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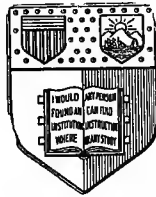
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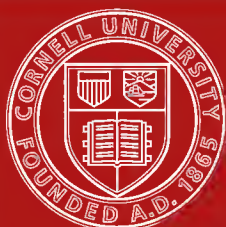
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**NORTH CHINA
FARMING AND STOCK-RAISING
CORPORATION.**



PROSPECTUS



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NORTH CHINA FARMING AND STOCK-RAISING CORPORATION.



PROSPECTUS

China has been known from time immemorial to be an agricultural nation. The vastness of her land and abundance of her resources have no comparison. It is, however, a pity that the people of the agricultural class have always been conservative and content with their time honoured methods which they made no effort to improve. In consequence, land has become less and less productive, resulting in the loss to the country of a large amount of revenue.

In recent years, the growing economic difficulty and the birth of new problems have made thoughtful people to seek ways and means that would remedy the dreadful situation at present facing China. It is generally believed that the stability of a nation lies in the development of agricultural enterprises and the increase of such local production which will sustain the livelihood of the people and prevent it from getting worse than it is. These are the only ways to improve the economical condition confronting both the country and the people.

To deal with the matter of agriculture in general, it is too big a task, inasmuch as its scope covers such a variety of subjects as farming, stock-raising, forestry, sericulture, plantation of trees and crops, etc. As these subjects are co-related and interwoven, to make a choice of what should be undertaken first is a problem that requires consideration.

We understand that in foreign countries, people devote much attention to farming, make a thorough study of the different subjects having a bearing thereon, and constantly discover means for the improvement of agricultural methods. Above all, they pay special attention to agricultural schools and stock-raising. In this connection, there is a special point which demands our attention, namely, that in foreign countries stock-raising is always undertaken jointly with farming. The reason is that these two subjects are so closely connected in nature that for the joint undertaking of them only the minimum of labour will be required and the maximum of results obtained. To undertake them separately, it will require far more capital than when the two are worked together.

Taking the above consideration as our guidance, we, the promoters of the Corporation, lay down as our policy that the Corporation shall confine its scope to the operation of farming and stock-raising. The initial step to be taken by the Corporation shall therefore be the establishment of an experimental station (Shih Yen Ch'ang) to obtain better breeds and seeds

for the requirement of the Corporation in the future. Following this, the Corporation will establish whenever opportunity offers itself a farming and stock-raising station in order to attain its prime objects. Within the station an agricultural school will be established where young men will receive practical training.

In view of the present situation in China, we believe that the foregoing plan, when put into operation, will succeed and that there will be nothing for such an enterprise to lose but there will be everything to gain. We therefore beg to place before you the following propositions.

PART I

Plan of Farming and Stock-Raising Station (K'en Mu Ch'ang.)

Both farming and stock-raising belong to that agricultural enterprise which is capable of great productivity. It is only those having practical knowledge and experience who can draw up a sound and effective scheme for such a large enterprise. As we are not experienced along the line, we will confine our discussion to the matter of how the work will be carried out and what are the methods of procedure to be adopted for the operation and management of the Corporation.

The three essentials of human life are clothing, feeding and sheltering. Such necessities as cotton, hemp, wheat, meat, wood, etc., required for these essentials are derived from farming and stock-raising. As they are so closely connected and indispensable to human beings, it is only natural that the business of handling them must be profitable. However, the success much depends upon the soundness and practicability of the scheme. In order to make our scheme sound and practicable, we have decided first to start the organization of an experimental station (Shih Yen Ch'ang). As soon as the Shih Yen Ch'ang shall have given satisfactory results, we will proceed with the establishment of the farming and stock-raising station. By adopting this procedure, the objects of the Corporation will be attained step by step and any obstacle that may stand in the way of progress will thus be avoided.

The method of procedure regarding the establishment of the experimental station is as follows:

- 1.—**Object**: Stock-raising shall be the prime object and farming the secondary.
- 2.—**Initial Step**: Regarding the stock-raising side, four kinds of live stock will first be raised, namely, sheep, cattle, poultry and swine.
- 3.—**Manager and Teachers**: Experts shall be engaged from America and Denmark, which countries are well known for the success of agricultural enterprises, to fill such important positions as managers and teachers of the Shih Yen Ch'ang.
- 4.—**Veterinarian**: A foreign veterinarian shall be engaged by the Corporation to treat the disease of the live stock and to prevent epidemics.
- 5.—**Workmen**: Men of Chinese nationality, who have the following qualifications, may apply for the positions of workmen of the Shih Yen Ch'ang:

- (a) Who is not over 25 years old and is not mentally or physically defective.
- (b) Who has good conduct and is industrious.
- (c) Who is not habitually idle and has never been a convict.
- (d) Who does not indulge in smoking, drinking or gambling.
- (e) Who possesses a doctor's paper certifying to the soundness of his body.

People who have the above qualifications and have also passed the entrance examination of Shih Yen Ch'ang shall, upon entering the station, provide the Corporation with a substantial guarantee.

Any applicant for a workman's position shall state whether he is literate or illiterate.

- 6.—**Treatment of Workmen** : After a workman has passed the entrance examination and entered the service of the Shih Yen Ch'ang, he will be given, besides proper wages, practical training on a subject which he may choose of his own will. Under training for a few weeks' time, the workman will become skilled along a special line.
- 7.—**Necessary Implements** : Machinery and implements required in the Shih Yen Ch'ang will be supplied by the Corporation and the expenses for building living quarters will also be borne by the Corporation.
- 8.—**Selection of Breeds and Seeds** : Seeds and breeds required by the Shih Yen Ch'ang will be bought from America. The number of breeds to be bought is estimated as follows :
 - (a) Sheep breeds : There are two types of sheep, namely, wool type and meat type. One hundred heads of American or Australian wool type will be purchased and used in experiment to cross breed with Chinese breeds.
 - (b) Cattle breed : It has also two types, namely, milk type and meat type. For the purpose of producing milk for the time being, twenty heads comprising of cow of milk type and bull of both types will be first bought. They will be used to cross breed with the Chinese breeds.
 - (c) Poultry : Poultry has three different types, namely, egg type, meat type and dual-purpose type. Two thousand heads of the American dual-purpose type will be bought for experiment. After thirty months, possibly about half a million heads will be raised. The incubators will also be bought from America.
 - (d) Swine : The Chinese breed of the meat type is preferable. One hundred head of American breed will be bought to cross breed with the Chinese breeds for experimental purposes. Ham-making will be the object in raising swine.
 - (e) Collie : Three dogs and seven bitches will be bought from a foreign country. They should be also serviceable in the poultry farm. They will be generally used as herders of the stock-raising farms.
- 9.—**Extension of the Experimental Work** : In case there is space for further extension in the Shih Yen Ch'ang, the plantation of wheat, cotton and fruit trees will be started. At the same time the question of textile materials will be studied.

10.—**Location of the Experimental Station** : Ten thousand *mou* of land has been selected by the foreign experts at Huang Tsun, near Nan Yuan, south of Peking. This piece of land will be devoted to experimental work.

In China almost no attention is being paid to the selection of feeds in connection with stock-raising. Our object of organizing the experimental station is to reform the old methods by the introduction of modern ones. The general plan for the organization of the station has been given in the foregoing. It is estimated that one year shall be required in making preparations before the station can be put into effective operation. Following this, the next step to take will be to make necessary preparations for the establishment of a farming and stock raising station. The vastness of the scope of this work justifies the length of time for these preparations. The Corporation will however lose no time to seek an opportunity to select a piece of land of a few hundred square *li* for the farming and stock-raising station.

The methods of procedure regarding the founding of a farming and stock-raising station are as follows :

- 1.—**Cultivation of Land** : When the land shall have been appropriated, the first thing to do will be to divide it into divisions of unit area. The cultivation will be entirely effected by means of machinery, since the hand labour will be of no avail on account of underground growth being deeply rooted.
- 2.—**Division of Land** : The entire area will be divided into one hundred square parts and will be apportioned as follows :
 - (a) 40% for the cultivation of herbaceous plants.
 - (b) 30% to raise sheep and their feeds.
 - (c) 10% to raise cattle and their feeds.
 - (d) 5% for experimental field and its orchards.
 - (e) 5% for building roads.
 - (f) 5% for factories of agricultural products.
 - (g) 5% for park, hospital and school.
- 3.—**Families of the Tenants** : The families of the tenants shall cooperate in the management of the work and fields. In time of plantation, each team shall compose of from five to twenty-five persons.
- 4.—**Stock-Raising and Cultivation** : After the land has been selected, the workmen having received training in the Shih Yen Ch'ang will be transferred and be made either to take care of live-stock or to undertake cultivation. In addition, men having good physical strength will be engaged from outside and they will be given the same practical training as those workmen who received theirs in the Shih Yen Ch'ang. The allotment of land for management of stock-raising and undertaking of cultivation will be made according to the ability of the individual workman and the number of his associates. The manner of division will be as follows :

First Class tenant is entitled to 500 *mou* of land.

Second Class tenant is entitled to 400 *mou* of land.

Third Class tenant is entitled to 200 *mou* of land.

The land allotted to every tenant shall be divided into two

equal parts, one part for the raising of live stocks and their feeds and the other for the cultivation of herbaceous plants.

5.—**The First Step of Cultivation:** In the first three years, the soil is not sufficiently improved for cultivation. The pasture raised on the land during these three years will be its only production and will supply the feeds of the cattle and sheep. The average production of ten *mou* of land is sufficient for a sheep or a cow for one year. After this period, the land becomes fertile enough for proper plantation. The by-products of such plantation will be good for the food of cattle and sheep. By that time the by-products of five *mou* will be sufficient to feed either a cattle or a sheep for one year.

6.—**The Combination of Stock-Raising and Farming:** Any person to whom the Corporation shall have allotted land either for management or for stock-raising and farming shall be bound under the condition that half of the land allotted shall be devoted to stock-raising and the other half to farming. The advantage is that the manure of live-stock will enrich the soil and that the by-products of the land will supply the feeds of live-stock.

7.—**The Separation of Live-Stock:** The cattle farm must never be used as sheep farm although the latter may be used for the purpose of the former. The sheep farm must be separated far away from the cattle farm. The reason is that the cattle farm may be wooded but not the sheep farm and that woods often attract owls whose manure dumped upon the grass and eaten by the sheep will cause epidemic.

According to the foregoing scheme, it is expected that after ten years of operation, the Corporation will be able to recover all the net capital invested and also make some profit. After another five years the Corporation will be in the position to give away the lands (not including the stock-raising farm) to the tenants free with the condition that the tenants are not allowed to sell or mortgage the land given to them by the Corporation.

The following is a description of how this procedure will be carried out:

Supposing that the tenant is a third class one and is accordingly allotted by the Corporation two hundred *mou* of land. One hundred *mou* of that land which is to be devoted to stock-raising will always be the property of the Corporation. But the tenant bears the responsibility of taking care of the live stock raised on his land and also of raising the feeds for the live-stock. As a remuneration, the Corporation gives the manure of the live-stock to the tenant free who may use it as fertiliser for the cultivation of the other half of the land allotted to him by the Corporation. After fifteen years, this portion of the land which shall have been entirely devoted to cultivation and plantation will be given to the tenant and made his property. Supposing that the annual proceeds derived from this one hundred *mou* of land, after deducting from it the national tax, is \$1,000.00, the Corporation is entitled to get two hundred dollars from it as its profit, one hundred dollars as contribution towards the funds for running schools, and another fifty dollars as a superannuation fund. The tenant gets the balance of \$550.00. From this amount will be deducted the

annual expenditure of four to five hundred dollars incurred by the tenant, not including the amount for the fertilizers which has been supplied by the Corporation free of charge. So the net profit of the tenant will be from one hundred to two hundred dollars. Putting the above on a percentage basis, the result is :

- 30% for the benefit of the Corporation and contribution towards school funds.
- 5% for superannuation fund.
- 40 to 50% for the expenditure incurred by the tenant.
- 10 to 20% the net profit of the tenant.

According to this scheme, the Corporation reaps the entire profit from stock-raising and also a part from farming. Besides, the Corporation enjoys the trained service of faithful persons in the management of its work.

Any land which is allotted to the tenants under the above condition either for management or for cultivation and farming will compose what will be known as the experimental field.

The methods of procedure for the management of the experimental field will be as follows :

- 1.—**Seeds and Breeds:** All the seeds and breeds required by the experimental field will be supplied by the Corporation. The decision as to the methods to be adopted and the kinds of live stock and plants to be raised rests with the man in charge of the farming and stock-raising station whose authority will be final.
- 2.—**Reports:** The tenants of both stock-raising and farming shall submit annual reports to the experimental station (Shih Yen Ch'ang) giving the experience they shall have obtained during the year round. From these reports, the station authority will be able to judge what will be the best way to improve the work.
- 3.—**Obligations of Cultivation:** The annual income of the tenants derived from cultivation and farming after deducting from it the national tax shall be distributed as follows :
 - 20% for the profit of the Corporation.
 - 10% for school funds.
 - 5% for superannuation fund.
 - 65% for the profit of the tenant.

The superannuation funds will be used as capital for the extension of the Corporation's operation, whenever there is opportunity to do so. The tenants will be given shares of such extension according to the amount of superannuation they will have already contributed to the Corporation. However, these funds may be also used to relieve the condition in bad years. The object of all this is that the Corporation will take care of the custody of superannuation which will always be the property of the tenants.

- 4.—**Obligation of Stock-Raising:** At any time, the tenants shall be responsible for stock-raising on the land allotted to them by the Corporation. As a remuneration, the Corporation will give the tenants free of charge the manure of the livestock on their farms. All the property of the stock-raising farm other than the manure will belong to the Corporation.

- 5.—**Grades of Prizes:** The Corporation will at its discretion award special prizes annually to those tenants who will have achieved the best results in taking care of the live-stocks or in cultivation, apart from the profit to which they shall be entitled.
- 6.—**Education of Tenants' Children;** The Corporation shall be responsible for education of the children of the Corporation's staff and the tenants. The Corporation will establish educational institutions of all grades from kindergarden up to college of agricultural technics. These children will be given different kinds of technical education according to their natural tendency.

According to the above plan, tenants will receive an ordinary profit and hereditary property, which provide their means of living as well as the necessities and education of their descendents. Such inducements will encourage the employees of the Corporation to work harder and to be interested in their work. Furthermore, after several years there will not be a single person in the Corporation's service who will not have either been educated or trained. And those educated and trained persons will always be practical men. Our undertaking is a forerunner in the direction of the general development of agriculture and industry in China.

Having in the foregoing dealt with the question of the experimental station, the farming and stock-raising station and the experimental field, there remains another matter that required our consideration and that is how to secure proper persons to fill the various positions in the foregoing mentioned three departments. It is very difficult to get such men from the present society. After much discussion, we have come to the conclusion that the only remedy for this is to establish schools to train young men to the standard requirements of the Corporation. Our contention on this matter is that possibly we may get persons outside, but most of them are theoretical rather than practicable. They may be able to handle matters in general but hardly they can be systematical. To establish schools as planned, we can train young men to be practicable as well as industrious. Only men of this standard will accomplish things.

PART II.

The Plan of Farming and Stock-Raising School.

The weakness of a nation is due to the number of consumers exceeding that of producers. Education is the thing that will remove the cause of this weakness. However in China most of the young men who have received education in the schools become consumers instead of producers. Should this unfavourable condition be allowed to continue for ten years, the whole country will be filled with such a large number of consumers that the financial resources of the people will be entirely exhausted and that an economical unrest will be inevitable. In saying this we do not mean that the educational institutions are defective. On the contrary we should say that they have been introducing modern thoughts and progressive ideals to the young generation of China, and their good work should not be overlooked.

The present educational institutions should, in our opinion, devote much effort and time to that kind of education which would increase the productive power of the nation. In other words, we advocate vocational education. The responsibility of developing vocational education rests with the people as much as with the Government. In recent years, the Chinese Government has been endeavouring to develop education of pure educational nature. As to vocational education, very little attention has been paid to it. This attitude on the part of the Government has caused the missionary educationists to become pessimistic over the development of vocational works. It is now the time for the people to undertake this important task themselves. Our object to develop vocational education is to train up young men to be ready to handle everything that requires the actual labour of men.

At present young men are ashamed to do farmers' or laborers' tasks. This is mainly due to the fact that they are generally educated in the school or college which they consider as their social clubs. Another cause for the national weakness, we must admit, is the division of grades in society and the tendency of the young generation to become luxurious. We seldom see that a young man from a fairly well-to-do family cares to walk; much less would those from rich families, make good use of their legs. Rich families send their children to school not because they want them to be educated but because they want people to know that their sons have been to school. A diploma or a certificate is the inducement that encourages young men to spend a few years in the school or college. The acquisition of a name is generally the prime consideration and true knowledge is usually neglected. This condition leads to the downfall of a nation much quicker than the giving way of the nation's territory to foreign countries.

It is the most unexplainable thing why the young men in China hate or feel ashamed to do the work belonging to the farmer or laborer class. The history of China gives many instances that kings and queens, statesmen and scholars arose from the positions of farmers and laborers. Even our Great Teacher Confucius was an admirer of farmers and workmen. We unconditionally believe that agriculture and industry are the foundation of a nation. It is a shame on the part of young Chinese that they slight the works of farmers and laborers.

In advocating vocational education, we do not mean merely to prefix the word "education" by the word "vocational". We really want to make young men ready to work with their hands as much as with their brain and to put educated men on the same rank with skilled laborers.

The school we are going to establish will give young men equal time to study and to practise, and encourage self support. (The Mount Hermon School in America is an institution where vocational education is given. Students there go to class rooms half day and do field work the other half day. The principal doctrine taught in that institution is that man must be self supporting. Our school will be established on a similar basis.)

The graduates of the school will supply the demands of the experimental station, the farming and stock-raising station and the experimental field. The plans for the farming and stock-raising school will be as follows:

- 1.—**Funds for the School**—Before the establishment of the farming and stock-raising station, the funds for the school will be temporarily supplied by the Shih Yen Ch'ang. Strict economy will be observed and the annual expenditure of the school will not be over thirty thousand dollars. After the organization of the farming and stock-raising station ten percent of the total proceeds realized from the tenants will be appropriated to be used as school funds.
- 2.—**Courses and Qualifications of Students** :—In order to decrease the length of time which a student would require if he should go through all the grades, we will give a preparatory course which the graduates of middle schools and those who have the same qualifications as middle school graduates will be admitted to take. Besides the above mentioned courses, a short course will be opened in which workmen will be given practical training to become skilled laborers.
- 3.—**Number of Students to be Admitted** : Twenty five students will be admitted to the preparatory course. The number of workmen to be admitted to the short course will not be fixed. In every term, 25 students will be admitted to the preparatory course. The graduates of the preparatory course will be automatically admitted to the college.
- 4.—**Supply** : Any student admitted into the school will be free from tuition and boarding fees. Their sundry expenses will also be borne by the school.
- 5.—**Training in the Field** : The students will be given field work under the guidance of teachers.
- 6.—**Subjects of Study** : The following subjects will be taught in the college.
 - (a) Cultivation of herbaceous plants.
 - (b) Cultivation of fruit trees.
 - (c) Methods of stock-raising.
 - (d) Veterian science.
 - (e) Insects and plant diseases.
 - (f) Geological chemistry.
 - (g) Manufacture of agricultural products.
 - (h) Butchery.
 - (i) Collie training.

Each of the nine subjects will be in charge of a specialist.

The subjects for the preparatory course will be the same as those for the college with but very little alterations. In addition, the students will be taught how to write spoken language.

In the short course, only oral lessons will be given. Every workman admitted to this course will be allowed to choose either the subject on farming or that on stock-raising.

- 7.—**Compilations** : The students shall make reports in Chinese containing the results they shall have obtained in their daily studies and experimental work and submit them to the faculty for editing so that they may be used by junior students either as text books or for reference purposes. The most informative reports shall be submitted to the

Ministry of Education for approval and registration. They shall then be widely circulated among the schools, libraries, and public lecture halls throughout the country.

- 8.—**Graduation:** The period of the collegiate course shall be three years. To the graduates of the college will be given diplomas similar to those issued by special technical schools. Every year three graduates of the college will be selected and sent to foreign countries for advanced courses.

The period of the preparatory course shall be one year. The graduates from this course will be promoted to the college.

The period of the short course shall not be fixed. It will depend upon the intelligence of the workmen. A workman will be required to complete a course either on the subject of stock-raising or on that of farming and plantation three or four weeks at most.

- 9.—**Obligation:** After having graduated from the college, students will be obliged to serve three years either in the school or in the farming and stock-raising station. During this three-year service, they will be given proper salaries.

As soon as the experimental station is organized, preparations will be made to conduct the preparatory course of the school. When the farming and stock-raising station is started, a subsidiary school will be opened. The plans for this subsidiary school will be as follows :

- 1.—**Object:** The subsidiary school will be a preparatory school for college.

- 2.—**Organization:** The subsidiary school will comprise three departments, namely, middle course, higher primary course and higher primary preparatory course.

- 3.—**Ages of Students:** The students to be admitted to the higher primary course must not be older than 14 years.

- 4.—**Teaching:** The subjects taught in the subsidiary school are to prepare the students for college. Besides, the students will be taught to write spoken language.

- 5.—**Graduation:** The higher primary preparatory course will take one year. The higher primary course will take three years. The middle course will take four years. The students of the subsidiary school will be promoted to the course higher above after they have finished one course. As only fifty students will be promoted from the higher primary course to the middle course at one time, only those who have attained good results will be promoted. Twenty five students will be selected from among the graduates of the middle course and promoted to the college.

- 6.—**Number of Admittance:** The higher primary preparatory course will be divided into two classes, each having two hundred students. The high primary courses will have six classes, each containing to the maximum two hundred students. The middle course will comprise eight classes each containing fifty students. In total the subsidiary school will have the maximum of two thousand students.

- 7.—**Entrance Examination:** An entrance examination will be held every term to take in the limited numbers of students for the higher primary

preparatory course and the higher primary course. No outside students will be admitted to the middle course which will be open only to the graduates of the higher primary course of the subsidiary school.

Equal attention will be paid to the establishment of the school and organization of the experimental station. The operation of these two institutions will supply in the future a large number of skilled laborers and practical experts. By that time, our object of developing free and vocational education will be achieved. This will give a new impetus to the nation.

The several plans in the foregoing are only intended to give a general idea of the things to be carried out. As to detailed estimates and comprehensive schemes, we leave them to the hands of the agricultural experts. In recent years, many attempts have been made in China to develop agricultural enterprises and most of them failed finally. Such failure was generally due to the fact that no attention was paid to the treatment of workmen and that the operation of farming work was not co-operated with stock-raising. The success of agricultural work much depends upon the interest of workmen in the work. Good treatment accorded to them is the only inducement that will secure their hearts and hard work. For this reason we will make the proposed arrangement, that after 15 years the tenants will be given free half of the land allotted to them on which they will have been cultivating and this will be made their property in perpetuation. As soon as a man has a permanent property, he will have a permanent mind. Besides, the Corporation will take over the responsibility from the tenants' shoulders of the education of their children. Less burden means more hope. On the other hand, the Corporation stands no loss in giving away its property free which will bring the tenants and the Corporation to closer relations. Close relations will result in mutual co-operation which is the essential factor in the success of the enterprise.

China is not wanting in enthusiastic men. But their enthusiasm is often overpowered by their lack of ability to carry out great enterprises. The present unpleasant condition of China is mainly due to this. It is our sincere desire that the traditional fame of the Agricultural China should be preserved, and it is our object that all the people who are struggling for food and living should be induced to love work and to support themselves with their hand and brain.

Any advice and counsel from the general public will be most welcome.

NORTH CHINA FARMING AND STOCK-RAISING CORPORATION.

RULES GOVERNING THE SUBSCRIPTION OF SHARES.

Chapter I.—General.

- Art. 1.—The name of the Corporation shall be “North China Farming and Stock-Raising Corporation”
- Art. 2.—The operation of the Corporation shall be comprised of the following items :
- (a) To establish farming and stock-raising stations and to undertake stock-raising, cultivation, plantation and other kinds of agricultural enterprises.
 - (b) To establish a farming and stock-raising school for the purpose of training up specialists along these lines.
 - (c) To act as agents for buying and selling all kinds of agricultural seeds.
 - (d) To transact business on food stuffs, fruits, and textile materials in order to meet the general demands of society.
- Art. 3.—At the time when the Corporation is organized, an experimental station for both farming and stock-raising shall first be established. Following this, the school shall be started. All business to be undertaken by the Corporation shall come into operation one after the other. The Farming and Stock-Raising Station and its Experimental Field shall be established whenever the opportunity of doing so should arise.
- Art. 4.—The temporary office of the Corporation is established inside the Oriental Hotel of Peking, and its Experimental Station has been located at Huang Tsun, near Nan Yuan.
- Art. 5.—The authorized capital of the Corporation shall be Dollars Five Hundred Thousand. It shall be divided into Twenty Five Thousand shares of Twenty Dollars each. The subscription of shares shall be made in one payment.
- Art. 6.—The period of operation of the Corporation shall be fifty years. Further extension shall be decided at a Shareholders Meeting to be called at the expiration of this period.
- Art. 7.—Besides by correspondence, all public notices of the Corporation shall be published in the newspapers which shall have been named by the Corporation.

Chapter II.—Shares.

- Art. 8.—The subscription of shares shall be first open to the promoters of the Corporation. The unsubscribed shares be open to public subscription. Interest on the shares shall begin on the day following the payment.
- Art. 9.—The subscription of shares shall be limited to the persons of Chinese nationality. The same rule shall be applied to such transactions as buying, selling, or transferring of shares.
- Art. 10.—All the shares of the Corporation shall be registered.

Art. 11.—In the event of shares being lost, the holder shall inform the Corporation and also insert in the papers officially named by the Corporation an advertisement informing the public that such share or shares being lost become null and void. After one month's time, if no claim for such share or shares is made, the holder may request the Corporation to issue duplicates by providing to the Corporation a substantial shop guarantee.

Art. 12.—No transfer of shares shall be effective unless such transfer is approved by the Corporation which shall destroy the original shares and issue duplicates covering the same amount.

Art. 13.—No mortgage of the Corporation's shares shall be effective unless both parties concerned in the transaction shall have informed the Corporation and secured its approval of the transaction.

Art. 14.—A fee of Fifty Cents shall be charged for a single transfer or duplication of share or shares. The same rule shall be applied in the request for permission for mortgage of the Corporation's share.

Chapter III.—Shareholders.

Art. 15.—There shall be two kinds of shareholders' meetings, namely:

- (a) The Annual Meeting shall be called by the Board of Directors three months after the close of the Corporation's accounts every year.
- (b) The Special Meeting shall be called by the Corporation according to its By-Laws whenever there shall be anything for discussion and authorization that concerns the principal interests of the Corporation.

Art. 16.—A shareholder of not more than ten shares shall have one vote for each share. One vote shall be given to every two additional shares. Each shareholder shall not have more than thirty votes notwithstanding the fact that he shall have held more than fifty shares.

Art. 17.—A resolution shall be considered as passed by a majority vote of the shareholders present at the meeting.

Any meeting called to discuss the following questions shall have the presence of more than half of the total number of the shareholders to form a quorum :

- (a) Amendments or change of the Constitution of the Corporation.
- (b) Increase of the Corporation's Capital.
- (c) The dissolution of the Corporation or the extension of the period of operation.
- (d) The dismissal of a Director or Inspector of the Corporation.

Art. 19.—The shareholders shall have no power to dissolve the Corporation until the Corporation shall have declared a loss to the extent of half of the authorized capital.

Art. 20.—One month's notice shall be given by the Board of Directors as to the date, place and agenda of the Annual Meeting. The Board of Directors shall inform the shareholders separately to the same effect. The time of the notice in the case of a special meeting shall be reduced to 15 days.

Art. 21.—At the Shareholders' Meeting, a chairman shall be elected from among the shareholders present to preside over the meeting. The chairman shall cast the decisive vote in case of a tie.

Chapter IV.—Officers.

Art. 22.—The Corporation shall have seven Directors and two Inspectors all of whom shall be elected by the shareholders at the Shareholders' Meeting. Any shareholder who holds more than two hundred and fifty shares shall be eligible for election.

Art. 23.—The term of Directors shall be three years and that of Inspectors one year. They shall be eligible for re-election.

Art. 24.—The Corporation shall have one Managing Director and one General Manager. Both of them shall be elected by the shareholders from among themselves.

Art. 25.—The duties of the Directors shall be :

- (a) to decide the plans for operation of the Corporation.
- (b) to pass the annual reports and accounts of the Corporation, and also to act as the trustees of the shareholders.
- (c) to call Shareholders' Meetings.
- (d) to approve important documents and agreements contracted by the Corporation.

Art. 26.—The Meeting of the Board of Directors shall be called by the Managing Director who shall act as the chairman of the Meeting. The quorum of the Meeting shall be formed by the presence of more than half of the total number of directors. Any resolution passed by a majority vote of the directors present shall be considered valid. The Chairman shall cast the decisive vote in case of a tie.

Art. 27.—In case of the failure to obtain a quorum at a Directors' Meeting, called to discuss important and urgent matters, the Managing Director shall have the power to form a decision on such matters without the approval of the Directors' Meeting. However the Managing Director's decision on such matters shall secure the sanction of the Directors at the next meeting.

Art. 28.—A Director shall not attend a meeting which shall have been called to discuss matters concerning that Director personally.

Art. 29.—The duties of the Inspectors shall be as follows :

- (a) to inspect the actions of the Directors and to see to it whether they are in accordance with the rules of the Corporation.
- (b) to peruse and approve various kinds of annual reports submitted by the Board of Directors.
- (c) to request the Directors at any time to make reports on the progress of the Corporation's work and also to inspect the accounts and books and the property of the Corporation.
- (d) to make suggestions and submit personal views on the Corporation's work to the Meeting of the Board of Directors and also the Shareholders' Meeting.

Art. 30.—The Inspectors in carrying out their duties may act independently. They shall act jointly when they shall make a written request to call special Shareholders' Meetings according to the regulations of the Corporation or to call Shareholders Meetings at their own initiative.

Art. 31.—The Inspectors shall not at the same time be a Director or other officer of the Corporation.

32.—The Managing Director shall represent the Corporation in internal and external affairs and he shall also have the power to form decisions on important matters without the approval of the Board of Directors' Meetings.

Art. 33.—The Managing Director shall have the power to request the Board of Directors to re-consider a matter on which their first decision he should have considered impracticable.

Art. 34.—The General Manager shall assist the Managing Director in the management of the Corporation's affairs. The General Manager shall act for the Managing Director when the latter is absent from the office.

Chapter V.—Accounts.

Art. 35.—The interest of shares shall be six per cent per annum.

Art. 36.—The date for the payment of interest shall be set by the Board of Directors.

Art. 37.—The Corporation shall close its accounts at the end of every Gregorian Calendar Year. One tenth of the annual net profit after deducting from it the interest on shares of the Corporation, shall be set aside as the Corporation's reserve. The balance—nine tenths of the total net profit—shall be divided into fifteen equal parts which shall be distributed as follows :

10 parts for the dividends of shareholders.

5 parts for the bonus to the employees of the Corporation. Of these 5 parts, one fifth shall be given to the Managing Director ; two fifths to the General Manager, Directors, and Inspectors ; and the other two fifths to the other employees of the Corporation.

Art. 38.—The Corporation at the end of each year shall prepare an Inventory, a Statement of Liability and Assets, a Loss and Gain Account, a Business Return of the Corporation, and a statement of the distribution of the Corporation's annual profit ; and submit the same to the inspectors for perusal who shall then send them to the Shareholders' Meeting for approval.

Art. 39.—The Board of Directors shall prepare a budget for every ensuing year and also a policy for the operation of the Corporation's business during that year. They shall be first submitted to the inspectors who shall then send them to the Shareholders' Meeting for approval.

Art. 40.—In the event of an increase of the Corporation's capital being approved at a Shareholders' Meeting, the old shareholders shall be given preference for the purchase of new shares. The remainder shall be open for public subscription. At the same time the old shares shall be made privileged shares. The special privileges to be enjoyed by the holders of the privileged shares shall be decided by those shareholders who shall have approved the increase of the Corporation's capital.

Chapter VI.—Miscellaneous.

- Art. 41.—At the beginning the expenses of the school shall be strictly controlled. In future when the work of the Corporation should develop, the scope of the school shall be extended. The running expense of the school shall not be over thirty thousands dollars a year. Whenever any increase over that amount shall be deemed necessary, such increase shall be approved at the Board of Directors' Meeting.
- Art. 42.—Anything that is not provided in the above articles shall be dealt with in accordance with the Chinese Government laws governing the limited corporations.
- Art. 43.—The above regulations may be revised by a majority vote of the promoters.

NAMES OF PROMOTERS

Li Sheng-tu,	Chairman of the Senate, Peking.
Tseng Yu-chun,	Minister of Communications.
Tsao Ju-lin,	President of the Bank of Communications.
Chow Tse-chi,	Director-General of Currency Bureau.
Yeh Kung-cho,	Special Industrial High Commissioner.
Wang K'e-ming,	Chinese Director-General of Banque Industrielle de Chine and also Northern Delegate to the Internal Peace Conference.
Wang Ting-cheng,	Tartar-General of Charhar.
Lu Tsung-yu,	President of the Sino-Japanese Exchange Bank.
Yao Kuo-cheng,	Vice-Minister of Communications.
Chang Hu,	Vice-Minister of Finance and also Chinese Chief Inspector of Salt Gabelle.
Pan Fu,	Vice-Minister of Finance, and also Assistant Director of Grand Canal Improvement Board.
Fu Yueh-fen,	Vice-Minister of Education.
Ch'uan Liang,	Director-General of Ki-Hui Railway and also Managing Director of Kirin-Changchun Railway.
Whang T'san-hsien,	Director-General of the Government Railways and Director of the Railway Department of the Ministry of Communications, and also Director-General of Szechuan-Hankow-Canton Railway.
Shu Shih-chang,	Director-General of Pukow-Hsinyangchow Railway and also Managing Director of Tientsin-Pukow Railway.
Jen Feng-pao,	Vice-President of the Bank of Communications.
Wang Yin-chuen,	Civil Governor of the Province of Honan.
Wang Tai,	Governor of the Metropolitan District.
Wu Ping-hsiang,	Superintendent-General of Peking Police.
Lu Meng-hsiung,	Councillor of the Ministry of Communications.
Shu Pao-heng,	Assistant Secretary of the President's Office.
Ting Shih-yuan,	Managing Director of Peking-Hankow-Peking-Suiyuan Railway.
Chu Ting-chio,	Managing Director of Peking-Mukden Railway.
Yu Jen-feng,	Assistant Managing Director of Tientsin-Pukow Railway.
Yen Shih-ching,	Superintendent of Kalgan Customs.
Cheng Hung-nien,	Assistant Managing Director of Peking-Mukden Railway and also Chief of the General Affairs Department of the same railway.
Li Tai-shou,	Chief Technical Expert of the Ministry of Communications, and Acting Director-General of Lung-Hai Railway.
Ho Jui-chang,	Secretary of the President's Office.
Yu Yü,	Managing Director of Szupingchieh-Chengchiatun Railway.

- Wang Ching-hsien, Managing Director of Changchow-Amoy Railway.
Chen Hsi-lin, Assistant Managing Director of Peking-Hankow-Peking-Suiyuan Railway and also Chief of the Works Department.
- Huang Fu, Member of the Diplomatic Commission and also of the Finance Commission in the President's Office.
- Li Kwang-chi, Chief of the Government Printing Bureau and also Manager of the Peking Office of the Frontier Bank.
- Hollington K. Tong, Assistant Editor of Millard's Review, Shanghai, and also its Peking Representative.
- I. Liu Fang, President of the Peking Young Men's Christian Association.
- Wang Yi-wen, Senator.
Wang Li-yuan, Senator.
Pao Chung-han, Senator.
Ling Hsing-kuei, Barrister-at-Law.
Chen Yuan-shen, Sectional Chief of the Ministry of Communications.
Ch'ang Yao-kuei, Manager of the Peking Branch of the Bank of China.
Hu Chun, Manager of the Peking Branch of the Bank of Communications.
- Wang Tai-cheng, In charge of the Provisional Office of the Agricultural Bank.
- Fang Jen-yuan, President of the Hsin Hua Savings Bank.
Chow Tso-ming, President of the King Ch'eng Bank.
Tan Li-sun, President of the Continental Bank.
Yang Te-shen, Manager of the Sino-Japanese Exchange Bank.
Chen Wei, Manager of the Manchuria Branch of the Bank of Communications.
- Wang Hao, Manager of the Hsin Heng Bank.
Teng Wen-tsao, Chinese Manager of the Peking Branch of the Hongkong and Shanghai Banking Corporation.
- Shen Hua-yung, Chinese Manager of the Peking Branch of the Russo-Asiatic Bank.
- Chu Cho-hsin, Manager of the Urga Branch of the Frontier Bank.
Hsieh Ling, Chief of the Accountant Department of the Bank of Communications.
- Chang Pai-lung, Chinese Manager of the Tientsin Branch of the Russo-Asiatic Bank.
- Tao Hsiang, Assistant Manager of the Peking Branch of the Bank of Communications.
- Li Cheng-chen, Chinese Manager of the Tientsin Branch of the China American Trading Company.
- Chiu Shun-cho, Manager of the Oriental Hotel, Peking.

NOTICE.

Any one who is willing to subscribe shares to the Corporation kindly requested to fill in the attached Form One and send the same together with payment to the nearest Subscription Agent of the Corporation where a receipt will be issued.

The next step to take is to fill in the Form Two and send the same together with the receipt mentioned above to the Office of the Corporation in Peking for registration.

FORM ONE.

.....1920.

Subscription Agent of the
North China Farming & Stock-Raising Corporation.
Dear Sirs,

Herewith I am sending and depositing with you the sum of
dollars for which I want to subscribe shares of the
North China Farming and Stock-Raising Corporation.

Please issue a receipt which I will send together with my letter of pledge to the Office of the Corporation for formal receipt.

Yours faithfully,

(Signed)

FORM TWO.

.....1920.

North China Farming and Stock-Raising Corporation,
c/o The Oriental Hotel, Hsiang Ch'ang, Peking
Dear Sirs,

After having read your Corporation's Prospectus and also the Rules governing Subscription of Shares, I am convinced of the soundness of the scheme. I therefore pledge to subscribe shares the payment for which I have already sent to your subscription-agent here. Herewith I am sending you my letter of pledge and the receipt No. issued by your agent for your information and registration.

Yours faithfully,

(Signed)

SUBSCRIPTION AGENTS.

The payment of shares of the Company will be received by the following banks acting as the Corporation's Subscription Agents :

Peking :—

The Bank of China.
The Bank of Communications.
The King Ch'eng Bank.
The Sino-Japanese Exchange Bank
The Continental Bank.
The Hsin Hua Savings Bank.
The Hsin Heng Bank.
The Frontier Bank.
The Oriental Hotel.

Tientsin :—

The Bank of China.
The Bank of Communications.
The King Ch'eng Bank.
The Sino-Japanese Exchange Bank
The Continental Bank.
The Hsin Hua Savings Bank.

Shanghai :—

The Bank of China.
The Bank of Communications.
The King Ch'eng Bank.
The Sino-Japanese Exchange Bank
The Hsin Hua Savings Bank.
The Hsin Heng Bank.
The Continental Bank.

Hankow :—

The Bank of China.
The Bank of Communications.
The King Ch'eng Bank.
The Sino-Japanese Exchange Bank

Other Provinces :—

The Bank of China.
The Bank of Communications.

