RECENT CHINESE LEGISLATION
RELATING TO
COMMERCIAL, RAILWAY AND MINING ENTERPRISES.
WITH
Regulations for Registration of Trade Marks,
AND FOR THE
Registration of Companies.
TRANSLATED BY
E. T. WILLIAMS,
CHINESE SECRETARY, U. S. LEGATION, PEKING.
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IMPERIAL EDICT.

TRANSLATED FROM THE Peking Gazette
OF APRIL 22nd, 1903.

Commerce and the encouragement of industries have ever been from ancient times to the present matters of real importance to governments, but according to an old tradition, WE have looked upon industries and commerce as matters of the last importance. That the policy of the Government and the labor of the people result in daily increasing poverty can have no other reason than this. It is most necessary, therefore, that change be made that will be of general advantage, and greater attention than ever ought to be given to the matter.

Recently WE received a report from the Bureau of National Administration in reply to the memorial of Prince Tsai-ch'en, requesting that a Board of Commerce should be established. WE have already issued an Edict sanctioning the proposal.

NOW WE appoint Prince Tsai-ch'en, Yüan Shih-k'ai and Wu Ting-fang to arrange, first of all, a Code of Commercial
Laws, which may serve for a standard. After the compilation of these commercial laws shall have been completed and presented in a memorial, and approval given to them, WE shall select a high official to organize and manage a Board of Commerce. As to the methods to be employed to introduce industries and to improve the conditions of commerce, let Prince Tsai-chen and his associates carefully consider the matter and petition for an Edict sanctioning their proposals, all of which, it is hoped, may put an end to the old attitude of officials and unite all in one spirit, that there may not be the least division of sentiment to become a source of trouble. It is more than ever necessary that no effort be spared to give the protection and assistance needed*, so that to some extent commercial matters may be improved and daily grow more prosperous, thus increasing the wealth of the people and nourishing the roots of the State. This is OUR earnest hope. "Respect This."

*That is by commerce and manufactures.

IMPERIAL EDICT.

SEPTEMBER 7TH, 1903.

Now that encouragement is being given to commercial pursuits it becomes necessary to establish a Board of Commerce. WE therefore now appoint Tsai-chen to the post of President of the said Board, Wu T'ing-fang* to be First Vice-President, and Ch'en Pi† to be Second Vice-President.

Let the said President and Vice-Presidents make satisfactory arrangements for the management of the matters that fall to the control of the said Board, and report in a memorial to US. "Respect This."

*Wu T'ing-fang has since been transferred to the Board of Foreign Affairs.
†Ch'en Pi promoted to succeed Wu T'ing-fang as First Vice-President, has himself been succeeded as Second Vice-President by Ku Chaohsin.
IMPERIAL EDICT.

ABOLISHING BUREAU OF RAILWAYS AND MINES AND TRANSFERRING THESE INTERESTS TO THE BOARD OF COMMERCE.

Some time ago WE issued an Edict, appointing Wang Wen-shao, Ch' u Hung-chi, and Chang I to take charge of railway and mining affairs. Having now established a Board of Commerce, all matters connected with railways and mines ought to be put under its control.

Let the General Bureau of Railways and Mines be abolished. "Respect This."

Issued Sept. 26th, 1903.

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IMPERIAL EDICT.

ENCOURAGING THE ESTABLISHMENT OF RAILWAY, MINING, AGRICULTURAL AND MANUFACTURING COMPANIES.

The Board of Commerce has memorialized, proposing that Railway, Mining, Agricultural and Manufacturing Companies should be established in all the provinces, and praying that orders be given to the Tartar Generals, Viceroy, and Governors of the provinces to consult together and devise appropriate measures.

The encouragement of commerce, which is our present concern, all depends upon the united efforts of officials and merchants, and their animation by a common spirit of mutual trust and confidence. The Central and Provincial Governments should combine their strength to give assistance and seriously urge the matter far and wide, so that we may hope in good time to see some improvement.

Let the Tartar Generals, Viceroy and Governors of the various provinces consult with the Board of Commerce and establish these companies. Let them together devise
ways and means and give earnest attention to their management, and let them direct the Taot'ais, Prefects, Department and District Magistrates in their several jurisdictions to conscientiously give protection as occasion may require. Should any shirk their responsibility in order to follow the old methods, ignoring the orders given, the said Board must at once present a memorial stating the facts and must exert themselves to remove such obstructives. Let no the least leniency be shown them. "Respect This."

Issued Sept. 29th, 1903.

COMMERCIAL LAWS.
ADOPTED BY IMPERIAL ORDER.

GENERAL LAWS AS TO MERCHANTS.

1.—All who are engaged in commerce, trade, buying and selling, or in the transportation of goods, are regarded as merchants.

2.—Any male over sixteen years of age, that is, after attaining manhood, may be a merchant. (He must, however, be fully sixteen years of age.)

3.—Should any merchant become incapacitated by illness and have no father or elder brother, and his sons and younger brothers be under age and therefore too youthful to conduct his business, his wife or a daughter over sixteen years of age, or a daughter who has elected to remain unmarried owing to the death of her fiancé, if able of herself to conduct the business, may be

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* Chinese ordinarily reckon their ages from the first day of the year in which they were born. This law requires that one shall really have completed his sixteenth year, reckoning from his birthday.

† All parentheses, unless otherwise noted, are found in the original.
considered a merchant. But the matter must be reported to the Board of Commerce and a record made there, or the report may be made to a Chamber of Commerce near at hand and transmitted by said Chamber to the Board of Commerce for record. (If no Chamber of Commerce shall have been established in the vicinity, then report may be made to the nearest guild of the Trade concerned and by said guild transmitted to the Board of Commerce for record.)

4.—Any woman already married must have her husband’s written consent, and proceeding carefully according to Article 3, must report to the Board of Commerce, when only may she be considered a merchant. But, should there be shortages owing to the confusion of her accounts, her husband may not escape liability for her debts.

5.—Any merchant may please himself as to whether he shall use his own personal name in business or a separate name chosen for the shop.

6.—Whether their business be large or small, merchants must keep a current Account Book in which they shall make daily entries of all monies received and expended and all goods purchased or sold, as well as of all daily expenses.

7.—Merchants must take stock once a year and prepare and keep for reference an inventory of the year’s goods, the real estate and the equipment of their shops as well as a statement of all sums of money owing to them or owed by them to others.

8.—Merchants must preserve all their accounts, statements, and all correspondence relating to their business for ten years. After two years they may suit themselves as to whether to preserve them longer or not. Should any real accident occur within the ten years, causing loss of them, they must report the occurrence to the Board of Commerce for filing in the same manner as set forth in Article 3.

9.—No matter what sort of merchant, what sort of company, or what sort of shop, all must comply with Articles 6, 7, and 8; there must be no disobedience.
LAWs REGARDING COMPANIES.

CHAPTER I.

KINDS OF COMPANIES AND METHODS OF ORGANIZATION AND OF REGISTRATION.

1.—All who combine capital for the purpose of conducting together a business enterprise may be said to form a company. They may be classed as of four kinds:—


2.—All who organize companies, on going to the Board of Commerce to have them registered, must present the Articles of Agreement for the organization of the companies, together with the Rules and Regulations complete, to the Board of Commerce to be kept on file.

3.—No company may adopt a name already adopted by another company previously established.

4.—A Co-partnership is an association of two or more persons who have combined their capital in some business enterprise and chosen one name under which to operate.

5.—In conducting the business of a Co-partnership one or two persons who have contributed capital must be chosen as responsible Managers of the business.

6.—A Limited Co-partnership is an association of two or more persons who have combined their capital in some business enterprise and clearly announced that the capital so combined is the limit of their liability.

7.—Those who combine their capital and organize a Limited Co-partnership must enter into a contract and jointly sign the same, which shall clearly state what sort of business is to be conducted, how much capital each person contributes, on what day of what month and what year the contract takes effect and for how many years it is to run, and fifteen days before commencing business they must report the above-mentioned facts to the Board of Commerce for registry. Only upon compliance with this requirement will they be allowed to commence operations.

8.—The Sign Board, all documents issued in the transaction of the business, and the seal of a Limited Co-partnership must
bear the words, distinctly legible, "......................(firm name)..................A Limited Liability Company" (or Co-partnership).

9.—Should a Limited Co-partnership meet with losses and fail in business, and examination show that there had been no fraud practised, such as the concealment of the assets with intention to swindle, then only the total amount of money belonging to the Co-partnership may be seized, together with its real estate, which shall be sold and turned into money, and both shall be applied to the payment of the debts. The partners shall not be compelled to pay anything in addition to make up any deficiency.

10.—A Joint Stock Company is one organized by seven or more persons, who combine their capital for the transaction of business.

11.—The Articles of Agreement entered into by the organizers of a Joint Stock Company must make a clear statement of the following items:—

(1) The Name of the Company, (2) The Business to be conducted by the Company, (3) The Amount of the Company’s Capital, (4) The whole number of the Shares in the Company and the nominal value of each Share, (5) The number of Shares to be taken by each organizer, (6) The Location of the Head Office of the Company and of the

Branch Offices also, if there be any, (7) It must also state clearly how notice is to be given to the Shareholders or the Public after the establishment of the Company, whether by announcement in a newspaper or by letter, (8) The Names and addresses of the Organizers.

12.—Those who organize a Company, must fifteen days before commencing business report to the Board of Commerce the several items required by Article 11, that a record may be made of them, after which only will it be permitted to begin operations.

13.—A Joint Stock Company Limited is an association of seven or more persons, who combine their capital to carry on some business and make a clear statement of the amount of their capital and that this shall be considered the limit of their liabilities.

14.—The Organizers of a Joint Stock Company Limited must enter into Articles of Agreement, as set forth in Article 11, but must clearly state therein that the Company is a "Limited" one, using this word.

15.—The Sign Board of a Joint Stock Company Limited as well as all documents used in the transaction of its business and the seal must also all bear the words clearly legible, "......................(firm name)..................Limited Liability Company."
16.—Joint Stock Companies, whether Limited or not, when they desire to invite persons to take shares, must first issue a notice and publish an announcement in a newspaper to inform the public. The notice and the advertisement must contain the following items:—

(1) The name of the Company, (2) In what sort of Business the Company is to engage and the general method of its management, (3) Place where the Company is established, (4) Names and residences of the Organizers, (5) Total number of Shares in the Company, nominal value of each Share, how many Shares are now being offered, and the number of instalments in which payment is to be made, (6) Where payments on Shares are to be received, (7) Whether or not the Organizers obtain any extra profits or have been promised such advantage by others, (8) What sort of financial agreements with others have been entered into beforehand by the Organizers in order to establish the Company.

17.—Organizers must not clandestinely obtain profits other than those properly accruing to them and conceal the same in order to defraud the share-holders. Should there be any malpractice of this sort, immediately upon the discovery of it, besides requiring them to turn over the amount so obtained, action shall be taken in accordance with Article 126 on Fines, so as to make an example of them. But as to any profits which they ought of right to obtain, if a clear statement of the matter have already been made in a general meeting of the share-holders and they shall have given their consent to the arrangement, the foregoing shall not apply.

18.—When the shares offered have been taken up, the organizers must at once fix a date for a meeting of the share-holders, and the share-holders shall appoint one or two of their number as examiners to determine whether or not the full number of shares has been subscribed and whether or not the affairs of the Company are in a satisfactory condition.

19.—If the share-holders discover that the organizers of the Company have not observed all the requirements clearly set forth in Article 16, or that there has been any other mismanagement, they may disperse, refusing to acknowledge any responsibility in connection with the Company.

20.—If the share-holders find that the organizers have observed the various requirements fully set forth in Article 16, and that there has been no mismanagement of any kind, the said Company must within fifteen days report to the Board of Commerce for registry, that they may begin operations.
21.—When a Company reports to the Board of Commerce for registration it must present a clear statement of the following items:

(1) The name of the Company; (2) In what sort of business the Company is to engage; (3) The total number of shares in the Company; (4) The nominal value of each share; (5) What method is to be employed after the establishment of the Company for notifying the share-holders or the public, whether by advertisement in a newspaper or by letter; (6) The location of the head office of the Company and of the branches if there be any; (7) The year, month and day on which the Company was established; (8) On what day, in what month and year, the term during which the Company is to conduct business will expire—if no term has been agreed upon this, too, must be clearly stated; (9) How much has already been paid upon each share; (10) The names and addresses of the organizers and the examiners.

22.—After the Company shall have been in operation three months the Board of Directors must, within a further period of one month, call a General Meeting of the share-holders, and make a report to them in detail of all matters connected with the working of the Company, so that all the share-holders may be informed. Should there be any important matter demanding consideration they may request the share-holders to deliberate and take action regarding it.

23.—All companies already established, together with such as may be hereafter established, as well as all associations, factories, hongs, firms, shops and stores, may apply for registration at the Board of Commerce, so that they may all alike enjoy the benefits of protection.

24.—All shares must be for equal amounts; there must be no inequality.

25.—The face value of a share may not be less than five dollars, but payment may be allowed in instalments.

26.—No share may be divided into portions.

27.—Every Company must proceed in accordance with the various requirements clearly set forth in Article 21, before it shall be allowed to issue share certificates. If there be any disobedience the share certificates are valueless. Should any person on this account be made to suffer loss it will be permitted him to bring suit against the Company and demand compensation.

28.—The share certificates of any Company must be signed by the Directors and sealed with the seal of the Company, as evidence of their genuineness. They must
be numbered consecutively and contain the following items:—

(1) The name of the Company; (2) The day, month and year on which the Company was registered; (3) The total number of shares in the Company; (4) The nominal value of each share; (5) Periods at which payments on shares are made—it must also clearly state the exact amount paid at each period; (6) The name and residence of the share-holders.

29.—Should a Joint Stock Company Limited meet with losses and fail in business, and examination show that there has been no concealment of assets or other evil practices with intent to defraud, only the face value of the shares fully paid up may be seized and, together with the real estate of the Company, which shall be sold and turned into money, applied to the payment of the debts. No further demand can be made upon the share-holders.

30.—No matter whether operated by officials or merchants or jointly by officials and merchants every sort of Company and all associations (all commercial enterprises are included) must uniformly observe the Regulations adopted by the Board of Commerce.

31.—All Co-partnerships and Joint Stock Companies, which at the time when they report to the Board of Commerce for registration do not distinctly state that they are Limited Liability Companies, using the word "Limited," shall be considered unlimited, and if they fail in business, not only will the Company's real estate be sold and turned into money to be applied toward the payment of the debts, but, should this prove to be insufficient, the partners or the share-holders will be liable for any balance due.

32.—Should any Company whose liabilities are unlimited or any shop fail in business, payment of their debts may be required of the share-holders in the Company or the proprietors of the shop, and real estate held in the names of such individuals may be seized and sold to satisfy the claims. (For details see special statutes on "Bankruptcy" and "Collection of Debts.")

CHAPTER II.

SHARES.

33.—An applicant for shares must recognize his obligation to pay for the full number of shares for which he has subscribed.

34.—Applicants for shares must fill in the forms of application for shares in the Company and sign the same and send it to
the place fixed by the Company for receiving applications, as well as make the payments due on the shares at the periods specified.

35.—Applicants for shares, no matter whether Chinese or foreign merchants, after having made their applications are bound to observe the Rules and Regulations adopted by the Company.

36.—Applicants for shares are not allowed to use bills owing them by the Company in payment for their shares.

37.—When several persons unite in buying a share, they must permit one of their number to buy in his name, and he must be responsible for the exercise of all rights pertaining to the stock and the receipt of all benefit accruing, which he may divide with the other joint owners of the stock. Should any one of them be unable to meet the payments due upon the stock at the proper dates, the others may each pay a portion of the sum due.

38.—If not contrary to the Regulations of the Company, shares may be transferred at will, but the purchaser must go to the Head Office of the Company and have the transfer recorded, when only will it be permitted.

39.—The Company may not buy back the share certificates which it has issued nor hypothecate them.

40.—Should any applicant for shares fail to make payment upon them at the time fixed, the Organizers must notify the said applicant and allow him half a month in which to pay up. If, after the expiration of this period he shall still fail to make payment, they may offer the shares for which he has subscribed to some other person.

41.—If a Company orders an additional assessment to be made upon all share-holders, fifteen days' notice must first be given, and if at the expiration of that time payment shall not have been made, an additional fifteen days must be allowed, when, if payment be still deferred, the persons so defaulting shall lose their rights and benefits as share-holders.

42.—When share-holders fail to pay up the additional assessment within the extended period, the Company may sell the shares concerned to some other person, and if they should be sold below par, the original share-holder may be compelled to make good the loss.

43.—If a Company should desire to present shares as a bonus, a clear notice thereof must be given in advance at the time of organization; there must be no concealment.

44.—Applicants for shares who are officials, no matter whether of high rank or low, whether applying over their personal names or by their official titles, are to be regarded
just as non-official applicants, simply as share-holders, and treated in the same way as others. Any earnings to which they may be entitled, and any rights in discussion or voting together with any other privileges, must be the same as those of any other share-holder; there must not be the slightest discrimination in their favor.

CHAPTER III.

THE RIGHTS AND BENEFITS OF SHARE-HOLDERS.

45.—When a meeting of the share-holders of a company is to be called, notice must be sent and published in a newspaper at least fifteen days beforehand, and the notice as well as the advertisement must contain a clear statement of the business to be considered.

46.—The Board of Directors of a company must at least once a year call an ordinary general meeting of the share-holders.

47.—Fifteen days in advance of the ordinary general meeting of the share-holders, the Board of Directors must send to each of the share-holders for his consideration the Annual Report of the Company together with a General Statement of the Accounts.

48.—At the ordinary general meeting of the share-holders the Directors of the Company must read the Annual Report to the share-holders and submit the Accounts to their inspection. If the share-holders shall have no objections to make, record shall be made in the minutes that the same have been approved, the dividend shall be declared, and Directors elected for the ensuing year. If the share-holders think that the accounts are not clearly explained, they may then elect one or two persons to carefully examine them.

49.—Should any matter arise of importance to the Company the Board of Directors may at any time call an Extraordinary Meeting of the share-holders to consider it.

50.—Any share-holder or share-holders (no matter whether one or several) who may hold shares equal to one-tenth of the capital stock of the Company, if he shall have some matter which he desires to have considered, may inform the Board of Directors and request them to call an Extraordinary Meeting of the share-holders, but he must make a definite statement of the matters to be considered and write them down seriatim. If the Board of Directors of the Company do not comply with his request within fifteen days, the said share-holder may report the matter to the Board of Commerce, and upon
receiving its consent, may himself call a meeting of the share-holders.

51.—Share-holders who have not paid up the amounts due upon their shares may not take part in a meeting.

52.—Minutes of all matters discussed must be kept by a Secretary, whether at an Ordinary General Meeting of the share-holders or an Extraordinary one. The Directors of the Company must act in accordance with the decisions of the meetings after the Chairman shall have once signed the Minutes in approval of them.

53.—Should the Directors or any share-holders think that any action taken at a meeting of the share-holders is in violation of the Commercial Laws or of the Regulations of the Company, they will be permitted to lay the matter before the Board of Commerce for its consideration but such action must be taken within one month. After that time the complaint will not be entertained. When share-holders make such complaint they must show their share certificates to the Board of Commerce in proof of their right to act.

54.—Copies of the Articles of Agreement entered into at the time of the organization of the Company as well as of the record of all decisions taken at the successive meetings of the share-holders and of the general list of the share-holders must be kept at the Head Office of the Company and at the Branch Offices, that the share-holders and the creditors of the Company may at any time inspect them.

55.—The Head Office of the Company must keep a list of the surnames and personal names of the share-holders. The list must contain the following:

(1) The surnames and personal names of the share-holders and their residences. (2) The number of shares held by each share-holder and the numbers on their share certificates. (3) The amount paid on each share and the dates of payment. (4) The year, month and day on which the share-holder purchased his shares.

56.—Every person who purchases shares, once his name has been entered on the Company’s register, is possessed of all the rights and benefits of a share-holder to the same extent as those who made application at the time of the organization of the Company. He must accept the same responsibilities as other share-holders, and, should any additional assessment become necessary, he must pay accordingly.

57.—Should foreigners make application for shares in a company established by Chinese, they must agree to observe the Chinese Com-
mercial Laws as well as the Regulations of the Company.

58.—Every person possessed of shares of a company, if the share certificate be in his own name, no matter what the amount of the capital stock may be, will be permitted, should his affairs require it, to examine the accounts of the Company.

59.—Should a share-holder want to go and examine the accounts of the Company, he must first give three days' notice to the General Manager of the Company, or, if there be no General Manager, to the person having general charge of affairs, so that preparations may be made. (There is more than one share-holder, and the manager has his daily duties to perform, and to allow persons at their pleasure to examine the accounts can not but give trouble and may cause obstruction of public business, therefore notice ought first to be sent.)

60.—Should a share-holder desire to examine the correspondence or any documents belonging to the Company, he must in such case also write to the General Manager or the person in charge and give him three days' notice that preparation may be made. Should the letters or documents which he wishes to examine be of such concern to the Company's interests that an exhibition of them would appear likely to cause obstruction, the General Manager or the person in charge may request the Board of Directors to take the matter into consideration and decide it, and should the letters be such as ought to be kept secret, and which it is not convenient to make public, then they must not submit them to the inspection of the share-holder.

61.—Should a share-holder make a pretence of desiring to examine the accounts, letters or other documents of the Company, when really he wants to avail himself of the opportunity that would be afforded to secure in an illicit way some other advantage for himself to the prejudice of the general interests of the Company, the Board of Directors must forbid his inspection of them.

CHAPTER IV.

DIRECTORS.

62.—The Company having been established, the share-holders must at their first general meeting elect several of their number to be Directors, who shall be known as the Board of Directors.

63.—A Company must at the least have three Directors; at most there must not be more than thirteen, but in any case an odd number must be elected.
64.—At any meeting of a Board of Directors three persons shall constitute a quorum for the transaction of business, but they must observe the Rules of Parliamentary Procedure.

65.—Any one who serves as a Director must do so under his own name and must be possessed of at least more than ten shares of the Company.

66.—The salaries of the Directors, if no provision respecting the same shall have already been made in the Articles of Agreement for the organization of the Company, shall be determined by the shareholders at a meeting of the same.

67.—Every Company is to regard its Board of Directors as its governing body, but it is not necessary for the Directors to be constantly at the offices of the Company. It shall be the duty of the General Manager or the officer in charge, however, to refer to the Board of Directors all matters, great or small, regarding which they ought to deliberate or take action, and to carry out their orders.

68.—Directors shall serve for a term of one year, and upon the expiration of that period shall retire. For the very first year, two-thirds of their number shall be selected by lot and retained, but thereafter succeeding vacancies shall be filled by election.* (If the whole number should not be divisible by three, then a number as near as practicable to two-thirds shall be retained.)

69.—When a Director’s term of office shall have expired, if the shareholders think that he has been a capable officer, they may at the Ordinary General Meeting re-elect him.

70.—When a Director’s term of office shall have expired, if the shareholders desire to elect some one else in his stead, they must notify the General Manager or the officer in charge two days in advance of the Ordinary General Meeting, giving the name of the person proposed; and should there be any one desirous himself to serve as Director, he may send his name beforehand to the Company and await the choice of the shareholders at their meeting.

71.—Should a Director for any reason be unable to complete his term of office, the Board of Directors may temporarily appoint a reliable and careful shareholder to take his place and fill the vacancy in the Board until the Ordinary General Meeting of the shareholders who shall then elect some one to the vacant post.

*There is evidently an error in the text here. The meaning plainly is that Directors shall serve for a term of three years, but that one-third of them, or as nearly so as practicable, shall retire each year.
72.—Should the Directors not be satisfactory in their management of affairs or not meet the general expectations, the shareholders may by resolution at the time of meeting vacate their posts.

73.—Directors must retire from office for any of the following reasons:—

(1) Bankruptcy. (2) Imprisonment on a criminal charge. (3) Insanity. (4) If without consulting the other Directors with regard to the matter, he shall absent himself for three months in succession from the meetings of the Board.

74.—Directors must not engage in the same sort of business as that of the Company, unless the shareholders shall have given their consent at a meeting.

75.—The capital stock of the Company and all other monies belonging to it must be used only in such enterprises as are provided for in the Articles of Agreement by which it was organized, and must not be used for any other purpose.

76.—Should a Company meet with losses to the amount of one-half of its capital stock, a meeting of the shareholders must be called at once to decide upon some method of procedure.

77.—The General Manager of a Company and its Secretary shall be appointed by the Board of Directors. If they prove to be incapable or are guilty of any malpractice, the Board of Directors may discharge them. Their salaries and gratuities shall be fixed by the Board of Directors.

78.—All the ordinary business of a Company may be transacted by the General Manager and the Secretary in accordance with the Regulations, but any matter of serious importance must be referred by the General Manager to the Board of Directors with a request that they meet and take action with regard to it. Their decision recorded in the Minutes shall be carried into effect.

CHAPTER V.

AUDITORS.

79.—After the establishment of a company the shareholders at their first meeting must elect at least two Auditors, whose compensation shall be fixed by the shareholders.

80.—Auditors shall serve for a term of one year, and at the close of that period the shareholders at their ordinary general
meeting shall elect their successors. If the share-holders desire to retain them they may be re-elected.

81.—No Director may serve as Auditor.

82.—No Auditor may serve as a Director, but if the share-holders should elect him to be a Director, he must resign his office as Auditor.

83.—Should an Auditor for any reason be unable to serve until the end of his term, the Board of Directors may appoint some one temporarily to take his place, and the share-holders at their ordinary general meeting shall elect a successor.

84.—Auditors may visit the offices at their pleasure to examine the accounts and all the books and registers of the Company, and the General Manager or other officers must not hinder, but must answer any questions which they may ask.

CHAPTER VI.

MEETINGS OF THE BOARD OF DIRECTORS.

85.—At meetings of the Board of Directors there must be at least three members present to constitute a quorum.

86.—One of the Directors shall be elected Chairman of the Board and another Vice-Chairman.

87.—The Chairman shall preside at the meetings of the Board, and in his absence the Vice-Chairman shall take his place. Should both be absent, a temporary Chairman shall be chosen for the occasion.

88.—Should some matter be under discussion at a meeting of the Board in which any one of the Directors is personally interested, he must withdraw from the meeting.

79.—At meetings of the Board of Directors each man shall have one vote. (What is meant by “i chüen chih ch’uan” is that in deciding a question one man has one portion of the authority. For instance if there be five persons present who are to jointly decide a question these five persons have five portions of authority.)*

90.—If there should be any difference of opinion regarding any matter under discussion at a meeting of the Board of Directors, the majority shall decide. If there be five Directors present, and three of them think that a certain course ought to be taken while two are opposed to such action, the will of the majority shall be followed in the

*The word translated “vote” is the common word for “authority.” Literally it is said:—“Each man shall have one authority to discuss and decide.”
matter, and the Secretary shall enter it in the Minutes as so decided and the Chairman shall sign them in approval.

91.—If at any meeting of the Board of Directors there shall be six members present including the Chairman, and three of them shall approve of any course proposed and three disapprove, the vote upon the question being a tie, the Chairman shall have another or casting vote and thus decide the matter, but no extra vote shall be allowed the Chairman when there is no tie.

92.—The Board of Directors shall select one of the Secretaries* of the Company as Secretary* of its meetings, who shall record all the decisions of the Board in a book of Minutes to be kept for that purpose.

93.—The Secretary having recorded the actions of the Board in the book of Minutes, he shall read these Minutes at the following meeting of the Board to the assembled Directors, and, if there be no errors, the Chairman shall sign them in approval.

94.—Action having been taken on any question at a meeting of the Board of Directors and the Chairman having signed the Minutes at the following meeting, the Directors who were not present at the original meeting, if they shall say nothing to the contrary, shall be regarded as having by their silence given consent.

95.—The Board of Directors must hold a meeting at the offices of the Company at least once every week, at which time the General Manager may report to them any matters requiring attention and ask for their orders. Should there be any matter of importance, he may request the Board of Directors at any time to meet at the offices and consider it.

96.—The Board of Directors shall itself decide how often the ordinary meetings of the Board shall be held. Any two members who may desire to call a meeting to consider some matter of importance may at once fix a date and call an Extraordinary meeting of the Board.

97.—When the Board of Directors shall have met and decided any question, the Company, General Manager and other executive officers* must comply with such decision.

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CHAPTER VII.
GENERAL MEETINGS OF THE SHARE-HOLDERS.

98.—At Ordinary General Meetings of the Share-holders or Extraordinary Meetings the Chairman of the Board of Directors may

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* Vide vote to 92—The Chinese is 司事
act as Chairman, or the Share-holders may elect some one else.

99.—Should any Share-holder have a matter which he desires to bring before the meeting, he must make a motion to that effect, and some one else must second the motion before the matter can be discussed or a vote taken.

100.—At meetings of the Share-holders every Share-holder shall have one vote for every share held by him. (For instance, if one person shall own ten shares, he shall have ten votes, and so on.) But the Company may beforehand adopt regulations determining how many votes one man may have for all shares in excess of ten. (If it should be decided to allow one vote for every ten shares or one vote for every twenty shares, the number of votes shall be determined accordingly.)

101.—All questions brought before a meeting shall be decided by a majority of the votes. Should there be a tie, the Chairman shall have an additional casting vote, but the procedure must be in accordance with the provisions of Articles 90 and 91.

102.—The decisions upon all questions, whether in the affirmative or the negative, must be recorded in the book of Minutes of the Share-holders' meetings, and the Chairman shall sign the Minutes in approval.

103.—Should a Company have any matter of unusual importance to consider (such as issuing additional shares or combining with another Company) an extraordinary meeting of the share-holders must be called, and, if after discussion the proposal shall be approved, another meeting must be called within one month to ratify this action, which being done, the proposal shall be carried into effect.

104.—When some matter is brought before a meeting of the Share-holders in which a Share-holder has a personal interest, the said Share-holder may attend the meeting and need not withdraw.

105.—Should a Share-holder be unable to attend a meeting he may give his proxy to some one to represent him. If the representative be not a Share-holder, he shall have the right only to vote and shall not be permitted to take part in the discussion to express his own opinions.

106.—When a Share-holder appoints a representative to attend a meeting, he must three days before the meeting send the proxy certificate to the General Manager for examination.

Chapter VIII.

Accounts.

107.—The Board of Directors must direct the General Manager and his subordinates to
at least once a year carefully make up the Company's accounts and prepare an annual report.

108.—When the Directors are settling the accounts, the Auditors must first examine all the account books in detail, and, if there be no irregularities, the Auditors must indorse upon the annual balance sheet that it is correct and that there are no errors and must sign the same as evidence.

109.—The Annual Report of the Company must contain the following:—

(1) The total receipts and expenditures of the Company. (2) A summary of the condition of the Company's business during the year. (3) Profits or losses of the Company during the year. (4) Dividend proposed by the Board of Directors and amount to be placed to Reserve. (5) The capital stock of the Company, its real estate, goods, sums owing to it and owed by it.

110.—When the Board of Directors shall have completed the Annual Report the Head and Branch Offices shall distribute copies of it among the share-holders fifteen days in advance of the (Annual Ordinary General Meeting)* for the consideration of said share-holders, and should also keep copies at the Head and Branch Offices for the examination of the share-holders.

* The words in parenthesis are not in the text.

111.—No dividend may be declared unless there be a balance to the credit of the Company. Where there is no balance to credit dividends must not be paid from the capital.

112.—When a Company settles its accounts, the least that may be set aside from the balance to credit for the reserve fund is one-twentieth until the reserve shall equal one-fourth of the Company's capital stock. Whether or not further additions shall be made to the reserve may be determined by the Company.

CHAPTER IX.

AMENDING THE REGULATIONS.

113.—A Company has authority to issue detailed Rules and Regulations to cover matters not provided for by the Laws, but must not make any regulations that conflict with these Laws.

114.—Should the Board of Directors desire to amend the Articles of Agreement by which the Company was organized, or the Regulations of the Company, the share-holders must first approve of the same in a general meeting.

115.—When the share-holders meet to decide the matter there must be present at the meeting one-half of the share-holders,
representing one-half of the shares. If it should be impossible to comply with the above restriction, and those present think that the chances are that the matter can be carried through, they may temporarily decide the business in hand and publish the decision in a newspaper and notify the share-holders that within one month another meeting will be held to consider the subject again, at which time a majority vote shall decide it.

116.—Should a Company desire to increase its capital stock, action must be taken in the same way as provided in Articles 114 and 115, and within fifteen days after the adoption of the proposal report must be made to the Board of Commerce.

117.—If a Company should desire to increase its capital stock it can be undertaken only after all the share-holders shall have paid up in full on the original shares.

118.—Any profit derived from the sale of the new shares at a premium shall belong to the Company.

119.—A Company having increased its capital stock, after the new shares shall have been paid up in full the Directors must at once call a general meeting of the share-holders and announce the fact in the presence of all. Should any of the share-holders at the meeting desire to have an examination made, one or two examiners may be elected to carefully investigate whether or not the shares have been paid up in full.

CHAPTER X.

WINDING UP THE BUSINESS.

120.—Under any of the following circumstances a Company must close up its business:

(1) If the share-holders in a meeting called according to the provisions of Article 115 shall decide to close up. (2) If half of the capital stock shall be lost. (3) If the term for which the Company was organized shall have expired. (4) If the share-holders shall be less than seven persons. (5) If the Company shall become consolidated with some other.

121.—When a Company is winding up its affairs the Directors ought to take the part of liquidators; but, if the Directors should not be equal to this task, the share-holders may meet and elect, and they may also if occasion should require, meet and discharge the liquidators whom they shall have elected.

122.—When the Company is winding up, if the share-holders should not be able to elect liquidators, they may request the
Board of Commerce to appoint persons to settle up its affairs.

123.—If share-holders holding shares to the amount of one-tenth of the capital stock shall consider the liquidators to be proceeding improperly, they may request the Board of Commerce to appoint some one to take over the duty.

124.—When the liquidators shall have settled up the accounts and paid over all monies, they must prepare a clear statement and call a meeting of the share-holders to formally approve of the same. Only after this has been done can the matter be considered as settled.

125.—After a Company shall have wound up its affairs, its account books, and all important correspondence must be kept for ten years, after the expiration of which period further preservation shall depend upon the will of those concerned.

CHAPTER XI.
Fines.

126.—The Organizers of a Company, the Directors, Auditors, General Manager, and the Secretaries, if they shall be guilty of any of the following offences, shall be fined, according to the gravity of offence, from $5.00 at the least to $500.00 the extreme penalty.

(1) For not reporting to the Board of Commerce at the proper time for registry. (2) For not publishing what the Law requires to be published, or for publishing what is not true. (3) For not submitting to the inspection of those desiring it, except under the circumstances set forth in Articles 60 and 61, all the documents which the foregoing laws provide shall be submitted to inspection. (4) For hindering the investigation of any matters which the foregoing laws provide must be investigated. (5) For engaging in business before the Company shall have been registered. (6) For issuing share certificates before the Company shall have been registered. (7) For not keeping a register of the surnames and personal names of the share-holders as required by Law, or for neglecting to keep such register in accordance with the provisions of Article 55, or for making false entries therein. (8) If the share certificates shall not be prepared in compliance with the requirements of Article 28, or for making false statements in said certificates. (9) For not complying with the requirements of Articles 54 and 110 in filing at the Head and Branch offices of the Company copies of the Articles of Agreement for the organization of the Company, or of the Minutes of the successive meetings of the share-holders, or of the general list of the share-holders, or of the General Account and General Summary of the goods and property of the Company,
the Annual Report, General Account of Profit and Losses, Reserve Fund Account, and of the Dividends Account; or for filing incomplete copies of any of the above named documents, or for filing documents falsely pretending to be copies of the above. (10) For failing to call a meeting of the share-holders when losses to the amount of half the capital stock have been suffered, as required by Article 76. (11) If the Organizers of the Company shall have secretly secured profits not of right belonging to them in violation of Article 17.

127.—Members of a Company, no matter what official position they may hold, who shall violate Article 75, given above, by using the capital stock of the Company, or any other monies belonging to it for any other purposes than those provided for in the Articles of Agreement, shall not only be compelled to refund the money so used, but shall be fined at least $1,000 and at most $5,000.

128.—The Directors, General Manager or the Secretary of any Company, who shall violate the Commercial Laws or the Regulations of the Company, and have accusation made against them at the Board of Commerce, shall be fined, according as the Board of Commerce shall find their offence to be light or heavy, from $5 to $5,000.

129.—The Directors, General Manager or the Secretary of any Company, who shall embezzle funds belonging to the Company or swindle others out of their property, shall not only be compelled to make equitable restitution, but shall be imprisoned for not less than one month nor more than three years and fined not less than $1,000 nor more than $10,000. If he be an official, he shall also be impeached and dismissed from the service.

130.—Any violations of the fore-going laws for which no definite fine has been provided shall be punished by a fine of not less than $5 nor more than $500 according to the gravity of the offence.

131.—An Imperial Edict has been receiv-ed approving the fore-going laws, and after promulgation they shall be of force forever. But, as this is the first time such laws have been issued, if they should prove to be not sufficiently detailed or so wanting in application to special cases as to be unable to give merchants all the protection they require or to promote commercial enterprise, additions may be made as occasion shall arise, for which an Imperial Edict will be requested giving them approval, that they may be promulgated and put into operation.
REVISED REGULATIONS FOR RAILWAY CONSTRUCTION.
SUBMITTED IN A MEMORIAL BY THE BOARD OF COMMERCE, AND APPROVED BY THE THRONE.

ARTICLE I.—This Board having, in obedience to an Imperial Edict, taken over the direction of Railway and Mining affairs, which is a matter of record, will issue special mining regulations and now gives notice that all records concerned with railway concessions already made have been transferred to this Board by the General Bureau of Railways and Mines, and that all applicants for railway concessions, not yet granted, are required to await the approval or disapproval of this Board.

ARTICLE II.—No matter whether Chinese or foreigner, official or merchant, all applicants for railway concessions must proceed in accordance with the Regulations proposed by this Board and sanctioned by the Throne. No appeal will be allowed to Regulations heretofore adopted by various provincial authorities and which are not in harmony with the present Regulations. Moreover, after the concession shall have been approved by this Board there must be a careful observance of the Company Laws, submitted in a Memorial by this Board and sanctioned by the Throne; there must be no disobedience.

ARTICLE III.—When the officials or merchants of any province have accumulated capital stock and asked for a concession for either a main line or a branch line of railway in any province, they must prepare a map in explanation and state clearly the real amount of their capital, giving exact details, both being submitted with their petition. They shall then wait until this Board shall have communicated with the local official of the district to which they belong, who shall carefully investigate the circumstances of the applicants, whether or not they are reliable persons and whether or not they are men of property, as well as whether or not they are violating these Regulations. When a reply shall have been received this Board shall then determine whether to approve or disapprove the application.

ARTICLE IV.—When the line of any railway shall have been surveyed and agreed upon, the local officials must first notify the people, so as to prevent any intentional

* Vide Commercial Code.
obstruction. As to the purchase of the ground by the Company, the local officials must fix a fair price; they must not allow any raising of the price. As to the taxes due, the Company must agree to pay them from year to year; no neglect shall be allowed. Whenever any cottages or graves shall be found in the line of the railway, if they can be avoided by a curve, steps must be taken to do so in order to satisfy popular sentiment. If it shall be very difficult for the railway to go around them, the local officials shall decide what payment shall be made for them, so as to prevent contention and obstruction.

ARTICLE V.—When Chinese merchants apply for a railway concession, if there be any foreign share-holders, application must not only be made to this Board but to the Board of Foreign Affairs as well, that said Board may investigate and consider the matter. If foreign merchants shall apply for a concession in their own names, they must not only file a petition with the Board of Foreign Affairs and await its reply, but also petition this Board that we may investigate and give a decision. No matter whether the foreign merchants desire to undertake the work themselves or simply to supplement the capital stock of a Chinese Company, they must agree to uniformly observe these Regulations now issued; there must be no infraction of them.

ARTICLE VI.—In accumulating capital it is important that as a rule the Chinese-owned shares should be in the majority.* If there be no alternative than to supplement with foreign capital, then the amount of the foreign-owned shares should not at most be more than equal to the amount of Chinese-owned shares. When the petition is presented the exact amount of the foreign-owned shares must be stated; there must be no concealment or deception. It will not be permitted at all to borrow foreign capital in addition to that obtained by foreign-owned supplementary shares. This prohibition is to prevent deception and insure sincerity. Should there be any deception practised in securing a concession, immediately upon the discovery of the facts the concession will be cancelled.

ARTICLE VII.—Even if foreigners apply for railway concessions in any of the provinces, and they are granted, it is no more than just that Chinese merchants themselves should obtain reasonable advantage therefrom; hereafter, therefore, whenever foreigners make application for a concession, no matter what may be the amount of the capital stock, they must reserve thirty per cent. of the shares and allow Chinese opportunity to purchase these shares at the original price.

* That is, in the case of concessions made to Chinese.
ARTICLE VIII.—No matter whether it be a Chinese Company aided by foreign capital, or a foreign Company aided by Chinese capital, in every case the local authorities must give equal protection. But they must not interfere with the authority of the Company to manage its own affairs. Should the Company meet with losses, the matter must be dealt with strictly in accordance with the Imperial Statutes of China; according to precedent the Imperial Government is not required to indemnify.

ARTICLE IX.—Should any Chinese apply for a railway concession and himself furnish the capital therefor, amounting to more than taels 500,000, on the successful completion of the railway this Board will make a special petition in his behalf for an Edict conferring extraordinary reward as an encouragement. Should he gather together Chinese share-holders and raise in this way capital to the amount of more than taels 500,000, then on completion of the work being reported this Board will take action in accordance with the Article XII of the Regulations as to Rewards submitted in a memorial by this Board and sanctioned by the Throne.

ARTICLE X.—When Chinese make application for a railway concession they must first estimate the entire amount of capital needed for the completion of the road, so as to determine the number and amount of shares to be raised, and after the work has begun, if a great sum has to be expended on account of the difficulties of the work, and the estimate made at the time of gathering shares does not meet the requirements and the capital thus prove insufficient, and there be no way to add further shares of capital, then the said Company ought to be permitted to borrow foreign money by mortgaging machinery and buildings; in no case will it be permitted to mortgage lands. But the total amount of money thus borrowed may not in any case exceed three-tenths of the original estimate, and it will be necessary beforehand to send a petition to this Board stating clearly the real amount of money to be borrowed. The merchants concerned will borrow and repay; in no case will the Imperial Government assume any responsibility. Only after this Board shall have considered and approved the proposal will it be permitted to negotiate the loan. A copy of the contract for the loan must be filed with this Board.

ARTICLE XI.—If the shares of capital accumulated are all Chinese-owned, and if, after the work on the road, for which application was made, has been all completed, the Company shall apply for the construction of some other road in addition, and if the capital originally raised shall really have been already entirely exhausted, and they shall
propose to borrow foreign money in addition to supply the means for the extension of their enterprise, it will be necessary to prepare a petition and submit the same to this Board and await until it shall have considered the aspects of the case and either approved or disapproved.

**ARTICLE XII.**—Hereafter if any Chinese applying for a railway concession shall enter into a secret contract with foreigners to borrow foreign money, mortgaging the road applied for as security, and shall, for the time, obtain the concession under false representations, or if after the work shall have been commenced they shall clandestinely sell the concession to others, then as soon as this Board shall learn of these facts and investigate the affair, or if the local Viceroy or Governor shall discover the same, not only will the road be confiscated and the concession cancelled, but it will be further necessary to investigate the circumstances of the case and according to the gravity of the offence to decide upon some form of punishment.

**ARTICLE XIII.**—All persons who may obtain a railway concession from this Board, no matter whether Chinese or foreigner, must within six months after the granting of the concession survey the road, and within six months after the completion of the survey must commence the work of construction. The gauge of the road must be exactly four feet eight inches and a half, English measurement, the same as that of the roads now in operation. Moreover the date of commencing the work must be reported to this Board. If the limit of time shall be exceeded and no report be made, the concession shall be cancelled, so as to prevent the occurrence of such evils as the pretence of raising shares of capital and using this as a pretext for swindling operations. If there should really any extraordinary circumstances arise, report must first be made to this Board, which will make investigation; and if it be found that there has really been no deception, then the matter of extending the time may be taken into consideration.

**ARTICLE XIV.**—If at any place in any of the provinces where railways are in construction land-owners shall raise the price of land, thus hindering or causing trouble, or if workmen, depending upon numbers, shall institute a boycott, it will be permitted the Company to make a clear report of the matter to the local authorities, who shall issue a strict proclamation, suppress the disturbance and prohibit, under severe penalties, all extortionate practices of yamen underlings. It must be known that railways are the foundation of commercial prosperity and profitable transportation, as well as an

*That is, for the purpose of securing unreasonable wages.*
important enterprise of the Imperial Government. If the said local officials prove unable to give protection and evade their responsibilities, on investigation, if the facts be as reported, they shall be impeached and dismissed.

**Article XV.**—At present such experts as are needed in surveying for railways, estimating their cost and superintending the construction are few in China, and it becomes necessary to permit the Companies to engage foreign officers, and the local authorities of the places through which they may pass or where they are temporarily residing must use extra care in giving them protection; they must not allow the least unforeseen danger to arise. If the said foreign officers are themselves unmindful of the proprieties and set social restraints at defiance, it is permitted the local authorities to notify the Company, so that they may be discharged. They must not be screened and protected improperly by being transferred to some other road to be employed. If their faults be serious it is permitted to report them to this Board, which shall transmit the complaints to the various Consuls concerned. They shall not be allowed to travel or reside in China.

**Article XVI.**—No matter whether Chinese or foreigners may apply to Viceroy and Governors of provinces for railway concessions, it will be necessary for the said Viceroy and Governors to make a careful investigation as to whether or not the proposed road will be really of advantage to Chinese commerce or transportation, and whether or not there may be any violation of these present Regulations involved in the matter. As soon as they shall report, this Board will take the subject into consideration and deal with it.

**Article XVII.**—If a Company shall get into a quarrel, or there arise any other difficulty affecting the interests of the Company, if the Company be a Chinese one, the nearest local official may try and decide the case fairly, thus preventing injustice to either party. If the judgment given does not satisfy, it will be permitted to appeal to this Board, which will consider the case and deal with it, so as to give due protection. Should trouble arise between Chinese and foreign merchants, each of the two parties ought to nominate a man to discuss the case and decide it. If the two arbitrators cannot agree in their opinions, they may together nominate a third just and upright man, no matter whether connected with the railway or an outsider, and these together may effect a settlement. The Government of the two nationalities shall not concern themselves with the case.

**Article XVIII.**—Railways and Mines are two separate concerns, and each should be managed in accordance with its own
not act upon its own authority. Provisions and pay for such troops must be supplied by the Railway.

**ARTICLE XXIII.**—Railways and Post Offices are of mutual assistance. All who operate Railways ought to carry the mail bags of the Imperial Chinese Post Office. The detailed Regulations as to this matter will be drawn up at the proper time.

**ARTICLE XXIV.**—The foregoing Articles are the Regulations in general for the construction and operation of Railways. Matters not definitely decided therein may be set forth in detail at the time when concessions are granted and contracts are drawn up.

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**REGULATIONS FOR CHAMBERS OF COMMERCE.**

**ARRANGED BY THE BOARD OF COMMERCE AND APPROVED BY THE THRONE AFTER SUBMISSION THERETO IN A MEMORIAL.**

1.—It is the fixed purpose of this Board to give protection to commercial enterprises and to improve the conditions of trade, but inasmuch as the people engaged therein are scattered in various regions, and, since the several provinces differ among themselves in customs and conditions, it is difficult for the Board to become thoroughly familiar with all the intricacies of the subject, and it can therefore set forth only the general principles which control, and must leave their detailed application under varying circumstances to be made by the Chambers of Commerce which are to be established at various ports in the provinces for this purpose, and which, as the arteries of trade will converge toward them, will naturally respond to its pulsations.

2.—Commercial guilds and mercantile associations, of whatever name, which have been already established by various trades in
the several provinces at various ports, must change themselves at once, in compliance with the Regulations now issued by this Board, into Chambers of Commerce,* so that uniformity may be secured. In places, too, where such associations have not been established heretofore, there must at once be made a systematic investigation of the importance of their trade, that Chambers may be established if needed. As to the various Bureaus charged with the protection of trade, the Viceroy's and Governors must determine whether or not they are to be retained or abolished.

3.—All the busy and wealthy commercial centres, no matter whether towns or cities, ought to establish General Chambers of Commerce; and those which are of second rank in commercial importance should establish Branch Chambers of Commerce, which shall be under the control of the General Chamber of Commerce of the Province to which they may belong. As, for instance, Tientsin in Chihli, Chefoo, in Shantung, Shanghai in Kiangsu, Hankow in Hupeh, Chunching in Szechuan, Canton in Kuangtung, and Swatow in Fukien ought all to be locations of General Chambers of Commerce, and other provinces should be treated in similar fashion.

* In Chinese 商 會.

4.—One Chairman and one Vice-Chairman shall be appointed for each General Chamber of Commerce, and one Chairman for each Branch Chamber. All the Directors of the Chamber in any given place must assemble in meeting and publicly nominate several persons who are familiar with the conditions of trade and who have the confidence of all, and request this Board to consider the matter and issue instructions as to the appointments. They shall serve for a term of one year, and three months before the expiration of the term the Directors of the Chambers shall meet and either nominate others to succeed them or request that they be retained, and after the vote shall have been taken, they shall report to this Board for its examination and decision.

5.—The Directors of a Chamber of Commerce shall be elected by the merchants of the place concerned. For a General Chamber the rule shall be to elect from twenty to fifty, and for a Branch Chamber from ten to thirty, the exact number to be determined by the amount and importance of the trade of the place. One month after election, if there be no opposition to them, the Chairman shall prepare a list of the Directors of the Chamber and send it to this Board to be placed on file for reference. As to their terms of office, the election of successors, or the retention of the old
Directors, the same course shall be pursued as is set forth in the preceding Article.

6.—In the election of Directors of Chambers four things are to be considered as determining their qualifications: ability, position, seniority and popularity. For instance, the following may be considered as suitable:—(1) As to Ability. If one shall have established a business and been eminently successful in it, and, who although he may have been sued at Law, shall have done nothing improper in the conduct of his business. (2) As to Position. If one’s firm shall really be one of large capital, or if in the amount of trade done each year it shall hold the first place in its locality. (3) As to Seniority. If one shall have been established in the locality concerned and transacted business there for more than five years and shall himself be thirty years of age. (4) As to Popularity. If the merchants nominating the said person form a large majority.

7.—The duties of the Chairman and Vice-Chairman of a Chamber of Commerce are to protect trade and encourage it. Therefore whenever a merchant has a complaint to make, the Chairman and Vice-Chairman must investigate the matter, and, if they should find real cause for the complaint, they must make a just statement of the matter in behalf of the merchant to the local official. Should the complainant fail to get justice or

authority be wanting to deal with the case, it must be reported at once to this Board, which will take it under consideration and settle it.

Should the Chairman or Vice-Chairman take bribes, show partiality or confuse right with wrong, whether reported by the Directors or the merchants of the Chamber, or discovered by this Board through its own investigation, such person shall be impeached and not pardoned.

8.—All General Chambers of Commerce must each year through its Chairman prepare and send to this Board an Annual Report, containing a statement as to the prosperity or decline of trade with the reasons therefor, mention the amounts of the imports and exports, together with an account of any new products or manufactures—said Report to be placed on file for reference. Any matter of serious importance to trade may be reported at once, and, if it should be one demanding urgent attention, the report may be made by telegraph.

9.—The Directors of each Chamber of Commerce, having been elected by the general body of merchants, must endeavor to make themselves thoroughly acquainted with the conditions of trade, whether favorable or unfavorable. They ought to meet therefore once a week with the Chairman and Vice-Chairman of the Chamber, so as to enable
each merchant to accommodate himself at once to existing circumstances and in any undertaking proposed to avoid making any mistake. Should merchants have any important matter to consider they should go at once to the Chamber and consult about it. If it should be a matter of general concern, the Chairman must issue notices to all the Directors and to the managers of the various firms fixing a date for a meeting, at which time they should assemble at the Chamber and take the matter into consideration. They must proceed honestly and justly, gathering the opinions of each and seeking to adopt the course which will be generally advantageous. Each merchant having his own proposal to make, may set it forth and after discussion the best may be selected for adoption. There must not be the least stubbornness in insisting upon one's own opinions.

10.—All meetings of Chambers of Commerce must be conducted in accordance with Parliamentary Rules. The Chairman of the Chamber shall preside at all meetings. No meeting can be held unless a majority of the Directors be present. The method of procedure at a meeting will be as follows:—Suppose some one has a resolution to propose, there must also be some other person to second it. Should there be others still who want to oppose it, generally speaking, no matter how many are present, they must wait until the proposer shall have finished his argument, when they may by turns discuss the resolution, and the question shall be decided by the votes of the majority. The Secretary shall make record accordingly in the Minutes, and at the next meeting shall read the Minutes of the present meeting, and, if there be no objections to them, the Chairman shall sign them in approval. The regulations for the conduct of all meetings shall be the same as those proposed by this Board for the meetings of corporations, and which have been approved. (For details see Articles 86 and 87 of the Commercial Laws, and Articles 89–94 inclusive, together with 99–102 inclusive.) There must be no disregard of them.

11.—Should any Directors of a Chamber be guilty of showing partiality or injustice, advancing their own personal interests at the expense of the merchants, such merchants may join together in a complaint to the Chamber, and the Chairman shall call a meeting of the Directors and take action, at once removing the offending Directors. Should the charges be very serious and investigation show them to be true, report shall at once be made to this Board, which shall inflict such penalties as the Law may require. Should the Chairman and Vice-Chairman or the other Directors attempt to shield them, the merchants may lay charges before this Board,
which will investigate and take action. If the accusations should prove to be false, the accusers shall suffer the penalties which would have been inflicted upon the defendants, had they been found guilty.

12.—The special business of the Chairman and Vice-Chairman is to have charge of commercial cases, make reports on commercial conditions, and to act as advocates in behalf of the merchants. In matters which may be of any advantage to the merchants, they must not allow the least taint of corruption to attach to themselves. They must take the lead in inaugurating new methods and must promote reforms. In all their plans to advance the general welfare and to remove evils, they must call meetings of the whole body of Directors to take action, without which nothing may be done. They must not with partiality and stubbornness act upon their own responsibility and hastily make changes in commercial conditions. Should there be any of the above-mentioned faults, the body of Directors or the merchants themselves may make complaint to this Board, which will investigate and take action.

13.—The regulations for the management of the Branch Chambers are the same as those for the General Chambers, but these Branch Chambers must each quarter prepare a statement of the commercial conditions and send the same to the General Chamber, which shall combine this in one general report for the quarter to be forwarded to this Board for our examination. Should there be any reforms which they ought to introduce, the Directors at the first opportunity must meet together in consultation and decide upon a method of procedure, which they should report to the General Chamber, to be placed on file. If the matter be one of considerable importance to commerce or one demanding urgent attention, they ought at once to telegraph this Board as well as inform the General Chamber, so as to avoid delay.

14.—Since these Chambers of Commerce are to be established in various places whose commercial conditions are not alike, the Chairman of each Chamber at the first opportunity ought to consult with the Directors and agree with them upon a set of By-laws, which they shall report to this Board, that it may decide whether or not upon the whole they may be of advantage to commerce, and whether or not they violate the Regulations adopted by this Board.

15.—Should any dispute arise between Chinese merchants, they may proceed to the Chamber and lay the matter before the Chairman, who shall fix a date for a meeting of the Directors and give the matter an impartial consideration, and give decision according to the opinion of the majority. If the parties to the quarrel will not abide by
this decision they may petition the local official to deal with the case.

16.—Should Chinese and foreign merchants come to a dead-lock in their relations, the Chambers of Commerce ought to direct the two parties each to select an arbitrator to arrange a fair settlement of the case, and the two arbitrators may thereupon consider the matter and give a decision. If they should be unable to agree, they may together select a third—one who shall have for years enjoyed the general confidence—who may decide the case. Should the Chamber of Commerce not have become thoroughly acquainted with the circumstances of the case, and suit have already been brought before the local official or the Consul having jurisdiction, the two parties may proceed with the suit, if they should so prefer; but, if the decision of the local official or the Consul should not be entirely just, the aggrieved party may inform the Chamber of Commerce, which may in his behalf attempt to have the judgment revised. If it should be a matter of serious importance, the Chairman may report to this Board, which will thereupon take action in conjunction with the Board of Foreign Affairs.

17.—When a Chamber of Commerce is about to begin operations, the local official shall first thoroughly investigate the circumstances and loan the Chamber a public building for the transaction of its business, until it shall have accumulated sufficient funds and decided to build, thus enabling it to advance step by step until it shall become thoroughly equipped.

18.—The Directors of a Chamber of Commerce must issue a circular notice, directing the merchants to first register themselves, in the same manner as provided for in the Corporation Laws submitted by this Board and approved by the Throne, so as to secure a tabulated list of all the merchants in any locality, arranged according to their various lines of trade, after which the Chairman, Vice-Chairman and Directors will be able, as occasion shall arise, by referring to the Register, to have a means of conducting their investigations and deliberations, and thus of giving thorough protection, as well as a method of energetically promoting the reforms which they may desire to inaugurate. Should there be any agents of small capital who do not desire to be registered, they must all be allowed to suit themselves; there must not be any compulsion, which would reverse the original intention of providing protection to trade.

19.—All contracts entered into by merchants for the purchase of goods, together with their deeds for purchase or sale of houses and lands, mortgages given as security for loans, and all documents held as
evidence, ought to be taken to the Chamber of Commerce and registered, and the certificate to that effect be sealed with the seal of the Chamber, thus proving their genuineness and preventing any such evil practices as cheating and swindling.

20.—Chinese merchants have heretofore had no Commercial Colleges in which to become thoroughly acquainted with all the various matters connected with trade. Therefore all merchants have acquired their knowledge by transmission from father to son or from master to apprentice. Each has his own method of keeping accounts, and when a law-suit occurs and these accounts are presented at the yamen for comparison, it is difficult to make them agree, and the yamen clerks avail themselves of this condition of affairs to make their influence felt.* Our Board has therefore decided upon certain forms for accounts, as explained below, which we will issue to each Chamber of Commerce, that they may carefully print the books accordingly. The Chambers of Commerce must also stamp the books with their own chops, and each quarter the Directors of the Chamber will issue them to the merchants, that they may make their entries according to the forms prescribed.

*That is, in an illegitimate way, by endeavoring to secure judgment in favor of the man who pays the heaviest bribe.

Should any trouble arise, these accounts shall be relied upon for evidence. As to the number of books which any merchant may need in one quarter, he must himself indicate this on a list which he shall prepare and stamp with his own chop and present to the Directors of the Chamber, who will obtain for him from the Chamber the number indicated. The Account Books to the kept are as follows:

(1) Day Book, in which receipts and expenditures are to be recorded day by day.

(2) Monthly Accounts, in which the daily accounts are to be summed up in a monthly account of all receipts and expenditures.

(3) The Ledger, in which is to be recorded the accounts of goods purchased, the amounts of goods sold, the accounts of monies received, bills payable, disbursements, and real gains or losses, that is, a book of the general accounts of the firm.

21.—The original reason for the establishment of Chambers of Commerce being the protection of trade, there must, of course, be charges made for service rendered, and it is now proposed that merchants shall pay the following fees, which are entirely in harmony with this intention to protect trade; and Chambers of Commerce shall not, by making other Regulations than those
established by this Board, collect illegal fees under various names, in addition to the legal fees hereby allowed.

(1) Registration fee. A minute fraction of the real value of each man's trade as registered shall be collected for this service. The merchant shall pay it in person to the Chamber of Commerce and take a receipt therefor.

(2) Fee for Certificate. This shall be a small per cent. of the actual sum mentioned in the registration certificate, adjusted according to the length of time for which the certificate is given. The receiver of the certificate will pay it in person to the Chamber of Commerce and take a receipt therefor.

To calculate and graduate the fees according to the two foregoing lenient Regulations will in practice be rather cumbersome, therefore each Chamber of Commerce should adopt special Regulations, making the fees light or heavy according to the circumstances, adjusting them with great care that there may be no opportunity for squeezing.

(3) Fees for Account Books. The charge must be according to the market price of such books; there must be no overcharge. The Directors will collect these amounts each quarter from the merchants and report them to the Chamber of Commerce, and take receipts accordingly. Should there be any such evil practices as withholding the books until extortionate prices are paid, the merchants may unite in signing a complaint perferring charges and presenting the same to this Board for action thereon.

22.—Every Chamber of Commerce must at the end of each year make a report to this Board of all fees collected during the year, the report being arranged by the General Chamber under the Four Heads—"Balance from Last Account," "Amount Collected," "Amount Expended," and "Balance on Hand." Seven-tenths of the actual balance, after the payment of frugal expense, shall be deposited in the Reserve Fund of the Chamber, one-tenth shall be appropriated as a bonus to the Chairman and Vice-Chairman of the General Chamber and the Chairman of the Branch Chambers, and two-tenths as a bonus to the Directors.

23.—Since seven-tenths of the money received from fees by any Chamber of Commerce is to be deposited in a Reserve Fund, theBranch Chambers ought at the end of each quarter to send their balances on hand to the General Chamber to be by it deposited at interest with some reliable Bank. The Chairman and Directors must not at their own pleasure disturb these deposits. Any
who violate this Regulation will be punished according to Law and removed from office. As to the method of procedure which must be followed when the matter of making appropriations from these deposits is under consideration, application must first be made to this Board and its permission obtained before they may be so used, except under the circumstances mentioned below, when it will be permitted to verify the account and report it:

(1) When a Branch Chamber is unable to meet its monthly expenses, and there is no method of retrenchment possible, the Chairman and Directors may consult with the General Chamber, which in meeting assembled may decide to advance a definite sum as a loan, to be repaid as soon as there shall be a balance from which to pay it.

(2) In buying houses or ground, adding necessary supplies, or making repairs or enlargements, it will be permitted the Chairman to call a meeting of the Directors, and after consultation it may be decided to make the appropriation; but, no matter how large the Reserve Fund may be, no more than Tls. 10,000 may be thus appropriated; all above this sum must be left on deposit; the whole sum must not be appropriated.

(3) If the Reserve Fund should amount to more than Tls. 50,000 and some of the principal merchants should start a hong or company whose business would be able to reduce the imports from abroad, and thus tend to recover for China her prosperity and influence, and should said merchants have secured seven- or eight-tenths of the capital needed, thus being still short two- or three-tenths, and it be impossible at once to secure subscriptions of the balance, the Directors of the Chamber at their meeting may by a vote of the majority decide to contribute in aid of the enterprise, and thus carry out the purpose of the Government to encourage trade. But, should the said merchants not be of good repute and be unable to command the confidence of the Chamber, it will not be permitted to take the course outlined above.

(4) Should a stringency occur in the money market at a commercial centre, causing financial embarrassment to the people of the place, so that suddenly there happen to be a large accumulation of goods which cannot be disposed of, and should the failure of the business houses concerned be likely to involve the general interests of trade, then an extraordinary meeting of the General Chamber shall be called, which may by a vote of the majority decide to take over the surplus stock as security and make loans from the Reserve Fund in definite amounts, as a practical method of assistance, fixing a date for the repayment of the loans, which shall bear interest at about the rate of 6½% each month. This will be really assisting in the protection
of the trade. Those affairs do not concern the general interests of trade, or who by the loss of capital are compelled to go into bankruptcy must not presume by any misrepresentations to disturb the Reserve.

(5) As the Reserve Fund shall daily grow and become large, each Chamber of Commerce may build additional houses and purchase the very best quality of local products, and establish an Exhibition Hall, somewhat after the style of a foreign museum. But at first a beginning should be made in a simple way, in the hope that the collection will be gradually enlarged, and that the merchants will mutually examine one another's goods and mutually spur one another so that China's commercial status may constantly improve.

24.—The duty of Chambers of Commerce is the protection of trade, but unless there be equal treatment for all that duty is not fulfilled. All merchants are not of the same character; while there are many who are straightforward in the conduct of their business, there are also many others who are tricky in the pursuit of gain, and who therefore injure trade and, of course, trample one upon another. Moreover they raise the price, without reason, of such articles of daily use as fuel, rice, oil and beans, which closely affect the lives of the people, and avail themselves of some pretext or other to corner them. The Chairman and Directors therefore must be especially careful to make investigation as occasion may require, and, should they find such evil practices existing as are described above, they must summon the said merchants and induce them to act justly, or the Directors may meet and fix upon just prices according to the condition of the market. Should any dare, while openly pretending to accept these prices, to secretly disobey the orders given them, and show themselves unwilling to reform, the Chairman and Directors may send them to the local official to be punished according to Law, that they may serve as a warning to others.

25.—At present these institutions are just being inaugurated and we ought first to establish a General Chamber of Commerce in the most important commercial centre of each province, and Branch Chambers in those of the next grade; afterwards, as trade daily improves, the Chambers of Commerce will be increased as the times may demand. The Chinese merchants in the South Seas*, as well as in the ports of Japan and the United States, are very numerous, and they, too, ought in the same manner to consult together and establish General and Branch Chambers of Commerce. As to the investigation of foreign commerce, this Board

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*a Singapore, Java, Philippines, Australia, etc.
has already prepared a separate and special list of regulations which have been sent to the Chinese Ministers in foreign countries, with instructions to consider them and to appoint attachés and Consuls to carry out their provisions.

26.—Any merchant who may by his own ability invent a new machine or compile a new book, provided either shall be of any use, or who may make any improvement upon any article, whether of Chinese or foreign origin, will be allowed to make report of the same to the Chamber of Commerce for its examination, after which the Chairman may report the matter to this Board for its consideration, and the Board, if it so decides, will issue a patent for a limited term of years to prevent imitation and to encourage talent.

REVISED MINING REGULATIONS.

This memorial is reverently submitted, proposing for temporary adoption the following set of Mining Regulations, which has been drawn up, and the examination of which by Your Imperial Majesties is humbly requested.

In the memorial proposing for adoption certain Railway Regulations, which memorial was presented by this Board in the Tenth Moon of the XXIX Year of Kuanghsü (Nov.-Dec. 1903) we said:—

"As to Mining Regulations we have already received an Imperial Edict directing Liu K'un-i and Chang Chih-tung to make a selection from the Mining Regulations of various countries. So far Chang Chih-tung has not yet come to a decision, and this Board ought for the present to propose a set of Regulations to be put into operation experimentally." In response we received an Edict saying:—"Let it be as proposed." "Reverently Received; Let it be reverently obeyed." All of this is a matter of record.
Chang Chih-tung has now returned to his post, and we hear that he has bought a collection of western books on mining, the translation of which will yet require some time. This Board having by Imperial Edict been given direction of Railway and Mining Affairs, has special responsibility with regard to this matter. The operation of mines is being gradually undertaken, and merchants are clamoring for concessions. If, then, we do not agree upon some Regulations it will be difficult to secure uniformity in our granting or withholding of the concessions asked. Moreover the matter is one which intimately concerns our foreign relations, and we ought therefore the more carefully and minutely to investigate the subject that we may have some definite course to follow. We find that in the Tenth Moon of the XXIV Year of Kuanghsü (Nov.-Dec. 1898) the General Bureau of Railways and Mines submitted twenty-two regulations dealing with mines and railways together; and that in the Second Moon of the XXVIII Year (March-April 1902) the Board of Foreign Affairs in a memorial submitted a set of 19 Regulations. An examination of these two sets of Regulations shows that under present circumstances there is need of revision and additions, and the members of this Board, having consulted together, have prepared a set of 38 Mining Regulations, which we propose for adoption temporarily, and herewith submit the same for the inspection of Your Majesties. Should Your Majesties sanction them, this Board will circulate them throughout all the provinces for their observance, and will also communicate them to the Board of Foreign Affairs that they may be transmitted to the Ministers of the various foreign countries in Peking to be placed on file. Afterwards when Chang Chih-tung shall have compiled a special work upon the subject, it will have to be taken up again in connection with him so that there may be no lack of uniformity.

As in duty bound we have reverently set forth the reasons for issuing Revised Mining Regulations for temporary use, and submit this memorial, praying that Her Imperial Majesty, the Empress Dowager, and His Imperial Majesty, the Emperor, will examine the same and issue instructions.

The above memorial was submitted on the 1st of the Second Moon, the XXX year of Kuanghsü (March 17th, 1904) and on the same day an Edict was received, saying:—

"Let it be as proposed." "Respect This."

REGULATIONS.

1.—This Board has with reverence received an Imperial Edict, directing it to take over the joint management of Mining and Railway Affairs, and has humbly complied therewith, as is a matter of record.
Railway Regulations have already been submitted in a memorial by us and adopted. As to Mining Regulations, already in use, the Board of Foreign Affairs in those issued by it in the Second Moon of the XXVIII Year of Kuanghsü (1902) stated clearly that matters not fully treated in said Regulations would be provided for as occasion might require by such additions and excisions as circumstances might demand, in the hope that the Regulations might be made as perfect as possible. Our Board having now agreed upon these temporary Regulations will not hereafter give its consent to any request for a concession based upon former Regulations, or methods of Mining operation heretofore allowed in various provinces, brought forward as a precedent, except that Mines already in operation or Concessions for working which have already been granted may continue to be worked according to the agreements already made.

2.—All who apply for Mining concessions must obtain permits from this Board and must not operate the Mines before such permits have been obtained. Permits are divided into two classes: (a) Prospecting Permits, and (b) Permits for Working Mines.

3.—Only when Mining lands are the property of the State, no matter what the kind of ore produced by them, can a permit (certainly) be granted. If the lands be private property, an agreement must first be made with the owner as to a price, or his consent obtained to taking shares instead, and a report to that effect made and recorded, when only may a permit be requested. If the Mining land in question be a place which the Government ought to develop, the officials must buy the land at a fair valuation, and the owner must not oppose.

4.—No matter whether the undertaking is to be managed by Chinese or by Chinese and foreigners together, when application is made for a Prospecting Permit or a Permit to work a Mine, the petition must be prepared in strict accordance with the requirements detailed below, and may be presented directly to this Board or through the Viceroy and Governor of the province concerned, and after they shall have investigated whether or not local circumstances present any obstacles to the concession, and whether or not these Regulations are being violated, this Board will take the matter into consideration and grant or withhold the concession asked. The requirements referred to are as follows:

(a) The petition shall state clearly the surname and personal name of each petitioner, and to what province and district he belongs, the number of the petitioners, and
whether the petitioners are really to operate the Mine themselves or intend to dispose of it to others.

(b) Should the applicants consist of Chinese and foreigners who are taking shares together, the application must state clearly to what countries the foreigners belong and the exact number of shares which they hold.

(c) The application must state the location and boundaries of the Mine, measurements of these boundaries, and the area of the Mine in square li and in mow, and must be accompanied by a map marked with proper explanations, in order to facilitate examination.

(d) The kinds of ore which the applicants intend to work must also be clearly set forth.

5.—The Mining concession asked must not contain more than 30 square li and must be comprised in territory which is continuous; the length must not be more than four times the breadth, and should there be graves upon the land, some method must be adopted to avoid them in constructing shafts and tunnels; if this should be absolutely impossible, then a liberal allowance must be made for removing them.

6.—Should the Mining concession for which application is made have been granted already to some other person, or should the lands concerned be important to the use of the State, the permit cannot be granted. This Board upon thorough investigation will reject the application.

7.—(The following refer to prospecting.) When an application has been made for a permit to prospect and the same has been granted, it is understood that permission is not given to work a Mine, but merely to examine the surface out-crop of the vein in the locality mentioned in the permit, and such prospecting must not be carried to too great a depth nor over too great extent of ground.

8.—A permit to prospect shall be good for one year, at the expiration of which time, if the examination shall really not have been completed, a petition must be prepared making a clear statement of the facts, and if, upon investigation, it shall appear that no false report shall have been made, the permit may be extended for not more than one year in addition.

9.—Local officials shall still collect the land tax according to the usual regulation from all private lands affected by the permit to prospect, and public lands concerned shall pay an annual rental of $p’ing Tael 1.00 per mow, which shall be an established rule. A fee of $p’ing Taels 0.00 shall be paid for each permit to prospect, on the issue of which the rent in full for one year on all
public land affected must first be paid to the local official before work will be allowed to begin; and, if an extension of time shall be granted, immediately after such grant is made, an additional year's rent shall be paid.

10.—Every applicant for a permit to prospect must prepare a petition stating the locality, boundaries, and extent of the land to be examined, and present the same, as may be most convenient, either to the Viceroy and/or Governor of the province concerned, who shall investigate the locality to determine whether or not such permit will injure the people of the place, whether or not the applicants be reputable persons, whether or not they have any considerable amount of property, and whether or not there may be in their application anything that violates the Regulations which have been submitted to the Throne and received the Imperial sanction, and if, upon such investigation, they shall find that with respect to the foregoing there has been no violation of the Regulations and that there are no other objections to be made, they shall communicate the facts to this Board for its consideration and action; or the applicants may present the petition which they shall have prepared directly to this Board and await the communication of it by the Board to the Viceroy and/or Governor of the province concerned, who shall investigate and report whether or not there be in regard to the matters above-mentioned any reason for refusing the permit, upon the receipt of which report this Board will take action, either granting or refusing the permit.

11.—If the Mining lands shall really be the private property of some other person, whose permission shall not have been given, and the prospector, having fraudulently obtained his permit, proceed arbitrarily to make examination, immediately upon complaint being made by the owner, an estimate of the damages shall be made and compensation required accordingly.

12.—Any person who shall have obtained a permit to prospect must within four months after the expiration of his permit completely fill in all excavations that may have been made, and, if houses or trees shall have been injured during the time of his prospecting, he must also put them in as good condition as before. If, at the expiration of the four months he shall have obtained a permit to work the Mine, the foregoing shall not apply.

13.—(The following refer to working Mines.) No matter whether a Mine is to be worked by Chinese or by Chinese and foreigners jointly, if a permit to work the Mine be requested, the permit to prospect must first be returned for cancellation and a
report submitted stating clearly the exact amount of capital stock raised, what kind of ore it is desired to work, as well as in what reliable banking or exchange establishment the funds have been deposited, and the said banking or exchange establishment must give a guarantee to this effect, which shall be presented for inspection.

14.—Should the original applicant for a permit to work a Mine, either before or after beginning operations, desire to transfer the permit to some other person, he must first petition this Board and wait its sanction or refusal. Should the transfer be clandestinely made, immediately upon its coming to the knowledge of this Board, the original holder of the permit will be severely punished, the permit cancelled, and the property confiscated.

15.—Any person who shall have obtained a permit to operate a Mine must be permitted to take out ore at the place mentioned in the permit and, in addition, to transport to the Mine all machinery and materials needed in its operation, and, having paid the Customs duty on the same according to regulation, shall not be required to pay any additional duty at any inland barrier. But, if any goods not needed in the working of the Mine should be secretly brought in with such machinery and materials, a fine will be imposed according to the Regulations.

16.—In raising capital for the operation of a Mine, generally speaking, the shares owned by Chinese ought to be in the majority so that the control may remain with them. If the Chinese-owned shares prove to be insufficient, so that it becomes necessary to supplement them with foreign-owned stock, the latter must not amount to more than the number of Chinese-owned shares. And when the petition is presented, it must state clearly the exact number of foreign-owned shares; there must be no vagueness. Moreover it will not be permitted to borrow foreign money in addition to the foreign-owned supplementary shares. Should permission to operate be obtained by misrepresentation, on discovery of the facts, the permit will be cancelled and the property confiscated.

17.—When permission is wanted to work Mines, there ought first to be a rough estimate made of the amount of work to be done, and the amount in round numbers of the capital that will be required. If, after examination, the Mine appears to be promising, subscriptions of stock must be invited until the full amount of the capital estimated as necessary shall have been raised, when only will a permit to work the Mine be given. If after the work shall have commenced, it shall appear that on account of its difficult character the expenses are much greater than was estimated when the capital
was being raised, and that the latter is insufficient and that it is difficult to raise additional shares, and it be proposed to raise a temporary loan of foreign capital to meet the emergency, if the capital already employed be composed entirely of Chinese-owned shares, then permission should be given to mortgage the machinery and buildings for a term of years as security for a loan, but it will not be allowable to borrow money by mortgaging the Mine, and the amount of the loan must not exceed three-tenths of the amount originally estimated as the capital needed. A petition must first be presented to this Board, clearly stating the number of years which the loan is to run, from merchants of what nationality it is to be borrowed, and containing the words:—

"Borrowed by merchants to be repaid by merchants; the government assumes no responsibility". Thereafter this Board will take the matter into consideration and give permission to negotiate the loan. When the contract is prepared, one copy must be deposited with this Board for reference. It must not be clandestinely modified.

18.—Hereafter should Chinese merchants make application for permission to conduct Mining operations, and, without reporting to this Board, have already entered into a contract with foreigners to mortgage the Mine as security for a foreign loan, and for the time secured their permit by deception,

or if, after operations shall have begun, they shall secretly sell the Mining property to foreigners, and the original holder of the permit simply sit down and receive pay for the use of his name, as soon as such evil practices be discovered by the Viceroy or Governor of the province concerned, or by this Board, action will uniformly be taken in accordance with Article 14, due consideration being to the lightness or gravity of the offence.

19.—If the applicants for a Mining-concession are assisted by foreign-owned shares, no matter whether the permit sought be for prospecting or for working a Mine, they must not only petition this Board and wait for its action, but must also petition the Board of Foreign Affairs, which will consider the application and approve or disapprove of it. As to the foreign merchants, since they are willing to take shares they must cheerfully recognize these Regulations and uniformly comply therewith; there must be no transgression of them.

20.—If a Chinese corporation after having brought the Mining enterprises mentioned in its permit into successful operation shall desire to work in addition some neighbouring Mine, and, its capital being insufficient, shall propose to enlarge it by securing supplementary shares of foreign capital, it must petition this Board, making
a careful statement in detail, so that we may be able to decide whether to grant or refuse the petition, and after sanction is given a separate permit must be issued: the Chinese Company already existing must not become involved in this new enterprise.

21. Should it be necessary to maintain guards at a mine to protect the works, a petition to that effect must first be presented to the local authorities, who will consider the matter and decide whether or not it may be allowed. Only Chinese must be used for guards. It is still more necessary that all employés, except those in charge of the machinery and those who keep the accounts, should consist entirely of natives of the district in which the Mine may be situated. Only when the natives go on strike will it be allowed to employ men from the adjoining districts, but still there must be no foreigners employed. The rations of the guards needed, together with all the expenses of drilling them, must be supplied by the proprietors of the Mine, and if they should want to establish a school of mining in order to develop skill, the said proprietors will be permitted to consider the matter, and take such action as they desire.

22. If it should be desired to construct a small branch railway for the economical transportation of the ore, examination must first be made to learn whether or not the nearest main line of railway or the nearest port is within a distance of ten li, and whether or not there may be any local objections, which facts may be submitted in a petition to this Board, which will consider the matter and decide whether or not the line may be built. If the distance should be more than ten li, the case must be presented and treated as a special one.

23. If the territory covered by the permit to mine contain ten square li or less, a fee of K’u-p’ing Taels 100 shall be paid for the permit, and for every additional square li an additional Taels 10.00 must be paid, 30 square li being the largest concession that may be granted, and after the fixed rent per maw shall have been paid to the local authorities, no matter whether the operators be Chinese only or Chinese and foreigners together, equal protection must be given to all, but the officials must not interfere with the rights of the operators to manage their own business. In case the operators should meet with losses, action shall be taken in strict compliance with the Imperial Statutes; the Law does not require the Government to indemnify.

24. After applicants shall have received the permission of this Board to work a Mine, they must commence operations within six months from the date on which the permit shall have been granted, no matter whether the operators be Chinese or foreigners, and
they must also report to this Board the date of beginning work. If the six months' period shall pass without report, the permit shall be cancelled and others be invited to operate the Mine. Should the delay be caused by some unforeseen difficulty, it will also be necessary for a clear report to this effect to be made this Board which shall investigate the matter, and only if there shall have been no misrepresentation may the matter of extending the time be taken into consideration.

25.—Holders of permits must mark the boundaries of their concessions with stones that their limits may be clearly shown. They must also adopt proper measures to guard against dangers, lest the engineers or workmen should meet with accidents. If in spite of the precautions taken any accident should occur, a report must be made as soon as possible to the local official, who will make an investigation. If any of the workmen shall have been killed a satisfactory indemnity must be paid. The amount of the indemnity shall be determined by the circumstances, a generous allowance being made.

26.—At present China has very few Mining experts, and holders of permits must therefore be allowed to employ foreign engineers. The local officials must give them thorough protection; should any disregard this injunction, they shall be liable to impeachment and punishment. The Mining engineers must also themselves observe the rules of propriety. Should any of them show that they are ignorant of restraint, the blame must be borne by themselves, and the local official will inform the manager, who will discharge them and engage others. They must not be shielded.

27.—The superior officials of those provinces in which Mining enterprises are being conducted must direct their subordinates to issue proclamations and suppress all disturbances. Should the natives become contentious on account of any matter or the workmen stir up a row, the nearest Department or District Magistrate will take jurisdiction and deal with the case in a just manner. It is even more necessary for the officials to forbid their yamen clerks to avail themselves of any pretext to extort money. If the local officials do not discharge their duties properly, and accusation be made against them, this Board will thoroughly investigate the matter and on learning the facts will impeach them and request their severe punishment.

28.—When a quarrel arises on account of some matter, if both parties to it are Chinese, the nearest local official ought to settle it with impartiality, but if both
parties will not accept his decision as just, an appeal may be taken to this Board, which will consider and deal with the case so as not to cause both sides to suffer injury. If a troublesome complication should occur between Chinese and foreigners, each of the two parties should nominate a man, and these two should arrange a fair settlement. But if the two arbitrators should not agree in their opinions, they together should refer the matter to a third arbitrator, no matter whether connected with the establishment or not, and thus the matter may be impartially arranged. The Governments of the two nationalities concerned ought not to interfere.

29.—After the petition has been presented and granted, and a permit issued, the contract for operating the Mine may be drawn up, in which all matters not settled may be provided for in detail, but there must not be the least infraction of these Regulations, and when the contract is being made a copy must be sent to this Board for its inspection and approval before it may be signed.

30.—A permit to work a Mine shall be good for thirty years only. Should it be desired to renew it, report to that effect must be made to this Board not later than six months before the expiration of the thirty years' period, and the Board will consider the application and decide whether or not to renew it. In the case of Mining lands for which the State may have some other important use, no renewal of the permit will be allowed, but an estimate will be made of a bonus to be paid for the recovery of the said lands. Otherwise, if the request for the renewal of the permit be granted, the holders of the new permit will pay fees, as in the first instance.

31.—Although a holder of a permit is allowed to open a Mine and take out ore anywhere within certain boundaries mentioned in his permit, yet, if there should be within those boundaries any property belonging to another or in which another has an interest, such property must be marked off as not included in the concession, and moreover at the time that application for a permit to work the Mine is made the facts must be reported to this Board that they may be entered on the permit to prevent any quarreling. If by misrepresentation a permit should be obtained for the time, on accusation being made and the facts discovered a penalty will be determined.

32.—Of the forests grown on Mining lands some are needed by the State, and no one will be allowed to cut trees at will. If at the time that the permit is taken it should be clearly stated that it is desired to cut wood for use in the work, then the operators must wait until this Board shall have carefully
examined the conditions of the region and decided whether or not such cutting can be allowed, and, if permission should be given, the extent of the forest that may be so cut must be plainly stated in the permit, and outside of such limits no one must dare to disturb the timber. All wood cut must be paid for at market price.

33.—The rent for Mining land having been paid the first year, if no ore shall have taken out, it must be paid again the second year according to the rate fixed. If ore shall have been taken, then the Mine tax shall be paid according to regulation, and no collection of rent in addition shall be made. This is to manifest the Government’s consideration for trade. But, notwithstanding this, if rent due shall not have been paid within three months after due date, the Mine and all property connected with it shall be sealed up until the amount due shall have been paid in full. If within six months after the sealing the debt shall not have been cleared off, the permit shall be cancelled and the Mine taken back.

34.—The rate of the tax on the output of various ores will be determined according to the classification of the ores as more or less valuable. It is given in a general way below. Ores not specifically mentioned will be taxed at the rate of that which is nearest in kind to it among those given. In the case of Mines for whose working contracts have already been entered into, in which no rate of duty is specified, the tax will be levied according to that here given.

(a) Coal, Antimony, Iron, Alum, and Borax, 5% ad valorem.
(b) Petroleum, Copper, Tin, Lead, Sulphur, and Cinnabar, 7½% ad valorem.
(c) Gold, Platinum, Silver, Mercury, and Zinc, 10% ad valorem.
(d) Diamond, Quartz-crystal, and all sorts of precious stones, 20% ad valorem.

35.—Ores shipped abroad shall pay export duty according to the Customs Tariff, and this having been paid, no additional duties shall be collected at any inland barrier. All duties collected from this source must be kept by the Customs in a separate fund until orders are issued for appropriation.

36.—All Mining Companies must keep a tabulated account of the ores obtained, which shall present the exact amounts of the various ores obtained and the various amount of each shipped from various ports, and the various grades of ore, whether excellent or inferior, and shall send report of these items to this Board every quarter, that it may be placed on file. This Board will either send a deputy to the Mines to make examination or will
compare the figures sent with those of the Customs, and if the two sets of figures do not tally, will consider the matter and impose a penalty.

37.—When a permit to prospect is issued, the receiver of the permit must present the bond of some reputable and wealthy firm as security in the amount of Tls. 5,000, and the receiver of a permit to work a Mine, a bond in the amount of Tls. 10,000, the bondsmen guaranteeing that the holder of the permit will observe the conditions recorded in the permit and the Regulations of this Board. In default thereof the sums mentioned will be forfeited, as a penalty.

38.—If Chinese applicants for a Mining concession should be able of themselves to raise capital to the amount of more than Tls. 500,000, and it should appear upon examination that they have been successful in their operation of the Mine, this Board will make a special request for an Edict conferring extraordinary rewards as an encouragement.

The foregoing Regulations, slightly altered by additions and excisions from those submitted and approved in the XXVIII Year of Kuanghsu (1902), are declared to be the Temporary Regulations for the control of Mining Operations until a volume of Mining Laws shall have been compiled and published, when such amendments shall be made as may appear to be necessary.

REGULATIONS FOR THE REGISTRATION OF TRADE MARKS TO BE OPERATED EXPERIMENTALLY.

The Following Regulations were submitted to the Throne by the Board of Commerce on the 4th of August, 1904, and the same day received the Imperial sanction:

1.—Any one, no matter whether Chinese or Foreigner, who desires to have the exclusive use of a trade mark, must first register the same according to these regulations.

A distinctive design, inscription and emblem, either all three employed in combination, or any one or two of them constitute the essential characteristics of a trade mark.

2.—The Board of Commerce will establish a Bureau of Registration to attend especially to matters of registration, and the Customs at Tientsin and Shanghai will serve as Branch Offices for receiving applications, to the greater convenience of those who apply, who may present their petitions at the place nearest to them.
3.—Applicants for registration may either send their applications direct to the Bureau of Registration or forward them through a branch office of application.

4.—Every application must be accompanied by a description in which there shall be enclosed three impressions of the trade mark. The description shall clearly and correctly explain, in a general way, the pattern of the trade mark, and tell on what sort of goods it is to be used, and to what class they belong according to the classification appended to the Subordinate Rules annexed to these Experimental Regulations. If the application be forwarded through a branch office of application, duplicates must be made both of the application and the description.

5.—The Bureau of Registration, having received an application, and having found nothing in it contrary to the requirements, shall file the same for six months, and if within that time no person shall have petitioned against the registration, the said trade mark shall be registered.

6.—If applications be made for the registration of trade marks which are similar to one another and which are to be used upon the same sort of goods, registration must be granted to the one first making application. If the several applications be presented at the same time on the same day, permission to register must be given to all.

7.—In case of a trade mark already registered in a foreign country, if application for its registration in China be made within four months from the date of its registration abroad, the date of such registration abroad may be recognized.

8.—Trade marks of the character specified below shall be refused registration:

(i) Those which destroy respect for rank, do injury to the customs of the country, and (are likely to) deceive the people. *

(ii) Those which imitate the impressions of seals especially reserved for the use of the Government (such as the Imperial Seal and the oblong lead seals of the various yamen's), or which imitate the designs of the Imperial Flag, the military banners, or decorations conferred for merit.

(iii) A trade mark identical with one already registered belonging to another person, or identical with one in public use in China more than two years before the present application shall have been made, or

* For instance, such as use official emblems, or employ pictures which Chinese may regard as improper.
trade marks similar to either of the above if used upon the same sort of goods as they.

(iv) Those which cannot be recognized by some distinctive feature.

9.—The term during which any merchant, Chinese or Foreigner, may be allowed exclusive use of a trade mark shall be twenty years beginning with the date of registration by the Bureau. But trade marks already registered in another country, and for whose registration here application shall have been made according to the Regulations shall be allowed a term of exclusive use corresponding to that provided for in the registration abroad. (But in no case shall such term extend beyond twenty years.)

10.—If after the expiration of the term of exclusive use it should be desired to extend such term, and application for a renewal of registration to be made within six months before the expiration of the term of exclusive use, such application for renewal may be allowed.

11.—Should the owner of a trade mark already registered desire to sell to someone else the right to its exclusive use, or should he find it necessary to share its exclusive use with others, he must at once make application at the Bureau of Registration for registration of the change.

12.—If any trade mark already registered shall be found to violate the provisions of (i), (ii) and (iv) of Regulation 8, the Bureau of Registration may cancel the registration of such trade mark.

13.—If a trade mark already registered shall be found to violate the provisions of Regulation 6, or those of (iii) of Regulation 8, the injured party may make application to have the registration of such trade mark annulled. But this provision shall not apply to any trade mark already registered for three years.

14.—If, upon application having been made for the registration of a trade mark, the Bureau of Registration shall find that such trade mark does not comply with the requirements, the Bureau shall endorse clearly upon the rejected application the reasons for refusing registration.

15.—Any person unwilling to submit to the refusal mentioned in the preceding Regulation may within six months after the date of the said refusal present a statement of facts, and request the Bureau of Registration to reconsider the application.

16.—If in any application for the registration of a trade mark, the owner of the trade mark shall not be in China, or if he should reside at a considerable distance from
the Bureau of Registration, he must select a reliable friend, and report him as his agent or representative.

17.—Should any one desire to make a copy of any records in the trade mark registration files, or examine the same, he may make application for such privilege either at the Bureau of Registration or at one of the Branch Offices. If he shall reside at a considerable distance his agent or representative may make such application.

18.—The Bureau of Registration shall publish trade mark reports, announcing therein for the information of the public which trade marks have been registered and the circumstances connected with the cancellation of any registration.

19.—Should any one infringe the right to the exclusive use of a trade mark, the owner thereof may bring suit against the offender, who shall be required to pay damages if investigation sustain the charges made.

20.—In case of a suit for the infringement of a trade mark, procedure shall be as follows:—(1) If the defendant be a foreigner, the local Magistrate shall send a despatch informing the Consul of defendant's nationality, and shall sit with him in a trial of the case. (2) If the defendant be a Chinese, the Consul concerned shall send a despatch informing the local Magistrate, and shall sit with him in a trial of the suit. (3) If both parties to the suit should be foreigners, or if both parties should be Chinese, immediately upon information being given of the infringement, the Court or officer having jurisdiction will take action as required, so that due protection may be given.

21.—Any one guilty of any of the following offences may be punished with not more than one year's imprisonment, and not more than Three Hundred Taels fine, but no action shall be taken against any such offender, except after suit duly brought by the injured party:—

(i).—Imitation of another's trade mark with the purpose of using such imitation upon the same sort of goods as that on which the original is used, or selling such imitation.

(ii).—Making an imitation of another's trade mark and using the same upon the same sort of goods as those upon which the original is used or with a knowledge of the circumstances selling such goods or storing them with the intention to sell.

(iii).—Using the imitation of another's trade mark as a shop sign in advertisement or placard.

(iv).—While knowing that the receptacle used by another (such as large or small box, bottle, jar, etc.) or the wrapper bears a
registered trade mark, yet using the same for goods of the same sort as the originals; or, while knowing the circumstances, selling such goods.

(v).—Purposely importing such goods into any port, knowing well that such action will injure (the sale of) another's goods which bear a registered trade mark.

22.—When on account of the circumstances set forth above such counterfeit trade marks, or the instruments used in making them are seized and confiscated, the goods, receptacles and signs bearing such trade mark, since it cannot be distinguished from the genuine, shall all be destroyed.

23.—Fees for application, registration and issue of certificate, etc., shall be paid by all persons, whether Chinese or foreign merchants, as follows:—

(i).—Application Fee ..........Kuan-p'ing Tls. 5.00 each mark.
(ii).—Fee for registration and issue of Certificate ....... " " 30.00 "
(iii).—Registration of transfer of rights, by contract of sale or partnership ....... " " 20.00 "
(iv).—Application or extension of expired term and renewal of registration... " " 25.00 "
(v).—Copy of record of registration of trade mark ... " " 2.00 "
(for every 100 characters over 100, 50 tael costs additional...)
(vi).—Examination of Records, for each half-hour, ....... " " 1.00 "
(vii).—Duplicate lost Certificate, ....... " " 10.00 "
(viii).—Filing complaint of infringement ..........Kuan-p'ing Tls. 5.00 each mark.
(ix).—Application for reconsideration of rejected trade mark ............. " " 5.00 "
(x).—Application for cancellation of Registry .......... " " 30.00 "
(xi).—Transfer of certificate to heirs ................... " " 5.00 "

24.—These Regulations shall be of force from and after Kuanghsü, XXX Year, Ninth Moon, 15th Day (Oct. 23rd, 1904).

25.—Inasmuch as mutual protection is required by the treaties, if, before the Bureau of Registration shall have entered upon its duties, request for the registration of any trade mark shall have been presented at any yamen having jurisdiction, the Bureau shall regard the application as having been already properly made.

26.—If within six months after the Bureau shall have commenced operations, application shall be made for the registration of trade marks which were already registered in another country before the Bureau began its work, the Bureau shall recognize such trade marks as entitled to precedence.

27.—Although before the Bureau shall have been established various officials may have issued proclamations giving protection to various trade marks, such marks shall not receive the benefit of protection unless within six months after the opening of the Bureau
application shall have been made for registration according to the provisions of these Regulations.

28.—The provisions of the three regulations immediately preceding are independent of the requirements of Regulation 5.

All of the above regulations are to be put into operation experimentally. Matters not fully provided for in them may be taken into consideration and rules referring to them be added after these shall have gone into effect.

SUBORDINATE RULES OF THE BUREAU FOR THE REGISTRATION OF TRADE MARKS.

1.—Every petition relating to a trade mark, and every document describing a trade mark must be complete in itself, and must give clearly the surname and personal name of the applicant, his residence and the date (year, month and day), of his application. The application and description must be written in the Chinese character. Should they be written in a foreign language they must be accompanied by Chinese translations.

2.—All applications must be written out in accordance with the prescribed forms which are annexed to these rules.

3.—Should application be made through an agent or representative, he must present for examination his evidence of authority to act.

4.—When a branch office of application receives an application, it must keep on file the duplicate copy, and send the original to the Bureau of Registration.
5.—When the Bureau of Registration receives an application it shall enter thereon a number which it shall report to the applicant, and thereafter should it be necessary to send any further petition relating to the trade mark, the original number given shall be used in said petition to facilitate examination by the Bureau.

6.—When any petition is presented relating to a trade mark already registered, said petition must use the Registration number.

7.—If application shall have been made in the first instance, through a branch office of application, thereafter all documents relating to said trade mark, as well as the trade mark block, trade mark fees, etc., shall be forwarded through the said branch office of application.

8.—The branch offices of application shall each keep a record in which it shall enter clearly the order in which applications are received, the important points of the application, and the action taken thereon, whether granting or refusing registration.

9.—When application is made for the registration of a trade mark already registered in a foreign country, a copy of the stamped certificate issued by the foreign Government must be submitted.

10.—When application is made for the extension of the period of exclusive use, the certificate of registration must be sent for examination. If a foreign Government shall already have consented to an extension of the period of exclusive use, a copy of the permit granting such extension must also be submitted.

11.—If any application relating to a trade mark or any document describing a trade mark be indistinct or incomplete, the Bureau of Registration may fix a time in which the applicant shall be required to correct or complete such document and return it.

12.—Whenever any applicant for registration, or a petitioner or complainant in any other matter shall not take action within the time specified in the registration Regulations, or otherwise determined in special instances by the Bureau of Registration (such as the extension of the time limits in special cases on account of distance from the Bureau or difficulty of communication), it will not be necessary to consider such petitions.

13.—The Bureau of Registration having examined, and found nothing objectionable in the trade mark for which registration is asked, shall thereupon grant registration and notify the applicant. The applicant upon receipt of the above-mentioned notice,
shall, within the time specified by the Bureau of Registration, send to this Bureau or to the branch office of application concerned, the registration fee, the trade mark block and the above-mentioned notice.

14.—The Bureau of Registration or the branch office of application having received the registration fee and the trade mark block, shall stamp upon the face of the notice before-mentioned, a receipt in full, and return it to the applicant. If the branch office shall have received the above-mentioned fee and block, it shall at once report the same to the Bureau of Registration. All trade mark blocks received during any month shall, at the end of the month, be forwarded to the Bureau of Registration to be preserved in that office, so that impressions of them may be published in the reports. The total amount of moneys received in any month as application and registration fees shall also, at the end of the month, be transmitted to the Bureau of Registration.

15.—The application having complied with the requirements of the second paragraph of Rule 13, the Bureau of Registration shall thereupon grant him registration, and give to him a certificate.

16.—All trade mark blocks, whether made of wood or metal, shall measure four inches in length by three inches in breadth, and three-fourths of an inch in thickness.

17.—Any one who may petition for the cancellation of the registration of a trade mark, in accordance with Article XIII of the Experimental Regulations for the Registration of Trade Marks, must prepare his petition in duplicate. The petition must set forth in detail the reasons for cancellation, and if there be any article that may be submitted in evidence, it must be sent for examination with the petition.

18.—Should the circumstances provided for in the foregoing article occur, on the presentation of the petition, the Bureau of Registration shall file the original copy and send the duplicate to the defendant in the case, requiring him within a fixed time to make reply, and after comparing the statements of the two parties, shall take action in the matter.

19.—Should the registration of a trade mark be cancelled, or the owner of a trade mark cease to use it, or should he close up his business, the Bureau of Registration shall at once require the return of the certificate.

20.—When the exclusive right to the use of a trade mark is transmitted to heirs, they must present evidence of the fact to the Bureau of Registration with a petition requesting a change in the certificate of registration.
21.—Whenever, in accordance with the provisions of Article XI of the Experimental Regulations of the Bureau of Registration, the registered owner of a trade mark shall desire to transfer the trade mark to others or to share the right to it with some other person or persons, he must present a petition to that effect in which the names of the transferee and transferor shall be plainly written, and which shall be signed by both of them. He must also send to the Bureau of Registration the certificate of registration and a copy of the contract entered into to be placed upon file for examination. If the trade mark be one which has been registered abroad, he must also send a copy of the certificate issued by his Government.

The foregoing requirements having been fulfilled an endorsement to that effect shall be made upon the original registry, and afterwards added also upon the back of the certificate of registration, which certificate shall be returned to the original petitioner.

22.—Should any change be made in the residence of the owner of a registered trade mark, or in his representative or agent, the fact must be at once reported.

23.—Every applicant must report the particular kind of goods upon which he proposes to use his trade mark according to the classification appended to these rules. If he should be unable to determine to which class the goods belong, the Bureau of Registration shall decide the matter for him.

*The classified list which follows is in the main, if not altogether, a copy of a Japanese list, and the Japanese terms are retained, which in many instances are not those commonly used in China. This has made it somewhat difficult to determine in some places just what article is meant.
CLASSIFICATION OF GOODS ON WHICH TRADE MARKS MAY BE USED.

1.—Chemicals, Medicines, Drugs and Goods used in the Treatment of Disease:
Such as acids, salts, alkalis, gums, phosphorus, soaps, spirits of wine, table salt, lime, sulphur, mineral waters, all sorts of drugs, prepared medicines, such as pills, powders, plasters, and pellets, bandages, gauze, absorbent cotton and sponges.
(All articles used by physicians and surgeons.)

2.—Dyes, Paints and (Color) Pastes:
Indigo,* bluing, "purple root," † malachite green, Prussian blue, vermilion paint, varnish §, oil paints, shoe polish, etc.

* The word used here, "lan" and that following, which I have translated "bluing," are both used interchangeably for the real indigo and for products of the Polygonum tinctorium, and Isatis tinctoria, and other plants which produce a blue dye.
† Probably the Lithospermum erythrorhizon, much used in China for purple dye.
§ Literally "false Lacquer."

3.—Perfumes, Cosmetics, and Substances used in the Treatment of the Teeth, Hair and Skin:
Perfumery, perfumed oil, hair ointment, incense, face washes, tooth powders, face powders, etc.

4.—Metals and Materials made from them:
Cast iron plates, wrought iron, steel, nail rod iron, sheet iron, iron wire, copper, copper bars, copper wire, pure lead, lead castings, tin, mixed metals, etc.

5.—Wares Manufactured from Metals:
Cast articles and wrought articles.

6.—Edged and pointed Tools:
Sickles, saws, chisels, awls, engraving tools, axes, razors, needles, nails, etc.

7.—Precious Metals, Gems and Goods manufactured from them, together with Goods of Genuine Ivory:
Gold, silver, platinum, "purple copper," diamonds, red coral, cornelian, crystal, etc.

8.—Minerals and Other Materials used in Building and Decoration:
Cement, calcimine, plaster of Paris, resin, etc.
9. - Porcelain Earthenware:
   Crockery, porcelain, earthenware, tiles, bricks, etc.

10. - Cloisonné.

11. - Glass and Glassware:
   Plate glass, glass tubes, glass globes, etc.

12. - All sorts of Machines, and their various Parts:
   Steam engines, boilers, gas engines, hydraulic machines, looms, spinning machines, printing presses, etc.

13. - Agricultural Implements:
   Ploughs, hoes, spades, winnowing fans, hammers,* etc.

14. - Machinery and Apparatus used in Chemistry and Physics, in Medicine and Surveying, and in teaching the Young, as well as Machines and Measures.
   (Including optical instruments and instruments for calculation.)

15. - Musical Instruments.

16. - Time Pieces and Goods connected with them.

17. - Ships and Carriages:
   Bicycles, automobiles, boats, railway carriages, carriage wheels, etc.

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* The word is also used for mallets and rammer.

18. - Small Arms and Cannon, Shot and Explosives.

19. - Tobacco.

20. - Tea and Coffee.

21. - Cows' Milk and Articles Manufactured therefrom:
   Fresh milk, tinned milk, butter, etc.

22. - Grain, Vegetables and Seeds (including Grain Flour and Bean Flour):
   The "five grains," vegetables, mushrooms, bamboo shoots, field and garden seeds, wheat flour, beans, etc.

23. - Food Materials and Condiments:
   Meats, eggs, tinned foods, tea dainties, fruits, bread, mustard, pepper, etc.

24. - Silk Worms' Eggs, Wild Silk Worms' Eggs, and Cocoons.

25. - Cotton, Hemp, China Grass, Feathers, Hair and Bone.


27. - Cotton Yarn.

28. - Woollen Yarn.

29. - Linen Thread and Threads not classed under Nos. 26, 27 and 28.
30.—Silk Goods and Articles Manufactured therefrom.
31.—Cotton Goods and Articles Manufactured therefrom.
32.—Woollen Goods and Articles Manufactured therefrom.
33.—Linen Goods and Articles Manufactured therefrom.
34.—All woven Fabrics not included in 30, 31, 32 and 33, and Articles Manufactured therefrom.
35.—Articles made of Thread by Knitting and Knotting.*
36.—Clothing:
Hats, gloves, hosiery, garments, etc.
37.—Fermented Stuffs and Liquors:—
Soy, vinegar, grape wines, grain liquors, etc.
38.—Sugar and Honey:—
White sugar, candy and honey.
39.—Stationery, Paper and Goods made of Paper:—
Pens, ink, ink-stones, slate pencils, lead pencils, sealing paste,† paper, parchment paper, oiled paper, account books, etc.

*Probably includes laces, nets, fringes, etc., as well as knitted goods.
†The red coloring used for Chinese and Japanese stamps and seals.

40.—Leather and Articles made therefrom (including Leather Trunks, Bags, etc.)
Furs, soft leather, ordinary leather,† harness, leather belts, boots, trunks, bags, etc.
41.—Fuel:
Coal, coke, kindling, charcoal, candle-wick.
42.—Pen-work and Printed Articles:—
Photographs, books, newspapers, maps, pictures, etc.
43.—Toys and Games:—
Rubber balls, dominoes, images and billiard apparatus, etc.
44.—Shells, Horn, Teeth and Articles made from them as well as Imitations.
45.—Straw and Straw Goods:—†
Wheat straw, matting, rope, wicker-work, straw braid, etc.
46.—Umbrellas, Walkingsticks, Outing Goods, and All Sorts of Fans.
47.—Lamps and their various Parts:—
Foreign lamps, candlesticks, lanterns, etc.
48.—Brushes and False Hair.

*The two terms which I have translated "soft leather" and "ordinary leather" are synonymous in Chinese, but the latter is the ordinary term for leather in Japanese, and the former probably has some technical significance there, which I have failed to discover.
†The term straw covers stems of other plants than grains.
49.—Wood, Bamboo, and Rattan, and Wares made from them (including Wood Bark and Bamboo Bark):

Wood, bamboo, rattan chairs, tables and cooperage, etc.

50.—Goods made from Gum Trees.

51.—Matches.

52.—Oils and Waxes.

53.—Fertilizers.

54.—All Articles not included in the foregoing Classes.

FORMS.

FORM OF APPLICATION FOR THE REGISTRATION OF A TRADE MARK.

Application of ............... (Full name and residence of applicant) ............... for the registration of a trade mark for his exclusive use.

The undersigned merchant begs to apply in accordance with the Regulations for registration granting him the right to the exclusive use of the trade mark described in the accompanying document, and prays the Bureau of Registration of the Board of Commerce to consider and grant his application.

A Necessary Petition.

Signed on ............... (Day, month and Year) ............... 

(Signature) ............... (Full Name and Residence) ............... 

(If a Company or an Agent, so state and sign).
FORM OF APPLICATION BY A FOREIGNER FOR THE REGISTRATION OF A TRADE MARK.

Application of ...................(Full name and nationality of applicant) ............... for the registration of a trade mark for his exclusive use.

The undersigned, desiring to enjoy the exclusive use within the borders of the Chinese Empire of the trade mark described in the accompanying document and already registered in his own country on the ............. (day) of ................................ (month) of the year ......................., herewith forwards for inspection the Certificate of Registration issued by the office in his own country having authority so to do, and, applying, in accordance with the Regulations, for registration granting him the right to exclusive use, prays the Bureau of Registration of the Board of Commerce of China, to consider and grant his application.

A Necessary Petition.

Signed on the ........................................ (Day, Month and Year) ..............

(Signature) .....................................(Full name, nationality, and residence).

FORM OF APPLICATION FOR THE REGISTRATION OF A TRANSFER OF TRADE MARK RIGHTS OR THE SHARING OF SUCH RIGHTS WITH A PARTNER.

Application of ..........................(Full name and residence of Applicant) .......... for the (the transfer of a trade mark, registration of partnership in trade mark rights.

The Undersigned (transfer to .................. merchant, desiring to share with ............. the trade mark, registered as No ..........., as in duty bound, herewith forwards for inspection a copy of the Articles of Agreement into which they have entered, requesting registration of the same in accordance with the Regulations, and prays the Bureau of Registration of the Board of Commerce to consider and grant his request.

A Necessary Petition.

Signed on ..................(Day, Month and Year) ......................

(Signature) ..................(Vendor and Residences) ..................(Purchaser

(If partnership asked, signatures of partners).
FORM OF STATEMENT.

This Trade Mark has the form of..........., containing the likeness of a...........for a Mark.

(Enter any important details as to the Trade Mark.)

This mark is to be used upon.............
(Kind of goods)............of the............Class.

Method employed in placing the Mark upon the goods.

(Signature)......................

FORM OF CERTIFICATE OF REGISTRATION OF A TRADE MARK.

The Trade Mark Registration Bureau of the Board of Commerce issues this Certificate.

Whereas M........................., a merchant of the province of.............has applied for the registration for his exclusive use of the Trade Mark, described in his statement, and whereas this Bureau has examined and found all in accord with the Provisional Regulations for the Registration of Trade Marks, now therefore, we have allowed him registration, permitting him the right of sole use of said Trade Mark for a period of twenty years, and have issued him this Certificate as evidence of the same, said period to begin with......................Day of......................Month of the......................Year, the date of the issue of this Certificate, and to end on the......................Day of......................Month of.............Year.

A Necessary Certificate.
Sort of Goods on which Trade Mark is to be used. This Certificate issued to M...............on the..............
Day of...............Moon of the.................Year, of Kuanghsü.

No. ........

Issued by (Signed)..........................

(Signed)..........................

FORM OF CERTIFICATE
TO BE ISSUED TO FOREIGN APPLICANTS.

The Trade Mark Registration Bureau of the Board of Commerce of China issues this Certificate.

Whereas M................., a merchant of.............(nationality)........has applied for the registration for his sole use of a trade mark, which is described in a separate document submitted by him, which trade mark was registered in his own country on the........Day of........Month........Year, Western Calendar, that is the........Day of the........Moon........Year, Chinese Calendar, and whereas this Bureau has examined and found all in accord with the Provisional Regulations for the Registration of Trade Marks, now therefore the said Bureau has permitted him registration, allowing him sole right to the use of said Trade Mark for a period of............years, and thereto issues him this Certificate, declaring said period of exclusive use to begin on........Day of........Moon........Year, Chinese Calendar, and to end on the........Day of........Moon,........Year.

A Necessary Certificate.
Sort of Goods on which Trade Mark is to be used.

This Certificate issued to M..............
on the...........Day of...........Moon,...........Year of Kuanghsü.

No........

Issued by (Signed)....................

(Signed).....................

REGULATIONS FOR THE REGISTRATION OF COMPANIES.

This Memorial is reverently submitted to propose the adoption of Regulations for the Registration of Companies, to be enforced experimentally, and with it is respectfully presented a copy of the proposed Regulations, for all of which we humbly pray the examination of Your Imperial Majesties.

Our Board (the Board of Commerce), on the 5th of the Twelfth Moon, XXIX Year of Kuanghsü (Jan. 21, 1904), submitted in a memorial a collection of ordinances relating to trade and corporations, which we requested might be published and put into operation, and in reply we received an Edict, saying:—

"Let it be as proposed. Reverently obey." All of which is a matter of record.

The 22nd Article* of the Laws Regarding Companies provides that:—

"All companies already established, together with such as may hereafter be

* A typographical error. The Article referred to is No. 23
established, as well as all associations, factories, hongs, firms, shops and stores, may apply for registration at the Board of Commerce, so that they may all alike enjoy the benefits of protection."

Of the Commercial Laws compiled by this Board, those relating to Companies are of the first importance. Whenever a company, association, or factory, obtains registration at our Board, the benefits to be conferred and which ought to be secured are such as will follow upon the removal of the long-standing evils of disorganization, and the want of co-operation between officials and merchants, the result of which will be that trade will daily make the most rapid advancement. Although the laws relating to companies have now been in operation but a short time, already there has been a constant succession of applications made both by foreign and Chinese merchants for registration at this Board. It becomes very important therefore that regulations of the sort now submitted be adopted to determine the method of procedure, so that merchants may be enabled to obtain a Certificate as evidence and secure a standard to observe; and that this Board, having the facts reported by each merchant to go by, may have a means of really extending protection. (Method and system are required in all things.) Even if one would shake out a fur robe, he must take it by the collar. After the adoption of such regulations, this Board will be able to some extent to inquire from time to time into the reports of commercial prosperity or decline, as well as investigate the observance or non-observance of the commercial laws by the various companies, associations and factories, and when occasion shall require, to give assistance.

We, Your Ministers, with due reverence for Your Majesties, have directed the Secretaries to investigate the matter, weighing the conditions in China and in other countries, and we now propose a set of 18 Regulations for the Registration of Companies, a copy of which we have had prepared and now submit to Your Majesties’ inspection. If we shall receive an Edict approving them, it will become the duty of this Board to publish them and circulate them throughout all the provinces for observance, as well as to communicate them to the Board of Foreign Affairs, to be transmitted in despatches to the various Ministers of Foreign Countries resident in Peking, that they may place them on file, and at same time it will be our duty to select officers to have charge of the matter and be especially responsible for its management.

As to these Regulations submitted, we propose to ask that they first be put into operation experimentally, and should there happen to be any places requiring amend-
ment or change, it will be necessary from
time to time to take such changes into
consideration and decide upon them, in the
hope that the Regulations may become
entirely satisfactory. It thus becomes our
duty to reverently submit this Memorial,
setting forth the circumstances connected
with preparation of these Regulations for
the Registration of Companies, as proposed
for experimental operation, praying Your
Imperial Majesty, the Empress Dowager,
and Your Imperial Majesty, the Emperor,
to examine the same and issue instructions.

Reverently presented on 2nd of the
Fifth Moon, XXX year of Kuangshu (June
15th, 1904.)

Edict received the same day:—"Let it
be as proposed."

"Respect this."
determine hereafter the method of procedure in connection therewith.

II.—A Bureau of Registration will be established by this Board, which will also select pure, upright, intelligent and capable officers to have especial charge of the matter of registering companies, and will keep at the said Bureau a record of the registration of companies, classified according to their kind, and enter in such record without omission all the details provided for in the Laws relating to Companies.

III.—The facts which must be stated in all applications from Companies for registration are as follows (Associations, factories, hongs, firms, shops and stores are all included under the term “Companies” and must observe these requirements):—

(a) Name of the Company. (b) Sort of Business in which the Company is engaged. (c) Company Limited or Unlimited. (d) Number of Partners, their surnames and personal names and their residences. (e) Total amount of Capital. (This refers to Limited Liability Companies). (f) Total number of shares in the Company. (g) Nominal value of each share in Taels or Dollars. (h) Amount paid up on each Share. (i) Names and addresses of Founders and Examiners. (j) Location of Head Office of the Company, Branch Offices, if any.

to be mentioned also. (k) Method of notifying share-holders and the public after the establishment of the Company, whether by advertisement in a newspaper, or by letter. (l) Date of the establishment of the Company. (m) Business to be conducted, for what term of years (even if no limit is determined upon, the fact must be stated). (n) Copies must be presented of the Articles of Agreement, and the Rules and Regulations.

IV.—One copy of the form of share certificate which the Company proposes to issue must be presented at the time that application is made for registration, to be placed on file. This form, according to Article XXVIII of the Commercial Laws, must state the following facts:—

(a) Name of the Company. (b) Date of Registration. (c) Total number of Shares. (d) Face Value of each share. (e) Shares to be paid for in how many payments and amount to be paid each time. (f) Surname, personal name and residence of each Applicant for shares. (g) The share certificate must be signed by the Directors of the Company and be sealed with the Company’s seal, and must be numbered and bear the date of issue.
(d) If it be clearly stated that there is no limit to the number of partners, then no matter what the number may be, a fee of Three Hundred Dollars shall be paid.

(c) If after the registration and report of the number of partners, it shall be desired to add other partners, then for every additional fifty names or less, Ten Dollars extra shall be paid, but in no case shall the whole amount, original payment and extras included, be more than Three Hundred Dollars.

IX.—Joint Stock Companies, that is all that do business through shares, must pay up in full the registration fees as prescribed below:—

(a) Companies which at their registration state that their capital stock does not exceed Ten Thousand Dollars will pay Fifty Dollars.

(b) When the capital stock amounts to more than Ten Thousand Dollars, but not over Twenty-five Thousand Dollars, Ten Dollars extra shall be paid for each additional Five Thousand Dollars or less.

(c) When the capital stock amounts to more than Twenty-five Thousand Dollars, but not over Five Hundred Thousand Dollars, Three Dollars extra shall be paid for each additional Ten Thousand Dollars or less.

(d) If the capital stock shall exceed Five Hundred Thousand Dollars, Fifty Cents additional shall be paid for each additional Ten Thousand Dollars.

(e) If after the report of the amount of the capital stock and registration therefor, it shall be desired to increase the capital, for every Ten Thousand Dollars increase or less, additional fees shall be paid at same rate as provided above in (c) and (d), but in no case shall more than Three Hundred Dollars be paid, original and extra fees all included.

X.—The Fees for registration have all been reckoned in Dollars; but if the Capital stock of a Company be in Taels, the fees should be reckoned in Taels, the weight and touch of the Tael being the same as that in which the Capital is reckoned.

XI.—If a Company meet with circumstances of importance which it wishes to report to this Board, for record, or, if it presents the reports required by the Commercial Laws for entry on the records, every such document must be accompanied by a fee of Three Dollars.

XII.—If after a Company shall have been registered and begun operations, a share-holder of the Company or any other reputable merchant should desire to visit the Bureau of Registration to examine the records with respect to the Company, every such person shall pay a fee of One Dollar, for every examination.

XIII.—Should a share-holder in a Company or any reputable merchant desire to copy the records concerning any Company
at the Bureau of Registration of this Board, for one hundred characters or less a copying fee of One Dollar shall be paid. If the copy contain more than one hundred characters, a fee of Fifty Cents shall be paid for each additional hundred characters. If it should be necessary to place the seal upon the copy as evidence, a fee of Five Dollars for the use of the seal shall be paid in addition to the copying fees.

XIV.—The original intent and purpose in establishing the Bureau of Registration is to benefit trade. Every merchant, therefore, who desires to investigate any matter, may of course come to the Bureau for consultation whenever occasion may require, and no fees whatever shall be collected except those expressly mentioned in the Regulations.

XV.—The Bureau of Registration on receiving payment of any fees shall thereupon issue a receipt stamped with the chop of the Bureau of Registration of the Board of Commerce as evidence of good faith.

XVI.—If on the receipt of an application for registration from any company, it shall appear upon examination that there is anything not in accordance with the requirements, orders shall be at once issued to have the required corrections made, on compliance with which a Certificate shall immediately be given, bearing the seal of the Bureau as evidence.

XVII.—No matter what the nationality of the merchant or company applying at this Board for registration, the application must be carefully translated into Chinese, which shall be the authoritative text, and the Certificate of Registration issued by this Board shall always be in Chinese, that uniformity may be secured.

XVIII.—After the foregoing Regulations for the Registration of Companies, designed to be put into operation experimentally, shall have been put into operation, it will be necessary still from time to time to consider the conditions and make additions and changes.