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FUKIEN  
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McClure, R.W. 1933

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CABLE ADDRESS:  
"HSIHO, FOOCHOW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.

CODE:  
"MISSIONS"

處 計 會  
TREASURER'S OFFICE

州 福 國 中 January 10, 1933

*ack 2-28-33 Bhd*

Mr. C. A. Evans  
150 Fifth Avenue  
New York City, New York

Dear Mr. Evans:

We wrote you last under date of January 4. Since then your letters of December 6 and 12 have come to hand.

We are interested to know that the Rockefeller people decided in our favor, but we would be still more interested to know what influenced their decision. When the trustees met with the committee in 1931, we made it very plain that the reason we were asking for further help was because not only were our supporting boards not increasing their appropriations, but that due to the economic depression they were decreasing them. We were really asking the Rockefeller people for a life line. I sometimes think that if we went ahead and spent all of our appropriations and had a debit balance every year we would be held in higher respect than we are now when we economize so severely on salaries and other budget items in order that we may have a slight surplus to meet the many extra needs that are pressing upon us. You will note also that we are attempting to build up a field endowment with some of our surplus.

An official of the American Board wrote me a while ago and expressed the hope that THEY, meaning the university, would soon be able to find sources of income and thus relieve the supporting boards. It makes me wonder who THEY is since the trustees are all, or mostly, board officials and the board of managers are all field representatives of the supporting boards.

We are enclosing our December trial balance and reconciliation sheet. This is my first day at the University for almost four weeks, and it is mighty good to be on foot once more, but I find that in some ways I am superfluous here at the University with Miss Asher's efficient hand at the wheel again.

We still hold the hope that one of you men may be able to pay us a visit sometime, so that we may understand each other still better when we correspond about University matters.

Cordially yours,

*RWM - Clue*

RWM:A

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FUKIEN

Fukien Christian University

January 16, 1933 *No. 27,*

*ack. by Asher 2/20*

Mr. R. W. McClure  
Fukien Christian University  
Foochow, China

Dear Mr. McClure

Thanks for your letter of December 6 and good wishes for the Christmas Season. We trust that Fukien enjoyed peace and quiet during the 1932 Yuletide.

As regards gain on exchange and the appeal made by the Trustees, there was no thought on the part of the Board to interfere with the regular procedure except wherein it was possible to cooperate in realizing a profit by the sale of gold and where the transaction would not interfere with the regular procedure on the field. In such cases the field treasurer would cooperate by so manipulating payments as to accrue as large an amount of gain in exchange as possible.

We have noted your explanation regarding the draft on Rockefeller funds, and when the check is returned from the field, we will make the proper adjustments.

The "Lame Duck" Congress is doing nothing of any particular moment with the exception of showing how perfectly ridiculous a group of supposedly intelligent people can become when personal desires and political aspirations are considered. The perfectly atrocious dealing with the Philippine problem is an example how ignorant and selfish Congress can become. If this is a sample of what we are going to get in the next four years, the Lord help us.

Very sincerely yours

*C. A. Evans*

Assistant Treasurer

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處計會

州福國中

TREASURER'S OFFICE

January 20, 1933

ack - 2 - 28 - 33 Bab



Mr. B. A. Garside  
150 Fifth Avenue  
New York City, New York

Dear Mr. Garside:

We wrote you last under date of January 10, and we have your letter of December 17 enclosing second copies of your monthly statement and trial balance for November. We also have your letter of December 15 to President Lin with a copy to Miss Asher. This letter is to give a temporary reply to the latter.

On December 6 I wrote to Mr. Evans about the matter of exchange on your appropriations. There is one basic principle upon which I am sure both the Trustees and the field administration are working, namely, that we have each others complete confidence and that we are working together and not in competition. In former years the exchange on the Rockefeller and Harvard-Yenching money was all taken by the University with salaries for the science<sup>men</sup> and equipment for the science departments being paid for out of the Trustees' appropriations. The question you now raise is a very fair one and one to which we can take no exception. We have not raised the question ourselves because being urged by the various officials of the supporting boards to raise our own endowment funds, we have been using what we can of our gain on exchange and budget savings to start a field endowment. The Board of Managers at their last meeting voted to designate M\$10,000.00 of our savings from the last fiscal year for field endowment. It is the hope and plan of President Lin and myself to gather together as much as we can for field endowment, and then appeal to the Rockefeller people for an equal sum as Yenching has done.

We are enclosing a statement of the gold drafts that have been drawn against the Trustees' appropriation for science equipment and for the salaries of the two science men. You are at liberty to debit to us either or both of these items of gain on exchange, as the Trustees think best. You have asked us for suggestions as to the best routine for dealing with this in the future. We shall from now on designate on the gold drafts drawn by the term "Science Budget" when such drafts are drawn either for equipment or salaries. We entertain the hope that the Trustees will not find it necessary to debit us with the exchange on science salaries.

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President Lin is away for about two weeks. When he returns I will confer with him. Doubtless he will have more to say in reply to your letter.

We have just closed what we think is a very successful term. We have had no special difficulties with our educational program. In fact, the faculty think that the girls are setting new standards of application and scholarship for the boys. As for finances, the women's department is almost self-supporting now, and we have good reasons to expect that in another year it will be entirely so. Our new dormitory is a very acceptable building. Our Christmas celebrations found the attic gymnasium of the dormitory better adapted to such social activities than any other place we have. We are now doing some grading at the back of the building with the earth removed from the front, and on this large terrace we will have a tennis court and a volley ball court. We are enclosing a rather poor snapshot of the building. We shall later have a more acceptable picture for you. The new double residence to the right and back of the dormitory is now under roof. We owe much to Drs. Hill and Warner for their gift to us.

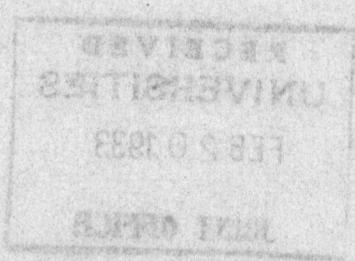
The new provincial government is now taking active measures to complete the road from the city by the University and all the way to Pagoda Anchorage. They have let the contract for the bridges and claim that the road will be completed in about a year. There is good reason to think that they will actually carry out their plans. They are also actively at work completing the road between Foochow and Amoy.

With best wishes to all of you,

Cordially yours,

*R. W. McClure*  
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FUKIEN CHRISTIAN UNIVERSITY  
Jan. 20, 1933

Rockefeller & Harvard Yenching Institute Drafts Sold At Current Rate

Oct. 20-32	By H. Y. Institute	G\$1,842.11 @4.6074517	=	M\$ 8,487.44
Dec. 7-32	By R. Foundation	G\$2,500.00 @19-1/2	=	M\$12,820.51
Dec. 15-32	By H. Y. Institute	G\$1,842.11 @19-3/4	=	M\$ 9,327.13
		<u>G\$6,184.22</u>	=	<u>M\$30,635.08</u>
	At budget rate on	G\$6,184.22 @3:1		M\$18,552.66
	Total gain above budget rate 3:1			<u>M\$12,082.42</u>

Average rate of exchange above 3:1 - M\$12,082.42 (Total gain)  
6,184.22 (Total amount sold) = 1.953

Drafts drawn against general budget (a/c 31)  
for Science Salaries

1932						
Aug. 3	D/D	No. -1276	To Prof. Martin	Salary	G\$ 18.68	
Sept 28	"	" -1286	"	"	92.38	
Oct. 25	"	" -1297	"	Irs.	200.00	
Nov. 24	"	" -1304	"	Sal.	10.00	
"	"	" -1305	"	"	3.60	
"	"	" -1306	"	"	7.00	
"	"	" -1307	"	"	5.50	
"	"	" -1308	"	"	2.65	
"	"	" -1309	"	"	87.91	
30	"	" -1311	"	"	10.00	
Jan. 5	"	" -1317	"	"	105.66	
"	"	" -1318	"	"	1.00	G\$ 544.38
Sept 28	"	" -1288	"	Sutton	G\$120.95	
Oct. 29	"	" -1299	"	"	161.25	
Dec. 29	"	" -1316	"	"	160.35	G\$ 442.55

Total for Science Salaries . . . . . G\$ 986.93  
Total gain on exchange for science salaries  
above 3:1: G\$986.93 @ 1.953 . . . . . M\$1,927.47

For Science Equipment, etc:

July 14	"	" -1275	To Chemistry	Equipment	G\$250.00	
Aug. 3	"	" -1277	"	"	400.00	
Oct. 13	"	" -1294	"	"	19.50	
Jan. 5	"	" -1319	"	"	73.25	G\$ 742.75
Oct. 4	"	" -1290	"	Physics	Equipment	12.00
"	"	" -1291	"	"	1.50	
"	"	" -1292	"	"	7.00	
14	"	" -1295	"	"	45.00	
29	"	" -1300	"	"	2.60	
Nov. 24	"	" -1310	"	"	1.80	
Sept. 23	"	" -1281	"	"	4.42	G\$ 74.32
Nov. 11	"	" -1302	"	Biology	Equipment	5.00
Dec. 6	"	" -1314	"	"	15.00	G\$ 20.00

Total for Science Equipment . . . . . G\$ 837.07  
Total gain on exchange for science equipment  
above 3:1: G\$837.07 @ 1.953 . . . . . M\$1,634.80

M\$3,562.27

*Eva M. Asher*

[47]

FUKIEN CHRISTIAN UNIVERSITY

Jan. 20, 1933

EXCHANGE GAIN ON DRAFTS SOLD AGAINST GENERAL BUDGET

ABOVE 3:1

May 10-32 D/D No. 1257	M\$ 83.34 ✓
Kuliang Council	M\$ 30.23 ✓
Nov. 24-32 D/D No. 1303	M\$1,669.11
Dec. 7-32 D/D No. 1313	M\$1,250.61 ✓
Jan. 18-33 D/D No. 1322	M\$ 34.96
Jan. 18-33 D/D No. 1323	M\$ 25.40
	<u>M\$3,093.65</u>

1,913.59

Eva M. Asher

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**FUKIEN**

**INDEXED**

February 28, 1935.

*ack. 4/17*

Mr. R. W. McClure  
Fukien Christian University  
Foochow, China

My dear Mr. McClure:

Let me acknowledge receipt of your letters of January 10th and January 20th, the former addressed to Mr. Evans and the latter to myself.

Letter of January 10th. In this you ask why the Rockefeller Foundation decided to renew its appropriation to Fukien. This decision was quite a surprise to us here in New York, for the Foundation had just turned down several somewhat similar requests we had just presented on behalf of other China colleges. Dr. Weaver told me afterward that the Foundation had been particularly impressed by the fact that Fukien was doing a remarkably fine piece of work with very limited resources, and that the Foundation felt that this additional help was greatly needed and would be thoroughly worthwhile. However, we can certainly not ask the Foundation for any further renewal of their annual grants after this three-year period is ended. That might not prevent our going to them for some new plea, as for example, for some capital grant to make permanent the support they have thus far given.

The question of where the future support for Fukien and our other China colleges is coming from, is an extremely difficult and serious one. The problem has been very much in our minds during the last few years, and is one of the fundamental reasons for the creation of the Associated Boards. As our individual college boards are now set up, it is almost impossible for any single institution to make a sufficient impression on donors in America to accomplish any effective financial results. We do hope, however, that the united efforts of the entire group, together with the assistance of men whose interest can be won by the larger enterprise, will help us to accomplishments that are quite impossible at the present time. This will be no easy task, a long period of preliminary work will be required, and we cannot at any event accomplish much until economic conditions improve materially. But we are hoping that we are at least setting out along a road that will offer increasing opportunities as the years go by.

Letter of January 20th. This deals largely with questions of gain on exchange in the current year's budget. The action of the Fukien Trustees on June 9th in defining their contribution toward the 1932-33 budget (Minute T-982) is quite clear. So far as the general appropriation to the University (Account 51) is concerned, the Trustees made no appropriation for any gold figure, but defined their contribution as L.C. \$53,454.33. Where

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February 28, 1933. 27

any part of these general funds are spent in gold, they are charged against the account at the rate of 5 to 1. But, wherever your funds are actually converted into local currency, it is the local currency proceeds which must be charged against this appropriation, and never in any case the gold amount used to purchase this local currency. That is a rule the Trustees have been following for several years now, and we have been relying on our friends on the field to adhere to this rule quite strictly, and to keep us fully informed of just what is actually received in local currency.

The contributions received from the Rockefeller Foundation and from the Harvard-Yenching Institute are sent to you in gold, and you are entirely free to use the entire local currency proceeds in any way that you may see fit, subject only to the limitation that you utilize the special funds in line with the designation of the donors.

Obviously then it is quite necessary, in order to be fair to our Fukien Trustees, that the field give us a full and honest accounting of all gain on exchange in Account 31. We all heartily agree that our aims are the same. The Board of Trustees exists for no purpose whatever except that of contributing to the support and work of the University. Every dollar we can raise, except for the small amount used from year to year for carrying on the expense of home administration, goes to the field as rapidly as we can send it. But this does not in any way affect the necessity for our playing fair with the Trustees when they make certain definite appropriations to the field.

In accordance with the general policies outlined above, we are putting through as of this date a journal voucher charging Account No. 31 with the L. C. \$5,562.27 gain on exchange shown on the statement attached to your letter of January 20th. We are enclosing herewith a copy of this journal voucher. Will you please keep us posted on any further gain on exchange that has accrued or may accrue before the end of the fiscal year on all amounts received in Account 31? Please send us about May 15th <sup>or</sup> another supplementary statement needed to bring the account up-to-date at that time. We will use this statement in making up our final figures for closing our Fukien books for the fiscal year about June 15th. Any further gain on exchange that accrues in Account 31 after May 15th and before you close your books for the fiscal year should be carried forward into 1933-34 as a credit to the Fukien Trustees' appropriation for the new fiscal year.

Let me assure you again that this will not mean taking away from the field any funds whatever that the Trustees can possibly give you. This is the only process by which we can keep track of how we come out on our appropriations, and what deficit or surplus we have when we close the year. You can be sure that if any surplus remains over, the Trustees will be only too happy to use it just as far as possible in accordance with the recommendations on the field. I am afraid, however, that all our surpluses this year will have to be written in red ink.

I am glad to note from the statement attached to your letter that up to December 31st you had a gain of L. C. \$12,082.42 on the Rockefeller and Harvard-Yenching Institute drafts for the first two quarters. We hope that for the third and fourth quarters, you will be equally fortunate and that this gain on exchange for the year will amount to around L. C. \$24,000.

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February 28, 1955. [37]

Of course, in making your annual reports to the Rockefeller Foundation and the Harvard-Yenching Institute, you will wish to include the figures for the total local currency proceeds from the sale of the special funds, rather than what these amounts would have produced at the fixed rate of 5 to 1. This should not, however, prevent the field from using these surpluses from gain on exchange in ways that would meet with approval from the Foundation and the Institute.

We warmly approve the policy adopted by the Managers of setting aside available surpluses as a field endowment. This seems a very wise solution of the problem of how best to use the abnormally favorable exchange rates now prevailing. I hope too, that we can find some way to gain future support from the Rockefeller Foundation with this field endowment as one of our bases. At that point, however, a word of warning may be in order. The conditional endowments thus far made by the Foundation have all been on the basis of the beneficiary institution securing new money, and have never permitted us to include funds already on hand.

Very cordially yours,

*BA Garside*

BAG:PW  
Enc.

\* our accounting office points out that no actual journal voucher is involved, this gain on exchange merely appearing on our budget analysis at the end of the month. The way statements will show the item.

CABLE ADDRESS:  
"HSIHO, FOCHOW"

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[17]

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TREASURER'S OFFICE

州福國中

April 7, 1933

FUKIEN

Mr. C.A. Evans  
150 5th. Ave.  
New York City

*Ack 6/5/33*

INDEXED

Dear Mr. Evans:

We have Mr. Garside's letter of Feb. 28 and yours of Mar. 6. Miss Asher wrote Mr. Garside on April 1.

I am enclosing our balance sheet for March and the reconciliation sheet to Mar 31. *See "Field Treasurer's Reports"*

I just do not have the heart to answer Mr. Garside's letter. He may not feel that way but his letter indicates that he still holds me under suspicion of not playing fair with the Trustees and with him on the matter of exchange.

*Look up letter of you 20th*

*check up exchange acct.*

Our reconciliation sheet each month shows exactly what we gained on exchange on drafts sold for Mex. When your office wrote out stating the difficulties the Trustees are in we tried to find a way to help out so we offered to give them the exchange on the gold drafts paid for science salaries and equipment. Nothing has been said about this item in previous years and certainly we are under no compulsion to credit this exchange to the Trustees. We did it as a matter of courtesy to the Trustees.

*Oh yeah?*

In the first place we would have no money at all from the Rockefeller people had I not been home when I was. The Trustees were about to pass the matter over with a polite letter of thanks to the Rockefeller people. It was on my suggestion and urging that the Trustees sent a committee to wait on the Rockefeller people and make a request for an extension of time of three years. Except for that the Trustees would now be in deep water indeed. In fact I suspect that the supporting boards knowing the Rockefeller people were helping us cut their appropriations more than they otherwise would have done.

Furthermore after the Trustees over the head of the field administration paid a gold bonus to the foreign staff members, the administration could do nothing but offer to pay part of the foreign staff members salary in gold. This we had long since desired to do and were arriving at such an increase as fast as we could safely do so. We were of the same mind about the increase. The result however is that the Trustees are getting less advantage on exchange than they formerly did.

But more important is the fact that our budget for the science department calls for an expenditure in Local Currency of \$29,751.00 and \$2813.00 Gold, besides the proportion of general administration expenses that the science department should pay its share of.

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2 Mr. C.A. Evans *Science*

If the whole of the Rockefeller \$5000 brought 5 to 1 exchange ~~then~~ it would not be sufficient to cover our Local Currency budget, No one has decided that the Rockefeller money must be spent partly in gold. We were perfectly willing to offer to use part of it in Gold and so give the Trustees more advantage on exchange. We are perfectly willing to enter a discussion as to what part of it must be used in gold, but we do not feel guilty of any misdemeanor because from the beginning of the fiscal year we did <sup>not</sup> make all of our gold expenditures for the science department from the Rockefeller money instead of from the general appropriation.

We shall have to take up with the Rockefeller people here in China the matter of our balance left in that physics special account which now stands on your books. It is useless at present to purchase the volt regulator that we intended to buy. The Electric Light Co. now cuts off their power line to the University between the hours of 5.30 and 9 P.M. leaving only the single phase light circuit open. They are however building a new plant and when that is in ~~opera~~ probably by next winter they may have power enough to leave the three phase circuit open during the evening. We shall ask the Rockefeller people to allow us to hold this money until we see what the action of the Electric Light Co. is ~~going~~ going to be. I am reporting this matter to you so you will understand what the delay is all about.

These are rather tragic days on the field as well as at home. It seems that I spend all my time going from one institution to another cutting down budgets and laying off employees. We will come out of it some day.

Cordially,

*R.W.M. Clune*

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CABLE ADDRESS:  
"HSIHO, FOOCHOW"

學大和協建福立私  
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FOOCHOW, CHINA.

CODE:  
"MISSIONS"

處計會  
TREASURER'S OFFICE

州福國中

April 28, 1933

**FUKIEN**

**INDEXED**

ack-6/5/33

Mr. B. A. Garside  
150 Fifth Avenue  
New York City, New York

Dear Mr. Garside:

Following the receipt of your cable advising us to sell the balance of the money due us, we yesterday sold draft #1344 for a total of \$5,366.38 entered on our books as follows:

Rockefeller Foundation	\$1,250.00
Harvard-Yenching . . .	1,842.09
Budget . . . . .	2,000.00
Farley Salary . . . . .	157.50
Sutton Salary . . . . .	116.79
	<u>G\$5,366.38</u>

pd 5/26/33

We are enclosing a statement of drafts drawn and chargeable to the Science Department since our report in January. Our average rate of exchange for the period covered is \$4.75. This will give you a gain on exchange of \$1,432.64 on the Science Department budget. We estimate the gain on exchange for Suttons and Martins salaries through June to be M\$512.65. The gain on exchange on the \$2000.00 we sold yesterday and charged to the budget is M\$2,268.00. These three items mentioned above represent approximately what the Trustees may expect in gain from exchange, besides what we have already reported, to the end of June: I can

M. # 2,268.00  
gain on exchange  
shown on May 31st  
Summary #31.

2,268.00 - see Summary #31	M\$1,432.63	
	512.65	
2,000.00 - " " "	<u>2,268.00</u>	M\$4,213.28

I am still working on a cablegram that will give you some idea what we have just done. I will have to send it after we mail this letter.

I included the Rockefeller Foundation and Harvard-Yenching money in this draft sold yesterday, because I could not be sure from your cablegram whether or not we should include these amounts. I judge that by the time this draft is presented for payment you will have received the money from these two sources. Judging from what information I can get at this end, exchange will probably remain around \$4.00, or better, until it is known what action the Economic conference will take.

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In addition to the draft we sold yesterday, we expect to draw for gold salaries of the foreign staff a total of \$664.59 and about \$100.00 for science equipment. The salary items will cover the following:

Asher . . . .	G\$106.23	(your deposits for her)
Farley . . . .	162.50	
Sutton . . . .	162.50	
Martin . . . .	<u>233.36</u>	G\$664.59

This we figure will be all that we may draw against you until the end of June. I hope that we have taken all the factors into consideration and have not overdrawn our account.

Please make note that Gold Drafts Nos. 1340, 1341, 1342, 1343 have been lost and refuse payments on them if any of them should turn up. They are blank drafts *unsigned*

We are now working on our budget for next year. We are late about it, but even now we have no certain figures to work with. If you have any idea by the time this letter reaches you as to what we may expect from the Trustees, it would help us a lot if you would cable us. If the Rockefeller and Harvard-Yenching, and the special scholarship items remain the same, your cable need not include any mention of them, but should include everything else that the Trustees will be pledging to us. Also unless you state otherwise, we shall consider the rate of exchange to hold at 3 to 1. In other words, if your cable gives only one figure we shall interpret it to mean the total gold at 3 to 1 pledged by the Trustees, not including Harvard-Yenching and Rockefeller *and special scholarships.*

Cordially yours,

*RWM Clune*

RWM:A

RECEIVED  
UNIVERSITIES  
MAY 28 1933  
JOINT OFFICE

*Cable sent 6/1/33*

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CABLE ADDRESS:  
"HSIHO, FOCHOW"

學大和協建福立私  
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"MISSIONS"

處計會  
TREASURER'S OFFICE

州福國中

April 28, 1933

Mr. B. A. Garside  
150 Fifth Avenue  
New York City, New York

Dear Mr. Garside:

We are sending you the following  
cable, referred to in Mr. McClure's letter which  
is enclosed herewith:

VROOCPAFIN JOEJPZARAH ZUYIVSAWKP UKUHBIGYXK  
GIKYSPAUPJ

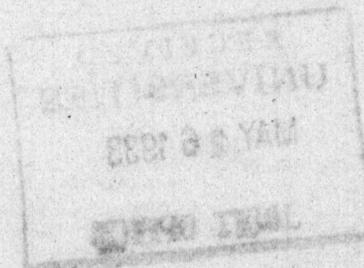
which decoded reads:

"Sold \$5300 gold including Rockefeller Yenching.  
Not yet reported exchange from January to June  
\$4200 Mex."

You will note that we did not give the exact figures  
in the cable, but these are supplied in Mr. McClure's  
letter.

Sincerely yours,

*Eva M. Asher*



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FUKIEN

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Fukien Christian University

June 5, 1933

INDEXED

Miss Asher  
and  
Mr. McClure

June 5, 1933

Miss Eva M. Asher,  
Mr. R. W. McClure,  
Fukien Christian University,  
Foochow, China

Dear Miss Asher and Mr. McClure,

I have two letters from you which have not been formally acknowledged.

Miss Asher's letter of April 1st. This deals with the correction of the figure for gain on exchange on draft #1303, amounting to L.C. \$1,913.59. I believe our two sets of accounts are now in agreement on this figure.

With this letter is enclosed a copy of your interesting Weekly Bulletin, the issue dated April 3rd. We are always glad to get such glimpses as this affords of the life on the F.C. U. campus.

Mr. McClure's letter of April 7th. This deals chiefly with matters of gain on exchange, though Mr. Mc also points out a few of the Trustee's sins of omission and commission in other directions.

Sorry that my letter of February 28th gave our honorable and honored field treasurer the impression that we harbor any suspicion that our field financial officers keep a few cards up their sleeve when they deal out the figures on gain on exchange. Let me hasten to assure you that we could never for a moment have such base thoughts regarding our colleagues at Fukien. My letter must have been colored a bit by the subconscious concern I felt over the fact that the field treasurer at University A had not yet reported the gain on exchange accrued on the field to the credit of the Trustees for 1931-32 (hasn't reported it even now as a matter of fact), and that the beloved President of University B had just let it slip out that during the past few years he had calmly salted down almost a hundred thousand local dollars of gain on exchange which belonged to the home board but which he had not reported to them for fear they'd want to use it to help out in this period of financial stringency.

Don't take it to heart if we try to write at some length seeking to set forth all the details of these exchange matters with a force and persistence that becomes annoying. These gain in exchange accounts have caused more confusion and misunderstanding in our various universities than all the rest of our accounts together. We have to make the position of the Trustees as clear as we can, even at the risk of becoming boring. Your March 31st balance - or rather, reconciliation - sheet shows that we are in agreement as to gain on exchange to that point, and no doubt your figures will be in equally pleasing harmony with ours for the last three months of this fiscal year.

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FUKIEN

Miss Asher  
and  
Mr. McClure

Fukien Christian University

June 5, 1933.

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INDEXED

June 5, 1933

We quite agree with our field treasurer's judgment as to the credit due him for getting that last grant from the Rockefeller Foundation. We disagree with both the content and the spirit of the following paragraph. We agree that it would be unfair to charge all gold disbursements for scientific equipment and supplies against the Rockefeller Foundation appropriation, but it does seem equitable to charge some of these items against that special fund - and we are quite happy to leave any apportionment in your capable hands. And when all is said and done we still love you as of yore.

I have two

Cordially,  
Miss Asher  
of the figure in exchange on draft #1303, amounting to U.S. \$1,000.00. The sets of accounts are now in agreement on this figure.

*B. J. Jarade*

With this letter is enclosed a copy of your interesting Wee-BAG/G Bulletin, the issue dated April 3rd. We are always glad to get such glimpses as this affords of the life on the F. C. U. campus.

Mr. McClure's letter of April 7th. This deals chiefly with matters of gain on exchange, though Mr. Mc also points out a few of the trustee's sins of omission and commission in other directions.

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Don't take it to heart if we try to write at some length seeking to set forth all the details of these exchange matters with a force and persistence that becomes annoying. These gain in exchange accounts have caused more confusion and misunderstanding in our various universities than all the rest of our accounts together. We have to make the position of the trustee as clear as we can, even at the risk of becoming verbose. Your March 31st balance - or rather, reconciliation - sheet shows that we are in agreement as to gain on exchange to that point, and no doubt your figures will be in equally pleasing harmony with ours for the last three months of this fiscal year.

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**FUKIEN**

**INDEXED**

Fukien Christian University

June 5, 1933

Mr. R. W. McClure, Treasurer  
Fukien Christian University  
Foochow, China

My dear Mr. McClure:

Your letter of April 28th, regarding balances due on the 1932-33 budget, came to hand.

Under separate cover I am writing Miss Asher regarding one item which we cannot reconcile, but from all appearances the additional gain on exchange beyond that previously reported will amount to \$4,213.28. This will appear in the May 31st summary.

We note that additional drafts will be forthcoming for adjustments on salary, and as a matter of fact, some of them have already been received. It is causing a considerable strain to meet these payments at the present time, but we are trusting that things will work out satisfactorily by the 15th.

The drafts Nos. 1340, 41, 42, and 43, have been noted as lost and will not be paid.

The last paragraph of your letter refers to the budget for next year. We have studied the situation very carefully and cabled you as per confirmation copy. The exact figures as we tabulated them as the result of our study, were as follows:

Income from cooperating Mission Boards, \$6,896.50; amount in cable \$6,900.00.

The Rockefeller Foundation and Harvard-Yenching Institute the same as last year.

As there was a drastic cut in special gifts we could not include any this year, but after making the deductions authorized by the Board, for next year the balance appropriable to the field from endowment funds \$4,952.40; amount in cable \$5,000.00.

This is all contingent upon the Aluminum Company continuing to pay this present dividend of 1 1/2%, but if this is discontinued, drastic readjustments will have to be made. We have checked from every angle possible, and it seems as though the company is anxious to maintain this dividend, but if business does not improve, quite naturally that cannot be done.

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Mr. R. W. McClure, Treasurer - 2 - June 5, 1933

We will keep you informed of anything that gives any appearance of changing the present outlook, and will await your budget forecast for 1933-34 with interest.

Very cordially yours,

*Ca Evans*

Assistant Treasurer

CAE:HV  
Encl.

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**FUKIEN**

**INDEXED**

**Fukien Christian University**

June 12, 1933

Mr. R. W. McClure  
Miss Eva M. Asher  
Fukien Christian University  
Foochow, China

*ack. by Miss A. - 7/24/33  
but not answered*

My dear Mr. McClure and Miss Asher

I am enclosing herewith a supply of the blanks for our annual report to the New York State Education Department. These have just come in. By the time this material gets to Fukien, it will be about the middle of July, so if you cannot get together the necessary information before the early part of September, our friends in Albany cannot rightly object. For the future, however, we should be able to avoid this delay by supplying you with blanks in advance. Therefore I am enclosing an additional supply of these blanks which we can use in June 1934. (The blanks have not been changed for a good many years in any way except that the date of the school year has been changed from July 31 to June 30, so we can safely use these same blanks a year hence.) I believe that the only point at which you need to consult the figures on our books here in New York is item 6, "Summary of property owned by institution."

Item 6 a deals with the physical plant. Your total for last year under this heading was \$595,653.59, which is about \$44,000.00 more than the figure shown on our books here in New York. We presume that the difference represents property investments on the field which have not yet been taken on to our New York records. The only change in our New York accounts this year has been the addition of \$1,250.00 in account 26 n, Residences.

Item 6 b deals with investments. I note that our Fukien report for 1931-32 shows the net investments on June 30, 1932 as being \$165,090.11. Since our New York books showed only \$163,023.40, we assume that the balance, \$2,066.71, represents investments held on the field. With this assumption item 6 b for this year would read as follows (not including any changes in investments held on the field):-

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Investments at beginning of year	\$165,090.11
Added to investments during year	
1. From gifts and bequests	5,600.00
2. From income from former investments	None
3. From other sources	None
	<u>\$165,690.11</u>
Depreciation or losses in investments	<u>11,596.00</u>
<b>Total</b>	<b>\$157,094.11</b>

(On New York books \$155,027.40  
 on field books 2,066.71  
\$157,094.11)

Very cordially yours

*BA/Paride*

BAG:MB  
 Inc.  
 CC: President Lia

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FUKIEN

INDEXED

Fukien Christian University

June 26, 1933

ack. 7/20/33

Mr. R. W. McClure  
Fukien Christian University  
Focchow, China

My dear Mr. McClure:

We are enclosing trial balance and closing sheets, together with journal vouchers and receipts, including June 30th, 1933.

The income of the University was greatly decreased this year; as a matter of fact the current general income was less by \$5,183.86 than the amount originally figured in the budget. During the year the cooperating Boards modified their appropriation, so we have realized for some time that there would be a deficit, but not to the extent which we actually have shown. You will note from the budget analysis where the shortages are chiefly recorded.

We have figured out a deficit of \$1,156.29, but in addition to this you will note that the local currency due the field has not been entirely drawn, there being a balance of \$777.40 still due. As we were not sure of the actual amount of gain on exchange accrued on the field, we have not carried this amount forward, but you are authorized to draw same after you have made adjustments, giving the Trustees credit for any gain on exchange that belongs to them. We will have to charge this amount to the accrued deficit.

The home administration account helped out considerable this year as we did not draw our appropriation by \$308.34. This decreased very considerably our anticipated deficit.

The endowment securities have earned income for scholarships to the amount of \$162.50. Before closing our books we draw a check for this amount which is enclosed herewith.

We believe everything is perfectly clear on our closing sheets, and will look forward with interest to your reconciliation.

Very cordially yours,

*C. A. Evans*  
Assistant Treasurer

CAE:HV  
Enc.

0022

CABLE ADDRESS:  
"HSIHO, FOOCHOW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.  
州福國中

CODE:  
"MISSIONS"

處計會  
TREASURER'S OFFICE

June 27, 1933

INDEXED

*Forwarded in  
Fukien budget  
7/5/37  
file*

Mr. C. A. Evans  
150 Fifth Avenue  
New York City, New York

Dear Mr. Evans:

I want to add a word about the budget in addition to what President Lin has written. We ask your leniency in our very late presentation of the proposed budget. There were so many uncertain factors in the situation this year we delayed as long as possible in making out the budget, hoping that we would get more information by waiting.

Your cablegram, which came a few days after the Board of Managers meeting on May 27, indicates that our income will be considerable less than we estimated in the budget. When we made the budget we were not unmindful that this might be so. The figures we used are in no way an attempt to exert pressure on the Trustees nor to presume on them. Since receiving your cable, it has not been possible to have another meeting of the Board of Managers. We are sending the budget as approved by them, even though it will not balance with the income as indicated in your cable. We have checked through the matter carefully, and find that we can make the necessary savings by eliminating the items for furlough reserve and making reductions in a few other items. In any case, be assured that we shall not overdraw our credits. When your final statement of appropriations for the coming year is in hand, we shall definitely revise the budget and send you a statement of the reductions we have made in order to balance it.

Even with the budget as it is, we have had to forego certain very desirable things which we had hoped to do next year. Certain of our science departments are now noticeably weak, especially physics. We also have no man for athletic director and physical culture. We have also been in correspondence with a young German who would have been a most valuable addition to our natural science department. We cabled him at the last minute calling off negotiations. Our reason for putting in these furlough reserve items instead of engaging new members for the staff was because we were afraid we would have to cut down the budget, and these items are much more easily cut than a reduction in staff. We have not got beyond hoping that in a couple of years our income will be sufficiently increased so that we can take on these new staff members.

Cordially yours,

*RWM Clavin*

RWM:A

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FUKIEN

INDEXED

June 30, 1933

President C. J. Lin,  
Mr. R. W. McClure,  
Miss Eva M. Asher,  
Fukien Christian University,  
Foochow, China.

Dear Mr. Lin, Mr. McClure, Miss Asher,

We attach hereto the minutes of the annual meeting of the Fukien Trustees, held on June 28th. The usual supply for the field is going forward under separate cover.

A few matters only require comment:-

Treasurer's Report. This is appended to the minutes. The section of particular interest is that dealing with current general funds. As forecast, we will close the year with a substantial deficit, the exact amount probably being between thirteen hundred and fourteen hundred dollars, U. S. currency. This can be taken care of from the reserve of \$2,651.04 built up from surpluses of the last two years, but it leaves our working balance pretty low for starting into a new year which is apt to be even more difficult than the one just closed. But we are grateful for the gain on exchange during 1932-33 which helped us to avoid a still larger deficit.

Promotional Matters. Most of the time of the meeting was devoted to a very serious study of the urgent need for initiating measures which help to restore our Fukien income. The Trustees reviewed the financial records of the past three or four years, and noted with grave concern the rapid fall in the amount of money the University has had available for its budget from year to year. They realized, too, that this same downward trend will almost certainly continue during 1933-34. With the temporary relief gained from a favorable rate of exchange now being best, the situation becomes even more disturbing. We cannot hope for much added assistance from the cooperating Mission Boards, for their income is even harder hit than the University's.

Obviously, all this demands that some new source of income must be uncovered. This will almost certainly be a long, slow, and expensive process. For awhile at least we will probably have to expend more than we receive. Yet if we do not begin before more prosperous times return, much of our opportunity will be lost.

The development of the promotional plans of the Associated Boards will provide a general publicity program for all our Christian colleges in China, but for the present will not be able to do much for the individual interests of the separate institutions. There is left a rather clear field where each college can cultivate its own clientele in harmony with

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June 30, 1933

-2-

the general plan of the group as a whole. As the group takes over a larger and larger share of these publicity and promotional functions, the individual colleges that have the most to contribute in their lists of people actively interested in Christian higher education in China will, to some extent at least, derive more benefit from the united effort than will those institutions that are practically unknown outside a little group of Mission Board secretaries and other intimate friends.

The Trustees were entirely agreed on the desirability of undertaking such promotional work as is possible. But they were forced to make plans in harmony with our rigidly limited financial resources. They discussed the possibility of engaging Professor Beeman, but abandoned the proposal for two reasons. In the first place, to engage Mr. Beeman for a year, and to provide not only his salary and travel, but also the facilities necessary to make his work at all effective, would require a budget of at least U.S.\$10,000.00. We have no knowledge of any source whence that amount of money could be taken without serious injury to all the other work of the University. In the second place, the employment of a promotional director just for Fukien alone would not be in harmony with the present trend toward cooperation in promotional work under the Associated Boards.

The other alternative the Trustees faced was that of engaging the services of Pierce and Hedrick, the organization that is now assisting with the promotional activities of the Associated Boards, as well as Yenching, Lingnan, and Princeton-Yenching. Through this organization we should be able to do a certain amount of cultivation of our present list of Fukien friends, together with developing new contacts which should be helpful in future. The expense of their service would not be great.

The Trustees favored in general the second alternative, but it was recognized that further study should be given to the matter by a carefully chosen committee. Accordingly a committee of three was appointed with Dr. E. G. Warner as Chairman. The committee is meeting on Friday afternoon of next week in the office of Mr. Samuel Thorne. At that time Mr. Hedrick will present detailed proposals. I will write you again after that meeting.

I believe there are no other matters in the minutes requiring special comment at this time. As soon as the 1933-34 budget estimates are received from the field, we will try to secure a prompt meeting of the Executive Committee to deal with this important subject.

I trust that by the time this reaches Foochow, all three of you will be away from the campus, enjoying a restful vacation. I am afraid the last year has been a rather strenuous one for all of you.

Very cordially yours

*B.A. Lauide*

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Enc.

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CABLE ADDRESS:  
"HSIHO, FOOCOW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.

CODE:  
"MISSIONS"

州福國中

TREASURER'S OFFICE

FUKIEN

July 26, 1933

ack 9/14/33  
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INDEXED

Mr. B. A. Garside  
150 Fifth Avenue  
New York City, New York

Dear Mr. Garside:

Your letter of June 26 together with June statements and journal vouches has just come. We are sorry indeed to learn that the universities are closing their year with a deficit. We appreciate the fact that economies in your office make it possible to decrease that deficit by some \$300. I wonder if the supporting boards which did not pay in full their pledge will be able later to clear off this deficit. In any case, your surplus from last year will more than meet it. Your hopes that our income for the coming year will be better than for the present year are certainly not any greater than ours. We look at each monthly statement from you with eager eyes to see how funds are coming in.

Your cablegram to sell before exchange dropped is better appreciated now than when it came. Your guess was certainly better than mine, and better than that of the manager of our local bank. There seems to be little hope now that exchange will rise much above three to one, in which case, we shall have to make further budget adjustments or seek increased income, or we shall show a field deficit at the end of the year. You need not fear though that we shall run a deficit for, we have the matter well in hand, and will do anything rather than close our books in the red.

We are enclosing our annual report which has not yet been audited. We shall send the auditors' statement probably about the middle of August. You will note on page 6 that we have overdrawn our account with you by M\$1,187.22. Items on your June statement and not on our books will increase this sum slightly. It is obvious now that when I sold that last draft, I did not leave enough margin for miscellaneous drafts. However, the closing of the bank in Cleveland is responsible for the most of this overdraft on you. I think there is no need to make further comment on our report, but we shall be glad to answer any questions you may wish to ask. I shall send our reconciliation sheet along in a few days together with our report to the New York State Board of Education. I plan to go down to the university the first of next week, about August 2, and shall have the proper seal put on the report then by the American Consul.

*Mr. Garside's binder*  
*Mrs. [unclear]*

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The Hill-Warner house is now completed and is occupied by Déan Chen and W. Y. Chen. It cost us a few hundred dollars more than the money sent by our two friends, but this need not be mentioned to them. The gas plant also is running some \$6,000.00 above the original estimate, but even at that we shall find it a money-saving asset to our science department, besides being a great convenience. It has been tested out and found to be satisfactory.

The new highway is now completed to a point some miles below the university, but frequent floods in the river have prevented the completion of the bridges. We should be able to travel on wheels to Foochow at the beginning of the fall term, if not before.

Cordially yours,

R. W. McClure  
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CABLE ADDRESS:  
"HSIHO, FOOCHEW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHEW, CHINA.

CODE:  
"MISSIONS"

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TREASURER'S OFFICE

FUKIEN

Aug. 2, 1933

*Brufack. 9/14/33*

Mr. B.A. Garside  
150 5th. Ave.  
New York City

INDEXED

*ack. 9/15/33*  
*CAE*

Dear Mr. Garside:

Several of your recent letters have arrived but I shall make no attempt to answer them to-day. I am down from Kuliang for the week checking up on the half dozen institutions of which I am treasurer. The auditors are here working today. Probably in another week we will be able to send you their certificate. I am writing today to send:-

- Report to New York State (In duplicate) - *✓ enclosed*
- " " Rockefeller Foundation (In duplicate) - *✓ "*
- Reconcilement sheet for end of June. - *enclosed*

Will you please see that these reports get to the proper persons.

I am indeed sorry for those small exchange discrepancies which make our reconcilement sheet disagree with yours. I think it would have been better if we had not mentioned them in letters, and instead let you get your figures entirely from our formal statements. I wonder what is the best way now to harmonize our books. Our books are of course closed and the report made out as are yours. But I am inclined to think that the best way out is for you to adjust your books to our last reconcilement sheet, which shows our books in agreement with yours as you were at closing on June 30. If you think it best for us to make the adjustments on our books we shall be glad to do so. Until we hear from you we shall let it stand as it is on our books.

Exchange is now around \$3.45. We have sold nothing on this years budget, but I plan to sell about \$1000.00 gold within a few days.

I am going back to Kuliang the last of the ~~me~~ week and shall then confer with Miss Asher and write you again.

I shall have to defer reply to paragraph 2 of your letter of June 12 until we have time to check the items thru, but I expect there are some property items on our books which you have not yet entered. I have wondered what system we should use in making these annual adjustments. I have assumed that you take such items from our annual report without our specially calling your attention to them. If we should make a special report of additional property investment items at the end of each year we can do that, but it would simply mean copying part of the annual report. Mr. Li is preparing a statement reconciling our books with your statement in paragraph 3 in your June 12 letter.

Cordially,  
*RA McElme*

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CABLE ADDRESS:  
"HSIHO, FOCHOW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.

CODE:  
"MISSIONS"

TREASURER'S OFFICE

Aug. 2, 1933

Field reconciliation to paragraph 3 of  
Mr. Garside's letter of June 12, 1933

Investment at beginning of year		\$165,090.11
Additions during year		
1. From gifts and bequests		3,600.00
2. " income of E.C. Jones Scholarship fund (income surplus) Your June statement of 1932		27.01
3. Field endowment investment		<u>5,731.52</u>
		<u>\$174,448.64</u>
Depreciation or loss in investments		<u>11,596.00</u>
		<u>\$162,852.64</u>
On New York Books	\$155,027.40	
On Field books	<u>7,825.24</u>	
	\$162,852.64	

*RMM-clm*

*1932-33 field additions not included in above*

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Sent with Mr. McClure's  
letter 8/1/33. [37

July 20, 1933

FUKIEN CHRISTIAN UNIVERSITY

Report Showing Expenditures for Salaries and Allowance of Science Teachers, for the Maintenance of the Science Laboratories and for the Increase of the Science Equipment

July 1, 1932 - June 30, 1933

SALARIES AND ALLOWANCE

✓ <u>Cheng, Tso Hsin</u>			
Salary	M\$2,520.00		
Allowance	228.60	M\$ 2,748.60	
✓ <u>Kellogg, C. R. (on Furlough)</u>			
Salary	M\$5,400.00		
Allowance	1,575.00	M\$ 6,975.00	
✓ <u>Lin, Yu Chi</u>			
Salary	M\$1,920.00		
Allowance	25.00	M\$ 1,945.00	
✓ <u>Martin, F. C.</u>			
Salary	M\$3,500.00		
Allowance	2,324.00	M\$ 5,824.00	
✓ <u>Sutton, W. J.</u>			
Salary	M\$3,500.00		
Allowance	4,489.00	M\$ 7,989.00	
✓ <u>Wang, T. H.</u>			
Salary	M\$2,400.00		
Allowance	50.00	M\$ 2,450.00	
<u>Chen, Shao Shun</u>			
Salary		M\$ 225.00	
✓ <u>Cheng, Ching Tuan</u>			
Salary		M\$ 1,080.00	
<u>Chang, Tien Fu</u>			
Salary		M\$ 250.00	
<u>Chiang, Jen Yu</u>			
Salary		M\$ 600.00	
✓ <u>Li, I Ying</u>			
Salary		M\$ 425.00	
✓ <u>Lin, I</u>			
Salary		M\$ 690.00	
<u>Tai, Wen Sai</u>			
Salary		M\$ 440.00	
<b>Total Salaries &amp; Allowance....</b>	<b><u>M\$31,641.60</u></b>	<b>62:1 - <u>US\$15,820.80</u></b>	

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Departmental Maintenance Expenses

Dean Office of Science College	M\$ 50.00	
Department of Biology.....	M\$1,480.37	
Department of Chemistry.....	M\$3,585.75	
Department of Physics & Maths.	M\$ 758.93	
Total Maintenance.....	<u>M\$5,875.05</u>	@2:1 - <u>USG\$2,937.52</u>

Departmental Equipment Accounts

Department of Biology.....	M\$4,464.09	
Department of Chemistry.....	M\$1,777.25	
Department of Physics.....	M\$1,334.00	
Total Equipment.....	<u>M\$7,575.34</u>	@2:1 - <u>USG\$3,787.67</u>

Science Staff by Departments

Department of Biology

Cheng, T. H.	(Assistant Professor and Head)
Kellogg, C. R.	(Professor on Furlough)
Cheng, C. T.	(Assistant Instructor)
Chen, S. S.	(Lecturer)
Chang, T. F.	(Graduate Assistant)
Chiang, J. Y.	(Graduate Assistant)

Department of Chemistry

Sutton, W. J.	(Professor and Head)
Wang, T. H.	(Assistant Professor)
Li, I. Y.	(Assistant Instructor)
Lin, I	(Graduate Assistant)

Department of Physics & Mathematics

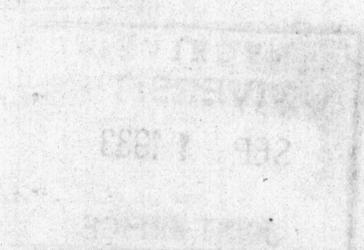
Martin, F. C.	(Assistant Professor and Head)
Lin, Y. C.	(Instructor)
Tai, W. S.	(Graduate Assistant)

Respectfully submitted

*Robert W. McClure*

Robert W. McClure  
Treasurer

Eva M. Asher  
Associate Treasurer



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**FUKIEN**

**INDEXED**

Fukien Christian University

September 7, 1933

*ack - by Miss A-10/14/33  
" " Millner - 11/7/33.*

Mr. R. W. McClure  
Fukien Christian University  
Focchow, China

My dear Mr. McClure:

I have been studying the budgets of our various universities having in mind the issuing of authorizations for the current year.

I find that the local currency authorized by the Executive Committee on July 31st, totals \$35,998.50. Undoubtedly a considerable portion of this will be drawn in gold, and accordingly I have made a deduction of \$10,998.50, leaving a balance of \$25,000 local currency to be drawn. In endeavoring to establish the best dates for drawing I have studied the income account to ascertain when the cash is ordinarily received. In view of the findings we are issuing the following authorizations:

You may draw on sight applicable to the 1933-34 budget and charged to account #31:

Oct. 15, 1933	#3301	L.S. \$5,000.00
Dec. 15, 1933	3302	L.C. \$5,000.00
Jan. 15, 1934	3401	L.C. \$5,000.00
Mar. 15, 1934	3402	L.C. \$5,000.00
Apr. 15, 1933	3403	L.C. \$5,000.00

If the arbitrary dates are not satisfactory kindly let us know. Also, if larger gold payments are made than allowed, you naturally will make adjustments when issuing your authorizations.

You will notice that we have made these sight drafts, and according to our previous understanding this was agreeable to us. It has been rather difficult this last year, however, to keep abreast of the payments especially since the Finance Committee invested all of our endowment funds.

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Mr. R. W. McClure

- 2 -

September 7, 1933

Very cordially yours,

If you find that it is more convenient to draw three days drafts, which will very materially help us, we will leave this question for you to decide.

Very cordially yours,  
Assistant Treasurer

CAB:HV

C.C. Accounting Office

Very cordially yours,

Very cordially yours,

Very cordially yours,

Very cordially yours,

Handwritten notes and dates

Very cordially yours,

INDEXED

FILED

Handwritten signature

Vertical markings on the right edge of the page

FUKIEN

September 14, 1933.

ak - 11/7/33

Mr. R. W. McClure  
Fukien Christian University  
Focchow, China

My dear Mr. McClure:

I am replying to your letter of July 26th, also to yours of August 2nd.

Enclosed in the letter was the reports for the New York State Department of Education, which we have forwarded to Albany, and the report for the Rockefeller Foundation has been mailed to that organization. We note that the report for the State Department does not coincide with our plant or endowment sections as of June 30th, and made no effort to reconcile same, as it is quite evident you have some entries on your books which we did not carry. I am simply raising the question as to the advisability of having these items on our books here in New York, so that our capital funds and expenditures would agree. In another letter I will write you regarding the reconciliation of Current Account.

Your reference to the possibility of supporting Boards making good their shortages later in the year, brings to mind the pressure which was brought to bear upon the representatives of the various institutions at our last meeting of the Board. I am of the opinion that conditions will have to change very materially from even the present upward trend, before the recovery will be noticed in increased income with the various religious bodies connected with Fukien.

Expenditures and personnel have been so drastically slashed, that I believe the boards will take steps to retrieve some of these losses when incomes increase, rather than making up their decreases with religious institutions. We are, however, having in mind the very question you have raised, and no opportunities <sup>will be</sup> lost to bring it to the attention of the various board representatives.

Our cable to sell gold for local currency, was not the result of any superhuman knowledge, but due to the fact that America had gone off from the gold standard, and with inflation in sight, an increase in the price of silver was inevitable.

We acknowledge receipt of your report and note that the auditor's statement will be received at an early date. Outstanding items in this report will be presented at the next meeting of the Board of Trustees.

Very cordially yours,

*C. A. Evans*

CAE:FW

0034

CABLE ADDRESS:  
"HSIHO, FOOCOW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCOW, CHINA.  
州福國中

CODE:  
"MISSIONS"

57

TREASURER'S OFFICE

Sept. 15, 1933

FUKIEN

Mr. B. A. Garside  
150, 5th. Ave.  
New York City

INDEXED

*ack 10/27*

Dear Mr. Garside:

I am enclosing a copy of a letter sent to Mr. Francis Chen who has agreed to become a member of our Faculty beginning with the Spring Semester. I believe that no further negotiations are necessary with him except to arrange for a possible loan of a sum not to exceed \$300.00 U.S. Currency.

Mr. Chen wants to visit certain countries in Europe before coming back to China and is now working at odd jobs in an attempt to get enough money to make this proposed trip. At this end we are concerned lest he spend so much time earning money that he will be late for the opening of the Spring Semester. Should Mr. Chen call on you, you are hereby authorized to advance him a sum not exceeding \$300 U.S. Currency. His note to you should read indicate that the money advanced is a loan against his salary without interest. Repayment to be made in Foochow at the fixed rate of \$3 Mex to \$1 U.S. We can arrange the terms for repayment after Mr. Chen arrives on the field, but the final payment should be made not later than a year after his arrival in Foochow. The loan is also conditional on Mr. Chen's arrival in Foochow in time to begin the Spring Semester in 1934.

Cordially,

*R. W. M. Clive*

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(Sent by Mr. McClure's  
letter 9/15/33) [2]

Sept. 15, 1933

Mr. Francis Chen  
119 Edgewood Ave.  
New Haven, Conn.

Dear Mr. Chen:

Pres. Lin has asked me to reply to your letter of July 26. We are all happy that you have made your decision to come back to Foochow and teach in the University. We hope that nothing will prevent your coming in plenty of time to begin the spring semester. Pres. Lin is a bit concerned lest your attempt to earn money for your trip to Europe will delay your return. He has authorized you to consult with Mr. B.A. Garside, our New York Treasurer, at 150, 5th. Ave. New York City, and if necessary to borrow a limited amount of funds from him. This would be an advance on your salary. Repayment to be arranged after your arrival on the field.

We are looking forward to your coming and believe that you will be able to make a valuable contribution both to the University and to the Province.

Cordially,

*R. W. McClure*

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September 15, 1933

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*259.13  
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**FUKIEN**

**INDEXED**

September 15, 1933.

*ack - 11/7/33*

Mr. R. W. McClure  
Fukien Christian University  
Foochow, China

My dear Mr. McClure:

I am writing further regarding your letter of August 2nd, wherein you refer to the reconciliation sheet as of June 30th. We closed our books with a local currency payment of \$52,676.93 on the 1932-33 Budget. As the appropriation was for \$53,454.33, there was still a balance due to the field. The following schedule shows the method we are using in closing out last year's appropriation:-

Appropriation		\$53,454.33
L. C. closing figures .....	\$52,676.93	
Additional gain in exchange beyond \$512.65 previously reported.....	566.92	
Balance due on Appropriation.	<u>210.48</u>	
		\$53,454.33

As all of the drafts listed in your reconciliation sheet totalling L.C. \$1,652.91 had been paid since the closing of the books, only \$210.48 is applicable to this amount. In other words, the current deficit of the Trustees is increased by the U. S. equivalent of this difference or \$70.16.

There seems to be no other way than to charge the balance of the outstanding drafts to the 1933-34 appropriation. This we are doing. In this case, would it not be easier for you to make the adjustment on your books, bringing this overdraft forward as the first charge on the current budget?

The last paragraph of your letter *all* refers to the item I refer to in my letter of yesterday regarding capital funds. We assume that you are having a statement prepared which will bring these funds in line with our books.

Miss Asher's letter of July 24th raises the question regarding the "Religious Education" magazines donated by the Missionary Research Library. Requests from other universities have asked for a few scattering numbers, but as Fukien desires all of those available, we are having a porter go to the library this morning and bring them to the

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[2]

Mr. R. W. McClure

-2-

September 15, 1933.

building to be made ready for shipment. If it is possible to get them through with some other shipment, we will do so, otherwise we will send it on a minimum bill of lading, if it is not practicable to send them by book post.

INDEXED

- Recd - 11/7/33 -

Very cordially yours,

C. A. Evans

C.A.E:PW

*They will go  
Book post*

*Delivered to Mech. Bld. for  
shipping - 9/20/33*

22,373.33	.....	U. S. closing figures
22,373.33	.....	Additional gain in exchange
22,373.33	.....	Reported
22,373.33	.....	Balance due on appropriation
22,373.33	.....	

As all of the drafts listed in your reconciliation sheet totaling \$22,373.33 had been paid since the closing of the books, only \$219.48 is applicable to this amount. In other words, the current deficit of the process is increased by the U. S. equivalent of this difference of \$22,153.85.

There seems to be no other way than to charge the balance of the outstanding drafts to the 1933-34 appropriation. This we are doing. In this case, would it not be easier for you to make the adjustment on your books, bringing this overboard forward as the first charge on the current budget?

The last paragraph of your letter refers to the item I refer to in my letter of yesterday regarding capital funds. It seems that you are having a statement prepared which will bring these funds in line with our books.

Miss Asher's letter of July 25th raises the question regarding the "Religious Education" magazines donated by the Missionary Research Library. Magazines from other universities have been used for a few scattered numbers, but as I have advised all of these volumes, we are having a letter go to the library this morning and have been to the

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CABLE ADDRESS:  
"HSIHO, FOOCHOW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.

CODE:  
"MISSIONS"

處計會  
TREASURER'S OFFICE

州福國中



*R. N. McClure*

September 22, 1933

*ack - 11/5/33*

Mr. C. A. Evans  
150 Fifth Avenue  
New York City, New York

INDEXED

Dear Mr. Evans:

We have your letters of July 14 and 28 and August 15, 16, and 21, one of the latter enclosing draft for the first quarter of the Rockefeller money. I wrote Mr. Garside last on September 15. *- rec'd*

I wrote more than a month ago promising that the auditor's certificate would be mailed soon. The fact is that they worked one day and found it so hot down here that they decided to wait for cooler weather. Now that the rush of registration is over, I shall press the auditors to complete their work. We have in Foochow no public auditors, so must depend upon busy members of our various missions to do this work.

We are enclosing our trial balance sheet for the month of August and the reconciliation sheet covering your July statement. (*See "Manager's Trans. Binder"*)

In the future, please use our reconciliation sheet as a journal voucher, taking from it any items of exchange that need to go onto your books. We will also include in this sheet any gain in exchange from the Rockefeller money that may be to your credit. By taking all such items from this monthly sheet, we will avoid getting into any difficulties such as we did last spring when some of these things were covered in letters and some in our monthly statements. I have checked on this statement three items which I believe should go onto your books, the first two as credits and the 75¢ as a debit. You may already have put this 75¢ item on from our previous letters.

We have checked your appropriation to our budget for 1933-34, and find that our budget calls for G\$1,762.00 more than the Trustees promise. This at 3:1 makes over \$5,000.00 in Mex. The exchange, if it holds at the present rate or near it, will give us another shortage of over \$5,000.00 Mex. So our budget still needs about M\$10,500.00 to make it balance. We can take care of most of this by dropping out the items for furlough reserve, which we are loath to do. But be assured that we will make the budget balance in some way.

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[2]

Since some of our supporting boards have cut down so drastically on their appropriations, it may be that the Trustees will be willing to allow us to keep all gain on exchange from the Rockefeller money and not expect us to give them the advantage on what is spent in gold for Dr. Sutton's and Mr. Martin's salary, and science equipment. We make this as a definite request. Probably with the drastic cuts which the boards have made, they will be able to pay their full appropriations and the Trustees will not be in such great need of this gain in exchange on the Rockefeller money as they seemed to be last year. If you do allow us to have all the exchange on the Rockefeller money, this amount will still come far short of supporting the science department. I wonder if any of the other universities who are receiving Rockefeller grants are crediting back to New York any of the exchange gained on these grants.

You probably have read in the papers about the communistic devastations in the interior of this province. The whole area of the Shaowu mission, of which I am Treasurer, has been devastated. Hundreds of our Christians have been killed, and many more have been exiled. They have lost everything. The 19th Army which took possession of the province with such gusto a year ago has almost completely lost the confidence of the people. When they first came in they drove back the Reds and possessed most of the province. Then, they got cold feet and retreated back to the coast, allowing the Reds to come in and ravish the countryside. At present hundreds of Red soldiers are wearing 19th Army steel helmets and using 19th machine guns.

Classes started on September 18, and to date only 166 students have registered, 25 of whom are women. There may be one or two more coming in. This present number falls short of our estimate when making up the budget in the spring, by 9.

Cordially yours,

*RWM*

RWM:A



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CABLE ADDRESS:  
"HSIHO, FOOCHOW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.

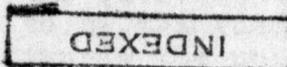
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TREASURER'S OFFICE

*R. M. McClure*



October 6, 1933



*ack-11/2/33*

Mr. C. A. Evans  
150 Fifth Avenue  
New York City, New York

Dear Mr. Evans:

I have read with interest and some consternation your letter of September 1 to President Lin with a copy to myself. If your statement, "... and it is futile to expect them to make any increase in appropriations with their own work suffering so drastically," was accidental instead of a statement of policy, then my excitement is without foundation. But if you were stating an attitude or a policy, then we have reason to be excited. As I know the history of this institution, it was organized by members of the now supporting missions with two objectives in view: One, to relieve the four mission boards of the expenses of competing junior colleges, and one to make possible a real college or university for this province without any one board carrying all the burden. Our Trustees and Board of Managers are composed solely of men elected by the four supporting missions. We are, therefore, controlled both as to policy and program by these four mission boards.

It has been disconcerting enough during the past two years to find that the boards have cut down their appropriations to such an extent that they are far less than they used to spend to support their own private junior colleges. But now, to be told that we are no longer a part of the work of these four boards is alarming indeed.

None of the boards have offered to us any criticism of our work, <sup>or</sup> reasons why they did not consider us a part of their work. Because of this, I am inclined to think that your statement is an inadvertance, but I should be glad to have you bring this letter to the attention of the Trustees and see what their attitude is.

We are intelligently aware that the depression in America has put our supporting boards into a very difficult position. We have only sympathy for them during these difficult times. Some of the cuts which we have

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received are without doubt from absolute necessity. However, at the same time the Anglican board cut off their appropriations completely, they increased the salaries of their missionaries on the field. But the question that I am primarily interested in now is, what is to be the future attitude of the four supporting boards towards the university?

One of our four boards recently wrote to their missionaries on the field congratulating them because they had so many well-trained Chinese leaders who could now carry responsibility, which formerly the missionary had to carry. We would like to inquire where these well-trained Chinese are trained, if not in our university and other similar institutions?

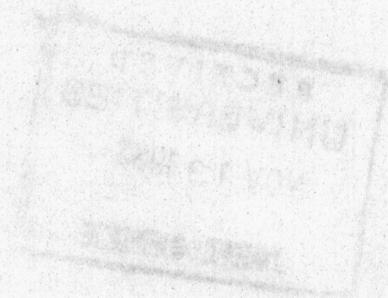
It looks to me as though the support of institutions similar to ours is a matter of economy, as well as good policy, for our mission boards. If the number of missionaries is to be cut down and the work is to continue, certainly we must have Chinese leaders who are trained in such institutions as ours.

This is a very serious situation for us who are carrying the field burdens of the university, and we earnestly hope that we are still considered an integral part of the work of our four supporting boards.

Very cordially yours,

*RWM Clune*

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FUKIEN

Fukien Christian University

INDEXED

October 9, 1933

ack - 11/7/33

Mr. R. W. McClure  
Fukien Christian University  
Focchow, China

My dear Mr. McClure:

We are enclosing herewith the Trial Balance, Cash Statement, Summary of Account 31, and Budget Analysis as of September 30th.

We believe everything is perfectly clear, with the possible exception of our treatment of the balance due on last year's budget. In closing the books, we carried forward the balance of L.C.\$777.40, in an equivalent of U.S.\$259.13, crediting same to 1933-34. In effect, this procedure obligated the Trustees to pay this amount pending the report of gain on exchange up to the 30th of June.

A recent letter indicates that there was an additional gain in exchange of \$566.92 which would decrease the \$259.13 by \$188.97, leaving a balance of \$70.16, which is the final amount we are to add to the Trustees' deficit. Journal voucher 195 adjusts the report of additional gain on exchange.

Very cordially yours,

*C. A. Coans*

Assistant Treasurer

CAE:RC  
Enc.

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FUKIEN

INDEXED

Fukien Christian University

November 6, 1933

ak-11/1/33

Mr. R. W. McClure  
Fukien Christian University  
Foochow, China

My dear Mr. McClure:

We are enclosing herewith trial balance, summary of account 31, cash statement and monthly budget report as of October 31, 1933, together with copies of invoices and journal voucher 196.

The enclosed deposit slip covers two checks which were received from the Union Trust Co. of Cleveland, one check in the amount of \$191.90 represented 35% of a \$548.29 bank balance, and the other check for 9¢ was 5% of the segregated balance. The deposit of \$191.99 was entered to your Bookstore Account in the Central Hanover Bank & Trust Co.

We are also enclosed a letter addressed to Miss Asher and will appreciate it if you will forward same to her.

Second copies of the financial reports will be forwarded in a later mail.

Very cordially yours,

*C. A. Evans*

Assistant Treasurer.

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CABLE ADDRESS:  
"HSHO, FOCHOW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.

CODE:  
"MISSIONS"

[P]

TREASURER'S OFFICE

November 7, 1933

*Ack 1/6/34*

INDEXED

Mr. B. A. Garside  
Mr. C. A. Evans  
150 Fifth Avenue  
New York City, New York:

Dear Mr. Garside and Mr. Evans:

We wrote you last on October 18 and 26. Mr. Garside's letters, two of September 22, one of September 30, and the 14 packages of Religious Education magazines, and also Mr. Evans' letters of September 7, 14, 15 and October 9 have been received. We have also received the first quarter of the Harvard-Yenching draft including the Rockefeller second quarter.

In this letter, we are enclosing our October trial balance and the reconciliation sheet ~~sheet~~ covering your trial balance of September.

With respect to your authorization to draw against our budget, we find it rather difficult to follow such a schedule. I have been following the plan of figuring at the end of each month what part of the budget is due to that date, and if we have any substantial credit, to draw up to the limit of our credit. That means that by the time such a draft is presented to you for payment, we have still another month's credit due us, so that unless we have unusual bills to pay on your end, we should always have plenty of credit with you to cover drafts which I sell for Mex. The overdrawing of our account at the end of the last fiscal year was due to the fact that I sold more than I should have following your cable advising us to sell. After that sale, we had to draw more incidental drafts than I had estimated.

*at 3 days*

I think that our reconciliation sheet will show us in accord with your books, after you have made entry of the two items indicated. I wonder if it would not be best for you each month to enter on your books the items we indicate on our reconciliation sheet. We have been following the policy of making journal entries from your trial balance of items which originate in your office, and we have been expecting that you would do the same for items which originate with us. This would apply also to items of capital expenditure which appear in our annual report. I know of no better way to keep our books in harmony, both for capital expenditures and current items.

*See "Managerial Files" binder*

I note that no special income is indicated on your trial balance from our Endowment for Dean of Women. I expect that this is included in your item of General Endowment Income.

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Our auditors have not yet completed their task. I brought this matter before the Board of Managers at their meeting last week, and the auditors said they would finish their work at once.

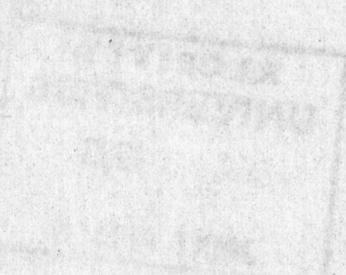
Just to be sure that you send us no cablegrams except by our old cable address "Hsiho", I now call your attention to the fact that we are registering our address for another year.

We have revised our budget to meet our decreased income, and will be sending you a copy of it along with the minutes of the November 4 meeting of the Board of Managers. The present low rate of exchange makes it all the more desirable for us that we be allowed to keep all of the gain in exchange on the Rockefeller Grant. We are really rather badly pressed just now to meet our expenses. We ought to have at least \$25,000.00 Local Currency for some land purchases and buildings to house our staff. Our income for such purposes seems now to be suddenly cut off. But all of that is an old story to you.

Cordially yours,

*RWM - Elmer*

RWM:A



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If the address below is not correct, please notify us at once, for we cannot be responsible for journals lost in consequence of neglect to do this. NO CLAIM ALLOWED AFTER 60 DAYS.  
 insure prompt and proper credit, THIS BILL MUST BE RETURNED WITH REMITTANCE. It will be receipted and returned to you at once.  
 If Notary's Endorsement is required, 50 Cents Must be Added to Total Amount Below.

Washington, D. C., **October 15, 1933.**

# The American Chemical Society

IN ACCOUNT WITH

Fukien Christian University  
 Librarian,  
 Foochow, Fukien, China.

**FUKIEN**

YOUR ORDER

NET

YOUR ORDER	DESCRIPTION	NET
	JOURNAL AMERICAN CHEMICAL SOCIETY <b>1 Subs. Jan. - Dec. 1934</b>	<b>8 50</b>
B	CHEMICAL ABSTRACTS <b>1 Subs. Jan. - Dec. 1934</b>	<b>12 00</b>
7	INDUSTRIAL AND ENGINEERING CHEMISTRY <b>1 Subs. Jan. - Dec. 1934</b>	<b>7 50</b>
		<b>28 00</b>
	TO BE SENT TO <b>Combination discount 10%</b>	<b>2 80</b>
	<b>Foreign Postage</b>	<b>25 20</b>
		<b>5 70</b>
		<b>30 90</b>

All remittances should be made payable to  
**TERMS CASH**

**CHARLES L. PARSONS, Secretary,**  
 Mills Building, Washington, D. C., U. S. A.

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CABLE ADDRESS:  
"HSIHO, FOOCOW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCOW, CHINA.

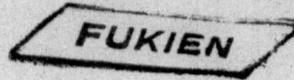
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"MISSIONS"

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TREASURER'S OFFICE

Nov. 14, 1933

Mr. C.A. Evans  
150 5th. Ave.  
New York City



*ack*  
*11/11/33*  
*EC*

Dear Mr. Evans:

We have just received the enclosed reminder from The American Chemical Soc. We find that the subscription has advanced \$10 gold over last year. It is too late for us to do any corresponding with them from this distance.

*no out. in file no*

First of all we want the three magazines as listed on the enclosed ~~list~~ form, but if possible we want them cheaper. Dr. Sutton used to belong to this society and for \$17 a year maintained his membership and received the three magazines. Could you write asking ~~him~~ if his membership could be renewed and if so at what price. If there is an advantage of course we would prefer to have our subscription go in that way.

*act to*  
*Asher*  
*11/9/33*

Sorry to bother you about this thing but several gold dollars mean a lot to us just now.

Cordially,

*J. W. A. Clune*

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November 25, 1933 Mr. R. W. McClure

**FUKIEN**

**INDEXED**

**Fukien Christian University**

**November 25, 1933**

**Mr. R. W. McClure  
Fukien Christian University  
Foochow, China**

ack - 1/17/34

**My dear Mr. McClure:**

This will acknowledge your letter of September 22nd, enclosing trial balance sheet for August and reconciliation sheet covering July.

We note that you desire us to use your reconciliation sheets for adjusting any gain on exchange, and we will follow this procedure in the future.

Some of the drafts on your reconciliation are dated in May and we are wondering if old items of this sort should be followed up from this end. This we cannot do without some definite knowledge as to whom they were made.

We wish we were in a position to state that prospective gifts would balance the shortage in your budget but this cannot be done and the only recourse is to take the action you are proceeding to do in making drastic cuts to bring your expenditures in line with the income.

The request you make of the Trustees for all of the gain on exchange will be presented at the next meeting of the Board of Trustees or Executive Committee, whichever meets first, and a decision reached at that time. As far as having the Fukien Board acting on the gain accruing on the Rockefeller Funds is concerned, there seems to be nothing out of line with the procedure followed in other funds of this nature.

We are reading daily of the revolutions in Foochow Province and are hoping that there will be a cessation of hostile activities which are so devastating to the work throughout the Province.

I am also acknowledging your letter of October 6th dealing with our communication of September 1st. In dictating that letter, I am not sure whether or not I used the word "other" or "own" when speaking of the work of the various boards. Be that as it may, I signed the letter and had no desire to reflect any changed attitude of the cooperating

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boards but simply to emphasize the fact where Board salaries and appropriations on the field and at home have been so drastically cut, it is unreasonable to expect much more than having educational appropriations paid according to a ratio based on funds available. In the case of the Reformed Board, we have every reason to believe that the Fukien appropriations were not cut when other appropriations were being drastically slashed and it was only an actual case of necessity of making reductions on the last two years' budgets.

There have been some real heart to heart talks with members of the Board regarding the financial standing of Fukien and everything possible has been done to stimulate their interest and sense of responsibility but until recently there has been no appreciable success. Some individual members in the past have done a great deal but now are hit so hard financially that it is more like antagonizing them to even think of asking them to increase their gifts.

We are hoping for a return of business when the Aluminum will be at least partially restored to the paying of larger dividends. When this comes about it will be of very material help in the budget.

I am writing along similar lines to President Lin and am very sorry indeed as to any misapprehension which my previous letter caused.

Very cordially,

*C. A. Evans*

Assistant Treasurer.

We wish we were in a position to state that prospective gifts would balance the shortage in your budget but this cannot be done and the only recourse is to take the action you are proposing to do in making drastic cuts to bring your expenditures in line with the income.

The report you make of the Treasurer for all of the year on exchange will be presented at the next meeting of the Board of Trustees or Executive Committee, whichever meets first, and a decision reached at that time. As far as having the Fukien Board continue to gain account on the Reformed Board funds is concerned, there seems to be nothing out of line with the procedure followed in other kinds of this nature.

We are reading daily of the revolution in Fochon Province and are hoping that there will be a cessation of hostile activities which are an devastating to the work throughout the Province.

I am also acknowledging your letter of October 25th dealing with our communication of September 1st. In thanking that letter, I am not sure whether or not I used the word "other" or "own" when speaking of the work of the various boards. If that is the way I signed the letter and had no desire to reflect any unkind attitude of the cooperating

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FUKIEN

INDEXED

December 4, 1933

ack - 1/17/34

Mr. Stephen Tsai  
Dr. H. P. Lair  
Miss Elsie M. Priest ✓  
Mr. R. W. McClure ✓  
Mr. W. B. Albertson

Ladies and Gentlemen:

I attach hereto a copy of a memorandum prepared by Dr. A. L. Warnshuis after a series of conferences with banking organizations here in New York on the subject of exchange. For the past year, there has been a very active discussion here in New York as to the relative merits of buying foreign currencies here in New York or leaving purchases to the field treasurers in the various Universities. It is a very difficult and complex subject, with much to be said on both sides.

As yet, the matter has not come up in any formal way before the governing Boards of any of our China Colleges. I am, however, passing along these notes to you in an entirely informal and unofficial way, so as to get your own reactions. While our Boards of Trustees would, for the most part, prefer to handle their local currency remittances through purchases here in New York because of the greater simplification of their accounts which this would permit, we have left such purchases largely in the hands of various field treasurers with the thought that as a general rule they can not only obtain funds more quickly and more easily by that method, but also can, on the average, obtain more advantageous rates than could be secured here in New York. These notes prepared by Dr. Warnshuis would indicate that much is to be said in favor of making these purchases here.

What is your own judgment in the matter? We are all united in the same desire to secure the largest possible amount in local currency for the funds we have available and to get these funds into your hands in whatever way will be most helpful to the efficient operation of our University finances.

It is likely during the coming winter these matters will be actively discussed by at least some of our China Colleges Boards, and I would like very much to have the views of our Field Treasurers ready to present if such discussions do take place.

Very cordially yours,  
*BA. Yarside*

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After several conversations with banking experts, the following notes are offered as a basis on which future discussion may proceed:

1. Is it better to buy foreign exchange in New York or in Asia where the money is to be used.

The comparison of the rate of exchange obtained on a draft sold abroad on a given day with the rate prevailing on the same day in New York which might have been obtained if the exchange had been purchased here is not conclusive proof of any advantage either way. This is due to the fact of the twelve hours difference in time. The rate obtained, for example, in Shanghai on November 15 may be the opening or closing rate, or between the two. The market in New York on November 15 opens a few hours after the Shanghai market has closed. Its opening rate may be the same as Shanghai's closing rate, or it may be higher or lower, and in the course of the day it may change. Even if comparison is made between the average rate of the day in the two markets on November 15, there is still an actual difference of twelve hours. The same is true if the comparison is with the New York average rate on November 14. We live in a day of telegraphic communication, and if comparisons were made at approximately the same moment the basic rates would also be approximately the same in any two markets. There may be slight differences at times due to trade balances or other special circumstances, but these are exceptions to the general rule.

The only real difference between two markets consists in the bankers' commissions. It is stated that in New York these commissions are considerably less than those charged regularly by the banks in the Far East or elsewhere in Asia and Africa. If this is true, then, with basic rates identical, the advantage to the buyer of foreign exchange in New York is manifest.

2. Is it advantageous to contract for options on exchange? If so, for what periods?

If the buyer can be sure that the value of the dollar in foreign exchange will decrease, then of course it is advantageous to obtain an option on future remittances. The rate of exchange of an option is equivalent to the market rate at the time the contract is made plus an interest charge for the period of the contract. The banker, of course, buys at once as much exchange as he sells, and his profits are only his commission plus the interest on the money he advances for the purchase of the exchange that he contracts to sell. In other words, if the buyer is sure that he is in a falling market in terms of the value of the dollar abroad, then he benefits by contracting at the market rate for an option to remit the total amount that he knows he will have to send abroad within a given period, provided the depreciation of the dollar's value exceeds the interest charged in making the contract. Of course, if the tendency of the market is for an increasing value of the dollar, then it is unprofitable to buy a future option. So the decision to buy or not to buy an option depends upon the certainty of the buyer's knowledge of the trend of the market. There are occasions when such certainty is possible, but there is no general rule that can be applied, and the practice must vary according to the changing circumstances governing the money exchange market.

As for periods of time, it is very seldom that the trend of the market can be foreseen for longer periods than thirty or sixty or at most ninety days in advance. So, when options are purchased, it is generally inadvisable to make such contracts for longer periods than ninety days. There have certainly been exceptions to this rule, as in the case of Shanghai exchange in recent years, but they have been exceptions. Who knows now how much longer the value of the Chinese dollar will continue to rise?

Another consideration may be mentioned. In cases where definite obligations are assumed to provide a certain amount of money in foreign currency within a given period, and where it is desirable to know what the amount of that obligation in terms of American dollars is, it can be definitely determined by making a contract with a bank. Of course, if cash is available it would be more profitable to buy at the rate of spot cash, unless the interest on the contract makes a difference. Although mission boards do promise to their missions abroad to provide a certain amount of local currency for the annual budget, these mission boards do not have equal assurance of receiving during the year any definite amount of income. So, even if they did know in the beginning of the year what exact amount of American dollars would be needed to provide the promised local currency, it would not benefit them in any way. The advantage exists only when the income in United States dollars is approximately a fixed amount. In that case, it may be desirable to determine definitely the exact amount of local currency that will be available.

3. Would it be profitable, where practicable, for several buyers to pool their exchange operations?

Such pooling would result in increasing the volume of exchange purchased at any time. The buyer of small amounts naturally receives the open market rates. The buyer of a large amount can shop around and perhaps find a seller who has reasons that make him willing to pay a higher rate. This is the experience of the Associated Mission Treasurers in Shanghai. In other places, where such bargaining is not practiced, the buyer of a large amount may obtain a better rate simply because his purchase is big enough to affect the market, especially, especially if dollars are in demand.

It would seem to be desirable for an Association of Mission Board Treasurers in New York to appoint one of their number through whom they would clear their purchases of exchange each day. It would seem to be a simple matter for all of them to agree that each day, say at 11:00 A.M., or any other fixed hour, they would inform their exchange buyer of the amount of foreign currency they want that day, and let that one man act as agent for all of them.

4. The objection usually made to such a suggestion as that in the preceding paragraph is simply that these Treasurers do not buy much if any exchange in New York. Most of them send dollar drafts abroad, or the mission treasurers draw on the board treasurer as they need funds. The advantage of buying in New York has been discussed in the answer to the first question above. It is evident that this whole discussion really turns on that question of buying in New York or abroad. All the considerations involved in this question have not been mentioned in the answer above, and it seems clear that further discussion of this subject should take up these considerations.

For example, there is a difference of six or eight weeks between buying for spot cash in New York and paying cash to cover the drafts when received from abroad. The board treasurer may not have the cash to buy in New York, and he needs the six or eight weeks time to gather in the money to pay for the drafts sold by the mission treasurer. In this case, it would seem to be a question of whether he could borrow the cash for six or eight weeks at a lower rate of interest than the mission treasurer pays for the same money. For the mission treasurer does pay interest on the money while the draft is in the mails. The bankers in buying and selling drafts quote rates for "telegraphic transfer" and for 30, 60, 75, or 90 days drafts. The difference between these rates is interest on the money while the draft is in the mails.

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There are other considerations to be taken into the reckoning. All the above is admittedly elementary. But these notes are written simply to discover whether we are in agreement regarding some fundamental facts, and, if so, to raise the question whether it may not be desirable to arrange for further discussion of possible plans for a larger measure of cooperation between the mission board treasurers in foreign exchange operations.

A. L. Warnshuis

New York  
November 25, 1933

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CABLE ADDRESS:  
"HSIHO, FOOCHOW"

學大和協建福立私  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.

CODE:  
"MISSIONS"

TREASURER'S OFFICE

FUKIEN

December 12, 1933

ack. 1/15/34 C.G.E.

Mr. C. A. Evans  
150 Fifth Avenue  
New York City, New York

Dear Mr. Evans:

We have your letters of October 25 and November 6. I am sorry you had to make a correction on our report to the State of New York. It was a careless oversight on our part. We have made the necessary entry on our duplicate copy. We are enclosing our trial balance for November, the reconciliation sheet, and a journal voucher. On the reconciliation sheet you will notice three items marked x which should be entered on your books.

See  
"Mission  
Income"  
book  
Miss Craig  
LC  
H. W. W.

The journal voucher indicates three entries which we have now made on our books to bring them up to date on matters of equipment and furniture in the Science Hall. These entries will entirely clear up the unclassified items in these departments. I suppose you should also make entires of these items on your books. Instead of opening separate accounts for each classification, we are simply entering the totals on the credit side and the details on the debit side of the same account. We plan to have a journal entry of this kind at the end of each year, so that our books will show this detailed classification of equipment and furniture, adding each year the new equipment and furniture to the sum of the previous year.

We do not plan any sale of gold for Mex. on the budget account during December.

Please send us \$10.00 in U. S. stamps, as follows, to take care of paying small bills under \$1.00 in America:

Sent to field  
1/15/34  
a/c # 31

50	1¢	stamps	.50	
100	2¢	"	2.00	
50	5¢	"	2.50	
50	10¢	"	5.00	\$10.00

Miss Craig

Please charge the above to our Bookstore account.

The political situation in this province continues to be very baffling, although the indications are that the 19th Route Army and the communists have made a definite alliance. At Yenping we know that the 19th Route Army has taken into its ranks many Red soldiers. The people in Foochow are almost solidly against the new government, and are very apprehensive as to what

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may happen soon, both because of an expected attack from Nanking and because of the Red Menace. Well-to-do Chinese are getting out of Foochow as fast as they can. At present all shipping is dead, except what is being carried on by foreign boats. As foreigners, we have nothing to fear at present, but should Nanking decide to make an air attack, there might be something doing. Except for the alliance with the communists, I would predict that the present government could not stand long, but with that alliance the whole situation is very uncertain. Students are leaving our mission schools in considerable numbers. This, because their parents are afraid that with their past military training they may be drafted into the army. So far, however, we have had only one student to leave the university. You may consider that if you get no cable message from us that we are still plodding along. That is the general attitude which the American Board takes toward us also.

Cordially yours,

*R. W. McClure*

RWM:A

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Fukien Christian University, November 28, 1933

Journal Voucher for distribution of unclassified furniture and equipment accounts as per inventory of June 30, 1932, and including new purchases made between June 30, 1932 and June 30, 1933

*Local Currency*  
Dr. Cr.

Increased valuation as per Inventory of June 30, 1932 . . .

Equipment	6,649.48	6,649.48
Capital		6,649.48

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Distribution of unclassified items to reconcile ledger with 1932 inventory and including 1932-1933 additions

Equipment	83,255.03	
Equipment		
Biology Department	29,347.13	
Chemistry Depart.	31,250.01	
Physics Depart.	22,119.71	
Experimental Psych.	479.62	
Military Training	58.56	
		83,255.03

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Distribution of unclassified items as per inventory of June 30, 1932 and including additions of 1932-1933:

Furniture and Fixtures	49,693.57	
Furniture and Fixtures		
Science Hall Class Room	7,880.09	
Biology Department	3,130.00	
Chemistry Department	13,892.00	
Physics Department	3,040.00	
Dormitory Furniture	6,986.19	
Office Furniture	2,833.27	
Household Furniture	2,139.44	
Fire Equipment	782.21	
Arts Hall Furniture	6,182.87	
Museum Cases	300.00	
Dining Room Furniture	309.40	
Women's Dormitory Furn.	2,218.10	
		49,693.57

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*RAW McClure*  
Treasurer.