreign drafts, and is abbreviated into $\frac{\circ}{\circ\circ}$, so that 5 per thousand is indicated thus $5 \frac{\circ}{\circ\circ}$.

PER PROCURATIONEM. (Fr. *Par procuration*, Ger. *per Prokura*, Sp. *Por poder*, It. *Per procura*.)

This is a Latin phrase, and is used to indicate agency. A person who signs "per pro." holds himself out as a limited agent, and it is the duty of any other person who has dealings with him to ascertain the limits of his authority.

PERCH. (Fr. *Perche*, Ger. *Rute*, Sp. *Pertica*, It. *Pertica o metri 5.02*.)

In linear measure, this is the length of $5\frac{1}{2}$ yards. In surface measure, it is the square of $5\frac{1}{2}$ yards, or $30\frac{1}{4}$ square yards.

PERILS OF THE SEA. (Fr. *Dangers maritimes*, Ger. *Seegefahr*, Sp. *Riesgos de mar*, *Riesgos maritimos*, It. *Pericoli marittimi*.)

This phrase is used in marine insurance policies and in bills of lading, and it has reference to the damage and accidents likely to be incurred by a vessel on a voyage, the risks of which are taken by the underwriters in the policy.

PERISHABLE GOODS. (Fr. *Marchandises périssables*, Ger. *leicht verderbliche Waren*, Sp. *Géneros de fácil avería*, It. *Merci caduche*, *merci facilmente avariabili*.)

Goods so described are those which are likely to go bad or become useless unless they are delivered quickly, such as fruit, fish, butter, game, poultry, meat, etc.

PERMITS. This word is used with two meanings:—

1. (Fr. *Permis*, Ger. *Zollscheine*, Sp. *Permisos*, It. *Permessi*.)

Permissions from a custom house officer to remove goods upon which duty has been paid.

2. (Fr. *Passe-debout*, Ger. *Zollscheine*, Sp. *Vales*, It. *Permessi*.)

Permissions from the excise to allow goods, subject to inland revenue duty, to be removed from one place to another.

PERQUISITES. (Fr. *Emoluments*, *revenus casuels*, Ger. *Sporteln*, Sp.

Emolumentos, It. *Emolumenti*, *compenze*.)

These are the fees which are legally allowable for some specific service.

PERSONAL ACCOUNTS. (Fr. *Comptes particuliers*, Ger. *Privatkontos*, Sp. *Cuentas personales*, It. *Conti personali o particolari*.)

These are accounts which are made out and show the state of the account between a trader and every person, firm, or company with whom he has had dealings of any nature. They are so called in distinction to nominal and real accounts.

PERSONAL ESTATE. (Fr. *Biens mobiliers*, Ger. *Privatvermögen*, Sp. *Efectos personales*, *bienes muebles*, It. *Beni mobili*, *sostanze attive personali*.)

(See *Personalty*.)

PERSONAL SECURITIES. (Fr. *Actions nominatives*, Ger. *Privatobligationen*, Sp. *Seguridades personales*, It. *Garanzie personali*.)

These are securities which give the holder a claim upon a person for money advanced or services rendered, and which are not otherwise provided for.

PERSONALTY or PERSONAL PROPERTY. (Fr. *Meubles*, *biens mobiliers*, Ger. *persönliches Eigentum*, Sp. *Bienes muebles*, It. *Sostanze o beni mobili*.)

This is the general legal term for movable property, consisting of such things as money, goods, furniture, other chattels, and leases for years, in distinction to real property, consisting of freehold land, houses, etc.

PESETA. (Fr. *Piécette*, Ger. *Peseta*, Sp. *Peseta*, It. *Peseta*.)

This word is the diminutive of peso. It is the unit of value in Spain, and is divided into 100 parts, called centimos. It has a circulating value about equal to that of the French franc, that is, $9\frac{1}{2}d$.

PESO. (Fr. *Pièce*, Ger. *Peso*, Sp. *Peso*, It. *Peso*.)

This is the unit of value in most South American States, excepting Brazil. Its circulating value is variable.

PETITE BOURSE. (Fr. *Petite bourse*, Ger. *kleiner Markt*, Sp. *Bolsín*, It. *Borsino*.)

This is the evening market of the Paris Bourse, which consists of the coulissiers alone.

PETITIONING CREDITOR. (Fr. *Créancier pétitionnaire*, Ger. *beantragender Gläubiger*, Sp. *Acreeador peticionario*, It. *Creditore petente*.)

The petitioning creditor is the creditor who has filed a petition in bankruptcy,

requesting the court to make the debtor a bankrupt.

PETTIES. (Fr. *Divers*, Ger. *Diverses*, Sp. *Gastos menudos*, It. *Piccole spese, spese minute*.)

This is a word which is frequently met with in accounts and invoices, and means sundry items of charges and expenses which are too small to be enumerated separately.

PETTY AVERAGE. (Fr. *Petite avarie*, Ger. *kleine Havarie*, Sp. *Avería pequeña*, It. *Piccola avaria*.)

This term, which is sometimes also known as "customary average," means several petty charges, which are borne partly by the ship and partly by the cargo, such as the expense of towage, beaconage, etc. It is now usually included in the freight.

PETTY CASH BOOK. (Fr. *Frais généraux*, Ger. *kleine Kasse*, Sp. *Libro de caja para gastos menudos*, It. *Libro dei piccoli pagamenti*.)

This is a book set aside for an account of small payments made. Its use curtails the number of entries which would have to be made in respect of such payments in the general cash book.

PIASTRE. (Fr. *Piastre*, Ger. *Piaster*, Sp. *Piastra*, It. *Piastra*.)

This Italian word signifies a thin plate of metal. The name has been adopted for a coin in the Levant. The Turkish piastre is worth a fraction more than 2*d.* in English money, and the Egyptian piastre about 2½*d.* The Spanish piastre is an imaginary coin, having for purposes of exchange a circulating value of five pesetas. The Tunisian piastre is worth a minute fraction more than 5¼*d.*

PIECE GOODS. (Fr. *Marchandises à la pièce*, Ger. *Stückgüter*, *Ellenwaren*, Sp. *Géneros vendidos por piezas*, It. *Merci alla pezza o in metratura*.)

This name is applied to those goods which are sold by the piece, as sheetings, cambric, canvas, carpets, etc., such articles being described by the customs as cotton piece goods, linen piece goods, etc., according to the raw material from which they are made.

PILFERAGE. (Fr. *Coulage*, Ger. *Diebstahl*, Sp. *Rateria*, It. *Perdite per furto*.)

This is a term used in shipping documents, referring to any loss caused by theft during transit.

PILOT. (Fr. *Pilote*, Ger. *Lotse*, Sp. *Piloto*, It. *Pilota*.)

A pilot is a person taken on board ship at a particular place for the purpose of conducting the vessel through an intricate

channel, river, road, etc., or into or out of port. No man can act as a pilot unless he is properly qualified and licensed. By English law as soon as a pilot is taken on board, if the ship is by law subject to pilotage, the master has no longer any control over the navigation of the vessel until she is safe in harbour, or out of pilotage limits, and by general maritime law the owners are not responsible for any loss or damage that may arise from the negligence of the pilot, unless it appears that the loss or damage arose from the neglect or misconduct of the crew in disobeying the orders of the pilot. But there are exceptions to this general rule. The effect of taking a pilot on board in the Suez Canal is to constitute him adviser only. The owners cannot then shelter themselves behind compulsory pilotage. By the laws of some countries pilotage, even though compulsory, is never a defence. If a pilot negligently loses a ship committed to his care and is convicted, he becomes legally incapacitated from acting as a pilot. The rates payable for pilotage are fixed by the port authorities, both in the United Kingdom and abroad.

The law as to pilotage in the United Kingdom has been consolidated and considerably amended by the Pilotage Act, 1913, which does not come into force, however, in its entirety for some time yet.

PILOTAGE. (Fr. *Pilotage*, Ger. *Lot-sengebühr*, Sp. *Pilotaje*, It. *Pilotaggio*.)

Pilotage means the act of employing a pilot, or the sum of money paid for his services.

PINT. (Fr. *Pinte*, Ger. *Pinte*, *Schoppen*, Sp. *Pinta*, It. *Pinta o litri 0.56*.)

This is a measure of capacity, the eighth part of a gallon, used for both liquids and dry goods. The imperial, or legal pint, is equivalent to a little more than 34½ cubic inches.

PIPE. (Fr. *Pipe*, Ger. *Pipe*, Sp. *Pipa*, It. *Botte, fusto della capacità di litri 477*.)

The pipe is a measure of capacity, used almost exclusively in the wine trade, especially in France, Spain, and Portugal, where, however, the capacity varies. The common English pipe contains very nearly 185 imperial gallons; but there are variations in the measure of different kinds of wine—a pipe of port containing 114 imperial gallons, a pipe or butt of sherry, 108 gallons, and a pipe of Madeira, 92 gallons.

PIRACY. (Fr. *Piraterie*, Ger. *Seeräuberei*, Sp. *Piratería*, It. *Pirateria*.)

The term "piracy" is given to the act

of robbery on the high seas. By international law this crime is punishable with death. The word is also used to denote infringement of copyright.

PLAIN SPIRITS. (Fr. *Alcool naturel*, Ger. *einfacher Spiritus*, Sp. *Espiritu simple*, It. *Alcool naturale*.)

This is the name given to spirits in their original state, before anything of an artificial character has been added to them.

PLAINT. (Fr. *Plainte*, Ger. *Klage*, Sp. *Pleito*, It. *Querela*.)

This is the statement of the substance of an action made in writing against a person in a county court action.

PLAINTIFF. (Fr. *Demandeur, partie civile*, Ger. *Kläger*, Sp. *Demandante*, It. *Querelante, attore, parte civile*.)

The plaintiff is the complainant in a court of law, that is, one who commences and carries on a law-suit against another.

PLANT. (Fr. *Matériel, équipage, outillage, installation*, Ger. *Betriebsanlage*, Sp. *Planta, material*, It. *Impianto, materiale d'impianto*.)

Plant comprises the fixtures, tools, machinery, and other appliances necessary for the carrying on of a business.

PLEA. (Fr. *Défense*, Ger. *Verteidigungsrede*, Sp. *Defensa*, It. *Eccazione*.)

This is the defendant's answer in a law-suit to the declaration of the plaintiff.

PLEADINGS. (Fr. *Plaidoiries*, Ger. *Verhandlungen*, Sp. *Alegaciones*, It. *Dibattimento*.)

These are the statements of the two parties to a law-suit, setting out the facts of the complaint and the defence.

POLICY. (Fr. *Police*, Ger. *Police*, Sp. *Póliza*, It. *Polizza*.)

This is the document which sets out the terms of the contract of insurance entered into between the insurers and insured. Policies of life and marine insurance are assignable by statute, under certain conditions. Fire insurance policies are not, as a rule, assignable.

POLICY HOLDER. (Fr. *Assuré*, Ger. *Policeninhaber*, Sp. *Tenedor de poliza*, It. *Assicurato, possessore di polizza*.)

The policy holder is the person who has in his possession, or under his control, a policy of insurance. He may be either the insured himself or the assignee of the policy.

POLICY PROOF OF INTEREST. (Fr. *Droit qui dépend de la police*, Ger. *Beweis durch Police allein*, Sp. *Derecho de posesión*, It. *Diritto che deriva della polizza*.)

This signifies that in the event of a

loss the insured is entitled to recover from the underwriters without producing any other document than the policy to which the clause is attached.

POLL. (Fr. *Election*, Ger. *Wahl*, Sp. *Elección*, It. *Elezione*.)

At meetings of a public character it is the common practice to decide any particular question by a show of hands. If this process is not satisfactory to some of the members present—the number depends upon the special circumstances of the case and the character of the meeting—a demand may be made for a poll, when the voting must take place and the result decided by the number of voters. The word "poll" means head.

POOL. (Fr. *Poule*, Ger. *Poule*, Sp. *Polla*, It. *Pollo*.)

This is a combination of persons who put their money together to operate upon a large scale for their own benefit.

PORT. This word is used with various meanings:—

1. (Fr. *Port*, Ger. *Hafen*, Sp. *Puerto*, It. *Porto*.)

A place for the arrival and departure of ships, where they embark and discharge cargoes. For the use of the accommodation provided certain charges are made, called port charges. With the exception of certain coasting vessels of small burden, every British ship must be registered at some port, called its port of registry. The port is then the place of origin of the vessel.

2. (Fr. *Sabord*, Ger. *Pfortluke*, Sp. *Tronera*, It. *Cannoniera*.)

In nautical language, an aperture in a ship's side, to admit light and air, and through which a gun can be pointed.

3. (Fr. *Bâbord*, Ger. *Backbord*, Sp. *Babor*, It. *Orza*.)

The left-hand side of a ship when looking towards the bow, in which sense it has taken the place of the name "larboard."

PORTAGE. There are three senses in which the word is used:—

1. (Fr. *Port*, Ger. *Tragen*, Sp. *Acarreo, porte*, It. *Porto, trasporto, facchinaggio*.)

The act of carrying, generally called porterage.

2. (Fr. *Port, frais de port*, Ger. *Trägerlohn*, Sp. *Acarreo*, It. *Spese di porto o trasporto*.)

The price charged for the act of carrying. This is generally called porterage.

3. (Fr. *Portage*, Ger. *Tragstelle*, Sp. *Transbordo*, It. *Trasbordo*.)

A piece of land lying between two lakes or streams, over which goods and boats have to be transported by porters.

PORTER. (Fr. *Porteur*, Ger. *Lastträger*, Sp. *Portero*, It. *Commissionario, facchino*.)

This is a person who carries burdens for hire.

PORTERAGE. (Fr. *Portage, port*, Ger. *Botenlohn*, Sp. *Gastos de descarga*, It. *Spese di facchinaggio*.)

This is the charge made by the post office for the delivery of telegraphs outside the radius of free delivery. The ordinary charge for inland telegrams includes delivery within the town postal limits, or within three miles of a head office. Beyond that limit the charge is 3d. a mile from the office door. Porterage is generally paid by the sender of the telegram.

POST. This word may mean:—

1. (Fr. *Poste*, Ger. *Post*, Sp. *Correo*, It. *Posta, corriere*.)

The established system for the conveyance of letters. (See *Mail*.)

2. (Fr. *Ecu*, Ger. *Briefpapier*, Sp. *Papal de correo*, It. *Carta da scrivere per corrispondenza commerciale*.)

A size of writing paper about 15½ ins. by 19 ins., so called from the watermark, a postman's horn.

3. (Fr. *Porter au livre*, Ger. *buchen*, Sp. *Asentar*, It. *Registrare, mettere a libro*.)

In book-keeping, to transfer an entry from any other book to the ledger.

POST-DATE. (Fr. *Postdater*, Ger. *nachdatieren*, Sp. *Posdatar*, It. *Posdatare*.)

The meaning of this term is to date after the real time. Post-dating occurs most frequently in connection with bills of exchange and cheques. The former are not invalid by reason of being post-dated. But the issue of the latter is a breach of the stamp laws, so that if a holder attempts to enforce his claim before the date named on the cheque, the drawer renders himself liable to penalties. But a post-dated cheque may be put in evidence in the course of an action at law for a collateral purpose.

POST-ENTRY. (Fr. *Déclaration additionnelle*, Ger. *Nachdeklaration*, Sp. *Entrada notada*, It. *Supplemento di dichiarazione doganale*.)

When a bill of sight has been given in respect of goods, and it is afterwards discovered that the descriptions and quantities in the bill are incorrect, a post-entry is required to give the correct particulars.

POST MERIDIAN. (Fr. *Post méridien, de l'après-midi*, Ger. *nachmittags*, Sp.

Después del mediodía, It. *Ore pomeridiane, pomeriggio*.)

The real expression should be *post meridiem*, which is the Latin form for "After mid-day," or "in the afternoon."

POST OBIT BOND. (Fr. *Contrat exécutoire après décès*, Ger. *nach dem Tode zahlbare Verschreibung*, Sp. *Escritura valable después de la muerte*, It. *Obbligazione pagabile dopo la morte*.)

This is a bond in which a person receiving money binds himself to repay the same—generally with the addition of a large amount by way of interest—after the death of an individual from whom he has expectations. These bonds are not looked upon with favour in equity, and relief will sometimes be granted against them when made by heirs or other expectants. Mere inadequacy of price is not sufficient to set aside a post obit bond, but if it is shown that there has been anything of an overreaching or unconscionable nature in the transaction, the court may order the bond to be delivered up, and only order the grantor to pay the sum of money actually advanced together with reasonable interest and costs.

POST TOWN. (Fr. *Ville ayant un bureau de poste*, Ger. *Postort*, Sp. *Administración de correos*, It. *Città con ufficio postale*.)

This is a town in which there is a post office.

POSTAGE. (Fr. *Ports de lettres, port*, Ger. *Porto*, Sp. *Gastos de correo*, It. *Spese postali*.)

Postage is the money paid for the conveyance of letters, newspapers, book-packets, etc., by post. (See *Mail*.)

POSTAL ORDERS. (See *Money Orders*.)

POSTAL RATES. (See *Mail*.)

POSTE RESTANTE. (Fr. *Poste restante*, Ger. *postlagernd*, Sp. *Lista de correo, poste restante*, It. *Fermo in posta*.)

This is a French phrase written upon letters and parcels sent through the post when they are to remain at the post office until the addressee calls for them. As this is a convenience established solely for the accommodation of strangers and travellers, it is subject to several restrictions.

(1) The words "poste restante," or "to be called for," must be included in the address.

(2) Residents in a town cannot make use of the *Poste Restante*, and strangers may not use it for more than three months.

(3) Letters or parcels addressed to

initials, to fictitious names, or to a Christian name without a surname, are not received.

(4) Letters or parcels may not be re-directed from one Poste Restante to another in the same town, nor from a private address to a Poste Restante in the same town.

(5) Persons applying for letters or parcels must furnish all necessary particulars to prevent mistakes and to insure delivery to the persons to whom they properly belong. They must give some evidence of their identity.

(6) Letters from abroad addressed to the "Poste Restante, London," are retained for two months, letters from provincial towns for one month, and letters posted in London for a fortnight. At the expiration of these respective times they are sent to the returned letter office for disposal. A letter addressed to a provincial post office is only retained for one month, unless sent from abroad, when it is kept two months, as in London.

POSTING. (Fr. *Poster au grand livre*, Ger. *Übertragung*, Sp. *Asentar los asientos*, It. *Passare o portare al libro mastro, trascrivere al mastro*.)

This is a book-keeping term which denotes the transferring of the entries in the journal, or other subsidiary books, to their separate accounts in the ledger.

POSTSCRIPT. This word means:—

1. (Fr. *Post-scriptum*, Ger. *Nachschrift*, Sp. *Posdata*, It. *Poscritto*.)

A part added to a letter after the signature.

2. (Fr. *Addendum, envoi*, Ger. *Anhang*, Sp. *Posdata*, It. *Appendice*.)

An addition to a book after it has been finished.

POUND. This word is used with two meanings:—

1. (Fr. *Demi-kilogramme, livre*, Ger. *Pfund*, Sp. *Libra*, It. *Libbra o libra mezzo chilogrammo*.)

A weight of twelve ounces troy (5,760 grains), or sixteen ounces avoirdupois (7,000 grains).

2. (Fr. *Livre sterling, vingt-cinq francs*, Ger. *Pfund Sterling*, Sp. *Libra esterlina*, It. *Lira sterlina*.)

The standard British monetary unit. It is a certain weight of gold, fixed by statute at 123.27447 grains troy. Forty pounds weight of standard gold bullion are cut into 1,869 pounds or sovereigns, or 1 lb. weight is cut into £46 14s. 6d.

POUNDAGE. Poundage may mean:—

1. (Fr. *Commission*, Ger. *Pfundgeld*,

Sp. *Comisión*, It. *Commissione, provvigione*.)

A charge of so much on each £, as that on money and postal orders.

2. (Fr. *Commission*, Ger. *Provision per Pfund*, Sp. *Comisión*, It. *Provvigione, beneficio*.)

An allowance of so much in the £, such as is granted to postmasters for the sale of stamps.

POWER OF ATTORNEY. (Fr. *Pouvoir*, Ger. *Vollmacht*, Sp. *Poder, procuración*, It. *Mandato di procura*.)

(See *Attorney, Power of*.)

PRECEPT. (Fr. *Mandat*, Ger. *schriftlicher Befehl*, Sp. *Mandato judicial*, It. *Ordine, mandato giudiziario*.)

Generally, a precept is a written warrant of a magistrate. As applied to accounts, an order from a responsible person, authorising the payment of specific sums of money, or the doing of specific acts.

PRÉCIS. (Fr. *Précis*, Ger. *Auszug*, Sp. *Precis, sumario*, It. *Traccia, sommario*.)

A précis is an abridged statement, abstract, or summary of a letter or other document. Its merits are:—

(1) To contain all that is important in the correspondence and nothing else.

(2) To present it in a connected and readable shape, expressed as distinctly as possible, and as briefly as compatible with completeness and distinctness.

PREFERENCE BONDS. (Fr. *Bons privilégiés*, Ger. *Prioritäten*, Sp. *Obligaciones de prioridad*, It. *Obbligazioni privilegiate*.)

These are bonds which are issued at a fixed rate of interest, and are payable before the profits of a business are divided amongst the ordinary shareholders.

PREFERENCE STOCK AND SHARES. (Fr. *Actions privilégiées, actions de priorité*, Ger. *Vorrechtsaktien*, Sp. *Acciones privilegiados, acciones de prioridad*, It. *Capitali e azioni privilegiate*.)

Preference stock and shares is or are stock or shares entitling the holder to preferential rights as to dividend or capital over the ordinary or deferred shareholders.

The preferential rights as to dividend may be cumulative or non-cumulative. If the former, the holder is entitled to a certain rate per cent. out of the profits, and should the profits of any particular year prove insufficient to pay the agreed rate, the deficiency must be made up out of the profits of subsequent years. If the latter, the deficiency is not met in this manner. The shareholder must

be content with as much of his interest as he can obtain in any one particular year.

The preferential rights as to capital, and any peculiar rights as to voting at meetings of the company, etc., must be provided for by the articles or memorandum of association.

In extreme cases, though very rarely indeed, pre-preference bonds and shares may be issued.

PREFERENTIAL PAYMENTS IN BANKRUPTCY ACTS. These are two Acts, passed in 1888 and 1897 respectively, setting forth the creditors who are entitled, in cases of bankruptcy or the winding-up of joint-stock companies, to have their claims paid in preference to the claims of the ordinary creditors of the bankrupt or the company. These Acts have been repealed, but their provisions are practically re-enacted without alteration by the Companies (Consolidation) Act, 1908, and the Bankruptcy Act, 1914, respectively.

By the Act of 1888, the following payments have priority over all other debts:—

(a) All parochial or other local rates due from the bankrupt or the company at the date of the receiving order or, as the case may be, the commencement of the winding-up, and having become due and payable within twelve months next before that time, and all assessed taxes, land tax, property or income tax assessed on the bankrupt or the company up to the fifth day of April next before the date of the receiving order, or, as the case may be, the commencement of the winding-up, and not exceeding in the whole one year's assessment.

(b) All wages or salary of any clerk or servant in respect of services rendered to the bankrupt or the company during four months before the date of the receiving order, or the commencement of the winding-up, up to £50.

(c) All wages of any labourer or workman not exceeding £25, whether payable for time or piece work, in respect of services rendered to the bankrupt or the company during two months before the date of the receiving order or the commencement of the winding-up; provided that where any labourer in husbandry has entered into a contract for the payment of a portion of his wages in a lump sum at the end of the year of hiring, he shall have priority in respect of the whole of such sum, or a part thereof, as the court may decide to be

due under the contract, proportionate to the time of service up to the date of the receiving order or the commencement of the winding-up.

These debts rank equally between themselves, and must be paid in full, unless the assets of the bankrupt or the company are insufficient to meet them, in which case they must abate proportionately. The only other reduction to which they are liable is the sum necessary for the costs of administration, etc.

Although the landlord enjoys the summary right of distress, with certain restrictions and limitations, he is neither a secured nor a preferential creditor, and if he distrains or has distrained upon the goods or effects of a bankrupt or a company in process of being wound-up within three months before the date of the receiving order or the winding-up order respectively, the above preferential debts form a first charge upon the goods or effects distrained upon, or their proceeds.

The Act does not affect the prior claim for funeral and testamentary expenses, when a person dies insolvent, nor can any moneys in the possession of a deceased or bankrupt officer of a Friendly Society or a Savings Bank be diverted from such society or bank for the payment of any obligations whatever.

The Act of 1897 was passed to meet the case of the whole of the assets of a company being swallowed up by debenture-holders and secured creditors. Where debentures have been issued as a floating charge—but not otherwise—it is provided that—

(a) The preferential claims set out in the Act of 1888 shall, as far as the assets of the company available for payment of general creditors are insufficient to meet them, have priority over the claims of the holders of such debentures, and shall be paid accordingly out of any property comprised in or subject to such charge.

(b) In case a receiver is appointed on behalf of the holders of any such debentures, or in case possession is taken by or on behalf of such debenture-holders of any property comprised in or subject to such charge, then and in either of such cases, if the company is not at the time in course of being wound up, the above-named preferential claims shall be paid forthwith out of any assets coming to the hands of the receiver, or other person taking possession in priority to any claim for principal or interest in respect of such debentures. The periods

of time mentioned in the Act of 1888 are to be reckoned from the date of the appointment of the receiver or the taking of possession; and any payments made must be recouped as far as possible out of the assets of the company available for the payment of general creditors.

By section 5, sub-sect. 3, of the Workmen's Compensation Act, 1906, an additional preferential payment has been created, viz., a sum not exceeding £100 shall be a preferential claim in the bankruptcy of an individual or the winding-up of a joint-stock company, if an award has been made before the date of the receiving order or of the winding-up.

There are special regulations issued by the Board of Trade and the Inland Revenue authorities as to assessed taxes.

PREFERENTIAL CREDITOR. (Fr. *Créancier privilégié*, Ger. *bevorrechtigter Gläubiger*, Sp. *Acreeador privilegiado*, It. *Creditore privilegiato*.)

This is a creditor who in a bankruptcy or a winding-up is entitled to payment of his debts in priority to other creditors.

PREFERRED STOCK. (Fr. *Actions privilégiées*, *actions de priorité*, Ger. *Prioritäts-papiere*, Sp. *Acciones privilegiadas*, It. *Capitali privilegiati*, *capitali con diritto di priorità*.)

This is that part of the stock or capital of a company which is entitled to dividend in priority to another part.

PREMIUM. (Fr. *Prime*, Ger. *Prämie*, Sp. *Prima*, *premio*, It. *Premio*, *gratificazione*.)

This word is used in four different senses:—

(a) A bounty.

(b) A payment for a loan, in lieu of, or in addition to, interest.

(c) The annual payment made for insurance.

(d) The difference in value above the original price or par of stock, as opposed to discount.

PREPAID. (Fr. *Payé d'avance*, Ger. *frankiert*, *vorausbezahlt*, Sp. *Pagado por adelantado*, It. *Pagato anticipatamente*.)

Payment is said to be prepaid when it is made before money is due, or payment in advance.

PREPAY. (Fr. *Payer d'avance*, Ger. *vorausbezahlen*, Sp. *Pagar por adelantado*, It. *Pagare anticipatamente*.)

This is to pay money before it is due, or in advance.

PREPAYMENT. (Fr. *Payement d'avance*, *paiement d'avance*, Ger. *Vorauszahlung*, Sp. *Pago por adelantado*, It. *Pagamento anticipato*.)

This is payment before the stipulated time, or before money is due, or in advance.

PRESENT VALUE. This term is used to denote:—

1. (Fr. *Valeur actuelle d'une traite*, Ger. *wirklicher Wert eines Wechsels*, Sp. *Valor actual de una letra*, It. *Valore attuale di una tratta*.)

The method of discounting a bill of exchange which consists in deducting the interest at a certain agreed rate per cent. from the face value of the bill.

2. (Fr. *Valeur actuelle d'un payement différé*, Ger. *wirklicher Wert einer aufgeschobenen Zahlung*, Sp. *Valor actual de un pago diferido*, It. *Valore attuale di un pagamento differito*.)

The method of finding the present value of a deferred payment when compound interest is calculated on the sum paid.

3. (Fr. *Valeur actuelle d'une annuité*, Ger. *wirklicher Wert einer Leibrente*, Sp. *Valor actual de una anualidad*, It. *Valore attuale di una rendita annua o pagamento annualo*.)

The method of finding the present value of a series of payments due at regular intervals, for example an annuity.

PRESENTMENT. (Fr. *Présentation*, Ger. *Präsentierung*, *Vorzeigung*, Sp. *Presentación*, *vista*, It. *Presentazione*.)

The formal act of bringing a bill of exchange to the notice of the drawee for procuring his acceptance, or, after acceptance, for payment.

Acceptance.—Where a bill is payable after sight, presentment for acceptance is necessary in order to fix the maturity of the instrument. Where a bill expressly stipulates that it shall be presented for acceptance, or where a bill is drawn payable elsewhere than at the residence or place of business of the drawee, it must be presented for acceptance before it can be presented for payment. In no other case is presentment for acceptance necessary in order to render any party to the bill liable.

The drawee, of course, is no party to the bill until he has accepted. The object of presentment is: (1) to obtain the signature of the drawee and thereby secure his liability as a party, and (2) to obtain an immediate right of recourse against antecedent parties in case the bill is dishonoured by non-acceptance.

Where the holder of a bill, drawn payable elsewhere than at the place of business or residence of the drawee, has not time, with the exercise of due

diligence to present the bill for acceptance before presenting it for payment on the day that it falls due, the delay caused by presenting the bill for acceptance before presenting it for payment is excused, and does not discharge the drawer and indorsers.

When a bill payable after sight is negotiated, the holder must either present it for acceptance or negotiate it within a reasonable time; and if he fails to do so the drawer and all indorsers prior to that holder are discharged.

The following are the rules as to presentment for acceptance:—

(a) The presentment must be made by or on behalf of the holder to the drawee or to some person authorised to accept or refuse acceptance on his behalf at a reasonable hour on a business day, and before the bill is overdue.

(b) Where a bill is addressed to two or more drawees, who are not partners, presentment must be made to them all, unless one has authority to accept for all, then presentment may be made to that one only.

(c) Where the drawee is dead, presentment may be made to his personal representative.

(d) Where the drawee is bankrupt, presentment may be made to him or to his trustee.

(e) Where authorised by agreement or usage, a presentment through the post office is sufficient.

Presentment for acceptance is excused in the following cases:—

(a) Where the drawee is dead or bankrupt, or is a fictitious person or a person not having capacity to contract by bill.

(b) Where, after the exercise of reasonable diligence, such presentment cannot be effected.

(c) Where although the presentment has been irregular, acceptance has been refused on some other ground.

The fact that the holder has reason to believe that the bill, on presentment, will be dishonoured does not excuse presentment.

When a bill is duly presented for acceptance, and is not accepted within the customary time, the person presenting it must treat it as dishonoured by non-acceptance. If he fails to do so, the holder will lose his right of recourse against the drawer and the indorsers. The customary time is twenty-four hours. The bill must be left with the drawee, if required, and after the expiration of the twenty-four

hours it must be re-delivered, accepted or unaccepted.

A holder who has complied with all the rules for presentment for acceptance, and has failed to obtain an acceptance, must treat the bill as dishonoured, and comply with the requirements of the law which are necessary upon dishonour. (See *Dishonour*.)

The holder of a bill may refuse to take a qualified acceptance, and if he does not obtain an unqualified acceptance may treat the bill as dishonoured by non-acceptance. Where a qualified acceptance is taken, and the drawer or an indorser has not expressly or impliedly authorised the holder to take a qualified acceptance, or does not subsequently assent thereto, such drawer or indorser is discharged from his liability on the bill. But this does not apply where due notice of the partial acceptance has been given. If a foreign bill has been accepted as to part, it must be protested as to the balance. When the drawer or the indorser of a bill receives notice of a qualified acceptance, and does not within a reasonable time express his dissent to the holder, he will be deemed to have assented thereto.

Payment.—If upon presentment to the drawee acceptance of the bill is refused, or if presentment is impossible or otherwise excused, there is no need for the holder to present it for payment. In other cases presentment for payment is necessary, and if the holder fails to make a due presentment the drawer and the indorsers are discharged.

Presentment for payment must be made in accordance with the following rules:—

(a) Where the bill is not payable on demand, presentment must be made on the day it falls due.

(b) Where the bill is payable on demand, presentment must be made within a reasonable time after its issue in order to render the drawer liable, and within a reasonable time after its indorsement, to render the indorser liable.

(c) Presentment must be made by the holder or by his agent at a reasonable hour on a business day, at the proper place, either to the person designated by the bill as payer, or to his agent.

A bill is presented at the proper place

(a) Where a place of payment is specified in the bill and the bill is there presented.

(b) Where no place of payment is specified, but the address of the drawee

or acceptor is given in the bill, and the bill is there presented.

(c) Where no place of payment is specified and no address given, and the bill is presented at the drawee's or the acceptor's place of business, if known, and if not, at his ordinary residence, if known.

(d) In any other case if presented to the drawee or acceptor wherever he can be found, or if presented at his last known place of business or residence.

Where a bill is presented at the proper place, and after the exercise of reasonable diligence no person authorised to pay or to refuse payment can be found there, no further presentment to the drawee or the acceptor is required.

Where a bill is drawn upon, or accepted by two or more persons who are not partners, and no place of payment is specified, presentment must be made to them all.

Where the drawee or the acceptor of a bill is dead, and no place of payment is specified, presentment must be made to a personal representative, if there is one, with reasonable diligence.

As in the case of presentment for acceptance, presentment for payment may be made through the post office, if authorised by agreement or usage.

Delay in presentment for payment is excused when the delay is caused by circumstances beyond the control of the holder, and not imputable to his default, misconduct, or negligence. When the cause of delay ceases to operate presentment must be made with reasonable diligence.

Presentment for payment is dispensed with in the following cases:—

(a) Where, after the exercise of reasonable diligence, presentment cannot be duly effected. The fact that the holder has reason to believe that the bill will, on presentment, be dishonoured, does not dispense with the necessity for presentment.

(b) Where the drawee is a fictitious person.

(c) As regards the drawer where the drawee or the acceptor is not bound, as between himself and the drawer, to accept or pay the bill, and the drawer has no reason to believe that the bill would be paid if presented.

(d) As regards an indorser, where the bill was accepted or made for the accommodation of that indorser, and he has no reason to expect that the bill would be paid if presented.

(e) By waiver of presentment, express or implied.

A bill is dishonoured by non-payment when it is duly presented for payment and payment is refused or cannot be obtained, or when presentment is excused and the bill is overdue and unpaid. When a bill is dishonoured by non-payment, an immediate right of recourse against the drawer and the indorsers accrues to the holder. The proper steps upon dishonour must then be taken. (See *Dishonour*.)

If any party to a bill is discharged from his liability thereon by reason of the holder's failure to comply with the necessary duties which devolve upon him as to presentment, such party is also discharged from all liability on the debt or consideration for which the bill was given.

PRESSURE ON THE MONEY MARKET. (Fr. *Rareté de l'argent*, Ger. *Geldnot*, Sp. *Presión en el mercado financiero*, It. *Penuria di danaro sul mercato*.)

This signifies that there is a difficulty in obtaining money, either in discounting of bills, or raising loans upon Government or other good securities, caused by a high bank rate, an unfavourable rate of exchange, or other affecting influences.

PRICE CURRENT. (Fr. *Prix courant*, *cours*, Ger. *Preiskurant*, *Preisliste*, Sp. *Precio corriente*, It. *Prezzo corrente*.)

This is a list or pamphlet, or an enumeration of the various articles of merchandise, with their prices, the duties payable thereon, if any, drawbacks, etc. Lists of this description are published periodically, weekly or oftener, in most of the great commercial cities and towns.

PRICKING NOTE. (Fr. *Permis de douane*, Ger. *Lieferungsschein*, Sp. *Permiso de la aduana*, It. *Mandato della dogana, ordine di consegna*.)

This is a shipping order from the Custom House addressed to the chief officer of a ship, requesting him to receive on board certain bonded or drawback goods required for exportation or ship's stores.

PRIMAGE. (Fr. *Prime de chargement*, *chapeau*, Ger. *Primgeld*, *Kaplaken*, Sp. *Primaje, capa*, It. *Cappa, primaggio*.)

Originally this was an allowance made by the shipper to the captain of a vessel for the use of the tackle and gear used in loading or unloading cargo; it is now simply an addition to a quoted rate of freight. The amount varies according to the usages of different ports.

PRIMAGE AND AVERAGE ACCUSTOMED. (Fr. *Chapeau et avarie comme*

d'habitude, Ger. *Primgeld und Havarie nach Seegebrauch*, Sp. *Capa y averia segun costumbre*, It. *Cappa e anticipazione secondo l'uso*.)

This phrase is frequently inserted in a bill of lading, the word "average" meaning a *pro rata* charge levied by the ship, on the owners of its cargo, to cover the expenses of lights, pilotage, wharfage, etc. The charge for average is now generally included in the charge for *primage*.

PRIME COST. (Fr. *Prix d'achat*, Ger. *Einkaufspreis*, Sp. *Precio de costo*, It. *Prezzo di costo*.)

This is the original, first, or direct cost of an article before any expenses or profits are added. It is distinguished from the cost of production, which includes all the items of expenditure incurred in manufacture, direct or indirect.

PRIME ENTRY. (Fr. *Déclaration*, Ger. *vorläufige Deklaration*, Sp. *Declaración*, It. *Dichiarazione*.)

This is an entry of goods made from the particulars given in a bill of lading, invoice, or other document. If necessary, a post entry (*q.v.*) may be made after the goods have been landed and the exact quantity, measure, and weight have been ascertained.

PRINCIPAL. This word means either:

1. (Fr. *Chef, principal*, Ger. *Prinzipal*, Sp. *Jefe, principal*, It. *Principale*.)

The head of or chief person in a firm. The person who employs an agent.

2. (Fr. *Principal, capital*, Ger. *Kapital*, Sp. *Capital*, It. *Capitale, sorte*.)

Money upon which interest is calculated or paid.

PRIVATE ARRANGEMENT. (Fr. *Acte écrit sous seing privé*, Ger. *gütlicher Vergleich*, Sp. *Escritura privada*, It. *Accordo privato, scrittura privata di concordato*.)

This is an agreement made between a debtor who is insolvent and his creditors to avoid the expense and publicity of proceedings in bankruptcy. Such an arrangement must be made by deed, and the deed must be registered. (See *Deed of Arrangement*.)

PRIVATE BANK. (See *Bank, Private*.)

PRIVATE COMPANY. (Fr. *Association*, Ger. *Privatgesellschaft*, Sp. *Asociación*, It. *Compagnia o società privata*.)

Until 1908 a private company was always considered to be a company constituted of seven or more members, the capital of which was privately subscribed, and the greater part of the holding in the hands of a very small number

of the shareholders. The first part of this article deals exclusively with such a company.

In his work on "Company Law" Sir F. B. Palmer, the well-known authority, says: "No satisfactory—that is, exhaustive—definition of a private company can be given; the term is too elastic; but some leading characteristics may be indicated. One is that a private company is started and worked without appealing to the public for capital. A company which appeals to the public by prospectus, circular or otherwise, is not classed as a private company. On the other hand, the fact that a company does not appeal to the public is not infallible evidence or conclusive that it is not a public company, for some public companies are started without any such appeal, being privately subscribed. Another characteristic which commonly distinguishes the private company is that it is composed of a very limited number of members, perhaps seven, eight, or nine. There are public companies, no doubt, of which this is also true, but the limited number of members in the case of the public company is attributable in most cases not to design but to disaster—to their not having been successfully floated. And not only are the members few in the case of a private company, but the great bulk of the shares are usually in the hands of only some of these few members, e.g., in the hands of one, two, three, or four members. A further characteristic is that the right to transfer shares is, in the case of most private companies, closely fettered, and that the continuing members are commonly given a preferential right to purchase the shares of an outgoing member. Special provisions are also adopted in regard to the directorate. The nature of a private company may, in fact, be best summed up by saying that it is a sort of close corporation into which there is practically no admission for outsiders, and the shares of which are not obtainable in the market—a statutory partnership carried on as a limited liability company under the Act of 1862, and in this light it is regarded both by the public and by the members. The private character of such a company may at any time be terminated by the public being let in and allowed to take shares either by allotment or transfer. When this is the case the company is no longer in the category of private companies."

Many well-known and successful trading firms have been converted into private companies. According to a recent return it appears that about one-third of the whole number of companies registered are private companies.

Some doubt was thrown upon the constitution of private companies a few years ago, owing to the establishment of what were known as "one man" companies, that is, private companies in which practically the whole of the shares and the entire management of the affairs are in the hands of one individual. Such doubt was set at rest by the decision of the House of Lords in the case of *Salomon v. Salomon and Company, Limited*, 1897, A.C. 22. The head-note of the case is as follows:— "It is not contrary to the true intent and meaning of the Companies Act, 1862, for a trader, in order to limit his liability and obtain the preference of a debenture-holder over other creditors, to sell his business to a limited company consisting only of himself and six members of his own family, the business being then solvent, all the terms of sale being known to and approved by the shareholders, and all the requirements of the Act being complied with.

"A trader sold a solvent business to a limited company with a nominal capital of 40,000 shares of £1 each, the company consisting only of the vendor, his wife, a daughter, and four sons, who subscribed for one share each, all the terms of sale being known to and approved by the shareholders. In part payment of the purchase-money, debentures forming a floating security were issued to the vendor. Twenty thousand shares were also issued to him and were paid for out of the purchase-money. These shares gave the vendor the power of outvoting the six other shareholders. No shares other than these 20,007 were ever issued. All the requirements of the Companies Act, 1862, were complied with. The vendor was appointed managing director; bad times came, the company was wound up, and after satisfying the debentures there was not enough to pay the ordinary creditors.

"Held, that the proceedings were not contrary to the true intent and meaning of the Companies Act, 1862; that the company was duly formed and registered and was not the mere 'alias' or agent of or trustee for the vendor; that he was not liable to indemnify the

company against the creditors' claims; that there was no fraud upon creditors or shareholders; and that the company (or the liquidator suing in the name of the company) was not entitled to rescission of the contract for purchase."

So long, therefore, as all the legal requirements of the Companies Acts are fulfilled, there is nothing to prevent any private trader limiting his liabilities in any manner he wishes.

Among the advantages to be derived from the conversion of a private trading concern or a partnership into a private company, are the following:—

(1) There is the great protection of limited liability. In a partnership, each partner is liable for the debts of the firm to his last penny. When conversion has taken place the amount is limited to the capital of the concern.

(2) There is the advantage of continuity by incorporation, and the avoidance of all the difficulties and dislocation attending a partnership when one of the partners dies or becomes bankrupt.

(3) A company has facilities for borrowing, by means of debentures, which a partnership never enjoys.

(4) Arrangements between the members of a company and the company itself are much less complicated than in the case of a partnership. Members of a partnership are one for many purposes; members of a company are totally distinct from the company.

Private companies are formed and constituted like any other company, and are under the same statutory obligations. In two points, however, they differ from public companies by the Companies Act, 1908:—

(1) Since there is no offer of shares to the public they cannot pay any underwriting commission in respect of their shares;

(2) They may commence business immediately after incorporation.

The articles of association of a private company will be drawn up under special circumstances, and with a view to the peculiar nature of the company and its members. So many matters will have to be taken into consideration that no general rules can be laid down. The main provisions, other than those dealing with the general business of the concern, will have reference to the transfer of shares (since it is often the desire of the members to restrict the membership to a select class) and to the appointment and retirement of the directors.

A statutory private company was first established by the Companies Act, 1907, and is defined in sec. 121 of the Companies (Consolidation) Act, 1908, as one which—(a) Restricts the right to transfer its shares; (b) limits the number of its members (exclusive of persons who are in the employment of the company) to fifty; and (c) prohibits any invitation to the public to subscribe for any shares or debentures of the company. The maximum number of members is, as is seen, fifty, but the minimum is two instead of seven. A private company can at any time, by special resolution, turn itself into a public company.

A difficulty having arisen with respect to the provisions contained in the Companies (Consolidation) Act, 1908, as to private companies, an amending statute was passed in 1913 (3 and 4 Geo. 5, c. 25). The new Act, which came into force on the 15th August, 1913, practically consists of one section, which is as follows:—

1.—(1) Where the articles of a company include the provisions which, by sec. 121 of the Companies (Consolidation) Act, 1908, as amended by this Act, are required to be included therein in order to constitute the company a private company for the purposes of that Act, and default is made in complying with any of those provisions, the company shall cease to be entitled to the privileges and exemptions conferred on private companies under the provisions of that Act mentioned in the Schedule of this Act, and thereupon the said provisions shall apply to the company as if it were not a private company:

Provided that the court, on being satisfied that the failure to comply with the conditions was accidental or due to inadvertence or to some other sufficient cause, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any other person interested and on such terms and conditions as seem to the court just and expedient, order that the company be relieved from such consequences as aforesaid.

(2) In sub-sec. (1) of the said sec. 121 of the Companies (Consolidation) Act, 1908, for paragraph (b) the following paragraph shall be substituted—

“(b) limits the number of its members (exclusive of persons who are in the employment of the company and of persons who having been formerly in the employment

of the company, were while in such employment and have continued after the determination of such employment to be members of the company) to fifty; and.”

(3) Every private company shall send with the annual list of members and summary required to be sent under sec. 26 of the Companies (Consolidation) Act, 1908, a certificate signed by a director or the secretary that the company has not, since the date of the last return, or in the case of a first return since the date of the incorporation of the company, issued any invitation to the public to subscribe for any shares or debentures of the company; and, where the list of members discloses the fact that the number of members of the company exceeds fifty also a certificate so signed that such excess consists wholly of persons who under sec. 121 of that Act, as amended by this section, are to be excluded in reckoning the number of fifty.

The Schedule above referred to is as follows—

Sub-sect. 3 of sec. 26 (which relates to the making of an annual return in the form of a balance-sheet).

Sec. 114 (which relates to the right of preference shareholders and debentureholders to receive and inspect balance-sheets and reports).

Sec. 115 (which relates to the minimum number of members with which a company may continue to carry on business).

Paragraph iv of sec. 129 (which makes the reduction of the number of members of a company below the minimum a ground for the winding-up of the company).

The formation of a private company is exactly the same as that of a public company, except that its memorandum and articles need not be signed by more than two members instead of seven, and that when registration is sought a special form of application must be filed with the registrar. Care must be taken in the drawing up of the articles so as to keep the company within bounds. The nature and contents of the articles will depend upon the special circumstances of the case.

With the following exceptions, which are provided for by statute, there is absolutely no difference between the management of a public and a private company. The latter need not do any of the following things:—

(a) Include with its annual summary the statement showing the financial condition of the company.

(b) Forward and file the statutory report.

(c) Place restrictions upon the appointment of directors.

(d) File a statement in lieu of a prospectus.

(e) Place restrictions on the allotment of shares.

(f) Obtain a minimum subscription before commencing business.

(g) Open its books, etc., to the inspection of either preference shareholders or debenture-holders, unless there is a provision to that effect in the articles.

PRIVATE SECRETARIES. (Fr. *Secrétaires particuliers*, Ger. *Privatsekretäre*, Sp. *Secretarios privados*, It. *Segretari privati*.)

Private secretaries are those whose business it is to attend to the private correspondence and to assist their employers in their private capacities.

PRIVILEGES. (Fr. *Droits d'acheter, droits de vendre*, Ger. *Differenzgeschäfte*, Sp. *Autorización de compra y venta*, It. *Diritti di compra e vendita, opzioni*.)

This is an American term for options (*q.v.*).

PRO. (Fr. *Pour*, Ger. *per* or *pro*, Sp. *Por*, It. *Per*.)

This word is used in correspondence or in other documents when a person signs not on his own account, but on behalf of his principal or employer. Sometimes instead of "pro" the words "per pro." are used, an abbreviation of the Latin *per procurationem*. The use of either form exonerates the person signing from personal responsibility. The principal is responsible if the person signing is acting within the scope of his authority.

PRO FORMA. (Fr. *Pour la forme, simulé*, Ger. *Proforma, fingiert*, Sp. *Pro forma, simulado*, It. *Pro forma, preventivo*.)

This is a Latin phrase which means "as a matter of form." *Pro formá* documents are drawn up after a prescribed model to satisfy some legal requirement or some trading custom.

PRO FORMA ACCOUNT. (Fr. *Compte simulé, facture simulée*, Ger. *Proforma-rechnung, Proformafaktur, Scheinfaktur*, Sp. *Cuenta simulada, factura simulada*, It. *Conto finto (figurato, simulato)*, *fattura finta (figurato, simulata)*.)

This is a fictitious or imaginary statement of account for guidance merely.

PRO HAC VICE. A Latin phrase meaning "For this occasion."

PRO RATA. (Fr. *Pro rata, proportionné*, Ger. *pro rata, nach Verhältnis*, Sp. *Pro rata, a proporción*, It. *Pro rata, quota in proporzione*.)

This Latin phrase means "At a certain rate," or "in proportion."

PROBATE. This may mean:—

1. (Fr. *Vérification d'un testament*, Ger. *Prüfung und Bestätigung (eines Testaments)*, Sp. *Verificación testamentaria*, It. *Verificazione dium testamento*.)

The proof of a will before a proper court.

2. (Fr. *Grosse d'un testament*, Ger. *Bestätigungsschein*, Sp. *Copia del testamento*, It. *Copia legalizzata del testamento*.)

The official copy of a will with the seal or certificate of the Probate Court, showing that it has been duly proved.

Until the passing of the Land Transfer Act, 1897, probate was only granted, under ordinary circumstances, of wills making a disposition of personal property situated in this country. The only person who can obtain probate of a will is the executor named therein.

Probate is obtained in either common or solemn form. The former is used for ordinary and undisputed cases, the executor presenting the will at the proper registry office, together with an affidavit that the same is the true and last will of the deceased. The latter is the method adopted when there are likely to be difficulties and disputes. All parties interested are cited to appear in court, and the will is produced, witnesses examined, and the whole facts as to the making of the will and its execution inquired into. If the court is satisfied as to the validity of the will, probate is granted. An executor cannot be called upon to prove a will a second time in solemn form. For the purposes of the Inland Revenue, a second affidavit by the executor is required, setting out the nature and value of the estate of the deceased for the purposes of the assessment of estate duty.

The jurisdiction of granting probate of wills is exercised by the Probate Court. The principal registry is at Somerset House, but the following district registries have been established, since 1858, for granting probate of the wills of persons residing at the time of death in the respective districts:—

<i>Registry.</i>	<i>District.</i>
Bangor	Carnarvon and Anglesey.
Birmingham	Warwickshire.
Blandford	Dorsetshire.
Bodmin	Cornwall.
Bristol	Bristol and Bath.
Bury St. Edmunds	Suffolk, West.
Canterbury	Kent, East, and Canterbury.
Carlisle	Cumberland and Westmoreland.
Carmarthen	Carmarthen, Cardigan, Pembroke, with the Deaneries of East and West Gower (including the town of Swansea).
Chester	Chester.
Chichester	Sussex, West.
Derby	Derbyshire.
Durham	Durham.
Exeter	Devonshire.
Gloucester	Gloucestershire (except Bristol).
Hereford	Herefordshire, Radnor, and Brecknock.
Ipswich	Suffolk, East, and Essex, North.
Lancaster	Lancashire, except Salford, West Derby Hundreds and Manchester.
Leicester	Leicester and Rutland.
Lewes	Sussex, East.
Lichfield	Staffordshire.
Lincoln	Lincolnshire.
Liverpool	West Derby Hundred.
Llandaff	Glamorgan and Monmouthshire.
Manchester	Manchester and Salford Hundred.
Newcastle-on-Tyne	Northumberland.
Northampton	Northampton, Sth., and Bedford.
Norwich	Norfolk.
Nottingham	Nottinghamshire.
Oxford	Oxford, Berkshire, and Buckingham.
Peterborough	Northampton, Nth., Huntingdon, and Cambridge.
St. Asaph	Flint, Denbigh, and Merioneth.
Salisbury	Wiltshire.
Shrewsbury	Shropshire and Montgomery.
Taunton	Somerset, West.

<i>Registry.</i>	<i>District.</i>
Wakefield	Yorkshire, West Riding.
Wells	Somerset, East, except Bath C.C. District.
Winchester	Hampshire.
Worcester	Worcestershire.
York	Yorkshire, N. and E. Riding (including York).

A district registrar has full power to grant probate if he is satisfied that the deceased had his permanent place of abode in the particular district over which his jurisdiction extends. The wills of those persons who reside at the time of death in London, or in a district having no registry, must be proved at Somerset House.

As copies of all wills are sent to Somerset House, though the originals are kept in the district registry, it is possible for any person to read a copy of any will by going to Somerset House, on payment of a fee of one shilling. Copies may also be obtained, the cost of which will depend upon the length.

As to the duties to be paid on taking out probate of a will, or letters of administration, see *Estate Duty*.

PROCEEDS. (Fr. *Produit*, Ger. *Ertrag*, Sp. *Producto*, It. *Ricavato*, *ricavo*.)

This is the actual sum of money realised by a sale or other transaction after all the expenses connected with the same have been deducted.

PROCURATION. (Fr. *Procuration*, Ger. *Prokura*, Sp. *Poder*, *procuración*, It. *Procura*, *per procura*.)

This means the permission granted by one person to another, allowing the latter to sign or act for the other. The custom is to sign "per pro." or "p. p." A procuration fee is a commission paid for effecting a loan.

PRODUCE. (Fr. *Produit*, Ger. *Produkte*, Sp. *Producción*, *producto*, It. *Produzione*, *prodotti*.)

This word is used to denote the productions of any country generally, but it is more usually applied to such articles as tea, coffee, sugar, cotton, spices, drugs, dyes, etc.

PRODUCER. (Fr. *Producteur*, Ger. *Fabrikant*, *Erzeuger*, Sp. *Productor*, It. *Produttore*.)

The producer is a person who grows commercial commodities, as an agriculturist, or one who makes them, as a manufacturer. The term is used in contrast with middlemen and consumers.

PRODUCTIONS, COMMERCIAL. (See *Commercial Products.*)

PROFIT. (Fr. *Profit*, Ger. *Gewinn*, *Nutzen*, Sp. *Ganancia*, *provecho*, It. *Profitto*, *guadagno*.)

Profit is defined as the gain resulting from the employment of capital. It really consists of the produce or its value which remains to those who employ their capital in an industrial undertaking after all the necessary payments have been deducted, and all the capital wasted and used in the undertaking has been replaced. In joint-stock companies profits alone are available for dividends; though in very exceptional cases this rule may be relaxed. (See *Dividends.*) The directors cannot pay dividends out of capital.

"Profits must not be confounded with the produce of industry primarily received by the capitalist. They really consist of the produce or its value remaining to those who employ their capital in an industrial undertaking after all their necessary payments have been deducted, and after the capital wasted and used in the undertaking has been replaced. If the produce derived from an undertaking, after defraying the necessary outlay, be insufficient to replace the capital exhausted, a loss has been incurred. If the capital is merely sufficient to replace the capital exhausted, there is no surplus—there is no loss, but there is no annual profit, and the greater the surplus is the greater the profit." (McCulloch.)

"Capital is consumed in producing; capital is wealth, and there must be restoration of such wealth as is not destroyed by enjoyment, but in creating other wealth. If that new wealth were not forthcoming there could be no motive to apply any wealth to capital. Profit, which is reward, cannot begin till the replacement of the things consumed has been completed."

(Bonamy Price.)

In simple cases there is no difficulty in determining what is profit. For example, if an article is manufactured, there are certain expenses connected with its production. These may be divided into four parts:—

- (1) Raw material and labour.
- (2) Interest on the capital employed.
- (3) Insurance against risks and accidents.
- (4) Reward for management, superintendence, and skill on the part of the capitalist.

Whatever remains over after these

charges have been deducted from the price obtained for the finished article is profit.

But in the case of large businesses and joint-stock companies, there are other methods to be employed in ascertaining what are profits, and these are important, since it is the ordinary rule that dividends cannot be paid except out of the profits arising from the business of the company. The following is the method advocated by Lord Wrenbury (formerly Lord Justice Buckley), in his work on the Companies Acts:—

"The profits of an undertaking are not such sum as may remain after the payment of every debt, but are the excess of revenue receipts over expenses properly chargeable to revenue account. As to what expenses are properly chargeable to capital and what to revenue it is necessarily impossible to lay down any general rule. In many cases it may be for the shareholders to determine this for themselves, provided the determination be honest and within legal limits.

"Where expenses, properly chargeable to capital, have been paid out of revenue, the company are justified in recouping the revenue account at a subsequent time out of capital.

"The proper and legitimate way of arriving at a statement of profits is, to take the facts as they actually stand, and, after forming an estimate of the assets as they actually exist, to draw a balance so as to ascertain the result in the shape of profit or loss. If this be done fairly and honestly, without any fraudulent intention or purpose of deceiving any one, it does not render the dividend fraudulent that there was not cash in hand to pay it, or that the company were even obliged to borrow money for that purpose. And the fact that an estimated value was put upon assets which were then in jeopardy and were subsequently lost, does not render the balance sheet delusive and fraudulent.

"But if a dividend be declared without proper investigation of the financial position of the company, and no profit and loss account be prepared, but only an account of receipts and payments, making no allowance for risks, the burden is on the directors to show that the dividend was properly declared, and in default a director will be ordered to refund the dividend he has received. If directors pay dividends out of capital, they may be liable for the whole amount so misapplied.

“Capital may be lost in either one of two ways, which may be distinguished as loss on capital account and loss on revenue account. If a ship-owning company's capital be represented by ten ships with which it trades, and one is totally lost and is uninsured, such a loss would be what is here called a loss on capital account. But if the same company begins the year with the ten ships, value say £100,000, and ends the year with the same ten ships, and the result of the trading, after allowing for depreciation of the ships, is a loss of £1,000, this would be what is here called a loss on revenue account.

“Where a loss on revenue account has been sustained, there is of course no profit until that loss has been made good either by set off of previous undivided profits still in hand, or by profits subsequently earned. But until *Lee v. Neuchatel Asphalte Co.*, 1889, 41 Ch. Div. 1, the question was open whether a company under the Companies Acts, which has lost part of its capital by loss on capital account, can continue to pay dividends until the lost capital has been made good.

“*Lee v. Neuchatel Asphalte Co.* has now shown the true principle to be that capital account and revenue account are distinct accounts, and that for the purpose of determining profits you must disregard accretions to or diminutions of capital. Suppose I buy £100 consols at 97, and at the expiration of a year they have fallen to 94, is my income £3 or nothing? If nothing, then if at the expiration of the year they had risen to par, my income would by parity of reasoning have been £6, not £3. Is the result affected by the question whether at the end of the year I am or am not about to sell my consols? Suppose a tramway company lays its line when materials and labour are both dear, both subsequently fall, and the same line could be laid for half the money, and as an asset (independent of deterioration from wear) would cost for construction only half what it did cost. Is the company to make this good to capital before it pays further dividend? If so, then if the cost of materials and labour had risen after the line was laid, might not the company have divided as dividend this accretion to capital? Upon such a principle dividends would vary enormously, and sometimes inversely to the actual profit of the concern.

“If revenue accounts be treated as

a distinct account, these difficulties disappear, and subject to the difficulty, which must be encountered, of discriminating between revenue charges and capital charges, a safe and intelligible principle is arrived at. The creditors of the company are entitled to have the capital account fairly and properly kept; but they are not entitled to have losses of capital or capital account made good out of revenue. It is no doubt true, that before arriving at revenue at all, there are payments which must be made good to capital, on account of capital wasted or lost in earning the revenue. For instance, in the common case of leaseholds, which are a wasting property, the whole of the rental will not properly be income; in the case of colliery properties, the difference between the price at which the coal is sold, and the cost of working and raising it, will not all be income, for there must also be a deduction made in favour of capital representing the diminished value of the mine by reason of its containing so many less tons of coal; in the case of a tramway company you will not have arrived at net profit before you have set apart a sum to make good deterioration. But when all proper allowances have thus been made in favour of capital, the balance is revenue applicable for payment of dividend.”

In *Lee v. Neuchatel Asphalte Co.*, it was decided that where the shares of a limited company have, under a duly registered contract, been allotted as fully paid-up shares in consideration of assets handed over to the company, it is under no obligation to keep the value of its assets up to the nominal amount of its capital, and the payment of a dividend is not to be considered a return of capital, merely on the ground that no provision has been made for keeping the assets up to the nominal amount of capital. There is nothing in the Companies Acts to prohibit a company formed to work a wasting property, such as a mine or a patent, from distributing, as dividend, the excess of the proceeds of working above the expenses of working, nor to impose on the company any obligation to set apart a sinking fund to meet the depreciation in the value of the wasting property. If the expenses of working exceed the receipts, the accounts must not be made out so as to show an apparent profit, and so enable the company to pay a dividend out of capital, but the division

of the profits without providing a sinking fund is not such a payment of dividends out of capital as is forbidden by law.

Another method of ascertaining profit was propounded in the case of *Verner v. General and Commercial Investment Trust*, 1894, 2 Ch. 239. The defendant was a limited company, whose object was to invest their capital in stocks, funds, shares, and securities of various descriptions, and the receipts of the company from the income of these investments were made applicable to paying a dividend. The market price of some of the investments of the company fell, and others of them proved worthless, so that the value of the company's assets was materially diminished; but the income received from the investments for the year considerably exceeded the expenses of the year. One of the trustees of the company brought an action on behalf of himself and all the stockholders in the company against the company and the other trustees to restrain the company from declaring a dividend, on the ground that until the loss of capital was made up a payment of dividend would be a payment out of capital. It was held, by the Court of Appeal, that it was within the power of the company to declare a dividend; that there is no law to prevent a company from sinking its capital in the purchase of a property producing income and dividing that income without making provision for keeping up the value of the capital; and that fixed capital may be sunk and lost, and yet the excess of current receipts over current expenses may be applied in payment of a dividend, though where the income of a company arises from the turning over of circulating capital no dividend can be paid unless the circulating capital is kept up to its original value, as otherwise there would be a payment of dividend out of capital.

In that case Lord Lindley, in the course of his judgment, said: "It has been already said that dividends presuppose profits of some sort, and this is unquestionably true. But the word 'profits' is by no means free from ambiguity. The law is much more accurately expressed by saying that dividends cannot be paid out of capital, than by saying that they can only be paid out of profits. The last expression leads to the inference that the capital must always be kept up and be represented by assets which, if sold, would

produce it; and this is more than is required by law. Perhaps the shortest way of expressing the distinction which I am endeavouring to explain is to say that fixed capital may be sunk and lost, and yet that the excess of current receipts over current payments may be divided, but that floating or circulating capital must be kept up, as otherwise it will enter into and form part of such excess, in which case to divide such excess without deducting the capital which forms part of it will be contrary to law."

PROFIT AND LOSS ACCOUNT. (Fr. *Compte de profits et pertes*, Ger. *Gewinn- und Verlustrechnung*, Sp. *Cuenta de ganancias y pérdidas*, It. *Conto dei profitti e perdite*.)

(See *Account, Profit and Loss*.)

PROHIBITED GOODS. (Fr. *Marchandises interdites*, Ger. *verbotene Waren*, Sp. *Géneros prohibidos*, It. *Merci proibite*.)

These are commodities which are by law forbidden to be exported from or imported into a country.

PROHIBITIONS AND RESTRICTIONS. (Fr. *Prohibitions et restrictions*, Ger. *Verbote und Beschränkungen*, Sp. *Prohibiciones y restricciones*, It. *Proibizioni e restrizioni*.)

This is a term of the Custom House for those goods which are prohibited from being imported or shipped, and those articles which are prohibited except under certain conditions.

PROMISSORY NOTE. (Fr. *Promesse*, Ger. *Handschein*, Sp. *Pagaré, vale*, It. *Paghero, vaglia cambiario*.)

A promissory note is an unconditional promise in writing made by one person to another signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money to, or to the order of, a specified person or to bearer.

It would seem that a promissory note payable to bearer on demand is void in England, if for a sum less than £5. The stamp is always an *ad valorem* one, the duty payable being the same as for a bill of exchange.

A promissory note is usually drawn thus:—

"London, January 1, 1917.
£75.

Three months after date I promise to pay to Mr. John Roberts or order the sum of seventy-five pounds, for value received.
"James Smith."

The note may be drawn for any time, or on demand, and may be made payable to bearer, instead of to order, as

a bill of exchange or a cheque. It is inchoate and incomplete until delivery has been made to the payee or to the bearer.

An instrument which is invalid as a promissory note may be perfectly good as an agreement.

A promissory note may be made by two or more makers, and they may be liable thereon jointly, or jointly and severally according to its tenor.

A promissory note is transferable like a bill of exchange, and may be indorsed in the same manner. It is a negotiable instrument unless it is made payable to a certain person only. The maker is the person primarily liable upon it, and in default each of the indorsers can be sued. But no indorser is liable until the note has been presented to the maker for payment, and payment has been refused.

The maker of a promissory note is precluded from denying to a holder in due course the existence of the payee and his then capacity to indorse the same.

Presentment for acceptance, acceptance, acceptance *suprà* protest and bills in a set, are matters inapplicable to notes. A foreign note need not be protested on dishonour.

PROMOTER. (Fr. *Promoteur, lanceur*, Ger. *Gründer*, Sp. *Fundador, promovedor*, It. *Fondatore, promotore*.)

The promoter of a company is the person, or one of the persons, who does the necessary preliminary work to form or float it. "The typical promoter starts the scheme of forming the company, negotiates with the vendors (if any), gets together the board of directors, retains brokers, bankers, and solicitors for the company, has the memorandum and articles of association prepared, provides the registration fees, drafts the prospectus, pays for the expense of issuing it, etc.; in a word, undertakes to form a company with reference to a given project, and to set it going, and to take the necessary steps to accomplish that purpose."

Whether a person is or is not a promoter of a company is a question of fact, depending upon the circumstances of each case. Very little work done in connection with the formation of a company may render a person liable constructively. But solicitors and others who act merely as agents of promoters in their professional capacities are not liable as promoters.

A promoter stands in a fiduciary

relationship towards the company which he promotes. As a necessary consequence it follows:—

(1) He must not make, either directly or indirectly, any profit at the expense of the company which is being promoted, unless the company itself has full knowledge of the facts and gives its consent. If any secret profit is made in violation of this rule, the company may, on discovery, compel the promoter to account for and surrender the same.

(2) He must, when once he has begun to act in the promotion of the company, give to the company the benefit of any negotiations or contracts into which he enters in respect of the company. For example, if he contracts to purchase property, he cannot rightfully sell to the company at a higher price than he gave. If he attempts to do so the company may, on discovering its rights, rescind the contract or compel the promoter to surrender his profits. In one case where the promoters had agreed with contractors for the extension of works at a fixed price, it was part of the agreement that the contractors should bear the expenses of obtaining a special Act for the incorporation of the company. On the following day, by a second agreement which was not communicated to the directors of the company, two of the promoters agreed to relieve the contractors of the expense of procuring the special Act for £17,000. It was held that the company were entitled to the benefit of the second agreement.

(3) He must not make an unfair or unreasonable use of his position, and must take care to avoid anything which has the appearance of undue influence or fraud.

(4) He should take care to provide the company with an independent executive, although the promoters themselves, if there are several, or their nominees, may constitute the board of directors, if all material facts are disclosed.

A company is not generally liable for the acts and engagements of its promoters before its incorporation. But if the company has acquired property or rights by means of contracts entered into by its promoters, it will be equitably bound by the same. It is the general practice, when preliminary agreements are made, for the vendors of any property to contract with a trustee for the company, and to specify the terms on which the purchase is made.

As soon as the company is registered a new agreement is indorsed on the old one, the former incorporating the provisions of the latter by reference.

The remuneration of a promoter varies considerably. Everything will depend upon the amount of work which he has done in connection with the company. The remuneration must be stated in the prospectus.

A promoter may render himself liable for losses which happen to shareholders and others, whenever he has taken part in the issue of a prospectus, and such prospectus either omits to give the information required by statute, or contains untrue statements.

PROMOTION MONEY. (Fr. *Frais de fondation, frais d'établissement, cout de premier établissement*, Ger. *Anlagekosten, Gründungskosten*, Sp. *Gastos de primer establecimiento, gastos de fundación*, It. *Spese d'impianto, spese di fondazione*.)

This is the name given to money paid to the first board of directors or to the promoters of a limited liability company out of the proposed capital to be subscribed by the shareholders for their efforts in floating the concern. All particulars as to promotion money must be set out in the prospectus.

PROMPT. (Fr. *Terme*, Ger. *Ziel*, Sp. *Tiempo de pago*, It. *Termine, respiro, scadenza*.)

This is an agreement entered into between a shipper or importer and a merchant, by which the former engages to sell specified goods at a fixed price, the goods to be taken and paid for at a named date. The time for payment varies in different trades, and the written agreement is accordingly called a three, four, or six months' prompt as the case may be. If the goods are to be delivered before the date agreed upon, payment must be made for them at the time of delivery.

PROOF IN BANKRUPTCY. (Fr. *Preuve de banqueroute*, Ger. *beglaubigte Forderung*, Sp. *Prueba de quiebra*, It. *Prova del fallimento o bancarotta*.)

Evidence or testimony of the existence of a debt or liability, which every creditor must give in bankruptcy or in the winding-up of joint-stock companies.

The following are the rules laid down by the Bankruptcy Act, 1914, in respect of the proof of debts.

1. *In Ordinary Cases.*—(1) Every creditor shall prove his debt as soon as may be after the making of the receiving order.

(2) A debt may be proved by delivering or sending through the post in a

prepaid letter to the Official Receiver, or, if a trustee has been appointed to the trustee, an affidavit verifying the debt. The form prescribed by the Act must be used.

(3) The affidavit may be made by the creditor himself, or by some person authorised by or on behalf of the creditor. If made by a person so authorised, it must state his authority and his means of knowledge.

(4) The affidavit must contain or refer to a statement of account showing the particulars of the debt, and must specify the vouchers, if any, by which the same can be substantiated. The Official Receiver, or trustee, may at any time call for the production of the vouchers. If the proof is in respect of a bill of exchange, promissory note, or other negotiable instrument or security on which the debtor is liable, such bill of exchange, note, instrument, or security must, subject to any special order of the court made to the contrary, be produced before the proof can be admitted, either for voting or for dividend.

(5) The affidavit must state whether the creditor is or is not a secured creditor.

(6) The creditor must bear the cost of proving his debt, unless the court otherwise specially orders.

(7) Every creditor who has lodged a proof is entitled to see and examine the proofs of other creditors before the first meeting, and at all reasonable times. If a proof is intended to be used at the first meeting, it must be lodged with the Official Receiver not later than the time specified in the notice of meeting, which time must not be earlier than noon the day but one before, nor later than noon the day before the meeting.

(8) A creditor proving his debt must deduct therefrom all trade discounts, but he cannot be compelled to deduct any discount, not exceeding five per cent. on the net amount of the claim, which he may have agreed to allow for payment in cash.

2. *Proof by Secured Creditors.*—(9) If a secured creditor realises his security he may prove for the balance due to him, after deducting the net amount realised. The proof must be limited to the principal and interest of the debt due at the date of the receiving order, after deducting the amount realised from the security. The proceeds cannot be applied to the payment of interest which has accrued subsequent to the date of the receiving order.

(10) If a secured creditor surrenders his security to the Official Receiver or the trustee for the general benefit of the creditors, he may prove for his whole debt.

(11) If a secured creditor does not either realise or surrender his security, he must, before ranking for dividend, state in his proof the particulars of his security, the date when it was given, and the value at which he assesses it, and shall be entitled to receive a dividend only in respect of the balance due to him after deducting the value so assessed.

(12) (a) Where a security is so valued the trustee may at any time redeem it on payment to the creditor of the assessed value.

(b) If the trustee is dissatisfied with the value at which a security is assessed, he may require that the property comprised in any security so valued be offered for sale at such times and on such terms and conditions as may be agreed on between the creditor and the trustee, or as, in default of such agreement, the court may direct. If the sale be by public auction the creditor, or the trustee on behalf of the estate, may bid or purchase.

(c) Provided that the creditor may at any time, by notice in writing, require the trustee to elect whether he will or will not exercise his power of redeeming the security or requiring it to be realised, and if the trustee does not, within six months after receiving the notice, signify in writing to the creditor his election to exercise the power, he shall not be entitled to exercise it; and the equity of redemption, or any other interest in the property comprised in the security which is vested in the trustee shall vest in the creditor, and the amount of his debt shall be reduced by the amount at which the security has been valued.

(13) Where a creditor has so valued his security, he may at any time amend the valuation and proof on showing to the satisfaction of the trustee, or the court, that the valuation and proof were made *bonâ fide* on a mistaken estimate, or that the security has diminished or increased in value since its previous valuation; but every such amendment shall be made at the cost of the creditor, and upon such terms as the court shall order, unless the trustee shall allow the amendment without application to the court. (The court means the registrar.)

(14) Where a valuation has been amended in accordance with the foregoing rule, the creditor shall forthwith repay any surplus dividend which he may have received in excess of that to which he would have been entitled on the amended valuation, or, as the case may be, shall be entitled to be paid out of any money for the time being available for dividend any dividend or share of dividend which he may have failed to receive by reason of the inaccuracy of the original valuation, before that money is made applicable to the payment of any future dividend, but he shall not be entitled to disturb the distribution of any dividend declared before the date of the amendment.

(15) If a creditor after having valued his security subsequently realises it, or if it is realised under the provisions of rule 12, the net amount realised shall be substituted for the amount of any valuation previously made by the creditor, and shall be treated in all respects as an amended valuation made by the creditor.

(16) If a secured creditor does not comply with the foregoing rules, he shall be excluded from all share in any dividend.

(17) Subject to the provisions of rule 12, a creditor shall in no case receive more than 20s. in the £, and interest as provided by the Act.

3. *Proof in Respect of Distinct Contracts.*—(18) If a debtor was at the date of the receiving order liable in respect of distinct contracts as a member of two or more distinct firms, or as a sole contractor, and also as member of a firm, the circumstance that the firms are in whole or in part composed of the same individuals, or that the sole contractor is also one of the joint contractors, shall not prevent proof in respect of the contractors against the properties respectively liable on the contracts.

4. *Periodical Payments.*—(19) When any rent or other payment falls due at stated periods, and the receiving order is made at any time other than one of those periods, the person entitled to the rent or payment may prove for a proportionate part thereof up to the date of the order as if the rent or payment grew due from day to day.

5. *Interest.*—(20) (a) On any debt or sum certain, payable at a certain time or otherwise, whereon interest is not reserved or agreed for, and which is overdue at the date of the receiving order and provable in bankruptcy, the

creditor may prove for interest at a rate not exceeding four per cent. per annum to the date of the order from the time when the debt or sum was payable, if the debt or sum is payable by virtue of a written instrument at a certain time, and if payable otherwise, then from the time when a demand in writing has been made giving the debtor notice that interest will be claimed from the date of the demand until the time of payment.

(b) Where a debt has been proved upon a debtor's estate under the principal Act, and such debt includes interest, or any pecuniary consideration in lieu of interest, such interest or consideration shall, for the purpose of dividend, be calculated at a rate not exceeding five per cent. per annum, without prejudice to the right of a creditor to receive out of the estate any higher rate of interest to which he may be entitled after all the debts proved in the estate have been paid in full.

6. *Debt Payable at a Future Time.*—

(21) A creditor may prove for a debt not payable when the debtor committed an act of bankruptcy as if it were payable presently, and may receive dividends equally with the other creditors, deducting only thereout a rebate of interest at the rate of five per cent. per annum computed from the declaration of a dividend to the time when the debt would have become payable, according to the terms on which it was contracted.

7. *Admission or Rejection of Proofs.*—

(22) The trustee must examine every proof and the grounds of the debt, and in writing admit or reject it, in whole or in part, or require further evidence in support of it. If he rejects a proof he must state in writing to the creditor the grounds of the rejection.

Subject to the power of the court to extend the time, the Official Receiver, as trustee, not later than seven days from the latest date specified in the notice of his intention to declare a dividend, as the time within which such proofs must be lodged, shall, in writing, either admit or reject, wholly or in part, every proof lodged with him, or require further evidence in support thereof. The trustee, other than the Official Receiver, has a period of twenty-eight days instead of seven.

(23) If the trustee thinks that a proof has been improperly admitted, the court may, on the application of the trustee, after notice to the creditor who made

the proof, expunge the proof or reduce its amount.

(24) If a creditor is dissatisfied with the decision of the trustee in respect of a proof, the court may, on the application of the creditor, reverse or vary the decision.

(25) The court may also expunge or reduce a proof upon the application of a creditor if the trustee declines to interfere in the matter, or in the case of a composition or scheme, upon the application of the debtor.

(26) For the purpose of any of his duties in relation to proofs, the trustee may administer oaths and take affidavits.

(27) The Official Receiver, before the appointment of a trustee, shall have all the powers of a trustee with respect to the examination, admission, and rejection of proofs, and any act or decision of his in relation thereto shall be subject to the like appeal.

Every proof of debt for a sum which exceeds £2 requires a shilling stamp, unless the proof is for wages of workmen, when the stamp duty is remitted. In any case in which it appears from the debtor's statement of affairs that there are numerous claims for wages by workmen and others employed by the debtor, it is sufficient for one proof for all such claims to be made either by the debtor, his foreman, or some other person on behalf of all such creditors. The proof must be made in the prescribed form, and a schedule must be annexed thereto, setting forth the names of the workmen and others, and the amounts severally due to them. Any proof made in this manner has the same effect as if separate proofs had been made by each of the workmen and others, and then a stamp is required as in the case of an ordinary proof.

There are certain duties to be performed by the Official Receiver or trustee as to proofs which are sent in and admitted.

(1) Where a trustee is appointed in any matter, all proofs of debts that have been received by the Official Receiver shall be handed over to the trustee, but the Official Receiver shall first make a list of such proofs, and take a receipt thereon from the trustee for such proofs.

(2) The Official Receiver, where no other trustee is appointed, shall forthwith after the final payment has been made in a composition or scheme of arrangement duly approved by the court, and in a bankruptcy after a final dividend has been declared, send to the

Registrar all proofs tendered in the proceeding, with a list thereof certified to be correct, distinguishing in such list the proofs which were wholly or partly admitted, and the proofs which were wholly or partly rejected.

(3) Every trustee in bankruptcy, other than the Official Receiver, shall, on the first day of every month, send to the Registrar a certified list of all proofs, if any, received by him from the Official Receiver, or otherwise tendered during the month next preceding, distinguishing in such lists the proofs admitted, those rejected, and such as stand over for further consideration: and, in the case of proofs admitted or rejected, he shall transmit the proofs themselves for the purpose of being filed.

(4) Upon the declaration of a dividend the trustee shall forthwith transmit to the Board of Trade a list of proofs filed with the proceedings. The list is to be made according to a specified form, and if the proceedings are in a county court the list shall, upon payment of the prescribed fee, be examined by the Registrar, with the proofs tendered for filing, and if found correct shall be certified by the Registrar. If the proceedings are in the High Court the trustee shall, if so required by the Board of Trade, transmit to the Board of Trade office copies of all lists of proofs filed by him up to the date of declaration of the dividend.

PROOF OF DEBT. (See *Proof in Bankruptcy.*)

PROPERTY ACCOUNTS. (Fr. *Comptes de marchandises*, Ger. *Waren- und Immobilienkontos*, Sp. *Cuentas de mercancías*, It. *Conti di magazzino e mobili, conti della proprieta.*)

This is a term used in book-keeping for the names of the accounts which deal with different kinds of goods, such as tea, sugar, coffee, bills, etc.

PROPRIETARY COMPANY. (Fr. *Compagnie propriétaire*, Ger. *Privatgesellschaft*, Sp. *Compañía propietaria*, It. *Compagnia proprietaria.*)

This is usually a parent company which owns a quantity of land suitable for mining or other purposes, which is let out or sold in various portions to other public companies. Usually there are no bondholders or preference shares, but all the members have a joint-ownership in the land, and the profits, or part of them, are equally divided.

PROSPECTUS. (Fr. *Prospectus*, Ger. *Prospektus*, Sp. *Prospecto*, It. *Prospetto, programma.*)

The prospectus is the document put forward by the persons interested in a company to induce other persons to take shares or otherwise assist the company with money. By sect. 285 of the Companies (Consolidation) Act, 1908, re-enacting sect. 30 of the Companies Act, 1900, the expression "prospectus" means any prospectus, notice, circular, advertisement, or other invitation, offering to the public for subscription or purchase any shares or debentures of a company.

The prospectus is generally issued at the time of or immediately after the registration of the company. It must be dated, and the date is deemed the date of its publication. A copy must be signed by every person named in it as a director or proposed director (or his authorised agent) and filed with the Registrar at or before the date of publication.

As the persons who issue the prospectus are liable in damages to any one damaged by any false representation contained therein, the greatest care is necessary in its preparation. The obligation of those responsible for its issue and publication was thus laid down in what has been called "the golden rule as to framing prospectuses," by Vice-Chancellor Kindersley in 1861. "Those who issue a prospectus, holding out to the public the great advantages which will accrue to persons who will take shares in a proposed undertaking, and inviting them to take shares on the faith of the representations therein contained, are bound to state everything with strict and scrupulous accuracy, and not only to abstain from stating as a fact that which is not so, but to omit no one fact within their knowledge, the existence of which might in any degree affect the nature or extent or quality of the privileges and advantages which the prospectus holds out as inducements to take shares."

The legal obligations as to prospectuses issued by a public company have been laid down as follows:—

(1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, must state—

(a) the contents of the memorandum, with the names, descriptions, and addresses of the signatories, and the number of shares subscribed for by them respectively; and the number of founders' or management or deferred shares (if

any), and the nature and extent of the interest of the holders in the property and profits of the company; and

(b) the number of shares (if any) fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors; and

(c) the names, descriptions, and addresses of the directors or proposed directors; and

(d) the minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment on each share; and in the case of a second or subsequent offer of shares, the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount, if any, paid on the shares so allotted; and

(e) the number and amount of shares and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or are proposed or intended to be issued; and

(f) the names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares, or debentures, to the vendor, and where there is more than one separate vendor, or the company is a sub-purchaser, the amount so payable to each vendor: Provided that where the vendors or any of them are a firm the members of the firm shall not be treated as separate vendors; and

(g) the amount (if any) paid or payable as purchase money in cash, shares, or debentures, for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and

(h) the amount (if any) paid within the two preceding years, or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the company, or the rate of any such commission: Provided that it shall not be necessary to state

the commission payable to sub-underwriters; and

(i) the amount or estimated amount of preliminary expenses; and

(j) the amount paid within the two preceding years or intended to be paid to any promoter, and the consideration for any such payment; and

(k) the dates of and parties to every material contract, and a reasonable time and place at which any material contract or a copy thereof may be inspected: Provided that this requirement shall not apply to a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company, or to any contract entered into more than two years before the date of issue of the prospectus; and

(l) the names and addresses of the auditors (if any) of the company; and

(m) full particulars of the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by, the company, or where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; and

(n) where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by the several classes of shares respectively.

(2) For the purposes of this section every person shall be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where—

(a) the purchase-money is not fully paid at the date of issue of the prospectus; or

(b) the purchase-money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus; or

(c) the contract depends for its validity or fulfilment on the result of that issue.

(3) Where any of the property to be acquired by the company is to be taken on lease, this section shall apply as if the expression "vendor" included the

lessor, and the expression "purchase money" included the consideration for the lease, and the expression "sub-purchaser" included a sub-lessee.

(4) Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirement of this section, or purporting to affect him with notice of any contract, document, or matter not specifically referred to in the prospectus, shall be void.

(5) Where any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum or the signatories thereto, and the number of shares subscribed for by them.

(6) In the event of non-compliance with any of the requirements of this section, a director or other person responsible for the prospectus, shall not incur any liability by reason of the non-compliance, if he proves that—

(a) as regards any matter not disclosed, he was not cognisant thereof; or

(b) the non-compliance arose from an honest mistake of fact on his part:

Provided that in the event of non-compliance with the requirements contained in paragraph (m) of sub-section (1) of this section no director or other person shall incur any liability in respect of the non-compliance unless it be proved that he had knowledge of the matters not disclosed.

(7) This section shall not apply to a circular or notice inviting existing members or debenture-holders of a company to subscribe either for shares or for debentures of the company, whether with or without the right to renounce in favour of other persons, but subject as aforesaid, this section shall apply to any prospectus whether issued on or with reference to the formation of a company or subsequently.

(8) The requirements of this section as to the memorandum and the qualification, remuneration, and interest of directors, the names, descriptions, and addresses of directors or proposed directors, and the amount or estimated amount of preliminary expenses, shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business.

It is not known what will be the exact result of a failure to comply with all the provisions of the above section, as no special provision has been made for such failure. It awaits judicial decision.

Possibly it will be held that no valid contract to take shares can arise, and that a person applying for shares on the faith of such a prospectus will not, upon allotment, become a member or a contributory of the company.

Where a person has been induced to take shares in a company on the faith of any false representations contained in a prospectus of the company, there is a twofold remedy open to him: (1) against the company; (2) against the persons who are responsible for the issue and publication of the prospectus.

The remedy against the company is a rescission of the contract to take shares. This can only be obtained if the applicant proves that the prospectus misrepresented or failed to disclose some material fact, and that such misrepresentation or concealment led to the formation of the contract. The application must be made very promptly or the right to relief will be forfeited; and if the company is being wound up no application will be heard at all.

The remedy against the persons who are responsible for and have issued the prospectus is an action for damages. At common law the action was for deceit. But after the decision in *Derry v. Peek*, 14 A.C. 337, the Directors' Liability Act, 1890, was passed, which shifted the burden of proof on to the directors to show that they have acted honestly in making the statements contained in the prospectus, whereas it was formerly upon the victimised shareholders to prove that the statements were made either dishonestly or recklessly, the directors, etc., not caring whether they were true or not. This Act was amended by the Companies Act, 1907, and the whole of the provisions of the two Acts are now contained in the Companies (Consolidation) Act, 1908, sect. 84. (See *Directors*.)

The same rule applies to prospectuses offering debentures, debenture stock, or other securities for subscription as to those which offer the shares of a company to the public.

PROTECTION. (Fr. *Protection*, Ger. *Schutzzoll*, Sp. *Protección*, It. *Protezionismo*, *protezione*.)

Protection is the name applied to the attempt to foster the native industries of any particular country by prohibiting the importation of similar goods, or preventing their free importation by the imposition of high duties. Protection is the reverse of free trade.

PROTECTIONISTS. (Fr. *Protectionnistes*, Ger. *Schutzzöllner*, Sp. *Proteccionistas*, It. *Protezionisti*.)

These are the advocates of the doctrine of protection and opponents of free trade.

PROTEST. (Fr. *Protêt*, Ger. *Protest*, Sp. *Protesto*, It. *Protesto*.)

This is the attestation by a notary public of an unpaid or an unaccepted foreign bill of exchange. (See *Foreign Bill of Exchange*.)

Unless a dishonoured foreign bill is protested the drawer and the indorsers are discharged. The protest should be made on the day of dishonour; but where the acceptor of a bill becomes bankrupt or insolvent, or suspends payment before it matures, the holder may cause the bill to be protested for better security against the drawer and indorsers.

A bill must be protested at the place where it is dishonoured; but when a bill is presented through the post office, and returned by post dishonoured, it may be protested at the place to which it is returned and on the day of its return if received during business hours, and if not received during business hours, then not later than the next business day. And again, when a bill drawn payable at the place of business or residence of some person other than the drawee has been dishonoured by non-acceptance, it must be protested for non-payment at the place where it is expressed to be payable, and no further presentment for payment to, or demand on, the drawer is necessary.

A protest usually contains:—

- (1) An exact copy of the bill.
- (2) A statement of the parties for whom and against whom the bill is protested.
- (3) The place and date of the protest.
- (4) A statement that acceptance or payment has been demanded by the notary, the answer given (if any), or a notification of the fact that no answer was given, or that the drawee or acceptor could not be found.
- (5) A reservation of rights against all the parties liable.
- (6) The subscription and seal of the notary.

Although it is usual for the protest to be made by a notary public, it may be made by any respectable inhabitant in the presence of two witnesses. The following form is given in the first schedule of the Bills of Exchange Act, 1882, for use when the services of a notary cannot be obtained.

“ Know all men that I, A.B. (householder), of _____ in the county of _____, in the United Kingdom, at the request of C.D., there being no notary public available, did on the _____ day of _____, at _____ demand payment (or acceptance) of the bill of exchange hereunder written, from E.F., to which demand he made answer (state answer, if any) wherefore I now, in the presence of G.H. and J.K. do protest the said bill of exchange.

(Signed) A.B.

G.H. } Witnesses.”
J.K. }

Where a bill is lost or destroyed, or is wrongly detained from the person entitled to hold it, protest may be made on a copy or written particulars thereof.

Protest is dispensed with by any circumstance which would dispense with notice of dishonour. (See *Dishonour*.) Delay in protesting is excused when the delay is caused by circumstances beyond the control of the holder, and is not imputable to his default, misconduct, or negligence. When the cause of delay ceases to operate the bill must be protested with reasonable diligence.

The protest must be stamped. Where the duty on a bill does not exceed one shilling, the stamp required is of the same amount as that of the bill. In any other case the stamp upon the protest is a shilling one.

PROTESTER. (Fr. *Créancier qui fait faire un protêt*, Ger. *Protesterheber*, Sp. *Protestador*, It. *Creditore che fa fare il protesto*.)

This is the person who protests a bill of exchange.

PROVISO. (Fr. *Condition*, Ger. *Vorbehalt*, Sp. *Condición*, *clausula*, It. *Condizione*, *clausola*.)

This is a provision or condition contained in a deed or other document, and upon the happening of which the performance of the terms of an agreement are dependent.

PROXIMO. (Fr. *Du mois prochain*, Ger. *nächster Monat*, Sp. *Del mes que viene*, It. *Prossimo mese*.)

This word is used to denote the next approaching month, or if a particular month is named, the next month of that name.

PROXY. This may mean:—

1. (Fr. *Fondé de pouvoir*, *procureur*, Ger. *Bevollmächtigter*, Sp. *Mandatario*, It. *Rappresentante*, *procuratore*.)

A person who acts for another.

2. (Fr. *Procuration*, Ger. *Vollmacht*, Sp. *Procuración*, It. *Procura*.)

The deed or document by which a person is deputed to act.

The powers and authority of a proxy will depend upon circumstances. It does not appear that there is a right to vote by proxy at common law, so the power must be specially created.

The stamp duty upon a proxy is one penny, but there is an exemption when the proxy relates solely to bankruptcy or the winding-up of companies.

A general proxy requires a 10s. stamp.

PUBLIC POLICY. (See *Contract*.)

PUBLIC COMPANIES. (Fr. *Sociétés en commandite*, Ger. *Aktiengesellschaften*, Sp. *Sociedades publicas*, It. *Societa in accomandita*.)

These are the joint-stock or limited liability companies which apply to the public for subscription, and which are composed of shareholders who are at liberty to sell their shares publicly without the consent of their fellow shareholders. (See *Companies*.)

PUBLIC FUNDS. (Fr. *Fonds publics*, Ger. *öffentliche Fonds*, Sp. *Fondos públicos*, It. *Fondi pubblici*, *cedole del debito pubblico*.)

(See *Funds*.)

PUBLIC TRUSTEE. (See *Trustee*.)

PUNCHEON. (Fr. *Pièce (anglaise)*, Ger. *Stückfass*, Sp. *Medida inglesa*, It. *Botte, fusto, barile*.)

A puncheon is a liquid measure of eighty-four gallons.

PURE GOLD. (Fr. *Or pur*, Ger. *reines Gold*, *lautes Gold*, Sp. *Oro de ley*, It. *Oro di lega*, *oro del titolo*, *oro di 24 carati*.)

Pure gold consists of 24 carats fine, it being the customary practice to estimate the purity of gold by dividing it into an imaginary standard of twenty-four parts, called carats.

PURSER. (Fr. *Commissaire, agent comptable*, Ger. *Zahlmeister*, Sp. *Contador, maestro de viveres*, It. *Commissario, economo del bastimento*.)

This is an officer of a ship who has charge of the payments, and who keeps the accounts of the vessel. Also the person who has the management of a cost-book mining company.

PUT. (Fr. *Droit de vendre*, Ger. *Verkaufsoption*, Sp. *Derecho de vender*, It. *Diritto di vendere*.)

This is a Stock Exchange term, shortened from put option, implying the right, in consideration of a certain premium paid, to sell at a given price and within a fixed time stocks, shares, or other commodities. The profit to be

derived will depend upon the movement of the market, and the loss, if any, is limited to the amount of the premium.

The opposite of a put option is called a call option. Each is known as a single option. When an operator has the right to buy or sell according as the market price rises or falls, he is said to have a put and call, or a double, option.

PUT AND CALL. (Fr. *Double privilège*, Ger. *Stellagegeschäft*, Sp. *Derecho de comprar y vender*, It. *Diritto di vendere e comprare, doppio privilegio*.)

(See *Options*.)

PUT OF MORE. (Fr. *Droit de vendre le double*, Ger. *Nochgeschäft*, Sp. *Privilegio de doblar*, It. *Diritto di vendere il doppio*.) (See *Options*.)

PYX. (Fr. *Boîte des monnaies à essayer*, Ger. *Münzensammlung*, Sp. *Caja de monedas para ensayar*, It. *Scatola delle monete da saggiare*.)

This is a Greek word, meaning "box" or "chest." A box into which money is placed for the purpose of its being tested.

From what is known as each "journey" weight of metal, or the quantity that can be coined in one day (50 lbs. troy of gold and 60 lbs. troy of silver), one coin is selected and deposited in the pyx, or chest, which is kept in the pyx chamber at Westminster. All these coins are annually tested as to weight and fineness by a jury of the Goldsmiths' Company, who are summoned by Treasury warrant, and presided over by the King's Remembrancer. This is known as the trial of the pyx, and the object of the trial is to guarantee that there is no departure from the legal standard of the coinage.

The trial is as old as the reign of Edward III, but it was conducted at irregular intervals until 1871, when it was made annual.

Q. This letter is used in the following abbreviations:—

Qr., Quarter.

Q.v., *Quod vide*—which see.

Qy., Query.

QUALIFIED ACCEPTANCE. (Fr. *Acceptance spécifiée*, Ger. *bedingte Annahme*, Sp. *Aceptación especificada*, It. *Accettazione specificata o condizionata*.)

This is a signification by the drawee of his qualified assent to the order of the drawer of a bill of exchange.

It may be either—

(1) Conditional, making payment depend upon the fulfilment of a condition stated in the bill;

(2) Partial, for a part only of the amount named in the bill;

(3) Local, making the bill payable at a particular place, and there only.

The holder of a bill may refuse to take a qualified acceptance, and any holder other than the drawer, taking such an acceptance, must immediately give notice of the fact to prior holders; failing such notice, they are discharged from liability on the bill.

QUARANTINE. (Fr. *Quarantaine*, Ger. *Quarantäne*, Sp. *Cuarentena*, It. *Quarantena*.)

This is the name given to a regulation to prevent the introduction of infectious diseases into a city or country, by obliging ships, goods or persons leaving a place affected with infectious disease to remain a certain time in a condition of isolation before entering another place.

The word is derived from the Latin, *quadraginta*, forty, because the period of isolation was originally forty days.

QUART. (Fr. *Litre*, Ger. *Quart*, *Kanne*, Sp. *Litro*, *cuarto de galón*, It. *Quarto o litri 1.13.*)

In liquid measure a quart is the fourth part of a gallon, or two pints.

QUARTER (qr.). A quarter is either—

1. (Fr. *Quart de quintal*, Ger. *Viertelzentner*, Sp. *Cuarto de quintal*, It. *Quarto di quintale inglese o chilogrammi 12.707.*)

The fourth part of a hundredweight, or 28 lbs.

2. (Fr. *Quart de boisseau*, Ger. *englischer Malter*, Sp. *Cuarto de fanega*, It. *Ettolitre 2.90.*)

A measure of eight bushels of grain.

QUARTER DAYS. (Fr. *Jours de terme*, Ger. *Quartalstage*, Sp. *Trimestrales*, It. *Giorni dei pagamenti trimestrali*.)

These are the last days of each of the quarters of the year on which payment of rent or interest becomes due.

The *English Quarter Days* are:—

(1) Lady Day, March 25; (2) Midsummer Day, June 24; (3) Michaelmas, September 29; (4) Christmas Day, December 25.

The *Scottish Quarter Days* are:—

(1) Candlemas, February 2; (2) Whitsun, May 15; (3) Lammass, August 1; (4) Martinmas, November 11.

QUARTERLY TRADE ACCOUNTS. (Fr. *Comptes trimestriels*, Ger. *viertel-jährliche Abschlüsse*, Sp. *Cuentas trimestrales*, It. *Conti trimestrali commerciali*.)

These are accounts which are made up to the ends of the months of March, June, September, and December.

QUARTERN (qtn.). A quartern is either:—

1. (Fr. *Quart de pinte anglaise*, Ger. *Viertelpinte*, Sp. *Cuarterola*, It. *Quarto di pinta o litri 0.14.*)

The fourth part of a pint, or one gill.

2. (Fr. *Kilo et demi*, Ger. *Viertelmetze*, Sp. *Kilo y medio*, It. *Chilogrammi 1 e ½.*)

The fourth part of a peck.

QUARTO (4to). (Fr. *In-quarto*, Ger. *Quartformat*, Sp. *Cuarto*, It. *Formato in quarto, in quarto.*)

This is a sheet folded into four leaves, or a book of quarto size.

The plural of the word is *quartos*.

QUAY. (Fr. *Quai*, Ger. *Kai*, *Quai*, Sp. *Muelle*, It. *Molo, sbarcatoio, banchina*.)

A quay is a landing place for vessels to receive or discharge cargo.

QUAYAGE. (Fr. *Quayage*, Ger. *Kaigeld*, Sp. *Muellage*, It. *Diritti o spese di molo*.)

This is the payment made for the use of a quay.

QUID PRO QUO. (Fr. *Equivalent*, Ger. *Aquivalent*, Sp. *Equivalente*, It. *Quid pro quo, equivoco, equivalente, facilitazione scambievole*.)

This is a Latin phrase, which means a mutual concession in business between parties.

The literal meaning is "one thing for another."

QUINTAL. This means either:—

1. (Fr. *Quintal*, Ger. *Quintal*, Sp. *Quintal*, 50 kilos, It. *Quintale inglese, chilogrammi 50.*)

In Liverpool and the United States a weight of 100 lbs.

2. (Fr. 100 *kilogrammes*, Ger. *Quintal*, Sp. *Quintal métrico*, 100 kilos, It. *Quintale metrico chilogrammi 100.*)

In France a weight of 100 kilos, or about 220½ lbs. avoirdupois, or, more correctly, 220.46223 lbs.

QUIRE (qr.). (Fr. *Main*, Ger. *Buch*, Sp. *Mano*, It. *Quinterno di 24 fogli di carta*.)

A quire consists of twenty-four sheets of paper.

QUIT RENT. (Fr. *Redevance*, Ger. *Erbzins*, Sp. *Renta reservada*, It. *Censo, livello*.)

This is the rent paid in a manor by which the tenant is freed from all other services.

The term is derived from the Latin, *quietus reditus*.

QUITTANCE. (Fr. *Acquittement, quit-tance*, Ger. *Quittung*, Sp. *Recibo*, It. *Quietanza, ricevuta*.)

A quittance is a discharge or release from a debt or other obligation.

QUORUM. (Fr. *Quorum, quantum*, Ger. *beschlussfähige Zahl*, Sp. *Junta de Jueces*, It. *Numero legale in una adunanza*.)

This means the number of members of an administrative body who must be present to transact the business of the body.

Originally *quorum* was the first word of a commission issued to certain justices, of whom a certain number had to be present.

QUOTATION. (Fr. *Cote*, Ger. *Kurs*, *Notierung*, Sp. *Cotización*, It. *Quotazione, listino o distinta dei prezzi*.)

A quotation is a statement of the price and terms upon which certain articles can be supplied.

R. This letter is used in the following abbreviations:—

R.,	Rupee.
R/D.,	Refer to Drawer (banking).
Reg.,	Registered.
Regd.,	„
Rev. A/C.,	Revenue Account.
Rm.,	Ream.
R.M.S.,	Royal Mail Steamer.
Rs.,	Rupees.
Ry.,	Railway.

RACK RENT. (Fr. *Maximum de loyer*, Ger. *höchste Miete*, Sp. *Arriendo exorbitante*, It. *Fitto massimo*.)

This is the full annual rent of a particular property. It is, in reality, the market value of the property at the time in question.

RACKING. This word may mean:—

1. (Fr. *Soutirage*, Ger. *abziehen*, Sp. *Coupaje*, It. *Filtrare*.)

Drawing off wines or spirits from the lees or sediments.

2. (Fr. *Soutirage*, Ger. *umfüllen*, Sp. *Coupaje*, It. *Travasare, travaso*.)

Transferring wines or spirits from an unsound cask to a sound one, or from one large cask into several smaller ones. Also combining the contents of several small casks into one large one.

RAILWAY ADVICE. (Fr. *Avis de délivrance*, Ger. *Eisenbahnavis*, Sp. *Aviso del ferrocarril*, It. *Avviso della ferrovia*.)

This is a document received from a railway company stating:—

(1) That a consignment of goods has arrived at one of its stations.

(2) That it awaits orders as to disposal, and intimating that a demurrage, or charge for detaining a railway truck, will be charged if the goods are not removed within a given time.

RAILWAY CLEARING HOUSE. (Fr. *Bureau central*, Ger. *Eisenbahnabrechnungsstelle*, Sp. *Dirección de liquidaciones*

ferrovianas, It. *Ufficio centrale di liquidazioni ferroviarie*.)

(See *Clearing House, Railway*.)

RATEABLE VALUE. (Fr. *Valeur imposable*, Ger. *steuerbarer Wert*, Sp. *Valor tasado*, It. *Reddito imponibile*.)

The value of property after deducting from it the probable annual average cost of repairs, insurance, and other expenses.

RATE OF EXCHANGE. (Fr. *Cours*, Ger. *Kurs*, Sp. *Tipo de cambio*, It. *Prezzo o corso del cambio*.)

The amount in the currency of one country which, on a given date, is offered for a certain sum or unit in the currency of another country. Rates of exchange vary from day to day, and are seldom at par. When the rate offered for bills on foreign countries is high the exchange is said to be favourable; when the reverse is the case the rate of exchange is said to be unfavourable.

By the Stamp Act of 1870, an instrument chargeable with duty is liable to the amount calculated upon the rate of exchange at the date of the instrument. Also the stamp duty on a bill of exchange is to be calculated on the rate of exchange on the day when the bill is payable.

RATIFICATION. (See *Agency*.)

RAW MATERIALS. (Fr. *Matière brute*, Ger. *Rohmaterial*, Sp. *Materia bruta*, It. *Materiali grezzi*.)

These are the materials employed in the production of the commodities of any trade, upon which nothing has been expended, and which are as yet unaltered. The manufactured articles of one trade may constitute the raw materials of another trade.

RE. (Fr. *Affaire*, Ger. *in Sachen*, Sp. *Causa*, It. *Concernente, al riguardo di, nell'affaire di*.)

This is the ablative case of the Latin word *res*, meaning "thing." When used alone, or in the phrase *in re*, it means "relating to."

REAL ESTATE. (Fr. *Biens immobiliers*, Ger. *Grundeigentum*, Sp. *Bienes raíces, propiedad inmueble*, It. *Beni immobili, sostanze immobili*.)

Real estate is immovable property, such as land, and so called in distinction from movable property, or personal estate. Leaseholds, although partaking of the nature of property in land, are personal estate.

REALISATION ACCOUNT. (Fr. *Compte de réalisation*, Ger. *Realisationsskonto*, Sp. *Cuenta de realización*, It. *Conto di realizzazione*.)

This is the name given to a special account which is opened when a business is being wound up, or when it is being sold as a going concern, or when a partnership is being dissolved, or when a new partner is being admitted. Such an account is debited with the book value of the assets, expenses of realisation, liabilities, and entered in account books, and is credited with cash in hand and cash received from the realisation of the assets. The balance is transferred to the capital accounts of the partners in the same proportion that the profits are shared.

REAM. (Fr. *Rame*, Ger. *Ries*, Sp. *Resma*, It. *Risma*.)

This is a bundle or package of paper. A ream of writing paper consists of 20 quires, each quire containing 24 sheets. A ream of printing paper, commonly called a printer's ream, contains 21½ quires, or 516 sheets.

REBATE. (Fr. *Réfaction*, Ger. *Rabatt*, Sp. *Rebaja*, It. *Sconto ribasso*.)

This is an allowance or discount. It is frequently but improperly used in the same sense as "abate." The word is derived from the French, *rebattre*, which means "to beat back." Properly it implies a return of interest which has been previously paid.

RECEIPT. (Fr. *Reçu*, *quittance*, Ger. *Quittung*, Sp. *Recibo*, It. *Ricevuta*, *quietanza*.)

A receipt is a legal written acknowledgment of having received a sum of money. If the sum paid is £2 or more, a penny stamp must be affixed and cancelled, otherwise the receipt is of no legal effect. The stamp must be on the receipt at the date when the money is paid; but a receipt may afterwards be stamped with an impressed stamp upon the following terms:—

(1) Within fourteen days after the date of payment, on payment of a penalty of £5, in addition to the penny stamp.

(2) After fourteen days, but within a month, on payment of a penalty of £10, in addition to the penny stamp.

No receipt can be stamped after a month has elapsed from the time of the payment of the money.

The following documents are legally exempted from stamp duty:—

(1) Receipts given for money placed on deposit with a banker.

(2) Acknowledgments by a banker of the receipt of bills of exchange for the purpose of presentation for acceptance or payment.

(3) Receipts for taxes or duties, or

for money paid to an officer of a public department of the state, wherein the officer derives no personal benefit.

(4) Receipts given by any officer, seaman, marine, or soldier, or his representatives, for wages, pay, or pension.

(5) Receipts given for any principal money or interest due on an exchequer bill.

(6) Receipts given for the consideration money for the purchase of any share in any of the Government or Parliamentary stocks or funds, or in the stocks and funds of the Secretary of State in Council of India, or of the governor and company of the Bank of England, or of the Bank of Ireland, or for any dividend paid on any share of the said stock or funds respectively.

(7) Receipts given upon bills or notes of the governor and company of the Bank of England or the Bank of Ireland.

(8) Receipts indorsed or otherwise written upon or contained in any instrument liable to stamp duty, and duly stamped, acknowledging the receipt of the consideration money therein expressed, or the receipt of any principal money, interest or annuity thereby secured or therein mentioned.

(9) Receipts given for any allowance by way of drawback or otherwise upon the exportation of any goods or merchandise from the United Kingdom.

(10) Receipts given for the return of any duties of customs upon certificates of over-entry.

These exemptions are contained in the Stamp Act of 1870, but certain receipts and other documents are specially exempted from duty by the Building Societies Act, 1874, the Friendly Societies Act, 1895, the Bankruptcy Act, 1914, and the Finance Act, 1895, as regards the liquidation of companies. Charitable institutions enjoy a certain kind of immunity from stamp duties in respect of receipts for donations and subscriptions, for no penalty is enforced by the Commissioners of Inland Revenue if the receipts are unstamped.

Formerly receipts written upon bills of exchange and promissory notes were exempt from the penny stamp duty. But the duty has been payable since July 1, 1895, with this proviso, that neither the name of a banker (whether accompanied by words of receipt or not) written in the ordinary course of business upon a bill of exchange or promissory note, nor the name of the payee written upon a draft or order, if payable to order, shall constitute a receipt chargeable with stamp duty.