with which the company proposes to be registered and the amount of the shares into which such capital is divided. Company statistics show a tendency of late years on the part of companies to register with a smaller nominal capital than they did. The tendency too has been to lower the denomination of the shares. *£100* shares, for instance, are now very rare. £1 shares and £5 shares are the most common. They obviously appeal better to the small investor. A typical capital clause runs thus: “ The capital of the company shall be £100,000 divided into 100,000 shares of £1 each with such rights as regards dividends and other privileges as are defined by the company’s articles of association ■ for the time being,” or “ The capital of the company is £150,000 divided into 50,000 preference shares of £1 and 100,000 ordinary shares of £1 each. Such preference shares shall confer a right to a fixed cumulative preferential dividend at the rate of 10% per annum.” The form of capital clause varies of course, but the more approved practice now is to leave the rights of prefer­ential shareholders to be defined by the articles, and for this reason; that if such rights are fixed by the memorandum of association without qualification they cannot be subsequently varied. Articles, on the contrary, are always alterable, and as the preference shareholder takes his shares subject to this known liability to alteration no wrong is done him. If the powers of alteration were abused so as to amount to a fraud by the ordinary shareholders on the minority of preference shareholders the court would probably interfere by injunction. The preferential or other special privileges of any particular class of .shareholders are now further safeguarded by s. 39 of the Companies Act 1907. The right\* of a preference shareholder is commonly confined to a preferential dividend and this dividend is prima facie cumulative, that is to say if the profits of the particular year are insufficient to pay it the deficiency must be made good out of the profits of subsequent years: but it is very common to give preference shareholders priority also as regards capital in the winding-up. Founders’ shares originated with private companies, being a convenient means of securing to the partners in the vendor firm, on conversion, the control of the business as well as the lion’s share of the profits. Thence they passed to ordinary trading companies, that is, companies which appeal to the public for their capital. Founders’ shares in this connexion commonly entitle the holders to one-half or one-third of the company’s profits after payment of a fixed dividend of, say, 7 to 10% to the ordinary shareholders. Founders’ shares are mostly subscribed for by the vendors or promoters, though sometimes used by way of bonus to attract subscribers for the ordinary or deferred shares. They are now becoming rare.

*Share Warrants to Bearer.—*The Companies Act (1862) made no provision for the creation of shares to bearer. All shares under the act are registered and the title on the register is evidenced by a share certificate. The act of 1867 introduced shares to bearer under the title of “ share warrants to bearer.” A share warrant entitles the bearer to the shares or stock specified in it and such shares or stock are transferable by delivery of the warrant. The warrant is always treated as a negotiable instrument.

“ Stock ” in the case of companies constituted under the Companies Acts 1862-1907 is created by converting paid-up shares into stock. This may be done under s. 12 of the Companies Act 1862 by resolution. Under the same section a company may increase its capital by the issue of new shares or consolidate it into shares of larger amount; and by s. 21 of the Companies Act 1867 a company may subdivide its shares. The Companies Act 1907 (s. 39) gives a company a further power by special resolution, confirmed by an order of the court, to reorganize its capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes—but no preference or special privilege attached to any class of shares is to be interfered with except by a resolution passed by a majority of shareholders of that class representing three-fourths of the capital of that class. A limited company cannot reduce its capital without the sanction of the court.

*Public Companies.—*The provisions as to shares and stock under the Companies Clauses Acts 1845,1863, i86q, are, with a few exceptions, analogous to those under the Companies Acts.

The capital of the company is to be divided into shares of a certain number and amount. A share register is to be kept and certificates are to be issued to shareholders; and power is given to convert paid-up shares into a general capital stock to be divided among the shareholders according to their respective interests therein. Such stock has been called a “ set of shares put together in a bundle.” Preference shares may be created, but there is this difference between preference shares under the Companies Clauses Act and under the Companies Acts, that under the Companies Clauses Acts preference shares are entitled to dividends only out of the profits of each year; under the Companies Acts the dividends as above stated are prima facie cumulative. Shares and stock may under the Companies Clauses Act be issued at a discount; under the Companies Acts they cannot. Under the Companies Clauses Acts if the old shares of the company are at a premium any new shares are to be offered first to the old shareholders. This is not found in the Com­panies Acts, but a similar provision is commonly inserted in the articles of companies formed under the acts. (E. Ma.)

**STOCKTON, FRANCIS RICHARD** (1834-1902), American novelist, was bom in Philadelphia, Pennsylvania, on the 5th of April 1834. He had a high school education; became a skilled wood engraver; wrote for the Philadelphia *Morning Post,* the *New York Hearth and Home, Scribner’s Monthly* and 5/ *Nicholas,* of which he became assistant editor in 1873; and about 1880 he gave up editorial work for independent authorship. Thereafter he lived in Nutley, New Jersey, in Convent, New Jersey, and after 1899 in the Shenandoah Valley, near Charles Town, West Virginia. He died in Washington, D.C. on the 20th of April 1902. His fanciful stories for children made him very popular; among them are *The Ting-a-Ling Stories* (1870), *Roundabout Rambles in Lands of Pact and Fancy* (1872), *What Might Have Been Expected* (1874), *Tales Out of School* (1875), *A Jolly Fellowship* (1880), *The Floating Prince and Other Fairy Tales* (1881), *The Story of Viteau* (1884), *Personally Conducted* (1889), and *Captain Chap* (1897). His amusing and original *Rudder Grange* (1879), a series of sketches rather than a novel, established his reputation with older readers and is his best long work. His peculiar talent was for the short story; and the best examples are the title stories of the volumes *The Lady or the Tiger?* (1884), one of the most popular of American stories, *The Christmas Wreck* (1886), *The Bee Man of Orn* (1887), (also in the latter volume “ A Tale of Negative Gravity ’’and “ The Remarkable Wreck of the Thomas Hyke ”), and the novelette *The Casting Away of Mrs Leeks and Mrs Aleshine* (1886), with its sequel *The Dusanles* (1888).

Among his other works of fiction are *The Late Mrs Null* (1886), *The Hundredth Man* (1887), *Amos Kilbright: his Adscilitious Experi­ences, with Other Stories* (1888), *The Great War Syndicate* (1889), *The Merry Chanter* (1890), *Ardis Claverden* (1890), *The Rudder Grangers Abroad, and Other Stories* (1891), *The House of Martha* (1891), *The Squirrel Inn* (1891), *The Watchmaker’s Wife and Other Stories* (1893), *Pomona’s Travels* (1894), *The Adventures of Captain Horn* (1895), with its sequel, *Mrs Cliff’s Yacht* (1896), *The Great Stone of Sardis* (1898)*, Kate Bonnet* (1902), and *The Captain’s Toll- Gate* (with a memoir by Mrs Stockton, and a bibliography, 1903).

**STOCKTON,** a city and the county seat of San Joaquin county in central California, U.S.A., at the head of the Stockton channel of the San Joaquin river, about 48 m. S.E. of Sacramento. -Pop. (1900), 17,506, of whom 4057 were foreign-born; (1910 census) 23,253. It is served by the Atchison, Topeka & Santa Fé, the Western Pacific and the Southern Pacific railways, and has also a considerable river trade with San Francisco. It is at the head of regular navigation on the river; at high water boats occasionally go to Hills Ferry, 150 m. beyond Stockton. The channel has been much improved by the Federal government since 1877. Stockton has a perfectly level site, broad streets and a regular plan. In the city are a good public library, the San Joaquin county law library, St Agnes academy, St Mary’s college, a children’s home (1896; under the Ladies’ Aid Society), St Joseph’s home (1899) for the aged, and St Joseph’s hospital (1899), both under the Sisters of St Dominic, the Pacific hospital, a county hospital and a state hospital for the insane (1851). Situated in the great valley of the San Joaquin, in the midst of a