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URCHEA ARCHIVES  
COLLEGE FILES  
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Coe, John L. 1945

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Extracts from Letter from  
John Coe

Hua Chung College,  
Hsichow  
January 3, 1945  
L-20

Dear Mr. Lyford:

Your letter of November 20, 1944 (W-50) to Dr. Wei, and yours and Mr. Greiner's of November 22, 1944 (C-8) to me arrived on Monday of this week. The detailed questions in Mr. Greiner's letter to me and the accounts he enclosed, I will go over and answer later. I have gone over W-50 very carefully and discussed the gist of it with Dr. Wei. This was the first clear information which we had received of the change of the method of handling the sustaining fund. As I wrote you in L-16 we had had notice of the payment of the July, August and September sustaining fund in the amount you noted in your letter. This money was received in Hsiakwan late in November and the United Clearing Board paid this at the rate of 100/1. Later I received in Hsiakwan the sum of C\$83,333. marked as from the Associated Boards for October, and C\$167,538.88 as from the same source in November. The later two amounts were not given as equivalent to any amount of US\$. Since your letter came, I am assuming that the October amount is equivalent to US\$607.84 and the November amount equivalent to US\$868.04. (I have already written to Chungking to ask about these two amounts in C\$.) Apparently the process is for the United Clearing Board to pay over these sums to Rev. A.B.Coole, at the Associated Church Treasurers in Chungking who then telegraphs the amount through to our bank account in Hsiakwan. At the present time the only charge on such remittances is a telegraph fee of \$200. I have just had notice from the Bank in Hsiakwan of the receipt of a telegraph remittance to the College of C\$17,966. Whether or not this may be another remittance from the United Clearing Board, I don't know and will have to wait for further advice from Chungking. Also, I still do not know whether the amount I have received at 100/1 for the US\$8,324.39 for the months of July, August and September is the final amount or not. As I understood it, the United Clearing Board was paying a certain rate each month and then at the end of a certain period would go over its entire business and then pay an additional rate if its business should warrant it.

Upon a close reading of your letter it seemed as though we might receive very little more from the sustaining fund during the academic year 1944-45 unless we sent in an application for further funds through Dr. Fenn. I have therefore gone over the financial operations of the College for the five months (August through December) and on the basis of those, have written a letter to Dr. Fenn requesting the United Clearing Board to make a monthly payment to the college of US\$3,000 for the six months of January-June 1945 with the question of the amount of a final payment for the year to be settled when we know the results of the operations for the year. I enclose a copy of my letter to Dr. Fenn. In making this request I tried to stay within what seemed to me to be the spirit of the new policy of U.C.R. This will make a total of slightly less than US\$28,000 for the year from the sustaining fund to be paid before the end of operations, with the possibility that we will need somewhere near the entire US\$32,000 which we originally expected.

It did not seem wise to me to wait until next July or August before making a further request of U.C.R. for the year 1944-45 as that would (if they were to stick to the figures given in your letter of November 22, 1944) mean very little more from the Sustaining Fund until July and then a large payment from them. What I am wondering is how this new policy is affecting the Institutions in Chengtu. If the effect has been somewhat the same as in our

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case, it would seem to me as if U.C.R. would have to do something starting with January of 1945. I will keep you in touch with any further developments along this line.

In discussing your letter with Dr. Wei he asked me to emphasize one point with you. That is in reference to the question of expansion of operations by increasing the number of students or members of the staff. Dr. Wei's point is that even with our increased enrollment up to 210 this fall term and a few additions to the staff, we are still below our pre-war level both in number of students and number of staff. I did not take this point up in my letter to Dr. Fenn as I felt it wiser to let him or the U.C.R. raise this point first, but I do not anticipate any particular difficulty along this line if we keep our requests to them within the limits of what we actually received during the year 1943-44.

*Still about  
further info -  
make about  
this  
C. L. T.*

In making the classification of A, B, C. in the US\$ balance sheet which I drew up in August, 1944, I was following out the results of conversations which I had with Dr. Brank Fulton when he was here in June. There was no increase in the items in class "A" as of August 1, 1944 over August 1, 1943 except in the matter of the sustaining fund, and that slight increase was due to the fact that we actually received more from the sustaining fund than I had counted upon in the first place. I have always understood that any balance in the sustaining fund at the end of a year was applicable for the next year's sustaining fund and was not to be counted a permanent balance of the college.

As I wrote you earlier, the executive committee raised the rate of pay of subsidies to 150% in December. There will probably be another slight increase in January, and then the question of what is to be done in February will have to wait upon what the exchange situation is and also how prices are rising here. It is probable however, that a bonus from the extras from Great Britain will be paid early in February shortly before China New Year. When the full details of this are worked out, I will let you know.

With best wishes,

/s/ John L. Coe

HUA CHUNG (CENTRAL CHINA) COLLEGE

WUCHANG, CHINA

Temporarily in Hsichow

Via Tali, Yunnan, China

Office of the Treasurer

January 4, 1945

Dr. William P. Fenn  
House 106  
Huasipa  
Chengtou, Sze.

Dear Dr. Fenn:

We have received recently word from our Treasurer in New York of the method of handling the Sustaining Fund during the academic year 1944-45. As I understand the information which has come to us, it is necessary to make application through you for further grants. Prices have continued to rise in Hsichow as throughout China, and hence it has been necessary for the College to increase subsidies to its faculty and staff members, and other expenses have also increased. Therefore, the total needs for the operation of the college for the year 1944-45 in Chinese dollars are greatly in excess of the total estimate made in the college budget last March. The estimated income of the college from its regular annual contributions is as follows:

American Church Mission . . . . .	U.S.\$7,000.
American Church Mission, Miss Johnston . . . . .	5,000.
Yale-in-China . . . . .	5,000.
Harvard-Yenching . . . . .	5,000.
Reformed Church Mission, probably . . . . .	2,000.
London Missionary Society, £100. equivalent to. . . . .	400.
Methodist Mission, equivalent to . . . . .	<u>1,000.</u>
	U.S.\$25,400.

This total income is exclusive of foreign salaries. It is slightly in excess of the total for 1943-44. In addition to this, we are certain of regular income from Chinese sources of Chinese \$300,000. So far during the year we have received two grants of £400. each from the British Relief Fund, which were paid over at the official rate of 160 to the pound. We have also received £500. from the United Committee for Christian Colleges in Great Britain, which was paid over at the rate of more than 800 to the pound. So far we have received from the United Clear Board through the Associated Church Treasurers in Chungking a total of U.S. \$9,800.27 for the months of July through November.

The summary of expenditures for the college during the five months August through December is as follows:

Administration . . . . .	N.C.\$702,640.
Operation and Maintenance. . . . .	582,470.
Physical Education . . . . .	20,310.
School of Arts personnel . . . . .	758,750.
School of Arts books and equipment . . . . .	20,206.
School of Education personnel . . . . .	161,960.
School of Education equipment . . . . .	39,030.
School of Science personnel . . . . .	832,323.
School of Science equipment . . . . .	<u>117,560.</u>
	N.C.\$3,235,249.

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Thus deducting from this total of expenditures the Chinese income which has actually been received up-to-date and amounts to N.C.\$120,000, the remaining expenses would amount to approximately U.S. \$25,000, using the rate of 125 which is the average rate received by the college for all money used for the months of August through December inclusive. It would therefore appear that the college expenditure for the current year is running at the rate of U.S.\$5,000 a month. It is planned to distribute a portion of the special gifts to the faculty as a bonus sometime before China New Year. From the way prices have been rising in this part of the country, it would look as though their rise was as fast or possibly faster than exchange has been rising. Hence I would anticipate that the college expenditures would continue at approximately the same rate, U.S. \$5,000 a month. As you will see from our table of income above, a sum of around U.S. \$32,000 for the year would be needed from the Sustaining Fund to cover our needs. This would be approximately the same amount as was actually used by the College in the year 1943-44. Would it be possible for the Associated Boards to make a monthly payment for January through June of U.S.\$3,000 to the College. This with the amount paid through November of U.S.\$9,800.27 would make a total for the year of U.S.\$27,800.27, (assuming that no payments have been made to us in December.) Then at the end of our financial year we would submit a complete report; and if we had a deficit which came under the rules of the United China Relief, that would be met; and if with this scale of payments from the U.C.R. we should have a surplus on our regular income, such surplus would be returned to the U.C.R.

Sincerely yours,

/s/ John L. Coe

Treasurer

JLC/MRC

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Mr. John Greiner, Asst. Treas.,  
Hua Chung College, Trustees,  
281 Fourth Ave., New York.

*Rec'd 3/9/45*

Dear Mr. Greiner,

Thank you for your letter of November 22, 1944 (C-8) with the statements enclosed. It arrived early this month but because of the press of extra work connected with Dr. Wei's illness, I have not gotten around to answering it till now. The statements which you sent are entirely clear and I should think that the US\$783.66 mentioned on page two of your letter should be added to the sustaining fund. If there is any way in which I can make my reports clearer and easier to handle for you people on that end, please let me know and I will do my best to carry ~~that~~ out suggestions from your end.

I note your action in regard to the money in the ACM special China funds. On January 4, 1943, I wrote Mr. Lyford a letter in which I took this matter up. In that letter I enclosed a statement which Mr. Laycock had sent me in 1942. I assume that the sum of US\$10,278.75 which was thus transferred was made up as follows: Allen's voucher <sup>3133</sup> US\$5,500.  
" " <sup>3149-50</sup> 125.

balance from Shanghai account

4,653.75  
10,278.75

The figure of US\$4,653.75 agrees with ~~the~~ my figures <sup>of</sup> the end of 1940, and it would thus appear that you have no record of any of the transactions of 1941 which started in May of that year. I have ~~from~~ <sup>from</sup> either letters from Mr. Laycock ~~or~~ <sup>from</sup> slips issued by him a complete record of such transactions through from May to November in 1941. I will summarize them as follows:

	Dr. US\$.	Cr. US\$.
balance Dec. 31, 1940.		4,653.75
May 19, 1941. from J.L. Coe special a/c		500.00
June 14, 1941. from J.L. Coe <del>SCF</del> SCF a/c		214.25
June 14, 1941. from Dr. F.C.M. Wei, discretionary fund		935.38
June 14, 1941. " Dr. F.C.M. Wei, special		20.00
July 28, 1941. from J.L. Coe, salary and vac. all.		223.73
Sept. 12, 1941. " L.H. Roots		348.58
Oct. 23, 1941. to H. H. Roots.	244.00	
Nov. 20, 1941. to Hengkong	500.00	
	<u>744.00</u>	
	6151.69 ✓	
	<u>6895.69</u>	
balance		6,895.69

*241.94  
744 -  
1497.84  
1236.14  
131.80*

The balance of 6151.69 can be reconciled with the figure shown in my balance sheet of Aug. 1, 1942 of US\$5,889.89 as follows:

balance shown above	6151.69
less remittance of Sept. 1941.	<u>500.00</u>
	5651.69
plus amount carried in Hankow SCF	<u>238.20</u>
	5889.89

However I think that the whole matter had best wait till records from Shanghai and Hankow are available, and think that your method of carrying US\$1,236.14 as receivable from G.W. Laycock as the best ~~method~~ for the present.

I enclose a letter to Mr. Lyford on the latest developments in regard to the sustaining fund.

The mail service between here and Kunming seems to be getting worse than ever. On Saturday we had the first mail in a week from Kunming, and the latest letter was one posted on the fourth of January. It would look as though the mail were new coming by horse from Kunming.

*Yours sincerely,  
John L. Coe*

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Hua Chung College, Hsichow, January 22, 1945  
L-21-L

Mr. Oliver S. Lyford,  
54 Dana Place,  
Englewood, New Jersey

*Copy for Mr. Lyford  
Subject to typographical corrections*

Dear Mr. Lyford:

On January 3, 1945 I wrote you (L-20) in reply to your C-8 and W-50 in regard to what information we had here about the new method of handling the sustaining fund. I also enclosed copy of my letter to Dr. Fenn upon that subject. Within the last two days I have received additional information which I am now passing on to you. In that letter I said that I had received the July, August, and September amounts from the United Clearing Board at 100/1. Also I said I had received C\$83,333. marked as from the Associated Boards for October and C\$167,538.88 from the same source for November. After receiving your letter of November 20, 1944, I made the assumption that C\$83,333. for October corresponded with US\$607.84 mentioned in your letter, and C\$167,538.88 corresponded with US\$868.04 mentioned in your letter. Now the information I have just received leaves July, Aug. and Sept. as before; it merely says C\$83,333. for October is from United China Relief October appropriation. The big change is that it now accounts for the C\$167,538.88 as additional for July, Aug., and Sept. Originally those months were paid at the rate of 100/1 and then in November an additional 12.50/1 was paid on July, 20.40/1 on August, and 28/20/1 on September. Thus it would seem that we have received the July, August, September, and October payments as mentioned in your letter of Nov. 20. but have not received the November payment of US\$868.04 which you wrote of.

Further we have received C\$18,166.00 (I mentioned this in my last letter as being C\$17,966, not reckoning the T/T fee of C\$200 which had been deducted) marked as from ABCCC Nov. basic, Oct. Nov. Inflation.

Then on Saturday evening I received notice from the Bank of China in Hsiakwan, saying that C\$2,228,000. had been received there for our account telegraphed from Chengtu. Probably this sum has come from the treasurer's office of the joint universities there, and it may represent a further distribution from the Associated Boards. As soon as I have further information about this, I will let you know. This has evidently crossed my letter to Dr. Fenn in which I asked for US\$3,000 per month for this year from the Associated Boards. When Fenn's reply to my letter and the explanation in regard to this remittance arrive, doubtless the whole matter will be cleared up. My guess is that a further distribution from the sustaining fund was made by the United Clearing Board early this month, and this is our share of such distribution.

When Bishop Hall was here, I talked over the question of exchange and got a little additional information. In late November or early December the United Clearing Board was asking 350/1. However evidently they had set the rate too high, as later in December they dropped their asking rate to 300/1. Bishop Hall was also under the impression that United China Relief was for a time only paying its grants at 60% of exchange (that is if the rate was 300/1, they were paying 180/1); the remainder to be left in a pool to be used where needed most for projects under United China Relief. This was the first I had heard of that, and it may be for certain projects only.

I am sorry not to be able to give you more definite information just now and will keep you posted on any new developments. In any case, I have enough funds on hand now to carry me through well into the spring, and it would look as though the college would receive enough from the Associated Boards to carry it through the year without difficulty.

Within the last two weeks I have received an additional C\$150,000 plus from the student campaign committee. They will probably wind up their accounts very soon, and as soon as they have done so, I will send you a complete account.

The executive committee is planning to meet on Next Monday the 29th to discuss the matter of subsidies starting with February.

Dr. Wei is making progress with his convalescence and has been getting around more. The

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doctors now allow him to be up for half a day, and so far his getting around has not done him any harm but good. Dr. Hwang is carrying on the duties of the President's office very well.

Yours sincerely,

/signed/ John L. Coo.

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February 2, 1945

Mr. John L. Coe  
Hua Chung College  
Hsichow, via Tali  
Yunnan, China

My dear John:

Your very interesting letter of November 16th came some time ago. It was not only a real joy and pleasure to hear from you again but it in many ways is the most revealing letter that we have had from China in a long time. The letter arrived just before the meeting of the Executive Committee of Hua Chung Board of Founders and gave us more encouragement in our deliberations regarding Dr. Wei than almost any other information. You would be surprised at the great concern not only of the Board of Founders but of everybody who has ever met Dr. Wei. Everybody concedes that he is the most outstanding man and leader in Christian education in China and everything should be done that is possible to aid in his recovery of full health and strength. I hope that you will use your influence in trying to persuade him to take the trip to India. A real change and complete relaxation ought to be the best thing in the world for him.

I was mighty glad to have your comments and remarks about various individuals on the faculty. Mr. Lyford and I are both very sorry about Sidney. He is one of the finest students that I have ever had. It is a crime of the first magnitude that he ever became tied to that young lady. Strange, she was very charming when here in New York prior to their return. One would never have guessed that she would be the source of so much trouble. Still, not even Sidney could realize the primitive conditions under which you are carrying on at Hsichow. I hope that your return to Wuchang will not be too far delayed and that the change may make a great difference in Sidney's situation. I like him awfully well and would hate to see him have to leave the college.

I am glad that you can be such a help to Dr. Wei and that the situation you referred to is gradually clearing up. I know there must be many times when you feel like throwing up the sponge, but I sincerely hope that you never will. You are needed almost as much as Francis so

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Mr. John L. Coe - p 2

keep up the good work. Words seem to be a very meager way to express the appreciation that we all have for the way you and Dr. Wei and the whole faculty at the college have carried on during these very difficult years. Had any of you known that it was going to last so long things probably would have folded up back in '38. Now with the new road from India open and the general military situation improving it ought not to be too long before you get back to central China. I bet you wish that you could take the Yunnan climate back to Wuchang with you. From all reports that has been the one redeeming feature of your existence.

I hope that you have completely shaken off your attacks of malaria and that both you and Mary are enjoying good health. I have a gentleman waiting to see me so I will have to ring off. I hope that you will write again before too long.

With very best wishes and kind regards to you all,

As ever yours,

J. Earl Fowler

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# HUA CHUNG COLLEGE

(Central China College)

WUCHANG, CHINA

Temporarily located at  
HSICHOW, VIA TALI, YUNNAN

## CO-OPERATING BOARDS

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LONDON MISSIONARY SOCIETY  
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54 Dana Place, Englewood, N. J.  
J. EARL FOWLER, *Acting Associate Secretary*  
281 Fourth Ave., New York 10, N. Y.

John Greiner, *Asst. Treas.*  
281 4th Ave New York 10 NY

February 5, 1945

Mrs. Mary Richards  
1036 East Ohio Street  
Indianapolis, 2, Indiana

My dear Mrs. Richards:

At the request of Mr. John Coe, I am sending you  
our check for \$100.00.

I am very happy to have the privilege of acting  
as agent in serving our friends in China.

Sincerely yours,

*J. Greiner*  
Assistant Treasurer

JG:L  
enc.

Dear Mrs. Richards:

You will note that I sent this letter to the above  
address which was given to me in Mr. Coe's letter. This  
was sent on Feb. 5th. and returned to-day Feb. 12th. in  
it's original envelope marked opened by mistake and "Return  
to Sender, not at this address" I am now sending it to  
the Hotel Sheraton hoping it will reach you.

*J. Greiner*

2/17/45

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Mr. Oliver S. Lyford,  
54 Dana Place,  
Englewood, New Jersey

L-22

Hua Chung College, Hsichow  
February 7, 1945.

*Copy for Mr. Lyford  
Subject to typographical correction*

Dear Mr. Lyford,

On January 3rd I wrote you at length (L-20) in regard to what I was writing to Dr. Fenn in regard to the grant from the Associated Boards and enclose copy of my letter to Dr. Fenn for your information. A couple of days ago I received a letter from Miss Priest, Treasurer of the University of Nanking, and acting as Treasurer for the joint Universities in Chengtu, in which she said Dr. Fenn had not returned to Chengtu. She sent me all the information which she had available as to the way UCR is handling matters with the Associated Boards in China at the present time.

On December 18th the UCR office in Chungking sent word to Chengtu requesting estimated total amount needed by the colleges for January-October 1945. UCR replied to Miss Priest that on December 29 they were making a grant for the year Octo. 1, 1944 to September 30, 1945 of a basic grant of C\$70,000,000. plus inflation grant to \$125,000,000. That is 1/12 of C\$70,000,000 will be paid monthly plus an additional grant based upon the cost of living index. This was 2 1/8% for October and 15% for November. So much for the general scheme.

The letter went on to say that according to the list left by Dr. Fenn the basic grant for Hua Chung was to be C\$1,000,000. It would thus appear that we would be receiving this monthly as soon as things are cleared up, and also something on the inflation. Also Miss Priest said they were ready to receive additional requests if we should find this grant insufficient to meet our needs.

What bothers me in this is the fact that Hua Chung's proportion of the total basic grant has been sharply cut. In 1943-44 our grant from the Associated Boards was set at US\$32,000 out of a total somewhere around US\$960,000. In other words our proportion of the total amounted to approximately 1/30 or 3 1/3%. Also in the division of some of the funds which have come from the British Aid to China Fund we have received 4%. Thus up to the present time it would look as though we had been receiving as a rule between 3% and 4% of the sums given to the colleges. Under the proposed scheme for 1944-45 it would seem that the proportion Hua Chung is to receive is 1/70 or 1 1/4%. I will take this matter up with the people in Chengtu but failing the return of Dr. Fenn it does not look as if there is anyone to handle the matter there. Would you take the matter up with the people in New York. Because of certain other information which I will give below, there is a fair chance that we can get through this year to August on this basis but another year it would leave us very much in difficulties. As soon as the term is over I will work out figures for the first term and send a letter to Chengtu and a copy to you. I wonder why our porportion of the funds should be cut in half.

I have also received the information that the Advisory Committee for the British United Aid to China Fund has sent us a special donation of C\$1,988,000. In addition to this they have made us a regular grant of C\$240,000. for the month of January. Both of these sums have been received in Hsiakwan. Miss Priest also informed me that there is a tentative promise that the regular grant from the British United Aid to China Fund may be made monthly for the next six months on the same basis and our share of this would be C\$240,000 per month.

With this special grant of C\$1,988,000. plus the probability of the monthly grant I think that we may be able to just about get along for the next six months but the situation will be serious for us when the effects of this special grant and the additional from the British United Aid to China fund drops off. I now estimate that our expenses for the first six months (August thru January) will be about C\$4,000,000. Our expenses on the basis of the subsidy increase made for February will be about C\$6,000,000 for the next six months February thru July, without allowing for a possible increase because of the increasing prices.

Dr. Wei has been in Tali since Monday and I will send this letter off with the one which he is sending after he has seen it.

I might also point out that during the past several years the proportion of our expenses charged to the sustaining fund to our total expenses has run somewhere between forty and fifty percent. If the proposed change should continue, the amount to be realized from the UCR would be somewhere near 25% of our total estimated

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Mr. Oliver S. Lyford

L-22

Hua Chung College, Hsichow  
February 7, 1945.

expenses of C\$10,000,000 to C\$12,000,000 for the period Octo. 1, 1944 to Oct. 1, 1945.

Yours sincerely,

/signed/ John L. Coo x

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# The Sheraton



Feb 16, 1945

ON THE CHARLES AT 91 BAY STATE ROAD BOSTON  
NEWTON L. SMITH, MANAGER

Mr. John Greiner  
Asst. Treasurer

CHECK NEVER  
CASHED

J.H. Cameron  
11/13/53

Dear Mr. Greiner:

This check is as perplexing to me as to yourself. I know of no Mary Richards since my daughter of that name married John Coe ten years ago. I know of no relatives or friends of theirs in Indianapolis, Indiana. Whether, in the rush, John Coe gave the wrong name for the address - I should not know; but it isn't like him.

So I return the Check to you, with your letter; perhaps a

OTHER SHERATON HOTELS - NEW YORK, PROVIDENCE, SPRINGFIELD, WASHINGTON

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Further word will reach  
you from John - later

Sincerely yours,

Angeline A. Richards  
(Mrs Alburd.)

Feb 16<sup>th</sup> 45

1945

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Hua Chung College  
Hsiehow  
Feb. 16, 1945.

Miss E. M. Priest, Treasurer  
University of Nanking, Chengtu

Dear Miss Priest:

Thank you for your letters of January 15th and January 22, which arrived a few days ago. I delayed answering your letters until I could give you the final figures for the term just past. I am enclosing receipts for the \$1,988,000. and the \$240,000. which you sent to Hsiakwan. The information which you sent in your letter of January 22nd was very valuable to us and we are grateful for it. Mail service in this part of the country has been so poor lately that we feel more out of things than ever.

To date we have received nothing from the grant for relief to the college group out of the C\$22,000,000 which you mention on the second page of your letter.

I give below our results for the first term 1944-45, August through January.

Expenditures		Receipts	
Administration	\$788,176.	Local sources	160,640.
Operation and Main.	829,577.	British Aid to China	126,680.
Phy.Ed. & Mi. Training	20,292.	L 500.	437,041.75
Arte-Personnel	915,432.	ABCCC-July, Aug. Sept.	
Books, etc.	27,306.	US\$8,324.39	999,967.88
Education-Personnel	201,800.	ABCCC-UCR Oct.	
Books, etc.	44,734.	Oct.Nov. inflation	101,499.00
Science-Personnel	971,169.	US\$16,300.	2,135,159.37
Equipment, etc.	162,502.		<u>\$3,960,988.</u>
	<u>\$3,960,988.</u>		

I have included in the above the income actually received from the ABCCC or the UCR through to the end of January and any payments for the balance of 1944 or January 1945 will of course be included in our estimated income for the second term. Also because of the fact that we were not notified of the change of plan of paying ABCCC money and the slowness with which it reached us (the amounts for July, Aug. Sept. only were received in Hsiakwan late in November) it was necessary for me to go ahead with the sale of US\$ through Mr. Allen in Kunming. Also because of local conditions here we felt it wise to lay in a fairly large supply of rice and walnut oil for faculty use at harvest season in November. This entailed the selling of US\$ in October and early November in order to cover these purchases. The money will come back to the college as these things are sold off to the faculty but it meant selling US\$ earlier than would otherwise have been necessary and thus we were not able to secure as favorable a rate as we would have been able to secure later.

I estimate the college income for the next six months as follows:

Balance of regular mission grants US\$25,500 less US\$16,300.	\$1,600,000.
Special Gift from British Aid to China Fund	1,988,000.
From local sources	160,000.
Regular grant from British Aid to China Fund	240,000.
Six months from British Aid to China Fund (possible)	1,440,000.
UCR thru ABCCC (10 mos. basic less amount already received)	731,831.
	<u>\$6,159,831.</u>
Inflation grant from UCR ????? Possibly	1,000,000.
	<u>\$7,159,831.</u>

Out of this total \$2,440,000 is still not certain but I feel is possible. Probably when this letter reaches Chengtu you will have a better idea about the two items and their certainty than I have here in Hsiehow.

I estimate that our expenses for the month of February will run to about \$1,000,000. Provided prices rose no higher we would thus seem to be able to carry to through but it is still too soon after New Year's to know how much the New Year jump in prices is. From our past experience there is usually a considerable jump right after New Year's and then another jump late

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in April or early in May. The loss to the college through having to sell exchange early in order to purchase rice and oil, will be to a considerable extent balanced by the saving in subsidies which otherwise would have been needed if it were necessary to for the faculty to buy rice and oil at street prices.

In reference to our payments from UCR the situation is as follows:

I have received from Rev. A. B. Coole in Chungking the following to apply on the year from the first of October,

Nov. 11	From UCR October appropriation	\$85,333.
Dec. 21	From ABCCC Nov. basis Oct. Nov. inflation	18,166.

According to the information in your letter the Basic grant for Hua Chung for the year Oct. 1, 1944 to Sept. 30, 1945 was C\$1,000,000. That would accord with the figures for the amount sent us for October but does not explain the figure for Nov. basis Oct. Nov. inflation. Within the last few days we received a letter from Lennig Sweet (or rather a form letter with the amount filled in) saying that upon instructions from UCR in New York they were paying appropriations for the first quarter (October-December) at the full inflation amount and that they were therefore sending us the balance due to us for the quarter. They said that the total due to us for that quarter was \$250,000 in the "inflation column". As I understood from your letter to me that amount of C\$1,000,000 or \$250,000 per quarter was basic for us, and that we should receive this plus an amount for inflation. I wonder if the universities in Chengtu are having similar results. I hesitate to write direct to Mr. Sweet about this as I understand that such matters should clear through the ABCCC representative in China. I am sending all of this information on to you. In case Dr. Fenn has returned or someone else is acting for him in Chengtu or Chungking will you please pass this information on to him. On the basis of our expenditures running at the rate of C\$1,000,000 for February we would need to finish the year if prices should not increase a minimum of C\$6,000,000 but allowing for a price rise we would probably need somewhere between C\$7,000,000 and C\$8,000,000 for the term.

Thank you again for all the information you sent me,.

With best wishes,

Yours sincerely,

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Mr. Oliver S. Lyford  
54 Dana Place  
Englewood, N. J.

Bear Mr. Lyford:

Last week I enclosed a note with Dr. Wei's in which I said that the matter of the US\$500. advanced to the Lo's last spring had been settled here. I also said that Dr. Lo had given me the equivalent of US\$67. Will you please send this \$67.00 to Mrs. Lo, in case my note L-23 has not already reached you.

Since I wrote that note, I have completed going over the accounts for the first term of the academic year 1944-45. I have written a letter to Miss Priest, Treasurer of the University of Nanking, and acting as joint treasurer for the five institutions in Chengtu. I enclose a copy of my letter to Miss Priest. This information I have sent her is to be passed on to the representative of the Associated Boards in China when there is one in Chengtu or Chungking.

As you will see from my letter to Miss Priest the total income, including all possibilities which I know of at the present time, for next term is slightly over C\$7,000,000. Deducting the two possibilities totalling \$2,440,000. we are certain of C\$4,759,831. However I have hopes that the two possibilities will come through. In case the inflation grant from the UCR should fail for the present, I think that we will be able to present a strong case to have any deficit, incurred through the fact that it did not come, covered by UCR. I estimate that we will need as a minimum for the term (February thru July) C\$6,000,000. and if prices should continue to soar it might run to between seven and eight million. Through the slowness of communications and notification from the Associated Boards we have certainly suffered because if I had received the remittance for the July-Sept. money from them earlier, or been notified of it, I would not have made some sales through Allen but could have held them off till later when I would have been able to secure a higher rate. Then this large gift from the British United Aid to China fund (C\$1,988,000) arrived the middle of last month unexpectedly, and so I have more funds on hand than I need for the moment but they will all be used during the term. From the way things are going at present I do not expect to have to sell much exchange for several months, provided the possible grants come through.

Dr. Wei and I have begun the problem of thinking over the budget for the coming year and our results will be sent you as soon as completed. My present picture of the situation is about as follows: For the year 1944-45 we will use probably a bit over \$10,000,000. To cover this our income might be summarized as follows:

Regular sources from Co-operating units.	\$3,735,000.
Local sources	320,000.
From British Aid to China	4,231,000.
United China Relief	(1,840,000. min.)2,840,000.max.

The last two figures may be subject to change but give the picture pretty much as it looks at the moment.

For next year if prices continue their rise, I would estimate that it would cost somewhere between C\$20,000,000. and C\$25,000,000. to carry on the college as at present. The figure which the people in Chengtu are using at present for figuring exchange for the future is 300 to 1. Assuming our income from regular sources the same as during the current year US\$25,400, that would give us C\$7,620,000. or a little less than 40% of my estimate for next year, on the basis of C\$20,000,000 total. This is about the same proportion that has held for several years. Allowing that local sources would bring in at least C\$380,000. that would leave C\$12,000,000. to be found. This would look like a huge increase to ask from the Associated Boards when one compares the probable figures for this year. But when taking up matters with them, it should be pointed out that 1944-45 is unusual in that we have received large gifts from England (totalling perhaps over C\$4,000,000) of which there is no promise of their recurrence next year. Thus if we were to put together the amount from UCR and British Aid to China for 1944-45 we would reach a total of more than C\$6,000,000. I also feel that when the UCR went on the new

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Feb. 19, 1945.L-24

basis with the Associated Boards, our share there was cut rather heavily because we were conservative in our budget figures made a year ago. If it had not been for these nonrecurring gifts from Great Britain we would have faced a heavy deficit to be made up by UCR. Also my preliminary figures for next year (1945-46) make it look as though we would need to be in the picture with the Associated Boards to about the same extent we were in 1943-44, and would have been in 1944-45 except for the reason given above. What I have been saying in regard to next year is pure speculation on my part, and I am giving you the results of it. There is the chance that before you have received this letter I will have received additional information here which will change the picture. I have the feeling that if we can count on finally in the neighborhood of US\$30,000 from the Associated Boards we will be able to carry through 1945-46. Unless Fenn returns to Chengtu or someone else takes his place there, I am afraid that all of the colleges are going to face more difficulties in dealing with UCR, which apparently is going to do more and more of its business directly on the field rather than through the New York offices.

It is still too soon after the New Year to tell how much prices have jumped over the New Year, as the last market was a very small one with few people doing business.

The biggest problem in handling this matter of subsidies is to see that the money gets where it is most needed. At the present time I feel that there are five or six families which are fairly hard pressed most of the time. Another half dozen families are none too well off, while the remainder of the faculty are fairly well off. Every time that subsidies are raised everyone expects his proportionate share whether or not he is in need of it, so that you can see the difficulties involved, especially when the majority of the members of the Executive committee pro-tem are deciding upon the amounts that they themselves should receive.

We are looking forward to a visit from Bishop Gilman who should be arriving any day now. He wrote us he planned to leave Kunming shortly after China New Year (the 13th) and make a long visit here. Transportation along the road is none too easy and so he may have been delayed a few days.

With best wishes,

Yours sincerely,

(signed) John L. Coe

Dr. Wei continues to gain in health and strength and seems much more like his old self. He is expecting to resume part time duties next month.

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Letter C-9  
March 19, 1945

Dear Mr. Coe:-

Last week's mail brought us your L-22 and, today, your L-21 and L-21-G. Our last letter to you was C-8, dated Nov. 22, 1944, so it is high time we write and answer your letters L-16, L-17, L-18, L-20, L-21, L-21G and L-22.

L-16 The payments to Mr. Harold Millier, Mrs. Thomas M. Croates, Mrs. Henry R. Calvin and Mr. Bernard Selkin were sent as per your request soon after the receipt of your letter. Up to this time neither the Rev. James Andrews or Miss Elsie Schorten have contacted me to make the payments you requested. In this letter, you mentioned about the payments received from the campaign put on by the Yunnan students. We are waiting advice from you as to the final results and how the funds were used or are to be used.

L-17 The check for \$200 was sent to Mrs. Lo and a check for \$100 to Mrs. Mary Richards at 1036 East Ohio St., Indianapolis 2, Indiana. This check was returned in its envelope marked "Return to sender, not at this address" Not knowing where else to send it, I mailed it to Mrs. Coe's mother, hoping she could help us in directing it to the proper place. She wrote me that she knew of no Mary Richards except her daughter, your wife. Both Jim Whitney and Mr. Lyford were unable to help me to locate the person. I will have to do as your mother-in-law suggested and that is "wait for further word from John." Please advise.

L-18 We sent the payment to the Rev. G. A. Sutherland on Feb. 5th which he acknowledged stating that it had been credited to the hospital.

L-19 In this letter you wrote about Dr. Wei's illness. We were happy to hear in later letters of the great improvement and hope that he will continue to get stronger and be restored to good health.

L-20 With reference to the Sustaining Fund balance shown on your US balance sheet, Mr. Lyford did not remember that he raised any question regarding the use of these balances as he knew that you both had the same understanding and that was that the balance be applied to the next year's operation.

L-21-G Thank you for the reconciliation of the ACM-Special China Fund account of the College. This statement will be a great help when the time comes to make adjustments in these special China accounts. I note that you will carry the \$783.66 mentioned in my C-8 in the Sustaining fund balance in your U.S. balance sheet.

L-22 Mr. Lyford will answer your letters in which you write about the developments in regard to the sustaining fund. If the mail service between the College and Kunming gets any worse, you will be getting our mail in shorter time. Probably by this time, it has improved.

On January 25th I received a letter from Dr. Wei, dated Nov. 28, 1944. The letters enclosed were forwarded as requested. He wrote about the publishing of his account of the celebration of the 20th anniversary of the College in Forth. I wrote to Dr. Sherman asking him if he would write Dr. Wei in connection with this suggestion. He told me he would write Dr. Wei stating that it had been published in the October issue and that he would be looking forward to Miss Margaret Bleakley's article. Hua Chung College will also be featured among the projects of the Reconstruction Fund which will be publicized this year.

I also received today, Allen's statements for the year 1944. If we do not know what he is doing with the finances over there, it surely is not his fault as that man sure gives us plenty of detail. It really is remarkable how he, you and your wives are able to cover so much ground, meaning work, under such trying conditions. I also had a very interesting letter from Bishop Tsu since he is back with Allen.

We have received many interesting letters from the Philippines and before long, the great majority will be back in the States. I have an idea from the way they write, that

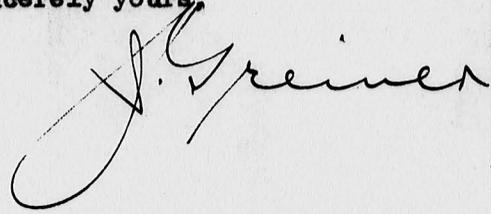
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(Letter C-9  
March 19, 1945)

it will take a long time before many of them will have regained their health. I will assure you that yours truly will not be loafing when they do get back because it is going to take a lot of work to get their finances straightened out after three years internment.

Enclosed is a trial balance of our books as of March 15, 1945. I think this statement and the explanations will give you the complete information regarding the college accounts on our books. Thank you for your co-operation and willingness to send us additional information of your records. I see no reason at this time to make any changes until conditions have changed.

Sincerely yours,



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March 21, 1945

Dear Mr. Coe:

No doubt you have been wondering why there have been no letters from me or Mr. Greiner since my C-8 of Nov. 22, '44. There is no adequate reason although my wife would say that I have been overworked and certainly this is true of Greiner. Every time a letter is to be written to you, one should sit down quietly and redigest all the letters which have been received since the last letter was written and all the events which have a bearing on your problems. It is hard to do this in the midst of other pressing matters, and the longer the delay the harder the job becomes.

The favorable developments in the war come along very fast and I feel sure that the end of the fiercest fighting in Germany will be over by the time this reaches you. Not long thereafter the same will be true in the war with Japan, although in each case the final surrender will probably be long delayed. The minds of the people of the U.S. are turned towards the future and most of the war talk is about the Yalta Conference in Crimea, the Dumbarton Oaks preliminary plan for post-war controls and the meeting which is to occur in San Francisco on April 26th when the Dumbarton plans will be crystalized. Recently we have had some very sane reports about conditions in China and it is my personal belief that a compromise will be effected before long under which the internal friction in China will be greatly reduced and the armies of China, U.S.A. and Britain will be fighting together. I understand that at present there is much friction between the Chinese and the American troops. This is quite natural but I hope it will grow less as they get better acquainted. As Pearl Buck said recently, "For the first time in history Chinese men in the raw are brought into close contact with Americans in the raw."

The physical and political reconstruction of the World will be, in many ways, more serious than the finish of the war. It will be the greatest opportunity in history, for the application of Christ's philosophy and spirit. In fact I can see no possibility of a lasting peace unless men and women who are really Christians take the lead. We have a number of such men and women in this country who have come to the front recently, such as John Foster Dulles, a great corporation lawyer and one of our outstanding Christian statesmen. The debates which are going on in many circles are bringing out other strong Christian men and women.

I feel very strongly that Dr. Wei's presence here during the next year will be a great help to Christian leaders of this country as well as to Hua Chung College and to himself. We all realize how hard it will be for the college to get along without him and what a responsibility will be loaded onto Dr. Hwang, and yourself, and the other members of the Executive Committee Pro-tem, but I hope you will be uplifted by the vision of the ultimate gain to the College which will result.

I have written to Dr. Wei at some length today about this proposed trip.

Now I must get down to the operating details in which you and Mr. Tan-gen-i, at your end, and John Greiner and I at this end are so much interested.

We have received your letters L-19,20,21 (2), and 22, also the copy of Miss Priest's letter to you. Also we have Dr. Wei's letter N.Y. 99 of February 2. Your letter L-20 was copied at once and a copy sent to Mr. Evans of the Associated Boards with a copy of your letter to Dr. Fenn. After my investigation of last November I thought everything was set for smooth operation of the U.C.R. plan of procedure. Apparently there have been misunderstandings all along the line, for which Dr. Fenn was not available to clear up. I have prepared for my ~~own~~ clarification and for you an outline of my present ~~own~~ understanding of the setup in the United China Relief. I enclose a copy herewith. I hope this memorandum on the "modus operandi" will be of use to you. We understand that Dr. Fenn is back in Chengtu now and we hope he can now devote as much time as necessary to the interests of the Christian colleges.

I cannot discover why your proportion of the total sustaining fund of the current year is less than before. Apparently Dr. Fenn is the only one who can straighten this out. I surmise that it came about because, in your budget letter of March 14, 1944 to him, you mentioned only N.C. \$1,000,000 as the additional amount you would probably need to carry through the next academic year, whereas the other college treasurers probably asked for much more. Anyway I am sure that there is no intention to arbitrarily reduce the sustaining fund for Hua Chung. On the contrary there has always been a tendency to favor our college as is illustrated, a way, by the liberal grant from the British United Aid to China Fund.

This plan which the U.C.R. has adopted for handling the sustaining fund practically cuts me off from a close contact with its operations, as I have no direct connection

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Mr. John L. Coe, Treasurer, Hua Chung College - page 2 - letter C-10 March 21, 1945  
with the U.C.R. and have deliberately kept away from it because the problems are too complicated for my old head. I am sure, however, that eventually Hua Chung will be taken care of as well as any one of the agencies which U.C.R. is helping and that your needs for 1944-45 will be met without drawing on your reserves. In the meantime the moneys in the Joint Account and the Reserve Account are available for you to draw upon through Arthur Allen or any other channel which you may think better.

Concerning the votes at the special meeting of the Ex. Comm. Pro-tem on January 8, 1945, it is the general attitude of the Trustees to support any distribution of available funds which your Ex. Comm. shall vote for, which comes within the limit of funds available for the year. Therefore, I am sure that these votes will be approved at the next meeting. If the total for 1944-45 may exceed N.C. \$12,000,000 we should know this in advance.

If the rate of exchange rises fast enough to fairly approximate the rise in the cost of living in Hsichow, I do not anticipate much trouble for you beyond the serious lack of the good things of life which already exists and which you all have had to put up with, so sacrificially, for so long a time. According to the experience in Germany after the last war (when the value of the previously existing currency disappeared) we may expect some difficulty in providing you with sufficient purchasing power for short times, but eventually there will be a new Chinese currency definitely tied to the American dollar and then our problem will be fairly easy. Anyhow, whatever happens you can be sure that the Trustees will see that you all are cared for to the greatest extent possible.

For the present we shall have to depend upon you to make contact with Dr. Fenn or his successor at Chengtu or Chunking and get straightened out with the United Clearing Board, cabling me if you need additional help. I cabled you along this line on March 19.

I hope your budget for 1945-46 will be submitted to Dr. Fenn soon, with a copy to me. I hope that in your explanation you will have made clear that it contemplates the same personnel and the same activities as in 1944-45 with the exception of such changes as are specifically mentioned and that you are looking to the U.C.R. to provide only the additional amount of Chinese currency necessary to meet the increasing cost of living. You should not be expected to guess as to the rate of this increase. Somebody in U.C.R. should do the forecasting.

Mr. Griner is covering the financial details in his letter which accompanies this.

Yours very sincerely,

*Oliver S. Tyfeg*

P.S. You may think your letters are important because they have so much to do with sustaining life, but Mrs. Coe's letters are more important because they deal with life itself. I am fortunate in having quite a collection of copies of her letters to others.

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C O P Y

L-25

Hua Chung College  
Hsichow  
April 4, 1945.

Mr. Oliver S. Lyford  
54 Dana Place  
Englewood, New Jersey

Dear Mr. Lyford,

Since I wrote you in L-24 (Feb. 19, 1945) I have had a remittance from Chengtu, of C\$1276,000. This is divided as three months regular grant from the British Aid to China fund @ 240,000. per month or \$720,000 and \$556,000 a special gift from London. I have also received a telegraphic remittance of \$333,000 from Chungking, but so far no explanation has come of what the money is for. I will let you know any further information which I receive about gifts to colleges.

Will you please send a check for US\$15 to Mrs. Joyce Fan, 507 Iowa Ave., Iowa City, Iowa. This represents payments for some music which was sent out to the college.

The past couple of weeks I have been busy working on the proposed budget for next year and Dr. Wei cabled you a week ago in reference to it. The total has considerably increased over my preliminary estimate in my letter of Feb. 19. However when I was making my preliminary estimate at the time, I was basing the question of subsidies upon the scale prevailing then. Since then we have seen a considerable rise in prices, more than was really to have been expected right then. As a result the executive committee voted to recommend the increase in subsidies for the first of May. However long this increase will be good for is a question but there is no question in my mind but that it will be necessary to make a very considerable increase not later than September when the rice which the college is selling to the faculty will be exhausted, and it will be a matter of the faculty having to pay much more for their rice. I therefore finally decided that the wisest thing to do in working on the budget for next year was to take the proposed scale of May 1945 as a base and work out everything on the basis. That gave me the total of C\$17,606,500 plus US\$4150. Then instead of merely throwing in a figure by guesswork as to the probable need for increase of subsidies during the year, I added a figure which would double the scale of subsidies which I had earlier used. No one can tell at this time whether this will be enough, more than enough or not enough. Also I am none too certain that the non-salary items will be sufficient, but I have done the best I could. In many ways I feel that the budget being presented at this time is a much more realistic budget than those presented the last two years, when we made a budget based on prices at the moment and then added a relatively small sum for increase of subsidies hoping mistakenly that the prices would not continue to rise so rapidly. Thus for 1943-44 we presented a budget of C\$1,227,000 and actually spent C\$3,379,000. For 1944-45 we presented a budget of around C\$4,500,000 and will spend between C\$11,000,000 and C\$12,000,000. This error on the side of underestimation for this year would have put us into considerable difficulties had it not been for the large gifts from Great Britain. When Dr. Wei writes to Chengtu in presenting this budget, I hope he will emphasize those points.

One thing which distressed me greatly when it came to the matter of making the budget was the fact that the people concerned with the making of the various parts of the budget in the finance committees of the various schools seemed to have very little idea of cutting down on the personnel which they wished to ask for. As far as possible I carried out their wishes in compiling the figures and totals. At the meetings of the executive committee there was considerable discussion of this point and an explanation given in each case. However after all the discussion I did not feel that the college was, in a war year, justified in asking for as much of an increase of staff as they wished to ask for. I therefore on the final vote on the budget asked that my vote be recorded as in the negative. I trust that you will understand my attitude in this matter and realize that there was an honest difference of opinion between myself and the rest of the committee and that there have been no hard feelings engendered over it.

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C O P Y

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Dr. Wei resumed full duties at the beginning of March and has been carrying on in good style, but does seem to tire a bit more easily than formerly. He has had the two cables from the United States about the matter of going to the United States, but is waiting for further details by letter before making up his mind, but I think that he is favorably inclined to the idea.

Bishop Gilman is still here with us, and we are very glad to have him. He will stay on for several months more at least till it is possible for him to get further along on his road than Kunning. Last night he had a letter from Hankow giving some details of the destruction of mission property there several months ago. Apparently nearly a clean sweep was made of the mission property on the Hankow side of the river except for a couple of places. There has not been any recent word of Wuchang so we don't know how things are faring there. However it would be too optimistic to hope that there will be much left there for us to go back to.

Prices after their big jump early in March seem to have settled down for the moment and slacked off slightly. There were several outside factors which contributed to the big jump in rice price, and I think that one of these factors is not operating for the moment, so that rice is now selling at around \$720-\$730 where once it had gotten over \$800. Fortunately I laid a good supply of charcoal at the power plant in January when the price was down and that will help out. Our limited supply of gasoline, laid in during 1941, which we have to use in getting the plant started, is nearing exhaustion at the present moment and so it will be a matter of using 95% alcohol for the starting. The Chemistry department is rebuilding their still and will work on the local spirits which run from 40% to 50% and turn it out for us. Just now Mr. Tan is laying in a fair stock of the local spirits for the purpose. Mr. Tam has also had a rather busy time of it this winter in getting rents fixed. Many of the landlords came to terms fairly easily, but one or two of them are still haggling over matters.

With best wishes,

Yours sincerely,

(signed ) John L. Coe

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Hsichow, April 5, 1945

Rec'd May 9

Dear Mr. Lyford:

Just a line to say that the "stenographer-boarding house keeper" is still with the college in Hsichow. I manage to get in some letters for Dr. Wei, but as they have to be sandwiched in between cooking, cleaning, darning, -- and last week even threatened watercarrying as a further occupation -- I must say Dr. Wei's work gets little more than "a lick and a promise." We are a family of five now with Miss Burr, Miss Langford, and Bishop Gilman -- and so it takes considerable "running" and even more "doing" to get them all fed and off to engagements, etc. The servant problem is ever with us, as at home in America, but when the watercarrier and washwoman go on strike, it is like running a house in the good old "Covered Wagon Days!"

A sudden hot spell over Easter has reduced three of my family to the invalid class in "their middle kingdoms" -- John succumbing last night -- and so this morning, amidst trying to type out budgets for John (he did as much as he could) and taking dictation for Dr. Wei, I had to arrange special diets for the sick and exhort the cook as far as I dared (beyond a certain point he goes into a kind of insane rage that leaves me in doubt as to what he will do next) to please keep flies off the food, be sure to cook vegetables and meat thoroughly -- and would he please clean this-and-that. The U.S. Army seemed to be in dire need of stenographers, and so finally in a state of indecision and agitation as to what was the right thing to do, I went up to Kunning to find out how great was the need. Dr. Wei was not pleased -- and neither John nor I looked forward to the separation. The need is certainly there, although at first enquiry it was not obvious, and so I decided to "fight the war" as usual out on the Hsichow front -- on the assumption that the army, in spite of what it says, can get stenogs out from the States easier than I can find anyone, man, woman, or child, to take over the daily work of keeping my house in Hsichow going. It is most fortunate that not all the women in America turn their backs thus on the war effort. Actually, I think most of the westerners and leading Chinese here in the college work harder than most members of the U.S. Army, except for those men who are actually doing the fighting -- except that most of us have our families with us here, which is the important thing after all.

Hsichow is not too much fun for anyone, westerners or Chinese, much of the time -- although we do have good times frequently. Bishop Gilman is a joy and an inspiration to have with us -- he does innumerable odd jobs, and is always most cheerful -- he has his radio with him, so that we keep about as up-to-the-hour as you do in America. Few outside guests come to us now, and we do miss them a lot -- they helped us feel not-too-far-away from the war and the men who are fighting it.

With best wishes,

Sincerely,

/signed/ MARY COE

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C O P Y

L-26

Hua Chung College  
Hsichow  
May 1, 1945

Mr. Oliver S. Lyford  
54 Dana Place  
Englewood, New Jersey

Dear Mr. Lyford,

The Yunnan students after a long period finally have nearly wound up their campaign. Up to date the net proceeds deposited with me amount to C\$1,030,849. I have converted this into US\$ at various times as it has come in and the equivalent amount on my books is US\$7,294. This should be invested as was the Holmes money for scholarships for Yunnan students. There is a possibility that there may be a little more coming in on this account but I do not expect very much.

The other day I received a letter from Dr. Fenn. He was back in Chengtu early in April and hoped to be back there more regularly in May. I quote you the following paragraph from his letter: "This is really a note to say that I've seen your letters to Miss Priest and have talked things over with her. We both feel that Hua Chung is in a very strong position financially and that you have little to worry about. In your case I shall go so far as to say that, in view of your record and sound budgets, I can come very close to promising you help in balancing accounts if you do run short."

Mr. Greiner's letter of March 19, 1945 (C-9) together with the balance sheet was received here late last week, I do not believe that there is much in that letter which requires comment. In reference to the check for \$100 to which he refers in the third paragraph of his letter I will make inquiries and let him know.

As Dr. Wei has already written and cabled Dr. Sherman, he has decided to accept the invitation from Union Theological Seminary for the next academic year. He has already begun to make preparations for his trip. Dr. Bien accepted the nomination for acting president before Dr. Wei sent word to Dr. Sherman. In certain ways Dr. Hwang was the logical man for the post, but Dr. Hwang stated very emphatically that he was unwilling to take it on for a year as would be involved in this case.

After the steep rise in prices in March, they have remained a bit steadier during April though there is little hope that they will not continue on the upward swing. Until the war in this part of the world is much nearer its conclusion and China is more open for trade, there would seem to be a little hope of any sort of stabilization in this country, and we can only hope that the rise will not run away with itself. In terms of US\$ our prices are better today than they were a year ago.

Since writing the above I have received letter, dated April 13, from Miss Priest, joint treasurer of the five universities in Chengtu. She informs us that UCR has made a faculty aid grant to the various colleges and that our share for the six months October 1944-March 1945 amounts to C\$216,250. Also that for the next quarter will be somewhat larger than the above. I have consulted with Dr. Wei about this, and our plan to be brought up to the executive committee next week is to distribute the bulk of this as a commodity grant to the faculty sometime before the end of May. We are making an estimate of the quarter April-June in order to do this and think we have figured fairly closely. The amount for the Oct.-March period has already been received in Hsiakwan.

Miss Priest also went on to say that late in March or early in April she and Dr. Fenn prepared a statement for the Associated Boards without waiting for the individual budgets for the various institutions. She said that in preparing these figures that they were estimating an increase of approximately four times the actual needs of this year.

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C O P Y

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Thus if the figures which I sent Miss Priest in February were used for her estimate for our needs for 1946, it would look as though the figure sent in for us would have been in the neighborhood of C\$40,000,000. Certainly if prices should continue to follow their present tendency here, that would be none too large. Prices in Kunming are tending to run away with themselves, and I am afraid that we may ere long be seriously affected by the conditions there as transportation along the road becomes easier.

With best wished,

Yours sincerely,

(signed) John L. Coe.

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Dear Mr. Coe:

My last letter to you was my C-10 of March 21. In that I reported the receipt of your letters L-19, 20, 21 and 22. On March 28 I received your L-24 with copy of letter of February 16 to Mrs. Priest. I have not received your letter L-23 which I suppose related to the payment of \$67 to Mrs. Lo. I have now received your L-25 which accompanied Dr. Wei's No. NY101.

During the last month, many conferences have occurred between representatives of the Associated Boards and the United China Relief relative to the sustaining funds provided and to be provided for the Christian Colleges. A number of letters and cables have passed between New York and Chungking. I am fairly well advised about these negotiations but still do not see that a good working basis has been established. I do not know what money you have received through that channel since your letter of February 16 to Miss Priest and I have seen no evidence that the misunderstanding regarding the provision for inflation in year 1944-45 budget has been corrected.

It seems to me that your letter to Miss Priest shows clearly that you know what you are about and that your operating costs for the year ending July 31 will be at least N.C. \$11,000,000 instead of N.C. 4,455,000 which the U.C.R. has been using, but, as yet, I have not seen any revision of the old figures by the Coordinating Committee. Therefore I am recommending in my cablegram of today that you visit Chungking at once and convince the Coordinating Committee of the warrant for your figures and the immediate need for more sustaining funds. Aside from the additional U.S. \$5,000 voted by the National Council I see no probability of any appreciable increase in the grants from our regular <sup>services</sup>. On the other hand, it is quite possible that exchange will rise considerably above the rate of 300 to 1 which you used as an average in your proposed budget for 1945-46. Certainly the average will be at least 400 to 1 and I shall not be surprised if it goes above 600 to 1. The Chinese Government are doing everything possible to keep the rise in exchange far below the rise in the living index, and I hope they will be successful to a degree, but it was reported at the meeting yesterday that the living index is now 1350 and is rising rapidly. As the value of local currency decreases, the tendency to quickly get rid of it naturally increases and it is sacrificed for anything that has a continuing value. The most certain value is in the U.S. currency. This was true before the surrender of Germany and will be all the more certain now. I would not be at all surprised to see U.S. Exchange rise to about the same figure as the living index, at which point the U.S. dollar would have substantially the same purchasing power in tangible goods as before the war. Then, when Japan is defeated, China will be well set for foreign trade, irrespective of the value of the Chinese unit of currency. All of this is probably familiar to you, but I am stating it simply to indicate that average exchange rates of 400 to 1 or even 600 to 1 are well within the range of possibilities for 1945-46.

Obviously as exchange goes up, the income from our regular sources becomes increasingly effective and less will be required from the U.C.R. If the U.C.R. would allocate for you for 1944-45 and 1945-46 the same amount in U.S. currency as in 1943-44, I believe your budgets would balance. This the U.C.R. probably will not do specifically but any need that you can have up to the equivalent of the U.S. funds of 1943-44, I think they could provide.

I think you will run into trouble when you show an increase of personnel from 48 in 1944-45 to 60. I judge from your letter L-25 that you feel the same as I do about this. The inequality of teaching loads obviously must be corrected but only if funds are available to sustain the larger personnel. Also they probably will want to know whether you are providing any better manner of living for the new college year than for the last 2 years. I have assumed that although the living conditions are far below normal, you are assuming that they must continue on that basis until the war is over.

One cause of confusion is the differing budget years. Our college year ends July 31. In most of the other colleges, the year ends June 30th. The U.C.R. year ends September 30. I hope you can agree with the others on some way to avoid this confusion.

I am sorry to load this procedure onto you, but it obviously cannot be handled at both ends simultaneously and the U.C.R. have definitely decided that the needs and wants of the respective agencies must be equalled in China and I think they are right. However, if you will keep me advised of the results of your negotiations and call for specific help when you need it, I will plunge in at any time. I am fairly serene in the assurance that your estimated budget of N.C. \$32,000,000 for 1945-46 will be covered. Your detailed budget is very clear and I am sure it will be approved by the Executive Committee at its next meeting.

There is considerable uncertainty as to how the U.C.R. will function after 1946. The duration of the war with Japan will largely determine this, but much thought is being given by the Associated Boards to the alternative possibilities. Of all the agencies which are now

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Mr. John L. Coe, Treas. Hua Chung College, - page 2 - Letter C-11 May 14, 1945  
being assisted by the U.C.R., the Christian Colleges have the first priority. Obviously we shall watch the developments closely in the interest of Hua Chung.

Referring further to the proportion of U.C.R. payments received by the respective colleges, the proportion voted by the Program Committee in March was as follows:

	<u>Percent</u>		<u>Percent</u>
Cheeloo	5	Fukien	10
Gruling	7	Hangchow	1
Nanking	21	Hua Chung	4
West China	22	Hwa Nan	4
Yenching	10	Lingnan	11
	<u>65</u>	Shanghai	2
		Goochow	3
			<u>35</u>

Miss Priest protested this division and asked that the first group, being those colleges now located at Chengtu, be given 75% and the remaining 7 colleges be given only 25%. Her request was granted for the present. What that will mean to Hua Chung I do not know. If its quota is reduced proportionately it will be only about 2.85 per cent of the total for all colleges.

I note with interest the efforts which you and Mr. Tan are making to insure sufficient supplies of rice, charcoal etc. which must be appreciated by all. Tell Mr. Tan that it looks suspicious for him to be laying in a stock of spirits.

In accordance with first paragraph of your L-25 we have paid \$67 to Mrs. Lo. Her large hospital expenses and other financial burdens have used up the fund of \$3,000 which we advanced to her and she is in difficult circumstances financially. She has been asked to write a book and in other ways expected to be earning money long before this, but the shortage of household help and the necessary care of the two children have thus far prevented her from doing anything but household work. I have asked her to make a budget for the next six months and indicate what she will need from outside sources. Then I shall see what we can do to cover this need.

The annual meeting of the Associated Boards occurred this week and the reports and discussions showed the usual active interest and care by all concerned. The surrender of the Germans was announced just as the meeting began on May 7 and caused conflicting emotions, as no doubt it did in China. The stoppage of fighting in Europe lifted a great burden of fear for our young men but made everyone more conscious of the tremendous job of reconversion and restoration.

Mrs. Coe's vivid note of April 5th, as usual gave us the highlights and the low and will be circulated with the important general paragraphs of your letter and that of Dr. Wei.

Yours very sincerely,

Oliver S. Lyford

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C O P Y

Hua Chung College, Hsichow  
May 23, 1945 L-27

Mr. Oliver S. Lyford  
54 Dana Place  
Englewood, New Jersey

Dear Mr. Lyford,

Thankyou for your letter of March 21, 1945(C-10). In the light of recent letters from Chengtu I feel that the question of the sustaining fund and allied matter has been fairly well cleared up. Dr. Wei is quoting to you what we feel is the most important paragraph in the letter from Miss Priest so I will not repeat that here. As far as I can make out in sending in estimates to the Associated Boards and thus ultimately to UCR, Dr. Fenn and Miss Priest did not attempt to send in detailed budgets for each institution but sent in figures for each institution of somewhere between three and a half to four time of their estimated expenditure for the year 1944-45. I believe each institution was treated in the same manner, Miss Priest told me that the total for all 12 institutions amounted to approximately \$800,000,000. Thus the amount asked for Hua Chung, including our regular income, of between \$35,000,000, and \$40,000,000 would be in line with our former proportion. Then Miss Priest said that if inflation should continue, she and Dr. Fenn are reserving the right to make supplementary requests and we are sure to come in for a proportion of those.

This problem of attempting to make an estimate in March of the expenditure for the following year Aug.-July is not at all easy. This year we attempted to hit it at about three times this year and the people in Chengtu used a little higher ratio, but if inflation should continue as it seems to be doing at the present time there is no telling what may be needed.

Exchange is slowly working up and I have heard that UCB was offering to sell at 490 late in April. I have not heard how fast they were able to sell at that rate.

My present guess is that with the recent increase for June and July we will just about get through on the twelve million for the current year. Prices have gone up more rapidly in proportion this Spring than they have other springs which threw out my estimate of Feb. of between 10 and 11 million for the year.

Charcoal and sugar have gone up considerably in the last few weeks. Rice has also climbed but the climbing of the rice price does not affect the faculty directly as long as the college has the rice of fall to sell, which should last through September.

It was certainly good news that the war in Europe was over and we all realize that there is still a long road to travel before Japan is also knocked out. Also the tremendous amount of cleaning up and readjusting that must be done in Europe before normal conditions can return makes one realize that the task is far from over.

We are all very much interested in the progress of the conference at San Francisco. Dr. Wei is going ahead with preparations for his trip to the States. I am very glad that he is having the trip and think that it will do both him and the college a lot of good. Dr. Bien is showing a very good spirit in preparing to take over from Dr. Wei and it certainly looks as though he were the best man for the job.

With best wishes,  
Yours sincerely,  
(signed) John L. Coe

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Mr. Cliver S. Lyford,  
54 Dana Place,  
Englewood, New Jersey.

8 copies to be made  
Mail copies as follows:  
- 1 - Sherman ✓ Associated Board  
- 1 - Guinan ✓ 1/2 - Yehon China  
- 1 - Fowler ✓  
- 1 - Benson ✓  
- 1 - Seelbach ✓

Hua Chung College,  
Hsichow,  
July 6, 1945.

L-28.

Received Aug 12

Dear Mr. Lyford,

Dr. Wei is hoping to leave here tomorrow or at the latest early next week, and we all hope that he will have a safe speedy journey. He is looking forward very much to the trip and has wound up his work here and turned over the presidency to Dr. Bien.

During the past couple of months prices have risen alarmingly here, having in some cases more than doubled since the end of March. Rice, which was selling for around \$300-\$900 in March early in June was selling for over \$2500. Since then it has dropped back slightly, and if prospects of a good crop continue may hold fairly steady. When the budget was drawn up in March, we were not making allowances for such a sharp increase as has happened. For the past month Dr. Wei and I have been much concerned over this situation and how to meet the question of the increase in subsidies, which will be necessary when the present stock office is exhausted. Dr. Wei, Dr. Bien and myself met last Monday to go into the situation and drew up a program which seems flexible enough to meet whatever conditions we may meet in the price of rice when it comes time to purchase it for the next winter and spring. Dr. Wei is hoping to be with you in time to explain and answer questions upon this plan. I am enclosing a copy of the plan as worked out by the three of us. It is our feeling that it will be necessary to carry on subsidies in somewhat this way. As I have said in the explanation of the scheme, it will fill the needs of all except a few large families on the college faculty and no scheme except a plan of payment based simply and only on the number of mouths in a family, <sup>would be satisfactory for them.</sup> During these difficult times such a scheme would be ideal, but Dr. Wei will be able to explain why such a plan would not work with the college faculty, particularly where a large number of them have either no families or small ones and only a few have large families. The present subsidy scheme is a compromise between various possibilities, and while not perfect, works as well as could be hoped for. To unsettle it and put in a wholly new scheme would only cause confusion and misunderstanding among the faculty at a time when Dr. Bien is taking over.

This of course contemplates an expenditure in C\$ far in excess of our estimates in March. This year I estimate that our total expenditure will run somewhere around \$12,000,000. During most of next year we are faced with a rice cost of at least six times, and possibly more, of the cost of rice during the past year with other prices up in a somewhat lesser proportion, so an estimate now of a total cost in excess of C\$60,000,000 is not surprising. A short time ago I had a letter from Dr. Fern dated the 29th or May, in which he said that he was now back on a full time basis with the Associated Boards. He says: "I believe that we are going to be able to meet next year's legitimate needs. I see no reason for supposing that British grants will be substantially less than they have been this past year - except perhaps in the case of individual institutions which have been unusually favored, in which case of course adjustments will be made - and I am confident that UCR will support us as liberally as it has this year. My requests to UCR are based on an anticipated increase of between 300% and 400% in next year's budgets over this year's. And I believe they will be accepted as sound."

I am writing to Fern about our recent price increases here and feel fairly sure that he will be able to make out a good case for us with UCR. He also says that there is a good chance of his being able to make a trip to Hua Chung sometime in the fall.

In talking this whole matter over with Dr. Wei, the idea is that he will clear the matter with you and the executive committee of the Board of Founders, and then the executive committee here will work within the framework as drawn up, probably keeping you informed of the price of rice by cable. Then if conditions should change here materially so that a radical change in the proposals should be necessary, ~~then~~ Dr. Bien will either write or cable for permission to make the change.

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Mr. C.S. Lyford, July 6, 1945 L-28 page 2.

If income from relief sources should not be sufficient and exchange should not rise sufficiently it may be necessary to dip into the reserve to cover this but we ~~see~~<sup>xxx</sup> feel ~~that~~ it will be necessary to ~~make~~ increases at least according to the proposed scheme in order to carry through.

I plan to start work next week on the matter of a financial report for the year and will get it away as soon as possible after the first of August.

We have received further funds for faculty aid from the UOR. From these funds we are making an extra distribution of 105% of the basic next week as a special commodity grant to the faculty.

We have a number of visitors here off and on. They come in bunches with a couple of weeks with no one at all and then several days with one or two each day.

Dr. Bien took over as acting President on the first of this month and seems to be taking hold of things in good style.

With best wishes,

Yours sincerely,

*John L. Lee*

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proposed method of handling the matter of increase of subsidy necessary in October when the college supply of rice purchased in December 1944 will be exhausted. [3]

Dr. Wei, Dr. Bien and Mr. Coe met on Monday afternoon, July 2, 1945, to discuss this matter. The results of this meeting have been announced to no one else in Hsichow, and it is not expected that they will be discussed with others until a meeting of the executive committee pro-tem which will be held sometime in September. However in the light of the fact that Dr. Wei was leaving very soon it was felt wisest to attempt to lay out some sort of a program of possibilities.

The college purchased rice in December 1944 and walnut oil in November and December 1944. These have been sold at cost to the college faculty and staff. The rice has been sold at the rate of \$320 per shen (the ~~amount~~ average amount needed by a person per month is 2 1/2 shen or a total cost per person of \$800). Walnut oil has been sold at \$200 per catty (the amount sold per person has been 1 1/2 catties per month at a cost of \$300. *for the total*)

The rice will be exhausted at the end of September and the walnut oil at the end of November. Early in June the rice price on the local market went to \$2500 per shen and has since dropped to around \$2,000 per shen. How it will vary during the next few months is hard to say. Oil has risen to over \$1,000 per catty.

It is proposed to again buy rice and oil for the college community to last through the summer of 1946. The rice harvest is during November, and the best time to purchase is late November and early December. It is proposed that during October, ~~and~~ November, and December ~~1945~~ the faculty purchase their own rice. During this period (from our experience of the past two or three years) the price of rice has been fairly steady, and the steep rise has usually not occurred till sometime in January shortly before China New Year.

At the present time the faculty and staff are paid on the basis of a certain percentage of a basic salary and subsidy scheme adopted in May 1944. In what follows, this will be referred to as the basic.

According to the action of the executive committee pro-tem in May 1945, it was recommended that beginning with August 1945 ~~that~~ the payments of salaries and subsidies be five times the basic. If prices should not jump alarmingly between now and the first of October, it should be possible to pay for the months of ~~September and~~ August and September at the rate of five times the basic. It is not possible at the present time to estimate what will happen to the price of rice between now and October, and so the recommendation is being made that *the proposition* will be presented to the Executive committee pro-tem on the basis of rice price *in September!* ~~that~~ the basic be multiplied by a factor worked out according to the following plan: if the price of rice should be in the neighborhood of \$2,000 per shen, then for the month of October ~~that~~ salaries and subsidies be paid at a rate of 8 times the basic. For every shift of \$250 per shen from \$2,000 per shen in the price of rice, then the factor be increased (for an increase) by 1/2 times the basic or decreased (for a decrease in the price of rice) by 1/2 times the basic. Further it is expected that when new oil comes to be sold by the college, a further increase will be necessary. Then if prices should follow somewhat the same pattern as during the current year, further increases will be necessary later in the academic year.

If the price of rice should be \$2,000 during the period October through December when the college is laying in its supply and the price of walnut oil around \$1,200 per catty, it would look as though salaries and subsidies would have to be paid at the following multiples of the basic during the academic year 1945-46.

August	5 x basic.	Assuming the basic at C\$360,000 and multiplying	
September	5 x basic.	this by 115.5 xx totals of	
October	8 x basic		C\$41,580,000.
November	8 x basic	to this add 50% for other expenses	20,790,000.
December	9 x basic	total	<u>C\$ 62,370,000.</u>
January	9 x basic		
February	9 x basic		
March	11 x basic	the figure of 50% is based on the experience of the	
April	11 x basic	past year and it should be remembered that this includes such	
May	13 1/2 x basic	faculty services, as educational, rentals, and medical.	
June	13 1/2 x basic		
July	13 1/2 x basic		
total	115 1/2 x basic.		

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Conference of July 2, 1945 page 2.

[4]

Then if rice should be \$2,250 instead of \$2,000 per shen the figures as given in the example above would be increased by 1/2 for the ten months October-July.

10 times 1/2 would equal five; and five x \$360,000 (basic) would be \$1,800,000.

increase due to increase of \$250 in cost of rice.

add 50%  
900,000.  

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2,700,000.

As far as we could see by considering various cases among the faculty, such a program as this would be sufficient, and perhaps more than sufficient, for the greater part of the faculty and staff. Four to six families might be somewhat tight on the this scheme, and it might be necessary to consider other ways and means of helping them through. During the last six months rice has been going up at a slightly faster rate than many other things. This program will probably be all right if rice does not go above \$3,000 per shen in October-December. Should it go much above that, the suggested increase in the basic might better come as 1/2 times the basic for each \$200 increase in the price of rice above \$3,000 per shen.

Hatchow  
July 6, 1945.

John L. Coe

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38 Poyang Road  
Hankow, Hupeh,  
China  
Friday June 7, 1945  
L-50

Received in Lakeville, Conn.  
Monday, June 24

Mr. Oliver S. Lyford  
54 Dana Place  
Englewood, New Jersey, U.S.A.

Dear Mr. Lyford:

The second party arrived a week ago Thursday evening, May 30, after a long trip down from Changsha by boat. People seemed well though somewhat tired from the long trip. Dr. Hwang, as leader of the second party, appears to have done a good job, and he and his assistants all deserve the thanks of the college. Mr. T'an Jen-i stayed in Changsha with his family, and only this week did he send down his accounts. The trucking company was unable to supply enough trucks when the second party were in Kutsing, so one truck load of freight is coming along a bit later. Two of our more reliable students are traveling on that truck. Unfortunately the truck turned over at a point about 290 kilos east of Kweiyang. The two students, according to report, received some injuries, but we believe not too serious. The students were making arrangements for the college freight, some of which broke out of the boxes, to be repacked, and they hoped to be on their way again shortly after June 1. The accident occurred on the 22nd of May. We are anxiously awaiting further word of them.

I have just had a most encouraging letter from Dr. Wm. P. Fenn in regard to faculty rehabilitation. He has sent full instructions in regard to this rehabilitation. A total grant of \$2,000,000 is being sent us, one-third immediately, the second one-third some time in the summer, and the last third some time in September. They have adopted a scheme of a basic grant depending upon rank and length of service, which varies from \$200,000 for an assistant with short service to \$400,000 for a professor whose service has been more than eight years. It is designed so that the first two payments should be used to pay this basic grant. The third payment is to cover a payment of \$40,000 for each dependent. Dr. Bien is a bit disturbed that the amount of this grant is not larger because of the present level of prices. He is investigating the report that government universities have been paying a rehabilitation grant of from \$250,000 to \$350,000 per faculty member, based upon rank. It is our feeling that when we receive instructions from the government in regard to the grant of \$100,000,000 which the government sent to Hsiakwan (and which we are making efforts to get hold of at the earliest opportunity), the government will say that rehabilitation grants should be made to the faculty from this sum. Dr. Bien has written to Dr. Fenn, asking what the other Christian colleges are doing and suggesting that our faculty should receive an addition to the grant coming from Shanghai with this grant coming from the Ministry of Education. I believe he will refer this matter to the Board of Directors, which is scheduled to meet on the 15th of June.

Dr. Fenn also has made an additional grant to us for our moving expenses. As I wrote you earlier, the total Miss Priest notified us to expect was \$48,274,000. Of this, \$45,000,000 had already been sent. Dr. Fenn is now sending us an additional \$12,000,000, making a total of \$57,000,000.

I have just received Mr. T'an's accounts for his party and have not completed the analysis of them. Also there is the above-mentioned freight truck which will be coming in later, and an extra half tone of freight will be coming even later. Therefore it may be some time before I will be able to do the complete accounts. My estimate is that the total will come right around \$60,000,000. Included in this sum will be a figure for the board of the men students who worked on the freight

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1945  
June 7, 1945

trucks. This may total somewhere around \$2,000,000. From correspondence from Dr. Wei I gather that somewhere around US \$2,000 has been raised by him for assisting students on the trip back. My present feeling is that the cost of our moving in excess of the \$57,000,000 should be charged to these funds which should be more than sufficient. I do not anticipate asking Dr. Fenn for an additional appropriation for our moving.

The problem which is most perplexing and urgent is that of faculty salaries. Dr. Bien has been discussing the matter with me. A meeting of the Board of Directors is being called for a week from Saturday, the 15th, primarily to discuss this question. As Dr. Bien wrote Dr. Wei earlier, it is his feeling that we should try to approximate as nearly as possible the scale paid in the government universities. But with the rapidly rising prices here even that scale is somewhat behind the rate of increase. I have also mentioned this matter to Dr. Fenn, and he says he is asking UCR to increase their grants to the colleges, as all face the same problem. The inflation seems to be gaining ground again, and one wonders just where things are heading. If exchange should begin to follow the recent rise in prices, the college would be able to make out, but if exchange lags too far behind, we will face a serious situation.

As I wrote you in my last letter, the purchase of a piece of property between the Practice School property and the City Wall property has been completed. We paid \$40,000 per fang for a total of 73 fang. The total cost, including middlemen's fees, is about \$3,000,000. This property will be suitable for residences, and the negotiations had been practically completed before I got here. The price per fang is less than the price of the earlier property purchases, which was \$55,000 per fang.

Recently we were offered a small piece of property near the Boone Compound, and after looking it over, Dr. Bien and I decided that the price was far too high, and we turned it down. We are trying to push negotiations for the Chekiang Guild property. If this comes in, the two smaller pieces adjoining it can be purchased without much difficulty. It is our opinion that we should not pay a long price for these two smaller pieces until we are able to secure the larger piece, as a higher price for the smaller places will automatically mean more for the larger. Also, if we fail to secure the larger piece, the two smaller pieces are not essential to us. Property inside the city tends to be pretty expensive at the moment. As you doubtless remember, the Board of Founders in 1937 authorized the completion of the land between the roads outside the city. Most of this was purchased, and there are a number of fields and ruins in a village which were not secured at that time. I am having investigated the possibility of purchasing these, and for the overall development of the college feel this is more important than some pieces inside the city. I will keep you informed of developments.

Will you please send a check to the American Physical Society, C/o Geo. B. Pegram, Treas., Columbia University, for US \$10.14, indicating that this is to pay the balance due by Dr. Richard P. Bien for his dues to the Society for the year 1946, plus additional for foreign subscription to the Physical Review.

Dr. John C. F. Lo is leaving very shortly for Shanghai on his way to the States. I am settling up with him for his salary to the end of July. He showed me a letter of April 6 from Dr. Arthur M. Sherman, outlining his sabbatical leave arrangements. I have written to Mr. Pickens, authorizing him to advance

0945

June 7, 1946

any money necessary for Dr. Lo's passage from Shanghai. Further, Dr. Lo asked if it would be possible to have an advance of US \$100 on his allowance in the States. I have authorized Mr. Pickens to make this advance if Dr. Lo requests it. It is my understanding with Dr. Lo that if such an advance is made, he will repay it to you. As I understand the arrangements for his sabbatical leave, travel across the Pacific is provided, a living allowance of US \$1500 is granted him (if he should obtain a teaching position which pays more than this, he would not draw the allowance, and I understand that a teaching allowance at Franklin and Marshall has been secured for him), and his salary and subsidies will continue here as before. All of this was outlined in Dr. Sherman's letter to him.

With best wishes,

Yours sincerely,

/s/ John L. Coe

JLC/MRC

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0946

Hua Chung College, Hsichow, via Tali, Yunnan. July 20, 1945

Dear Mr. Lyford: Enclosed is the Annual Report to Harvard-Yenching and a list of the Chinese Dept. instructors and courses. A budget should also be enclosed, but although John insists he typed enough copies, a spare one cannot be found at the moment, and John thinks you will not care much anyway! Professor Elisseeff is being sent report with budget and instructors and courses by the same mail. Since Dr. Wei left on the 7th I took to housecleaning in a rather strenuous fashion, as I have no one to sweep, beat rugs, wash floors, and dust -- the last girl we inveigled to work for us went off with so much of our ~~stuff~~ stuff that the police were willing to search her house and found enough of our this-and-that to put the girl in jail. However, she is out on bail now, it seems unlikely that anything more will be done with her, and actually very little of what our household lost has been retrieved. So with that sad experience, we now take our two-foot local straw brooms and do our own floors, etc. Bishop Gilman, who has finished fixing the leaks in our study roof (so we hope), used the ladders to clean the roof beams all over the house -- and so we really are cleaner than we have been for many a year. BUT, typing reports, etc. has suffered in consequence. Dr. Wei's own annual report, the first copy, was being sent by him from Kunming; and a second copy, with the dean's reports and statistics, will get off when I just get one more report done!

Your cable of enquiry as to how Dr. Wei was progressing in his effort towards an air passage to the States came in day before yesterday. Dr. Hwang P'u will take the cable to Kunming when he leaves here next Monday; it will get there much sooner than if we tried to relay it through the cable office or mails. Our mails are painfully slow from Kunming these days, and frequently arrive soaking wet. *We know nothing about Dr. Wei here in Hsichow.*

Hsichow has had very little real rain. We have had dragon processions, and we have moved the Third Son of the Dragon King over to his Papa's Temple across town-- and we have put the market in odd spots outside town; and so far we have had only one day of hard rain! That Rain Dragon is just very slow to wake up this year. However, the rice seems to be coming along all right.

John says he will enclose the Harvard-Yenching Budget in his next mail to you. He wants to type out another copy now, but I am adamant. He is enjoying his July attack of malaria, and although it is light, I am sure he is better off lying down. I hope you will forgive him and me.

We see little outside company these days. The road up from Hsiakwan is simply horrible, although an assortment of vehicles do get through. Br. Gilman was just saying that he and John could do with another copy of "Time." The mails, or rather the lack of them and their slowness, bother the Bishop considerably, and I fear he will leave us by the end of August. It is not going to be easy to part with him.

We await the arrival of Miss Wheeler of the London Missionary Society, Chamberlayne of the English Methodists, and Hood an English Presbyterian. We know little about Hood, and not so much about Chamberlayne except that he is permanent for the college and is six feet seven! Br. G. is wondering what he will do about a bed, as none of our lumber is more than 6 feet long. Dr. Wei left the housing problem on our hands pretty much, and it begins to look like a squeeze. The servant problem adds infinitely to our difficulties, and our Hunch servants here feel overworked all the time. There are three foreign "messes" (as the Chinese love to call them now)-- but no one of them can take more than a certain number of boarders without constant servant uprisings, etc. Miss Wheeler will go into Miss Bleakley's apartment, and the hostel servant (a Hunch man) I think will be willing to give <sup>her</sup> a helping hand. Chamberlayne starts out with the Pinoffs, and Hood starts out with the Father Wood-Misses Couche and Bienkinson "Mess". We could board another, but housing would be a problem in our "humble mat shed."

Now off to the Post Office.

With best wishes from us both,

Sincerely yours,

Mary Coe

Received by Mrs. Lyford

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COPY

Hua Chung College, Hsichow,  
July 21, 1945. L-29

Mr. Oliver S. Lyford,  
54 Dana Place,  
Englewood, New Jersey.

Dear Mr. Lyford,

I am enclosing herewith the 61st and 62nd meetings of the Executive Committee Pro-tem which Dr. Bien has asked me to send to you.

Dr. Wei left here two weeks ago. Such is the present state of the mails between here and Kunming we so far have had no word from him since he reached Kunming. A very discouraging letter came in from Fenn about the possibilities of his getting air priority and we have no idea of what progress he may be making along that line. Your cable of the thirteenth asking what progress he was making along that line has been received here. Dr. Hwang is leaving on Monday to go to Kunming to conduct entrance examinations and he will take a copy of it with him to give to Dr. Wei in case Dr. Wei is still in Kunming. Will you please send Mrs. C.F. Lo a check for US\$75. and charge it to the college account. Dr. Lo has given me funds here to cover this payment.

Today Dr. Sherman's cable of the 16th in regard to the payments to the Pao family and the Anderson arrangements arrived. It would seem to me to be a very wise action on the part of the Board of Founders that the Pao payments shall be on a year to year basis. I believe that Dr. Wei intends to take up this whole question with the Board when he arrives.

In reference to the source from which the payment for the Anderson recommendation should come I feel that this matter should be carefully considered. As I have already written you earlier our budget for the year 1945-46 is going to be very tight though I have hopes that UCR will come to our rescue along with the exchange situation which should enable us to keep up fairly well with prices. If the decision is that this amount should be charged to the budget for 1945-46 my suggestion would be that the grant of £100 from the London Mission to the college be used for this purpose (to Mrs. Anderson). If the decision is that this amount should come from reserves then this amount should be charged to the reserves of the School of Education as this is a matter of the school of Education.

Prices have remained fairly steady here during the past two weeks. The bulk of the people who were billeted here in town have left and that has relieved the situation slightly. However there is heavy purchasing in Tali of local produce which is being shipped out of the valley. This tends to keep prices up. The prospects for a rice crop look fair at the present time and we have had enough rain during the past week to keep the fields well wet down. I do not have very accurate information as to the developments in the exchange situation during the last month except to know that the rate has moved up considerably. I had been expecting a move in that direction for some little time. Dr. Wei more than a year ago worked out a formula of approximation between the price of gold on the market out here, the foreign bank notes, and the rate which one could expect to receive for the blocked dollar. We followed quotations as closely as we could and Dr. Wei found that the formula was working fairly well. However during the spring months the quotation for gold was going up faster than the other rates and I rather think that the recent jump in rates for foreign currency has enabled it to pretty well catch up. Also it is Dr. Wei's theory that the nearer we approach to the end of the war out here, the more nearly the rates for foreign currency will approach to that of gold.

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It is certainly a good thing that Fenn is back on the job full time in Chengtu and I know that he is watching out for the best interests of the colleges. I have written him full details of the financial part of my last letter to you (L-28) and believe that they will receive sympathetic consideration there. Fenn has talked of making a visit here to the college sometime in the fall. If he should definitely let us know that he is not planning on the visit and the allocations from UCR for their year October 1945 to October 1946 for our college should seem to be pretty inadequate, I will try and make a trip to Chengtu and Chungking to straighten the matter out. After your cable of May and the information which we had just received from Dr. Fenn and Miss Priest at that time, it looked as if we would come out fairly well. He asked for C\$25,000,000 for the year 1945-46 from UCR for us in May. Assuming that prices have continued to rise in Szechuan as they have here and also the better exchange situation, the probability is that the institutions in Szechuan have also increased their askings. As far as I could see in making increased requests to UCR Miss Priest was making detailed requests for the five institutions at Chengtu and then adding a certain percentage of the total for the not in Chengtu. If this is followed, we should be receiving increases as they come up there.

With best wishes,

Yours sincerely,

/s/ John L. Coe.

I will try to get the financial report for the year on its way to Mr. Greiner as soon after the first of August as possible.

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NATIONAL COUNCIL \* Protestant Episcopal Church

The Rev. Franklin J. Clark, D.D.  
*Secretary*

The Rev. James Thayer Addison, D.D.  
*Vice-President*

Lewis B. Franklin, D.C.L.  
*Treasurer*

CHURCH MISSIONS HOUSE, 281 FOURTH AVENUE, NEW YORK 10, N. Y.

C-13

August 1, 1945

Dear Mr. Coe:

I have prepared the enclosed statements in detail which I hope will give you a complete picture of our records for the year 1944-45. You will note that we invested \$7,200 of the \$7,294 you received from the Yunnan Students Campaign.

In L-24 you wrote about a note of Dr. Wei's you sent in L-23 in connection with the adjustment of the \$500 advance to Mrs. Lo. We did not receive L-23, however, you will note that I have reduced Mrs. Lo's advance and adjusted the surplus account accordingly.

The return of the Philippine missionaries has given our office plenty of work to straighten out their finances over a period of three years. Miss Griffin, Treasurer of the Philippines, has been in our office for the past month straightening out the Philippine accounts. Most of the missionaries are recovering nicely from the hardships they endured for the last three years.

Jim Whitney and Earl Fowler have returned today from well-earned vacations; Dr. Franklin and 'yours truly' start today.

Sincerely yours,

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HUA CHUNG (CENTRAL CHINA) COLLEGE  
WUCHANG, CHINA  
Temporarily in Hsichow  
Via Tali, Yunnan, China

August 3, 1945  
L-30-L

Mr. Oliver S. Lyford, Treasurer  
Hua Chung Board of Founders  
54 Dana Place  
Englewood, New Jersey, U.S.A.

Dear Mr. Lyford:

Thank you for your letter C-11 of May 14, which arrived last week. Your letter of same date W-53 to Dr. Wei was received here at the same, and Dr. Bien has read it and turned it over to me. AS I am probably making a trip to Kunming next week, I shall take it up with me so that Dr. Wei may see it if he is still there.

I have been working ahead on the report for the past year and hope to have it finished within a few days. I will probably post this letter and the report in Kunming. The report and comments thereon will be send direct to Mr. Greiner.

I was very much interested in your letter of May 14 in connection with the question of relations with the U.C.R. As I have written you earlier, I have hopes that the whole problem can be straightened out through correspondence with Dr. Fenn. I had a letter from Miss Priest a couple days ago, in which she said Dr. Fenn was away on his holiday, but should be back before the end of July. Probably Dr. Wei in his trip to Chungking will be able also to straighten out some of the questions. No word has yet been received as to what grant U.C.R. is making us for theyear 1945-46. As I wrote earlier, Miss Priest and Dr. Fenn in their requests to the U.C.R. in April asked for approximately N.C.\$25,000,000 for Hua Chung. If this should be granted, I see a good chance of our being able to carry the increased cost as outlined in my letter L-28 of July 6. Rice at the present time is selling at about N.C. \$25,000. a sen, which would mean a total cost of \$67,000,000 to \$68,000,000 if rice should not rise further before the middle of December.

Exchange has gone up very considerably within the last month, and I now estimate that there is a good chance that the college regular income (of U.S.\$30,000), aside from U.C.R., can be sold at rates which should average for the year around 1,000. This, with a grant from U.C.R. of N.C.\$25,000,000, will bring us within an appreciable distance of balancing the budget. I would expect that with the increase in exchange and increased costs there would be a fair chance that U.C.R. will increase its grant. The recent large jump in exchange was due, as far as I can learn, to factors in the financial markets in Chungking and Kunming. Before this rise foreign currency was selling a long ways below its value in relation to gold and other commodities. As I look at it, the

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recent jump was more the exchange market catching up with the commodity prices rather than the exchange market running ahead of them. There are other reports that the government is thinking of further measures to control prices and the exchange market. One of the main reasons for my taking a trip to Kunming is to obtain further information in regard to the exchange situation.

Dr. Wei wrote to Miss Priest in May of the possibility of getting an advance payment from U.C.R. of several millions in October to cover the purchase of rice, which we plan to make in November. In her letter to me she would take up the matter with Dr. Fenn, and let us know as soon as possible. If this should be done, that will save our having to ~~sell~~ exchange early, as we did last year in order to cover the purchase of rice. We are planning to cable you sometime toward the end of this month, giving the price of rice and asking your reaction to the scheme proposed in my letter of July 6, L-28.

I do not anticipate that we shall run into trouble over an increase of personnel, as a large number of the places which were provided for in the budget, as submitted in March, have not been filled so far, and probably will not be filled. There will be an increase of two over the number that we had last year, and I think that increase can be explained without difficulty to U.C.R.

We have not had much news from Dr. Wei since he left here. He found it possible to make proper arrangements in Kunming, and about two weeks ago went to Chungking. We have had no further word from him. We all hope that he will have been able to make arrangements ere this.

I will try to keep you informed of any further developments with U.C.R. and Dr. Fenn. In case it does not look as though our needs would be adequately met, I will consider a trip to Chungking sometime in the fall. I was very much interested in the second page of your letter regarding the proportion of U.C.R. payments received by the different colleges, as voted by the Program Committee in March. I have known all along that for most things Hua Chung was receiving about 4% of the grants which were divided among the different colleges. I know that Miss Priest had assumed last December that the five colleges in Chengtu should receive 75%, but I did not know that this was a larger percentage than had been given earlier to the Chengtu colleges. I intend to take this matter up with Dr. Fenn. However, I believe that in reference to the allocation of the U.C.R. funds, the exact proportion is not being followed at the present time, as their attitude seems to be to provide funds to cover deficits. The important point in this matter is to try to see that Hua Chung's percentage remains at at least 4%, when it comes to a matter of the division of the rehabilitation and otherspecial funds.

I believe that Dr. Wei plans to talk over with you the entire question about Mrs. Lo when he gets to New York.

Aside from the recent rise in the price of rice from about \$2,000 per sen to \$2,600 within the last two weeks, other prices have remained fairly steady. The rise in the price of rice was due to the demand for a certain amount of rice from the local community, to be shipped to

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I have just received word that Mr. Tung, who during the past year gave us N.C. \$20,000 a month, has said that beginning with the month of September, he will give the college N.C. \$50,000 a month. Dr. Wei was negotiating for this before he left.

Last Friday night, July 27, Mr. Chamberlayne of the English Methodist Mission and Miss Nora Wheeler of the London Missionary Society arrived at the college. Mr. Chamberlayne is a permanent appointee for the college, but Miss Wheeler is only substituting here till she can get back to her regular station in Fukien.

With the best wishes,

Yours sincerely,

/s/ John L. Coe.

JLC/MRC

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Recd Sept 25

Dear Mr. Lyford: Just a line to include with John's letter. We are working away, trying to get him ready for his trip up to Kunming. He may be able to "hitch a ride" via Jeep on Sunday, but it may be Monday or Tuesday. I have been pushing him to go as I thought he needed a change from the stress and strain of microscopic Hsichow in its Back-of-Beyond. One could live here with no contact whatsoever from the outside world, and yet go to bed at night kept awake quite as much as ~~Roose~~ Truman or Atlee, not to mention Stalin, by the worries over the inconsequential problems and trials that beset us. Bishop Gilman's good radio right in our house has been a tremendous boon, but when he leaves at the end of August, the radio goes too -- and then we shall have only the rather feeble instrument at the college upon which to depend.

What I can never remember about many of these are just waiting I get back to this old staples, as there is an air of...

Miss Burr, Bp. J. & 2 Coes

Our own small household (four, that is, at the moment) has been having its upheavals with our cook and hopeless wife first getting into a nasty fight with the courtyard family -- and then everyday announcing that they were going to leave, or would only stay on such-and-such conditions, till I was only too ready to see the last of them. However, the cook is a weak brother, <sup>from the</sup> weary unto death, married to a local woman over whom he has not the slightest control, and John insists it is our Christian duty not to push him out on a cold world. Not to mention the fact, that we don't know where we could find one even as good as he is! Even when the college this week tried to fire a more-or-less local servant, he got very nasty and demanded a \$70,000 settlement for clothes which were stolen at the time when he was supposed to be watching over the property! Then last month we had the problem of the local girl in the house, who at last stole so much from us that we did get her into the police station for a few days; so we hardly feel moved to take on more local help.

Any American woman at home would laugh me to scorn at my helpless situation here in Hsichow, but somehow I right now find that the days are too short with the cleaning, <sup>some laundry</sup> dusting -- occasional <sup>help</sup> for John; -- and this past week during the domestic "afflictions" I had a good big ironing to do also. Our problem is somewhat added to by the fact that all American Jeeps just naturally drive up to our door, and I am the last one to wish them to drive on, as I love their good company -- but most of them bring appetites for homemade food! We are also the receiving station for newcomers; as was evidenced by the fact that last Friday night at 9 P.M. and American Red Cross truck came to town with Chamberlayne and Miss Wheeler; plus three Americans and a Chinese couple. I had gone to bed with a mean headache, but got up and dressed, fed the guests with such food as I had (first pulling an unwilling cook out of bed to make the fire and boil water); put the Chinese couple to bed in one room, an American in a cot in the diningroom, sent Chamberlayne off to the Pinoffs', put Miss Wheeler up with Miss Burr, and two Americans slept on the truck. We all went to bed again about 11 P.M. -- but I still found sleep difficult, wondering how I was going to feed ten for breakfast with no bread left in the house. Impromptu meals are our greatest problem -- generally the cook is willing enough, but has not one idea in his head. His wife takes one look at the approaching hordes and leaves for the neighbor's.

We have had word that our July salary was exchanged at 2,000, although official word from Kunming has not yet arrived. It is the first month in many a moon that we have felt rather "flush," and so we have invested in flour -- and plan to put more money into sugar. We are desperately in need of clothes, but as there seems to be no way of getting any, we just have to go on with what we have, hoping that sometime the mails will open up for us.

Mails from Kunming continue painfully slow. Wires are even slower. Transport for people up and down the road is comparatively easy, but mails have to depend on any kind of a truck that can be prevailed on to take a bag (so we understand), and naturally is not a very satisfactory condition. We sit and wonder what Dr. Wei is doing -- he may be half way to America before we know a thing about it, or he might appear in the next Jeep coming this way -- giving up the American trip entirely.

As for food, I suspect we are much better off than you are. We even thought of buying a chicken at the chicken market this week, but the servants were so uncertain that we gave up that reckless expenditure. We can get many, many things if we'll just pay for ~~for~~ them. There has not been a day when we have not had some butter, although at times very little. Sugar is always possible to buy -- that is brown sugar. Eggs are usually available, and so are beef and pork. The shopping here is very trying as every last thing has to be bargained for -- and with inflation prices all the time, no one knows the right price for an article. Fruit & vegetable plentiful right now.

Sincerely yours, Mary Coe

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COPY  
HUA CHUNG (CENTRAL CHINA) COLLEGE  
WUCHANG, CHINA  
Temporarily in Hsichow  
Via Tali, Yunnan, China

August 3, 1945  
L-30-L

Mr. Oliver S. Lyford, Treasurer  
Hua Chung Board of Founders  
54 Dana Place  
Englewood, New Jersey, U.S.A.

Dear Mr. Lyford:

Thank you for your letter C-11 of May 14, which arrived last week. Your letter of same date W-53 to Dr. Wei was received here at the same, and Dr. Bien has read it and turned it over to me. As I am probably making a trip to Kunming next week, I shall take it up with me so that Dr. Wei may see it if he is still there.

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With the best wishes,

Yours sincerely,

/s/ John L. Coe.

JLC/MRC

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C O P Y

Hua Chung College  
Hsichow

4-30-G

August 4, 1945

(Rec'd Sept. 25, 1945)

Mr. J. Greiner  
281 Fourth Avenue  
New York City

Dear Mr. Greiner:

Herewith I am sending the financial report for the college for the year 1944-45. If there are any lacks in it, please let me know and I will try to supply them.

In the general statement the item for the military officer appears because of the fact that we had to settle off his salary for the months of August and September 1944. Since then military training has been dropped as a requirement by the Ministry and so we did not have to employ him. In the administrative budget where a fraction appears after an office it indicates that the individual concerned was giving part of his time to teaching. This is not true in regard to the physicians who arrived after the beginning of the year. Also in the School of Science fractions after an individual's name indicate late arrival.

In the reconciliation of the reserve account in the National City Bank I ran into difficulty which I might have avoided if I had checked the statement as of the end of October, and actually received here early in January, sooner. It arrived when I was extra busy during Dr. Wei's illness and so I overlooked it. Probably the explanation is simple and I have merely inserted an item of US\$201.34 as an adjustment account in the US\$ balance sheet. Some items were probably handled in New York during the period Aug.-Oct. 1944 which I do not know about. I have also left as receivables in the US\$ balance sheet the income from Harvard-Yenching and Yale-in-China though it has probably been paid in before now. The receivable from the Reformed Church is still marked that way as nothing has been received from them since January 1944. Then the Reformed Church Mission out here informed me that the college business would be handled through their Philadelphia office and I believe that Mr. Lyford has written them in regard to matters.

During the year United China Relief changed their methods of handling grants to the Christian Colleges and unfortunately word in regard to the change did not reach me even in a partial form till sometime in November. Final details were not in my hands till Mr. Lyford's letter of November reached me early in January. Also remittances from UCR and Associated Boards were during the early part of the year slow in getting through to us though there has been an improvement lately. (Actually now the remittance gets through to Hsiakwan promptly by telegraphic transfer but the letter of explanation as to what the funds are for usually comes two weeks to a month later than the remittance itself.) At the beginning of the year I started out working on the same basis as in previous years and made plans for exchange through Mr. Allen as usual. I also went ahead on the same basis for selling exchange to cover the purchase of rice and oil in late November and December. Then towards the end of November I received a remittance of over a million and a quarter Chinese currency from UCR on the year's account. If I had known that the money was coming through in that form I would not have sold some exchange towards the end of October which I did. Then during the winter other remittances were slow in getting through and I was uncertain for some time how much to expect from those sources. As a result the college did sell more exchange earlier than would have been necessary. However I feel now that I understand much better how the UCR business is being worked and hope to avoid this difficulty during the coming year. Another thing is that I have to keep a certain amount of funds on hand because of our isolated position here. It is a matter of not only making college payments but also acting as an agent for the collection of checks and remittances for faculty and students. During the month of July I handled over three million in cash alone. Letters take from ten days

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to two weeks to come from Kunming and the telegraph service is as bad if not worse, so I have to keep a big ahead. As a result the college has not realized as much from exchange during the past year as might have been expected. I am also carrying forward a balance at rates which are below current rates but I have hopes that future operations will enable me to raise the average considerably. On the other hand the purchase of rice and oil last fall as worked out verywell. If the college had not been in a position to sell rice and oil at cost price to the faculty subsidies would have had to have been raised a great deal above what they were. It has also been good for the morale of the faculty. It is my feeling that whatever loss may have been incurred through having to sell exchange early in order to cover the purchase has been made up in a large measure tangibly through not having to raise subsidies so high and intangibly through giving a more settled feeling to the faculty.

As a result of allthese various factors, funds from UCR in addition to other income were not sufficient to cover our expenditure. But I do not feel that we have a case to present to them to ask them to cover. It has always been my understanding that any balance remaining in the Sustaining Fund on August first of any year was to be considered as possible income for the coming year. Because of various factors such as favorably exchange in previous years and also larger payments to the sustaining fund toward the end of the year (as in 1943-44 the college actually received US\$33,620.40 from the sustaining fund where I had been notified earlier and planned on US\$32,000) we had usually had a balance in the sustaining fund on August first. This balance fluctuated from year to year and stood at over US\$6,000 a year ago. I have therefore simply used a portion of this balance to cover for the year 1944-45, and feel that doing the thing in this way will put us on far stronger ground for dealing with UCR during the current year.

So far we have received no word what to expect from UCR during the UCR year Oct. 1, 1945 to Oct. 1, 1946, and as soon as we have word I will send it on to Mr. Lyford.

In this same mail I am sending Mr. Lyford a letter in regard to price movements and general developments around here. I am hoping to make a trip up to Kunming within the next few days in order to consult about the exchange situation and other matters.

With best wishes,

Yours sincerely,

(Signed) JOHN L. COE

Kunming -August 12

Just before I left Hsichow I had word from Chungking about some past Associated Boards-UCR payments which may change the income side on the sustaining fund report somewhat. But expenditure side is the same as before. I think it best to get this off without further delay and will see the results when I get back to Hsichow. I am here at the Allens for a few days. This news is certainl the best in the world.

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Hua Chung College, General Account for 1944-45.

[3]

	<u>Income</u> C\$	For. Sal.
American Church Mission	350,437.	1/2
Methodist Mission		1/2
London Mission	73,000.	3/4
Bank Interest	178,012.48	
Miscellaneous fees	32,400.	
Rice Subsidy	77,670.	
Gift from Yunnan Students	47,660.	
Commodity Extra	184,743.	
Special Gifts	250,000.	
Scholarships Relief	251,947.	
Scholarships special gifts	136,760.	
Government loan and scholarships	1,285,223.	
Sustaining Fund	<u>4,098,604.62</u>	
TOTAL	6,966,457.10	<u>1 3/4</u>

Expenditure

1. Administration.		
Admissions and Promotion	162,359.10	
Alumni Office	26,767.	
College Functions	10,540.	
Entertainment	16,525.	
Offices - President	4,930.	
Dean and Registrar	16,930.	
Treasurer	2,800.	
Postage and Telegrams	40,297.	
Travel	300.	
Medical	249,405.	
Infirmary	<u>31,055.</u>	561,908.10
Administrative officers		
President 2/3	188,452.	
Dean 1/2		1/2
Registrar 1/4		1/4
Treasurer 1/2		1/2
Assistant Treasurer 1/3	75,000.	
Assistant in Library	315,146.	
Warden in Women's Hostel	149,048.	
" " Men's Hostels	364,098.	
Chinese Secretary	344,125.	
Assistant Registrar	160,612.	
Clerk in Pres. Office	133,630.	
Clerk in Dean's office	145,194.	
Business Manager 1/12	26,390.	
Physician 5/6	201,433.	
" 1/2		1/2
Nurse	<u>150,048.</u>	2,253,176.
2. Operation and Maintenance		
Grounds	44,000.	
Library	77,820.	
Power and Light	865,702.	
Repairs	190,649.	
Hostel Wages	378,570.	
Wages	404,554.	
Rentals	50,705.	
Furniture and Equipment	166,271.	
Sundries	<u>25,080.</u>	2,203,351.

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C\$		For. Sal.
3. Physical Education and Military Training.		
Physical Education	15,360.	
Military Officer 1/6	<u>9,232.</u>	24,592.
4. Scholarships and Student aids.		
Scholarships and aids.	388,207.	
Government loan and scholarships	<u>1,285,223.</u>	1,673,430.
5. Extras.		
Funeral for Mr. Pao	75,000.	
20th Anniversary celebration	<u>175,000.</u>	<u>250,000.</u>
Total expenditure		6,966,457.10 1 3/4

Hua Chung College, financial report for School of Education for 1944-45.

Income		For. Sal.
C\$		
Reformed Church Mission	208,305.	
London Mission		1/2 and 1 volunteer.
Ministry of Education	2,600.	
Music fees	4,645.	
Education Book fees	1,800.	
Primary School fees	31,740.	
Rice Subsidy	29,927.40	
Yunnan Student Gift	17,624.	
Commodity grants	62,935.	
Sustaining Fund	546,042.60	
Music Old balance	<u>35,414.</u>	
	<u>941,033.</u>	<u>1/2 and 1 volunteer.</u>
Expenditure.		
Personnel.		
Education		
Professor	468,520.	
" 1/2		1/2
Lecturer	204,267.	
Music 1 volunteer		1 volunteer.
Primary School		
Teacher	149,047.	
Rentals	<u>8,000.</u>	<u>1/2 and 1 volunteer.</u>
Education		
Office expenses	4,400.	
Books and Magazines	35,000.	
Primary School	31,740.	
Music	<u>40,059.</u>	<u>111,199.</u>
Total		941,033. 1/2 and 1 volunteer

Income. C\$		US\$
Hua Chung College, Sustaining Fund operations for 1944-45.		
Balance Aug. 1, 1944.		6,330.78
Balance in B. of Founders a/c		783.66
From Mr. Cate		10.00
By sale of US\$5,170.92	724,129.69	
From Associated Bds. and UCR	2,601,421.03	
From British Aid to China funds	<u>4,547,721.25</u>	
	<u>7,873,271.97</u>	<u>7,124.39</u>
Expenditure.		
sale to C\$ 724,129.69		5,170.92
to Reserve for Fellowship		600.
by expenditure as itemized in		
detailed budgets	<u>7,873,271.97</u>	
balance on hand		<u>1,353.47</u>
	<u>7,873,271.97</u>	<u>7,124.39</u>

Hua Chung College, Department of Chinese Literature and History.  
Financial Report for 1944-45.

[5]

Income.		
	C\$	US\$
Balance on hand Aug. 1, 1944	1,000.	11,526.62
Grant from Harvard-Yenching for 1943-44		5,000.00
By sale of US\$5,360.	750,399.	
Ministry of Education	10,166.	
Special Funds for Grant to Faculty	232,817.	
Sustaining Fund	<u>1,107,567.</u>	
	2,101,949.	<u>16,526.62</u>
Expenditure.		
By sale to C\$750,399.		5,360.
Personnel:		
Language and Literature		
L. P. Pao	314,503.	
C. T. Lin	224,837.	
F. L. Yin	218,433.	
C. P. Teng	224,503.	
M. C. Fu	227,820.	
C. S. Sung	<u>156,757.</u>	1,366,858.
History		
F. S. Ma	231,282.	
Y. C. Wang	<u>212,008.</u>	443,290.
Books	23,177.	23,177.
Research.		
Research assistant	148,902.	
Research trips and materials	<u>28,200.</u>	177,102.
Clerical help.		
Clerk	20,800.	
Student help	<u>12,400.</u>	33,200.
Stationery	10,400.	
Postage	<u>1,020.</u>	11,420.
Printing of reports	<u>46,902.</u>	<u>46,902.</u>
total expenditure	2,101,949.	5,630.
Balance on hand		11,166.62

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Hua Chung College, Financial Report School of Arts for 1944-45.  
Income

	C\$	For. Sal.
American Church Mission	688,879.	1 1/2
" " " Miss Johnston	700,000.	
Church Missionary Society		1/2
London Mission		3/4
Methodist Mission		1 (furlough)
Harvard Yen-ching Institute	750,399.	
Rice Subsidy	92,040.	
Yunnan Student Gift	77,282.	
Commodity extra	259,526.	
Sustaining Fund	20,333.	
<b>TOTAL</b>	<u>994,642.</u>	
	<b>3,583,101.</b>	<u>3 3/4</u>

Expenditure

Personnel.		
Chinese Language and Lit.		
Professor	314,503.	
Asst. Prof.	224,837.	
" "	218,433.	
" "	224,508.	
" "	227,820.	
Lecturer	156,757.	
J. "	<u>152,902.</u>	1,519,760.
Foreign languages.		
Professor 3/4		3/4
Asst. Prof.		1
Visiting Lecturer		1/2
" "		1/2
Lecturer	156,757.	
"	156,757.	
Asst. for French	<u>17,500.</u>	331,014
History Sociology		
Professor (furlough)		1
Professor	231,282.	
Asst. Prof.	212,008.	
Lecturer	<u>114,612.</u>	557,902.
Economics-Commerce		
Asst. Prof. 2/3	163,333.	
Lecturer	<u>149,047.</u>	312,380.
Philosophy-Religion		
Professor 1/3	94,226.	
Professor	256,980.	
Asst. Prof.	<u>224,857.</u>	576,063.
Travel for new appointees	39,083.	
Rentals	55,000.	
Books for depts. other than Chinese	49,000.	
Books and running Chinese Dept.	<u>142,899.</u>	
	<b>3,583,101.</b>	<u>3 3/4</u>

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Hua Chung College, Financia Report, Yale in China School of  
Science for 1944-1945

[73]

	Income	C\$	For. Sal.
Yale-in-China		702,340.	
American Church Mission			1/2
Rice Subsidy		56,640.	
Yunnan Student gift		57,434.	
Commodity grant		193,621.	
Methodist Mission		130,560.	
Ministry of Education		10,167.	
Sustaining Fund		<u>2,233,982.75</u>	
TOTAL		<u>3,384,744.75</u>	<u>1/2</u>
Expenditure			
Personnel:			
Biology			
Professor	256,980.		
Lecturer	164,467.		
J. "	<u>153,902.</u>	575,349.	
Chemistry			
Professor (11/12)	246,980.		
Lecturer	160,612.		
" 11/12	150,682.		
J. " 3/4	<u>130,488.</u>	688,762.	
Physics			
Professor	282,678.		
Lecturer	156,757.		
" "	156,757.		
J. "	153,902.		
Machinist	<u>148,271.</u>	898,365.	
Mathematics			
Professor 1/2			1/2
" "	<u>231,282.</u>	231,282.	
Travel for new appointees	298,839.	<del>2,737,597.</del>	
Rentals	<u>45,000.</u>	2,737,597.	
Biology Maintenance and Equip.	167,824.89		1/2
Chemistry " " "	310,423.86		
Physics " " "	133,539.		
Books for all depts.	35,000.		
Dean's Office	<u>360.</u>	<u>647,147.75</u>	
Total expenditure.		<u>3,384,744.75</u>	<u>1/2</u>

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<b>Group A</b>	
Sustaining Fund	1,353.47
Johnston Fund for School of Arts	21,306.86
Harvard-Yenching Fund for Chinese Dept.	11,166.62
Yale-in-China	16,154.38
American Church Mission	5,500.00

<b>Group B</b>	
President's Discretionary Fund	596.57
Practice School	4,218.17
Relief Fund	46.50
School of Arts Books	1,051.90
" " Education Books	918.67
Music	293.64
Biology	1,566.63
Chemistry	1,033.78
Physics	223.25
Science Books	531.69
Thorne Fund	461.42
Science Museum	200.00

<b>Group C</b>	
Reserve for Fellowships for Junior Faculty	1,100.00
Holmes Scholarship	60.00
Page Fund	400.00
Alumni Fund	530.00
Transportation	9,245.92
Board of Founders Special	278.57
Procter-Johnston Land and Bldg.	1,207.43
Deposit account	10,676.66
Yunnan Student Campaign for Investment	7,300.00
Adjustment a/c	201.34
R. E. Lo	3,011.08
Special China Funds ACM	265.00
Receivable GWL	1,236.14
Domestic and Foreign Miss. Society	35,000.00
Receivable Harvard-Yenching	5,000.00
" Yale-in-China	5,000.00
" Reformed Church Mission	2,250.00
" CCC foundation	783.66
Equivalent of Hongkong deposit	1,580.00
" " Rangoon "	9.90
Joint a/c NCB NY	3,603.17
Reserve a/c NCB NY	32,675.61
Equivalent of line 1 of Chinese \$ bal. sheet	7,208.91
	<u>97,623.47</u>
	<u>97,623.47</u>

<b>Reconciliation of Reserve account with statement of March 15, 1945.</b>	
Balance shown there	32,757.61
Payments requested	
C. F. Lo (L-24)	67.
J. Fan (L-25)	<u>15.</u>
balance	<u>82.00</u>
	<u>32,675.61</u>

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Explanation of adjustment item in US\$ balance sheet. [9]

Balance shown on Aug. 1, 1944 in Reserve account.		US\$48,384.67
Increase-return Lo money from India		<u>1,200.00</u>
Decrease - payments to Mrs. Lo	1,375.00	49,584.67
charges on Lo money	1.40	
remittance to China	10,000.00	
payment to E.P. Miller	<u>19.00</u>	<u>11,395.40</u>
		38,189.27
balance shown Oct. 31, 1944 statement		<u>38,390.61</u>
difference to Adjustment item		201.34

Hua Chung College C\$ balance sheet of Aug. 1, 1945.

	DR. C\$	CRC\$
Board of Founders		3,106,378.84
Special gift from Britain £ 400		1,085,280.39
Ministry of Education		26,400.00
Purchases Advance	35,688.73	
Government Loan advance	404,892.01	
Relief Scholarships		108,053.00
Faculty Aid		6,098.26
English Books		6,513.54
Deposits Local		556,862.84
Rice and Oil Purchase a/c	338,731.02	
Bal. SCSB Kunming	312,922.08	
Balance Bank of China, Hsiakwan	1,934,690.06	
" Central Bank, "	1,305,225.20	
Balance Bank of China, Kunming	51,338.67	
Cash on hand	<u>512,099.10</u>	
	4,895,586.87	<u>4,895,586.87</u>

The only relation between the C\$ balance sheet and the US\$ balance sheet is that line #1 of the Chinese \$ balance sheet is equivalent to the last line of the US\$ balance sheet.

The second item on the C\$ balance sheet represents payments of £400 from great Britain which have been recently received and are for special purposes and have been reported by Dr. Wei to the Board.

It is expected that there will be a remittance very soon to cover the large debit on the government loan account.

The deposit local account represents money on hand for which the college treasurer is acting as a disbursing agent and cannot be considered college funds.

Hsichow. Aug. 4, 1945.

(Signed) John L. Coe  
Treasurer

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Hua Chung College, Department of Chinese Literature and History. [10]  
 Financial Report for 1944-45.

Income.		
	C\$	US\$
Balance on hand Aug. 1, 1944	1,000.	11,526.62
Grant from Harvard-Yenching for 1943-44		5,000.00
By sale of US\$5,360.	750,399.	
Ministry of Education	10,166.	
Special Funds for Grant to Faculty	232,817.	
Sustaining Fund	<u>1,107,567.</u>	
	2,101,949.	<u>16,526.62</u>
Expenditure.		
By sale to C\$750,399.		5,360.
Personnel:		
Language and Literature		
L. P. Pao	314,503.	
C. T. Lin	224,837.	
F. L. Yin	218,433.	
C. P. Teng	224,503.	
M. C. Fu	227,820.	
C. S. Sung	<u>156,757.</u>	1,366,858.
History		
F. S. Ma	231,282.	
Y. C. Wang	<u>212,008.</u>	443,290.
Books	23,177.	23,177.
Research.		
Research assistant	148,902.	
Research trips and materials	<u>28,200.</u>	177,102.
Clerical help.		
Clerk	20,800.	
Student help	<u>12,400.</u>	33,200.
Stationery	10,400.	
Postage	<u>1,020.</u>	11,420.
Printing of reports	<u>46,902.</u>	<u>46,902.</u>
total expenditure	2,101,949.	5,630.
Balance on hand		11,166.62

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	C\$	For. Sal.
3. Physical Education and Military Training.		
Physical Education	15,360.	
Military Officer 1/6	<u>9,232.</u>	24,592.
4. Scholarships and Student aids.		
Scholarships and aids.	388,207.	
Government loan and scholarships	<u>1,285,223.</u>	1,673,430.
5. Extras.		
Funeral for Mr. Pao	75,000.	
20th Anniversary celebration	<u>175,000.</u>	<u>250,000.</u>
Total expenditure		1 3/4
Total expenditure		
	6,966,457.10	

Hua Chung College, financial report for School of Education for 1944-45.

	Income C\$	For. Sal.
Reformed Church Mission	208,305.	
London Mission		1/2 and 1 volunteer.
Ministry of Education	2,600.	
Music fees	4,645.	
Education Book fees	1,800.	
Primary School fees	31,740.	
Rice Subsidy	29,927.40	
Yunnan Student Gift	17,624.	
Commodity grants	62,935.	
Sustaining Fund	546,042.60	
Music Old balance	<u>35,414.</u>	
	941,033.	<u>1/2 and 1 volunteer.</u>
	Expenditure.	
Personnel.		
Education		
Professor	468,520.	
" 1/2		1/2
Lecturer	204,267.	
Music 1 volunteer		1 volunteer.
Primary School		
Teacher	149,047.	
Rentals	<u>8,000.</u>	<u>1/2 and 1 volunteer.</u>
Education		
Office expenses	4,400.	
Books and Magazines	35,000.	
Primary School	31,740.	
Music	<u>40,059.</u>	
Total	111,199.	
	941,033.	1/2 and 1 volunteer

Hua Chung College, Sustaining Fund operations for 1944-45.		
	Income. C\$	US\$
Balance Aug. 1, 1944.		6,330.78
Balance in B. of Founders a/c		783.66
From Mr. Cate		10.00
By sale of US\$5,170.92	724,129.69	
From Associated Bds. and UCR	2,601,421.03	
From British Aid to China funds	<u>4,547,721.25</u>	
	7,873,271.97	<u>7,124.39</u>
	Expenditure.	
sale to C\$ 724,129.69		5,170.92
to Reserve for Fellowship		600.
by expenditure as itemized in		
detailed budgets	<u>7,873,271.97</u>	
balance on hand		<u>1,353.47</u>
	<u>7,873,271.97</u>	<u>7,124.39</u>

Hua Chung College, General Account for 1944-45.

[12]

	<u>Income</u> C\$	For. Sal.
American Church Mission	350,437.	1/2
Methodist Mission		1/2
London Mission	73,000.	3/4
Bank Interest	178,012.48	
Miscellaneous fees	32,400.	
Rice Subsidy	77,670.	
Gift from Yunnan Students	47,660.	
Commodity Extra	184,743.	
Special Gifts	250,000.	
Scholarships Relief	251,947.	
Scholarships special gifts	136,760.	
Government loan and scholarships	1,285,223.	
Sustaining Fund	4,098,604.62	
TOTAL	6,966,457.10	1 3/4

Expenditure

<b>1. Administration.</b>		
Admissions and Promotion	162,359.10	
Alumni Office	26,767.	
College Functions	10,540.	
Entertainment	16,525.	
Offices - President	4,930.	
Dean and Registrar	16,930.	
Treasurer	2,800.	
Postage and Telegrams	40,297.	
Travel	300.	
Medical	249,405.	
Infirmary	31,055.	
Administrative officers		561,908.10
President 2/3	188,452.	
Dean 1/2		1/2
Registrar 1/4		1/4
Treasurer 1/2		1/2
Assistant Treasurer 1/3	75,000.	
Assistant in Library	315,146.	
Warden in Women's Hostel	149,048.	
" " Men's Hostels	364,098.	
Chinese Secretary	344,125.	
Assistant Registrar	160,612.	
Clerk in Pres. Office	133,630.	
Clerk in Dean's office	145,194.	
Business Manager 1/12	26,390.	
Physician 5/6	201,433.	
" 1/2		1/2
Nurse	150,048.	2,253,176.
<b>2. Operation and Maintenance</b>		
Grounds	44,000.	
Library	77,820.	
Power and Light	865,702.	
Repairs	190,649.	
Hostel Wages	378,570.	
Wages	404,554.	
Rentals	50,705.	
Furniture and Equipment	166,271.	
Sundries	25,080.	2,203,351.

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Hua Chung College, Financial Report School of Arts for 1944-45.  
Income

	C\$	For. Sal. [13]
American Church Mission	688,879.	1 1/2
" " " Miss Johnston	700,000.	
Church Missionary Society		1/2
London Mission		3/4
Methodist Mission		1 (furlough)
Harvard Yenching Institute	750,399.	
Rice Subsidy	92,040.	
Yunnan Student Gift	77,282.	
Commodity extra	259,526.	
Sustaining Fund	20,333.	
TOTAL	<u>994,642.</u>	
	3,583,101.	<u>3 3/4</u>

Expenditure

Personnel.		
Chinese Language and Lit.		
Professor	314,503.	
Asst. Prof.	224,837.	
" "	218,433.	
" "	224,508.	
" "	227,820.	
Lecturer	156,757.	
J. "	<u>152,902.</u>	1,519,760.
Foreign languages.		
Professor 3/4		3/4
Asst. Prof.		1
Visiting Lecturer		1/2
" "		1/2
Lecturer	156,757.	
"	156,757.	
Asst. for French	<u>17,500.</u>	331,014
History Sociology		
Professor (furlough)		1
Professor	231,282.	
Asst. Prof.	212,008.	
Lecturer	<u>114,612.</u>	557,902.
Economics-Commerce		
Asst. Prof. 2/3	163,333.	
Lecturer	<u>149,047.</u>	312,380.
Philosophy-Religion		
Professor 1/3	94,226.	
Professor	256,980.	
Asst. Prof.	<u>224,857.</u>	576,063.
Travel for new appointees	39,083.	
Rentals	55,000.	
Books for depts. other than Chinese	49,000.	
Books and running Chinese Dept.	<u>142,899.</u>	
	3,583,101.	<u>3 3/4</u>

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Hua Chung College, Financia Report, Yale in China School of  
 Science for 1944-1945

[14]

	Income	C\$	For. Sal.
Yale-in-China		702,340.	
American Church Mission			1/2
Rice Subsidy		56,640.	
Yunnan Student gift		57,434.	
Commodity grant		193,621.	
Methodist Mission		130,560.	
Ministry of Education		10,167.	
Sustaining Fund		<u>2,233,982.75</u>	
TOTAL		<u>3,384,744.75</u>	<u>1/2</u>

		Expenditure		
<b>Personnel:</b>				
<b>Biology</b>				
Professor		256,980.		
Lecturer		164,467.		
J. "		<u>153,902.</u>	575,349.	
<b>Chemistry</b>				
Professor (11/12)		246,980.		
Lecturer		160,612.		
"	11/12	150,682.		
J. "	3/4	<u>130,488.</u>	688,762.	
<b>Physics</b>				
Professor		282,678.		
Lecturer		156,757.		
"		156,757.		
J. "		155,902.		
Machinist		<u>148,271.</u>	898,365.	
<b>Mathematics</b>				
Professor	1/2			1/2
"		<u>231,282.</u>	231,282.	
Travel for new appointees		298,839.	<del>2,737,597.</del>	
Rentals		<u>45,000.</u>	2,737,597.	<u>1/2</u>
Biology Maintenance and Equip.		167,824.89		
Chemistry	" " "	310,423.86		
Physics	" " "	133,539.		
Books for all depts.		35,000.		
Dean's Office		<u>360.</u>	<u>647,147.75</u>	<u>1/2</u>
Total expenditure.			3,384,744.75	1/2

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Group A	
Sustaining Fund	1,353.47
Johnston Fund for School of Arts	21,306.86
Harvard-Yenching Fund for Chinese Dept.	11,166.62
Yale-in-China	16,154.38
American Church Mission	5,500.00

Group B	
President's Discretionary Fund	596.57
Practice School	4,218.17
Relief Fund	46.50
School of Arts Books	1,051.90
" " Education Books	918.67
Music	293.64
Biology	1,566.63
Chemistry	1,033.78
Physics	223.25
Science Books	531.69
Thorne Fund	461.42
Science Museum	200.00

Group C	
Reserve for Fellowships for Junior Faculty	1,100.00
Holmes Scholarship	60.00
Page Fund	400.00
Alumni Fund	530.00
Transportation	9,245.92
Board of Founders Special	278.57
Procter-Johnston Land and Bldg.	1,207.43
Deposit account	10,676.66
Yunnan Student Campaign for Investment	7,300.00
Adjustment a/c	201.34
R. E. Lo	3,011.08
Special China Funds ACM	265.00
Receivable GWL	1,236.14
Domestic and Foreign Miss. Society	35,000.00
Receivable Harvard-Yenching	5,000.00
" Yale-in-China	5,000.00
" Reformed Church Mission	2,250.00
" CCC foundation	783.66
Equivalent of Hongkong deposit	1,580.00
" " Rangoon "	9.90
Joint a/c NCB NY	3,603.17
Reserve a/c NCB NY	32,675.61
Equivalent of line 1 of Chinese \$ bal. sheet	7,208.91
	<u>97,623.47</u>

Reconciliation of Reserve account with statement of March 15, 1945.	
Balance shown there	32,757.61
Payments requested	
C. F. Lo (L-24)	67.
J. Fan (L-25)	15.
balance	<u>82.00</u>
	<u>32,675.61</u>

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Explanation of adjustment item in US\$ balance sheet. [16]

Balance shown on Aug. 1, 1944 in Reserve account.		US\$48,384.67
Increase-return Lo money from India		<u>1,200.00</u>
Decrease - payments to Mrs. Lo	1,375.00	49,584.67
charges on Lo money	1.40	
remittance to China	10,000.00	
payment to E.P. Miller	<u>19.00</u>	<u>11,395.40</u>
		38,189.27
balance shown Oct. 31, 1944 statement		<u>38,390.61</u>
difference to Adjustment item		201.34

Hua Chung College C\$ balance sheet of Aug. 1, 1945.  
DR. C\$

Board of Founders		CRC\$
Special gift from Britain £ 400		3,106,378.84
Ministry of Education		1,085,280.39
Purchases Advance	35,688.73	26,400.00
Government Loan advance	404,892.01	
Relief Scholarships		108,053.00
Faculty Aid		6,098.26
English Books		6,513.54
Deposits Local		556,862.84
Rice and Oil Purchase a/c	338,731.02	
Bal. SCSB Kunming	312,922.08	
Balance Bank of China, Hsiakwan	1,934,690.06	
"    Central Bank,    "	1,305,225.20	
Balance Bank of China, Kunming	51,338.67	
Cash on hand	<u>512,099.10</u>	
	4,895,586.87	<u>4,895,586.87</u>

The only relation between the C\$ balance sheet and the US\$ balance sheet is that line #1 of the Chinese \$ balance sheet is equivalent to the last line of the US\$ balance sheet.

The second item on the C\$ balance sheet represents payments of £400 from great Britain which have been recently received and are for special purposes and have been reported by Dr. Wei to the Board.

It is expected that there will be a remittance very soon to cover the large debit on the government loan account.

The deposit local account represents money on hand for which the college treasurer is acting as a disbursing agent and cannot be considered college funds.

Hsichow. Aug. 4, 1945.

(Signed) John L. Coe  
Treasurer

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Kunming,  
Aug. 15, 1945.

Dear Mr. Lyford,

I came up here to Kunming arriving last Saturday and have been talking with Dr. Wei and others. Some of the things which I wrote in my earlier letter are very much out of date now and it is hard to see just how things are going to turn. Dr. Wei is still here waiting for priorities and if he should not get sufficiently high priorities he may not go. No one knows just what is what and it may take a bit of time to make plans. After the suspense of the past few days while the Japanese were considering their reply it was fine to hear the news this morning that the Japanese had accepted the terms. It means the end of the long struggle China has been through with Japan and now comes the matter of reconstruction. For the time being at least exchange has dropped with the market for notes down to about fifteen hundred where it had been up to around three thousand early in July. There is also the chance that prices may drop but no one knows. As soon as the situation clarifies at all we will try to let you know what prospects are. This surrender may mean that our property in Wuchang will be in better shape than we had feared. Reports say that the buildings were still standing early in July though what the inside was like can best be left to the imagination. We will be fortunate if the walls and the roofs are still there for us.

Dr. Wei tells me that the government will set up a system of priorities for institutions to move back. My present feeling is that we will finish the fall term in Hsichow at least. The spring is a much better time for moving than the summer and so if things should develop we could go in the spring so much better. Dr. Wei seems to feel that next summer would be the time.

Dr. Wei after his return from Chungking on the 3rd has been waiting in Kunmin for reply from New Dehli to his application for priorities for passage to get out of India to go to America. All the red tape in China has been completed. The only thing is that of priority which is beyond the control of American authorities in China. With the sudden surrender of the Japanese and return of peace the question looms very large whether his presence in China, particularly in Hsichow, is more important than his trip to the States. His own feeling is that he should go to New York and meet his obligations provided he can get to his destination not later than the first part of October but if the chance is that he may be further delayed on account of congestion by air and or by boat caused by this sudden change of the situation he feels he may not be doing justice to the Union Theological seminary and therefore after he had heard from New De li through the China Travel Service, which is the official channel for him to make his application for passage and through which he has made his application, he will have to make his decision then. If that decision should be unfavorable to his proceeding with his trip to America he will cable you for instructions. (Dr. Wei has just dictated the above paragraph). There is already some feeling among alumni and friends and Kunming that he should not leave China at this resent juncture. But there are other factors to be considered which are more weighty than the unofficial and more or less irresponsible feeling for few people.

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There is also the question of what the future holds financially and how soon exchange restrictions may be lifted. As I wrote you earlier I have a considerable number of checks on the joint account on hand. However if Dr. Wei should leave China there is the question of signatures. Neither Dr. Wei (who was here when the original plans were made for the joint account) nor myself are quite certain as to how many members of the executive committee protem were authorized to sign jointly on the account. If things should open up so that the account was used from this end and Dr. Wei should leave the country, probably the best thing would be for me to sign the checks alone. If that should develop will you please make it clear with the bank. They have my signature there and should I write any checks I will notify you by cable. Bishop Gilman was still in Hsichow when I left there on the 9th and will probably be coming up there as soon as possible. For various reasons I feel that I should get started back for Hsichow as soon as possible and am going out in a few minutes to see what I can do towards arranging transportation.

Dr. Hwang has been here giving entrance examinations and will probably go back next week. Nearly six hundred took the examinations. The results are not yet marked completely and with the present news no one knows just how many would want to go to Hsichow.

With best wishes,

Yours sincerely,

/s/ John L. Coe.

When I first reached Kunming I was able to arrange thru Mr. Allen the sale of US\$1,000 at 1480. Had I been here earlier I might have realized a bit more. Since that the market has dropped under 1200 and the end is not in sight. Wholesale prices on cloth etc., have dropped way down but retail prices are still up. Food prices are still up and likely to remain so till the armies leave. I expect to be leaving for Hsichow within a day or so.

JSC.

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AUG 27 1945

U. EARL HUNTER

Faust, New York  
August 18, 1945

Rev. Arthur M. Sherman, S. T. D.  
President, Hua Chung Board of Trustees

Dear Sir:

Attached hereto is a copy of a letter of July 6 from Mr. John Coe (received August 12) which relates mostly to the rise in the cost of living, as expressed in Chinese National Currency and a "program of possibilities" for the college year beginning August 1, 1945.

This looks like a possible total for the new year of over N.C. \$62,000,000 whereas the estimate made only a short time ago was N.C. \$40,000,00. The fact is that the purchasing power of a Chinese dollar is rapidly sinking out of sight, but as the cost of living expressed in the currency goes up, the value of a U.S. dollar also rises. At the end of July the open market rate of U.S. Exchange was about 1500 to 1 and it was climbing rapidly. At 1500 to 1 a budget of NC \$62,000,00 would require only about U.S. \$40,000 from the supporting missions and the United China Relief, without considering the probable income from Chinese and British sources. This is considerably less than the total which came from western sources for 1944-45.

Therefore the problem at the moment does not involve us seriously on this side of the Pacific, but does become increasingly difficult for the officers of the College in Hsiohow in their relations with the staff and faculty on the one hand and with the United Clearing Board at Chungking on the other. It is interesting to know that Dr. Penn is now devoting all his time to the Christian Colleges and may soon visit Hua Chung. This will relieve Mr. Coe and Dr. Richard Bien, who is now in charge as Acting President.

I do not see that any official action is necessary by the Trustees before Dr. Wei arrives, and therefore not until the regular meeting of the Board in October.

I am preparing a letter to Dr. Bien and will discuss the financial situation in the above terms.

Yours very truly,

Oliver S. Lyford (Signed)  
Treasurer

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## HUA CHUNG (CENTRAL CHINA) COLLEGE

WUCHANG, CHINA

Office of the Treasurer

Temporarily in Hsichow  
Via Tali, Yunnan, China

August 23, 1945

L-31

Mr. Oliver S. Lyford  
54 Dana Place  
Englewood, New Jersey, U. S. A.

Dear Mr. Lyford:

I reached Hsichow on Monday evening, August 20, on my return from Kunming. I had a comfortable trip back and was not too much delayed by the rain. The road between here and Tali has gotten much worse during the summer, and is as bad as I have ever known it. Coming up from Tali on Monday afternoon, it took a Jeep equipped with chains about two hours to make the trip of twelve miles. Since then we have had more rain, so that the road has probably not improved.

On my return here I found that Dr. Bien, the acting president, had just taken his son, who was suffering from an infection, to the hospital in Tali. Dr. Bien has not yet returned from Tali, so it has not been possible for me to talk with him and give him the messages which Dr. Wei asked me to bring to him. Therefore we have not been able to make definite plans in regard to the moving back of the college. I hope that Dr. Bien will be back very shortly, and then I shall be able to add more definite word to the end of this letter. Bishop Gilman will be leaving us within a few days, and I wish to send this letter by him to be posted in Kunming. In case Dr. Bien has not returned before the bishop leaves, we will let you know as soon as possible of any decisions which are made here.

Dr. Wei told me that in all probability the government would assign priorities for the educational institutions to move back to their original sites, and there was a chance that the government would give us some assistance such as the possibility of buying fuel for transportation at government prices and subsidies for various members of the faculty to help with their travel. Bishop Gilman is planning to return to Wuhan as soon as possible, and he will probably be accompanied by Mr. Kemp of our mission, who is at the Union Middle School. Dr. Wei has already written to Dr. Paul V. Taylor, asking that he try to get to Wuchang as soon as his duties with the relief committee will permit. It is also expected that one of the Chinese members of the faculty or staff here will go some time in the near future.

Upon my return here I found that prices had dropped very considerably. Rice at one time dropped to \$1,000 per sen, and has since fluctuated between \$1,000 and \$1,500. Just where it will settle is hard to see at the present time. If prices should settle at somewhere near the present level, it will mean that the increase of subsidies, of which I wrote you in my letter L-28 of July 5, will not be as great as I anticipated at that time. Also, if the situation should develop, as seems possible, that the college would move after the first term, the purchase of rice and oil as we did last year would not be necessary. It would thus look as though for the regular operation of the college during this academic year 1945-46, the total needed would be less than Chinese \$60,000,000 rather than more than \$60,000,000, as I anticipated in July. Of course, we will be faced with the extra expenses incidental to moving and rehabilitation.

It is impossible to predict what is likely to happen in regard to exchange over the next several months. The market in Kunming last week was very chaotic

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with wide fluctuations. On Monday, the 13th, as I wrote you earlier, I exchanged U.S.\$1,000 through Mr. Allen at 1480. This should cover the ordinary needs of the college through the month of September. By Wednesday night, the 15th, the American dollar had declined to 800. By Thursday night it had risen again to 1200. The feeling in some quarters in Kunming was that it would probably settle at somewhere around 1000.

So far I have had no information from Dr. Fenn as to what we may expect from the U.C.R. for the year October 1945-October 1946. I know that he was on a vacation early in July, and mails coming to us have been slower than ever. As soon as I have any definite information in regard to this, I will let you know. Upon my return here I found a notice from the Bank of China in Hsiakwan, saying that a remittance of N.C.\$857,500 had been received from Chengtu for us. I assume that this is some portion either of the regular or special funds either from the British Aid to China Fund or the Associated Boards. Particulars in regard to this will probably be two weeks more in reaching me.

Dr. Wei asked me in my last letter to you, written from Kunming, to say that he was still waiting there to see what order of priority he would receive. He very probably knows by now what it is and has made a decision whether to return to the college or to go ahead to the United States. His whole idea was that if the priority was sufficiently high to give him a good chance of reaching New York early in October, he would go.

Dr. Wei talked with me at considerable length in regard to the future plans of the college, particularly in regard to the site. It now looks as though there was a good chance that Boone Middle School would vacate its portion of the compound inside the city and move to a new site. (This is confidential information, and should not be passed on unless you hear this word coming from American Church Mission sources.) If this should come about, it would look as though the site both inside the city and outside the city would be sufficient for the college as envisaged in the plan which Dr. Wei sent home last year. We feel that the Boone Compound inside the city would be sufficient for all the needed academic buildings including the library. Also there would be room for hostels and other needed buildings for the accommodation of the women students. This would mean that the hostels for the men students and the bulk of the faculty residences would have to be built on the land outside the city. I believe by utilizing the lowest part of this land for athletic and recreation fields, and using the rest for hostels and residences, we would have nearly enough land, provided we finish the purchase of the two sections which are labelled M and N on the old blueprints of the property which we had purchased. I believe that the Board of Founders in 1936 or 1937 had authorized this purchase.

Aug. 26th. It does not look as though Dr. Bien would get back before Bishop Gilman goes either today or tomorrow. I want to get this letter off by the Bishop and we will let you know of any decisions taken here after Dr. Bien's return as soon as possible. Prices have climbed a bit during the week from the low of ten days ago but the amount of goods on the market has been scant and it is hard to know where prices will settle. Rice has gone back to \$1700 because of the shortness of supply.

The rains let up on Friday afternoon but it will take a week or more to really dry the road between here and Tali out as parts of it are so near the level of the rice fields.

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We are following as closely as possible over the radio the developments in the negotiations between the central government and the communists and hope that a real settlement may be made there as soon as possible.

With best wishes,

Yours sincerely,

(Signed) John L. Coe

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September 21, 1945

Mr. John Coe, Treasurer  
Hua Chung College  
Hsichow  
Yunnan, China

Dear Sir:

We have a letter from Mr. Lim Foon of 3208 -16 Ave., South, Seattle 44, Washington. In this letter Mr. Foon enclosed a check for \$100 and requested that this amount be sent to Miss Lin Yun Yung who is a student in Hua Chung University.

I have written Mr. Foon that this amount of \$100 has been deposited in the account of Hua Chung College in New York and that I will request you to pay the corresponding amount to Miss Lin Yun Yung in Hsichow.

Dr. Wei arrived in New York early this morning and of course it gave us all a great deal of pleasure to see his face again. He seemed to be in excellent condition and he said he was feeling very well. Dr. Wei's travel schedule was as follows:

Wednesday, September 12	- left Calcutta
Thursday	" 13 - arrived Kurachi
Friday	" 14 - left Kurachi
Saturday	" 15 - arrived Casa Blanca
Sunday	Sept. 16 - 19- at Casa Blanca
Thursday	" 20 - left Casa Blanca early in the morning
Friday	" 21 - arrived New York via Newfoundland 3 a.m.

Dr. Sherman and I had lunch with him today and have made a small beginning in the discussion of the many important matters which are awaiting decision. There will be a meeting of the Hua Chung Executive Committee on October 4th and the regular meeting of the Hua Chung Board will be held on November 2nd.

Your Annual Report has not been received but the late date for the trustee's meeting will insure that it will arrive in time.

All goes well with us here.

*As requested in your letter 4-29 we are sending to Mrs. Lo today a check for \$75.00*

Very sincerely yours,

Oliver S. Lyford,  
Treasurer

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HUA CHUNG (CENTRAL CHINA) COLLEGE

室 長 校

CO-OPERATING UNITS

BOONE COLLEGE  
GRIFFITH JOHN COLLEGE  
HUPING COLLEGE  
WESLEY COLLEGE  
YALE-IN-CHINA COLLEGE

WUCHANG, CHINA

TEMPORARILY IN HSICHOW  
VIA TALI, YUNNAN, CHINA

OFFICE OF THE PRESIDENT

XXXXXXXX  
Treasurer

September 30, 1945  
L-35

Mr. Oliver S. Lyford  
54 Dana Place  
Englewood, New Jersey, U. S. A.

*Received Nov. 7  
J.C. W.*

Dear Mr. Lyford:

As I wrote in the postscript of my letter L-34, yours of July 30, C-12, had just arrived. I will try and answer some of the questions raised in your letter.

We were greatly pleased last week to have a cable from Dr. Wei in New York, saying that ~~he~~ had arrived there on September 21. He is probably already busy with his courses at Union Seminary and consulting with you and others. I have also had word that Dr. Bien flew from Kunming to Chungking on September 22. As soon as we have word from him in reference to the meetings in Chungking and Chengtu, we shall let you know.

Yesterday we cabled Dr. Wei, informing him of Dr. Bien's trip and of the total enrollment for the term of 279. There still may be a few stragglers this next week. This taxes our facilities to the utmost, and it is proving considerable of a problem how to look after this large increase in the student body. The percentage of old students who have returned is larger than anticipated. Also a few students who left a year or more ago to act as interpreters in the army and for other war jobs have also returned. The percentage of the successful candidates in the entrance examinations who actually came to us was also larger than expected. It would look as though the quality of the students was better than during the last year or so. One of the reasons for the larger freshman class is that in anticipation of their return to North China the universities associated in "Lien Ta" in Kunming made their entrance examinations stiffer and took a smaller class than usual in September. Our teaching staff ought to be adequate to carry the load for the first term. If some of the refugee teachers who are helping out in the English department should leave at Christmas time, we may be a little short in the English department during the second term.

From information that Dr. Bien sent back, I understand that the U.S. dollar before September 15 dropped to around 600 in Kunming. Then it rose again to about 850. It was expected that after the Mid-Autumn Festival on September 20 it would rise to around 1000. These are all street prices, and it would probably not be possible to obtain quite ~~not~~ so much as that on checks. Our prices here hit a low the week before the Mid-Autumn Festival and have since risen somewhat. There is every prospect that there will be a good harvest in this part of the country. It is reported that the government is going to truck a considerable quantity of rice from the head of the lake to feed some of its armies further west. If this should prove to be the case, it will probably mean that our rice price will remain at its present level or rise somewhat. At the present moment I see no reason to make another guess than an expected total of somewhere around N.C. \$40,000,000 for the usual college expenses for the year.

In reference to the matter of the Pao family, I think that the action of the Trustees, giving them a grant for the present academic year, will be sufficient. The original recommendation of the Executive Committee was that this grant be continued until twelve months after signing of an armistice between China and Japan. That period would expire with the end of August next year. The idea behind that is that that should give sufficient time to get the family ~~back~~ into their native surroundings in the province of Kiangsi, which will probably be done when the college moves.

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September 30, 1945

Because of the rush incident to the beginning of the term and the visit of Drs. Picken and Sanders of the British Council, I have not yet had time to go over the figures which Mr. Greiner so kindly sent. I note that the Reformed Church paid in U.S.\$1500 in May, which I assume is for the year 1944. I note also that there were a number of contributions from the Associated Boards, about which I did not know earlier. I assume that these were for current expenses, and I am crediting them into the Sustaining Fund which actually showed a decrease as of August 1, 1945 over August 1, 1944, as explained in the letter which accompanied my report to Mr. Greiner. I note also that U.S.\$7,200 from the Yunnan Students Scholarship Fund has been invested in U. S. bonds, as was the money for the Holmes Scholarship Fund. It is expected that the interest on both of these funds will be used during the current year. In the case of the Holmes Scholarship, the money will be used for scholarships for needy students. In the case of the Yunnan Student Fund a portion of it will be used for scholarships for Yunnan students and the balance for investigation of Southwestern Culture, as was recommended by the committee which conferred with the students over the use of this fund.

The college had a very pleasant visit from Dr. Picken, biophysicist of Cambridge University, and Dr. Sanders in Medical Research of Oxford University from September 22-28. They have been visiting various institutions in China under the auspices of the British Council. Each of the men gave two lectures in his own special field, and Dr. Picken gave five lecture-concerts, using Victrola records which he brought with him, as well as playing the piano himself. They also brought a number of books to the college as gifts from the British Council.

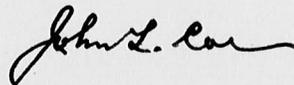
The rainy season seems to be nearly over at the present time, and the rains during September did not seem to be as severe as they were last year.

The new teacher of Economics secured by Dr. Wei in Kunming, Dr. Lionel Shen, has already arrived here and has started his work. He looks like a good man. The new teacher of Education arrived here on Friday. We had word that Mr. Constantine sailed from England early in September, and he should be here around the middle of October.

We have heard that Bishop Gilman arrived at the school in Tsingchen on September 11, and I imagine he has started on east from there with the idea of getting to Hankow as soon as possible. So far we have had no word as to the condition of the property in Wuhan since the surrender.

With best wishes,

Yours sincerely,



JLC/MRC

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HUA CHUNG (CENTRAL CHINA) COLLEGE

室 長 校

CO-OPERATING UNITS

BOONE COLLEGE  
GRIFFITH JOHN COLLEGE  
HUPING COLLEGE  
WESLEY COLLEGE  
YALE-IN-CHINA COLLEGE

WUCHANG, CHINA  
TEMPORARILY IN HSICHOW  
VIA TALI, YUNNAN, CHINA

OFFICE OF THE PRESIDENT

October 13, 1945

L-36

Mr. Oliver S. Lyford  
54 Dana Place  
Englewood, New Jersey, U. S. A.

*Read by  
F.C.W. W.  
Nov. 30.*

*Received Nov. 28*

Dear Mr. Lyford:

In all likelihood Mrs. Hsiao is leaving here within the next week. Dr. Hsiao is probably going with her as far as Kunming. I have given Dr. Hsiao a note to you, stating that the sum of his deposit with the college amounts to U.S.\$2525.29. Upon presentation of this note, will you please ~~pay~~ this money as either Dr. Hsiao or Mrs. Hsiao may direct. It is possible that they may wish to use some of it, Kunming or India. In that case they will make arrangements to draw the money from Mr. Allen. I have asked that Mr. Allen note on the letter which I have given to the Hsiao's for you whatever amount they may draw through him.

Last Wednesday, the Tenth of October, was celebrated by the college. In the morning there was a college assembly attended by the student body and the faculty; an address was given by Mr. Y. C. Wong of the Chinese History department. In the afternoon the students had a number of athletic games. In the evening a long program was put on at the college by the students. There was a bonfire, and there were a number of items presented by the various student organizations.

During the past week Mr. John <sup>Yang</sup> ~~Yang~~, a graduate of the college in the department of Physics in 1941, arrived. He has been appointed lecturer in Physics in order to take part of the load in the department of Physics, so that Dr. Bien will be able to devote more of his time and energy to the acting presidency. Deaconesses Couche and Blenkinsop of the Church of England Zenana Missionary Society, who had kindly been loaned to the college by Bishop Stevens of the Diocese of Kwangsi-Hunan, left the college this morning to start their journey back to their own work in Hunan. This was at the request of Bishop Stevens.

During the week Father Wood has had a bad cold, which threatened to settle in his ear. Dr. Pinoff has taken the <sup>case</sup> ~~case~~ in hand, and Father Wood seems to be making a good recovery. Dr. Wu returned a week ago today with her baby daughter from the Tali Hospital.

A few days ago I had a letter from Dr. Bien, which was written in Kunming on September 21. During his stay in Kunming he had gotten considerable information about the possibilities of transportation for the college. He says that we must not count on being able to go out by way of Burma; from the information which he has sent me it would appear that our best route would be by truck to Kunming, then by rail south to Kaiyuen, followed by a truck trip of roughly 150kilos from Kaiyuen to the border of French-Indo China. This portion of the railway was torn up when the Japanese occupied Indo-China, and it will probably be sometime before it will be restored. However, the government is pushing through the reconstruction of a highway between Kaiyuen and the Border. Then from the border there will be rail to the coast. From the coast ship to Hongkong, Shanghai, and eventually up the river. Dr. Bien reports that Haiphong (the port in Northern Indo-China) will be connected by Chinese and American ships very soon with Hongkong and Shanghai. Dr. Bien figures the cost of trucking the faculty and their families, the students, and the college equipment over this route will be approximately U.S. \$27,000. To this must be, of course, added rail and steamer fares. The only other route that Dr. Bien seems to feel is practicable is to truck all the way through Kunming to Kwei-yang and ~~Yunling~~ in Western Hunan. From there it would be possible to get some sort of river

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October 13, 1945

transport down to Wuchang. The length of the truck journey involved is, according to his figures, 1720 kilos from Hsichow to Yuanling. This would contrast with a truck journey of about 600 kilos from Hsichow to Kaiyuen (450 kilos Hsichow to Kunming; Kaiyuen to the border of French Indo-China 150 kilos). All of these figures are, of course, preliminary, and it is very possible that Dr. Bien may have discovered other facts during his visit in Szechwan, and I will keep you informed of any developments. His idea is that it should not be too difficult to get trucks from the American army as they prepare to pull out, and his preliminary proposal is to have five trucks to carry the college from Hsichow to Kunming, and two on the shorter route to the south.

If it was possible to be sure that our premises in Wuchang would be available for use sometime in the spring, it would be possible for us to move, starting in January. Also, there is the question of what the political situation may be in Northern Indo-China. At the present time the northern part of that country has been occupied by the Chinese forces, and so far we have had no reports of unrest there such as we have heard of in the southern part of Indo-China. If the Chinese occupation should extend through the first half of next year, it would be ~~saier~~ easier for the college to move via that route than if the French were in control. There is also the factor that a considerable number of the faculty are anxious to get back to Central China in order to make contact with relatives whom they have not seen since the college moved out. If the return of the college should be too long delayed, some of the faculty would undoubtedly leave sometime in the winter. For these reasons a start early in the New Year would be best.

On the other hand, it might be better to wait until April after the end of the academic work. It is going to be hard for the students to have done their first-term's work here, and then have a break of three to four months before the opening of the second term, with conditions possibly more sketchy for classrooms and laboratory work during the spring in Wuchang than we have here in Hsichow. Also there is the matter that some of the local students will not move with us, whether we go in the winter or the spring, and finishing a year's work here will be more advantageous for them than merely a term's. Also if we wait till spring, it will probably be necessary for us to find transportation for fewer students than if we move in the winter. Also by spring it may be that quite a few of the faculty will prefer a subsidy from the college and find their own way back to Central China rather than travelling in a large group. No decision on this matter will be reached until Dr. Bien returns, and I hope that we may have some report of the condition of the campus in Wuchang before very long.

What I have written above about moving are the possibilities of routes as outlined in Dr. Bien's letter. The reasons for moving at various times are my own personal thinking and do not represent the result of any meetings.

Since the first of this month the highway administration has put on a new bus service between here and Kunming which is more reasonable in price. My feeling is that it will be more economical and certainly ~~xxxxxxxxxxxxxxxx~~ cause less trouble in the long run if we should be able to charter transportation between here and Kunming rather than buy trucks as Dr. Bien suggests. Dr. Bien has also sent ~~back~~ word from Chungking that there is little or not hope of a government subsidy to assist the college in moving. However they will probably give us ~~xxxxxxxx~~ help in securing transportation.

With best wishes,

Yours sincerely,

*John L. Lee*

0984

Hua Chung College, Hsichow via Tali, Yunnan, China. Monday, Oct. 29, 1945  
To-281 Fourth Ave. rec'd via  
N.Y.C. 10, N.Y. Boston Nov. 30

Dear Miss Barnes and Mr. Whitney:

I find in my desk drawer Miss Barnes letter of July 19 and Mr. Whitney's letter of September 6, neither of which I believe has been acknowledged. Thank you so much for all communications from "281" for they give us such a warm feeling of "belonging." I tripped off to the P.O. this morning with Mother's weekly letter, only to find that it was just over weight -- and I thereupon decided to bring it home and enclose this letter to you. Do accept our very best wishes for a joyous Christmas and a Happy New Year. Whereas the next few months look very uncertain to us, nevertheless there is reason for great Hope in the future for all of us. May God give us the wisdom, strength, and faith to fulfill our hopes and the hopes people have for us.

We have now been waiting for a week for the arrival of an F.A.U. truck with Leonard Constantine back from England; and now last night's mail brought the word that the truck might leave Kunming today not only with Leonard Constantine but also with Sidney Hsiao, who accompanied his wife up to Kunming as she started forth on her travels. As a matter of fact, Richard Bien should have gotten in from Chungking last Tuesday, and so we rather expect that he may be on the truck also. It would seem as if we were pinning all our hopes on that truck! The Allens have been gathering bits of this-and-that from the army for us (coffee was our greatest plea, and it has already been answered right here from sources nearer home) -- AND Dr. Bien, who has been attending conferences in Chengtu and Chungking, may be able to tell us something about this colossal problem of how and when we can move. The study body -- and the faculty too -- come to us with all kinds of rumors that he has bought a convoy of trucks or has set a day, etc. etc., all of which we have to deny any knowledge of. They don't really believe us, and the rumors grow bigger with the days. Some of the faculty wives started selling their furniture the week after victory in the hope of getting a better price than if they waited, and we here that some children laid for awhile on the floor till some bed boards were scraped up from somewhere!

As for ourselves, we have gotten rid of nothing, for it seems to me that these months are just as long as all the other months we have lived here. Moreover, we cannot get anything for our possessions any more -- I mean anything anywhere near the price of last spring and summer -- and so we might as well use them till the bitter end. Yesterday afternoon we held a faculty tea here, given by Mr. J. Chamberlayne, the new English Methodist in our midst, and to seat the 48 people who did come we were using every seat and plank in our house and in Miss Burr's -- not to mention saucers and cups.

We are trying to get accustomed to a life which includes no more army friends, no more Jeeps at the door, no more "wisecracking" of our young men, and no more unexpected little gifts as a precious bottle of stuffed olives or jelly that "my mother makes especially for me." We also now receive no more news bulletins of any kind except the American Digest, which goes in for articles more and which is slow in coming through, and no more "Time". The college radio is a weak instrument, and whereas we can follow the general outlines of a world now at peace, there are countless bits of news we should very much like to hear. Probably from Dr. Wei you gave learned that our freshman class is the largest in Hsichow history. A few are already dropping out, but hostels and classrooms are full to bursting. Wooden tables and benches have to be moved from room to room as classes move in and out. It is a problem at night for the students to find places near electric light to study. It seemed necessary to have five sections of Freshman English, plus about fifty odd students of Conditioned English. So instead of studying Chinese, as I had hoped, I find myself correcting compositions, taking conferences, and trying to explain the intricacies of English verb tenses, the rules of which are beyond me too. Teaching is not my forte, but unless I get a call to Hankow, I am here in Hsichow for the time

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being. Miss Burr, who took over the headship of the English department, [2] has found it full of nothing but problems -- especially as the two English deaconesses, very understandably, have left to return to their old work in Hunan and as one of our young Chinese staff seems to be having a recurrence of his T.B. (although he may have had only a bad case of bronchitis). So M.R.C. pinch-hits for the time being in the English department --

We have been quite concerned about Father Wood as he had a nasty cold which settled in his ear several weeks ago. However, sulfanilimide cleared up the ear, and he is slowly getting his strength back. Arthur Allen wired for him to go at once to Kunming if he wanted to get back to his beloved St. Michal's in Wuchang, but at the time the wire came Father Wood was quite unable to travel, and anyway he decided to wait for the F.A.U. truck to see if it could take him up to Kunming. However, the J.A.U. truck seems to be almost mythical, and so Father Wood now contemplates going to Hsiakwan and then seeing what he can get there into Kunming. We feel he must have somebody travelling with him, and John is still trying to wangle some kind of travelling companion. Yesterday morning Father Wood assisted the Rev. Carl Liu in the 8:30 Communion Service and was able to give a Bible talk afterwards. We feel very encouraged over him, but still feel that his seventy-three years will find the "rugged" conditions of travel along the Burma Road pretty hard. At the meeting after the Communion service yesterday morning the Sheng Kung Hwei Fellowship presented him with a purple satin banner with fitting "characters." He will be very much missed in Hsichow where he has carried on his usual excellent exangelistic work with the students and made countless friends among everybody.

On Thursday, November 1, Founder's Day, there will be a Memorial-Communion Service for Bishop Roots at quarter to nine, to which the whole college is invited. Later in the morning the students will have games of volley and basket ball. In the afternoon the Matriculation Ceremonies take place at three o'clock, followed by a tea in honor of all the new members of the Faculty. Of course, we hope that Dr. Bien, Mr. Constantine, and Dr. Hsiao will be back for Thursday, but we do not dare depend on it.

Our last group of guests from the outside world were a Dr. Picken and Dr. Sanders, Cambridge and Oxford respectively, of the Sino-British Science Co-operation Office. They landed rather unexpectedly at our house one Saturday afternoon, with their interpreter, and here they staid although we did have a nice F.A.U. Boy in the guest room bed. They were very easy guests, although the tea we had to have for them here did throw the cook quite off balance, and created one of our semi-monthly domestic crises. I delivered an ultimatum to the cook, "You can go or stay just as you like, but these are Britain's honored guests to the college and they stay." With that I walked out of the kitchen with heart beating wondering just how I would manage the tea for twenty that afternoon. However, the cook thought about it awhile, and calmed down quite reasonably and produced the lunch as usual. I think Poor Old Cookie was quite overwhelmed with serving ordinary food to such honored guests- he felt that chicken and shark's finns should be their usual fare. Dr. Picken not only gave the college scientists lectures on plastics and other deep subjects, but he also gave us gramophone and piano concerts which were really delightful. Dr. Sanders, who is one of England's penicillin experts, gave a general lecture on that new drug and more learned lectures to the Science department. They all feared the malaria of these parts, and so constantly took preventive stebrin, with the result that Dr. Sanders in particular went about with a chrome yellow tinge to his complexion. We sometimes say that if we just stay in Hsichow long enough the whole world will come to see us, and one day last spring we even got ready for Chiang Kai-shek -- oddly enough he never got here!

It is nice to see our boys who went off as interpreters to the American army returning here. All but one who accidentally shot himself have come back, and we cannot help being proud of them. It would seem that the experience did them all good, although of course there was some disillusionment too. One of the boys used a very slangy American expression, and his teacher said, "I can see you have been with the ammy." To which the boy replied, "Miss ---, the men I was

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with were fine upright gentlemen." As the remark was quite spontaneous, we were pleased.

It just happens that one of our students is writing his senior thesis on the women in the Barchester novels of Trollope. As once I had expressed a liking for Trollope, although I had read only two of Barchester series, I found myself asked to direct the thesis. It pleases me to know that there is a revival of Trollope both in England and America. When one of our British scientists heard about the thesis, he was a little dismayed at the picture our student would draw of England. Our thesis are somewhat limited in subject matter by the books in the library. We have been lucky in falling heir to a number of the paper-covered army editions of books. If we could only fall heir to the time to read them, everything would be fine. I know both of you will let my mother know when and if there is a chance of sending things out to me. John's clothing situation is much improved by army cast-offs. We have tried to buy army things for him, but it would seem difficult for a mere American civilian to buy clothes to fit a man 6'2". For myself, the tailor has been creating some quite wonderful undergarments and sleeping garments out of old parachute cloth. I go to bed in apparel that could be used for playing hopscotch with seams all over me, but the cloth is strong. I might be a little embarrassed to send our laundry to one of your fashionable New York city laundries, but it looks quite all right on the line in a Hsichow courtyard. However, I have had no way of replenishing coats, dresses, shoes, stockings, hats, and hair curlers. When a good opportunity comes, I shall be very glad to have them. As far as I know, it is still quite impossible to send packages to West China -- and even if the p.o. would take them, I very much doubt the wisdom of sending them. Our mails are coming through better, although the dates are erratic. Logan Roots flew from Washington to Kunming in five days, and it took six days for the word to come to us from Kunming. However, one recent letter from Kunming took thirteen days. Telegraph and postal rates have gone way up, but the service does seem considerably improved.

With best wishes to all,

Sincerely yours,

Mary Coe

Monday evening, the 29th John just came back from the radio with the report that fighting between communist and central government troops has broken out in eleven provinces of North and Central China. We do feel discouraged.

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HUA CHUNG (CENTRAL CHINA) COLLEGE

室 長 校

CO-OPERATING UNITS

BOONE COLLEGE  
GRIFFITH JOHN COLLEGE  
HUPING COLLEGE  
WESLEY COLLEGE  
YALE-IN-CHINA COLLEGE

WUCHANG, CHINA

TEMPORARILY IN HSICHOW  
VIA TALI, YUNNAN, CHINA

November 5, 1945

L-37

Mr. Cliver S. Lyford, Treasurer  
Hua Chung Board of Founders  
54 Dana Place  
Englewood, New Jersey, U. S. A.

(43)

Received Dec. 11  
Read by F. C. Lee  
Jan 2, 1946

Dear Mr. Lyford:

Thank you for your letter of September 21, which came in this evening. I will arrange to make the payment to Miss Lin Yun Yung, as you requested in your letter. I was very much interested in your summary of Dr. Wei's quick trip from Calcutta to New York. My Annual Report was posted in Kunming just before the middle of August when I was there, and I hope it reached you shortly after your letter was written.

Dr. Bien returned to the college yesterday after his trip to Chungking and Chengtu. I have had a long conference with him today and am sending you some of the information he has given me. There will probably be a meeting of the Executive Committee Pro-tem on Friday of this week, the 8th. We will let you know what is decided as quickly as possible after that meeting. I rather expect that Dr. Bien will plan to cable you after the meeting.

Dr. Bien reports that Dr. Fenn assured him that we can count on N.C. \$30,000,000 from UCR and British Aid to China for the year October 1, 1945 to October 1, 1946. This would make available for the balance of the current year (academic) N.C. \$25,000,000. In addition we have already received N.C. \$162,000. from UCR for the months of August and September and N.C. \$569,000. from the British Aid to China up to date. So far during the current academic year our average exchange has worked out at about 700. If the same conditions should prevail for the balance of the year for the exchange of our regular income from the supporting missions, we should realize at least N.C. \$21,000,000. from this. Counting the above with local income, it would seem that we can count on fairly surely a total of N.C. \$48,000,000. for the year.

Since I wrote to you last, prices have risen somewhat here. Dr. Bien reports that the Christian colleges in Chengtu, the government institutions in Szechwan and in Kunming, when prices dropped last summer, did not reduce their subsidies except in the matter of their rice subsidy, which formed a very small portion of the salary received. Then when prices rose in late September and October, these institutions have increased their subsidies somewhat. He also reports that the general commodity prices in Szechwan seem to be less than here. He has talked over with me our general subsidy problem, and some recommendation will be made to the Executive Committee Pro-tem when it meets on Friday. I expect that whatever recommendation Dr. Bien makes will be covered by the income which I outlined above.

Dr. Bien also had a report on what Dr. Fenn said we can expect from UCR in the way of moving back and rehabilitation. For moving back the amount is N.C. \$37,500,000. For rehabilitation of the campus in Wuchang N.C. \$100,000,000. For replacement of equipment N.C. \$50,000,000. For replacement of staff a probable grant of N.C. \$400,000 per adult, counting not more than two adults in each family. (This may be modified slightly, and there is the possibility of a grant of N.C. \$50,000 per child.) As I understand it, these sums are not in hand, but UCR has promised Dr. Fenn that this money will be available. Dr. Bien says that Dr. Fenn was going to mail me complete data on such matters, but they have not yet arrived. I am not certain whether this will be a grant of so much in Chinese currency or whether it is a grant in U.S. currency with the above figures reckoned at the rate of 1000-to-one.

The problem of moving is a very difficult one. The colleges in Chengtu have definitely decided to wait until summer, the high water season on the river. Lien Ta in Kunming is going to wait

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November 5, 1945

until next year when rail communication is fairly open. Our problem is complicated by the fact that we have a trip of over 400 kilometers by road to Kunming. In the matter of possible routes for return, Dr. Bien's investigation would show that if the college was to plan to return before twelve months from now, the only possibility would be to truck through to Yuanling. To go to Szechwan would only land us in the midst of, or in the rear of, a large number of people who would tax the facilities down the Yangtze. It is not expected that there will be rail transport from Kunming through to the coast of Indo-China inside of twelve months.

At the present time and during the next few months there will probably be a considerable amount of Chinese military transport going from this part of the country to the East. But in six or seven months it may not be easy to get such transport. Dr. Bien on his way back investigated the possibility of chartering trucks from the Highway Administration for the trip through from Hsichow to Yuanling in Western Hunan from which place we could probably get river transportation. Such chartering could be done within the next few months. The cost of chartering would amount to around N.C. \$25,000,000. for enough trucks for faculty and college equipment. If we were to allow for students in addition, another N.C. \$10,000,000-\$12,000,000. would be needed. But a large number of the students should be able to pay their own way. In addition to the chartering fee, it would be necessary to supply gasoline, which would cost at present prices another N.C. \$8,000,000.-\$10,000,000. Dr. Bien also estimates that it might cost N.C. \$8,000,000. more by water from Yuanling to Wuchang. In addition we would probably have to face the necessity of granting some extra allowance for food and lodging enroute to the faculty. Also, Dr. Bien has considered the question of trying to get some trucks, and Dr. Fenn told him when he was in Szechwan that he might be in a position to help Dr. Bien secure them. Dr. Bien before he left Kunming sent a telegram to Dr. Fenn, asking him if possible to purchase for us seven trucks and a jeep. He expects to be able to get the trucks for U.S. \$1500. each. Then, there will be the question of spare parts and drivers. Some of our students formerly worked on the highway and would be able to help in the driving. This might be somewhat cheaper than chartering, but I am not sure that Dr. Fenn will be able to secure the trucks, and it might mean a long period for the college to be moving.

If we were to take the total estimated for the chartering at N.C. \$25,000,000., plus N.C. \$10,000,000. for gasoline, plus N.C. \$8,000,000. for boat transportation, plus N.C. \$3,000,000. assistance subsidy, we would have a total of N.C. \$46,000,000. If UCR grants us N.C. \$37,000,000., the balance of N.C. \$9,000,000. could be covered approximately by the U.S. \$9,000. which is held in our funds under the item "Transportation," if exchange were at 1000-to-one. This U.S. \$9,000. was realized from the sale of truck parts here in Hsichow a couple of years ago and should very properly be used for transportation. These estimates are only preliminary and will be subject to change.

We have just received letters from Bishop Gilman written enroute to Hankow and in Hankow after his arrival there early in October. He reports that most of the college buildings are intact, but that the Chinese forces have moved in there on October 12.

Will you please pay Mrs. Ruth Lo US\$120. Dr. Lo has given me the equivalent here.

These reports of fighting with the communists in northern China are worrying and one wonders just what will be coming of the matter. We do not get a great deal of news here in this part of the country.

With best wishes,

Yours sincerely,

*John L. Coo*

0989

HUA CHUNG (CENTRAL CHINA) COLLEGE  
WUCHANG, CHINA  
Temporarily in Hsichow  
Via Tali, Yunnan, China

November 18, 1945  
L-38

Mr. Oliver S. Lyford  
54 Dana Place  
Englewood, New Jersey, U.S.A.

Dear Mr. Lyford:

In my letter L-34 of September 25, I itemized the charges which I had for Dr. Wei's travel from the time he left Hsichow till he flew from Kunming at the beginning of September. That total was N.C.\$298,875. At the rate prevailing during the latter part of August and September, I have converted it into U.S. dollars at 700-to-one, which gives a total of U.S.\$426.96, which I am charging against the Board of Founders.

Since August 1 of this year the following Special Gifts have been received by the college:

Received in August, from the Canadian War Relief for Faculty Aid.....N.C.\$	297,500.
Received in August, from the British Aid to China.....N.C.\$	560,000.
Received in September, the third installment of the Special Gifts from the British firms, through the China Christian Universities Association in Great Britain, the equivalent of £200.....N.C.\$	1,515,421.
Received in October, by telegraphic transfer from Chengtu to the bank in Hsiakwan at the end of October, and so far no details from Miss Priest in regard to it have been received.....N.C.\$	1,470,168.
Received November 17, through the Bank in Hsiakwan by telegraphic transfer from Chengtu.....N.C.\$	854,067.16.

As soon as I receive information in regard to these last two items I shall let you know.

Also there has been during August and September N.C.\$163,832.16, received from UCR. There has been up to date no receipt of money from UCR for their new year which began October 1. Dr. Bien has sent two telegrams to Dr. Fenn in regard to this.

On Friday, the 9th of this month, there was a long meeting of the Executive Committee Pro-Tem of the Board of Directors. Two important matters were taken up at that meeting. The first was to recommend an increase in the payment of salaries and subsidies from 500% (as paid in August, September, and October) to 600% starting with November. It was also recommended that a rice sub-

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sidy of 150% for the months of November and December be paid before the end of November. If prices should remain at about the present level, I would estimate that this would mean a total expenditure by the college for the academic year of around NC\$46,000,000. This would be covered approximately by our income on the basis of US\$30,000 at 700-to-one, plus probably N.C.\$26,000,000 from UCR and British Aid to China Fund. Should exchange go up slightly, it would give us a bit to cover a possible increase in prices.

The committee also discussed at length the problem of the moving of the college. Its decision was reported to you by the cable sent the following morning by Dr. Bien, saying that the college should plan to move via Yuanling in April. By postponing the move until April, it will make it possible for us to carry through an abbreviated academic year. It also should give an opportunity to get things into some sort of shape in Wuchang. I understand that the Diocesan School is planning to move in December and January of this academic year, and thus it will be back before the college. We have had no further word from Bishop Gilman about conditions in Wuchang, but Dr. Bien has sent very detailed requests to him. Also when Dr. Bien was in Chungking, he had a long conference with Dr. Wesley Wan, who was with the college Chemistry department from 1936 to the summer of 1942. Dr. Wan was expecting to proceed to Wuhan in the near future in connection with government business. It was his expectation that he would be stationed there for some time, and he told Dr. Bien he would be glad to do what he could to help there. His help may be invaluable in dealing with government officials, especially if there is the problem of getting troops out of our property.

The problem of moving as early as April means that we shall have to face a long truck journey (about 1900 kilometers) via Kunming, Kweiyang, to Yuanling in Western Hunan, and thence by boat to Wuchang. The Szechwan route seems out of the question because of the large number of people from East China in Szechwan who are overcrowding the few means of transport from Szechwan to East China. There seems to be little hope of being able to get out by rail or truck via Indo-China. The re-opening of that route between Yunnan and the outside world seems to have been postponed for at least a year. In fact, the more one considers the whole business, it looks as if the government, faced with the urgency and the immensity of the problems of East China, is preparing pretty well to forget the problems of Yunnan. Some of the government institutions, such as Lien Ta, are reported to be thinking of settling down in Kunming for another year at least, until they can get out fairly easily by rail. To a certain extent it would be taking the line of least resistance for us here to say that travel within the next six to eight months would probably be very difficult, and we would plan to stay here in Hsichow until we are sure of a safe, comfortable, and cheap trip back to Wuchang.

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Our problem is complicated by the fact that we are 400 kilometers west of Kunming on a road which is in fairly good shape at the present time, but which many people fear may be in very bad shape after the next rainy season. Also there is the fear that the amount of transportation available in this part of the country will gradually decline. There is the further fact that the college has probably been here in Hsichow for too long a period already. Many of our faculty have not been away from this locality for a number of years, and they are getting very much out of touch with the rest of the country. We have been able to fill some of the most pressing vacancies in the faculty this year with new blood, because people felt it would not be long before the college would be moving. If the college were not to move next spring, some of our faculty would probably leave us, and we might have great difficulty in filling their places.

I realize that the first year or so in Wuchang is not going to be an easy one, but the sooner that Hua Chung gets back to Central China and starts serving the Christian community there, the better it will be. I remember very well the years from 1927 through to the early 1930's. The college was closed in the spring of 1927 and did not reopen until the autumn of 1929. As a result of that enforced break, a considerable portion of the Christian community in Central China had to send their children of college age to institutions outside the area, and it was a number of years before we were able to counteract the effect of those years of break. If we were to delay too long in going back, we might again find ourselves in somewhat the same condition. I feel that it would be far better for us to do our best to reopen in Wuchang in the autumn of 1946.

Yali Middle School is definitely moving back to Changsha; the Diocesan Union Middle School is moving back to Wuhan; and the other mission schools will all be getting back to that area. The young people who have graduated from these schools within the last few years and have not yet gone to college will be trying to get back to Central China, and we certainly ought to be there to serve them. Report has it that the National Wuhan University may not be moving back to Wuchang for a year, and if we should be on the job before they are, it will be so much to our advantage.

I am aware that the costs and difficulties of moving may be greater next spring than they would be later, but it is our feeling that the advantages of an early return to Wuchang outweigh those. It is difficult to estimate the cost of moving, and the more one looks at it, the more it seems that our preliminary estimates were too low. In my letter of last week to Dr. Wei, I sent him an estimate of N.C.\$60,000,000. as given in the cable to you. This estimate may also be low.

Dr. Bien has already gotten busy on the question of procuring gasoline. This will have to be continued whether we are successful in purchasing our own trucks or chartering others. From

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the conditions in this part of the country stocks of gasoline during the next six months will probably decline rapidly, and the price climb. It is our present plan to accumulate some here and in Hsiakwan, some in Kunming, and we have written to Dr. Frank Fulton to see if he can assist us in getting some in Western Hunan. At Dr. Bien's request Mr. T'an with the college mechanic went to Hsiakwan three days ago and returned yesterday with eleven drums of gasoline. He reported that it would be possible to get twenty more, and I expect that he will go down tomorrow to finish the business. This purchase of gasoline is rather of an involved business, and Mr. T'an seems to be carrying this out all right. We estimate that this purchase will be enough to get the college from here to Kunming. We are having to pay for this at N.C.\$120,000 per drum of 53 gallons. Mr. Ling Ching-yu of the Physics department, who went to Kunming two weeks ago, has been asked by Dr. Bien to stay there to see what he can do along that line there. We have wired to Dr. Fenn, asking if it would be possible for us to have an advance of N.C.\$10,000,000. on our travel subsidy from the Associated Boards immediately. If this money is forthcoming, I shall not have to draw through Mr. Allen. Some money which I received in October on the American Church Mission appropriation came in at the rate of 900. I have heard that the UCB rate early in November was 1000.

This last week I received word that the Methodist Mission had paid their appropriation for the year 1945. Their appropriation in the pre-war years was NC\$3400., and during the last few years it has been paid at whatever multiple of the original rate the mission was paying for its other appropriations. This year the total received from them amounts to N.C.\$783,360. I have just received notice from the Treasurer of the London Mission in Chungking that they are paying their grant for this quarter of £25., which amounts to N.C.\$84,170.

Following the meeting of the Executive Committee last week the Senate had a meeting on Tuesday, the 13th, at which they definitely decided to start the second term on January 2 and to end it about March 31.

With best wishes for a Merry Christmas and Happy New Year to Mrs. Lyford and you, in which my wife joins,

Sincerely yours,

(signed) John L. Coe

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November 25, 1945

Dr. Francis C. M. Wei  
281 Fourth Avenue  
New York City 10, U.S. A.

Dear Dr. Wei:

During the past ten days prices have risen somewhat. When it came to harvest time, it was discovered that the rice crop, particularly near Teng-ch'uen, was not so good as had been expected. The last couple of markets have seen rice ranging between \$900 and \$1100. The local farms expect that the price may fall slightly when the large amounts come on the market from the harvest and say that after China New Year it will probably rise. Cotton yarn has gone up considerable and is now selling at about one-half the price it was before the break in August.

Dr. Bien is pushing ahead with preparations for moving. At his request Mr. T'an has made three trips to Hsiakwan on gasoline business. So far we have bought fourteen drums of gasoline at \$120,000 per drum. I believe that we can probably buy about as many again at about the same figure. This should be enough to take us to Kunming. If gasoline should drop in price at Hsiakwan to be considerably cheaper than in Kunming, we might buy more in Hsiakwan. Mr. Ling Ching-yu has telegraphed from Kunming that gasoline is \$140,000 a drum there. On Thursday Dr. Bien had a telegram from Dr. Fenn, saying that trucks and gasoline were ordered for us, but that he had had no reply as to whether they were available. We feel it wisest to go ahead with our plans for getting 60 drums between here and Kunming because we do not know how much Dr. Fenn may have ordered now where we would be able to take delivery of it.

Things seem to have been going well at the college during the last couple of weeks. Most of the students are settling down to work though I think some of the freshmen are finding the going rather heavy. Mr. Kao Min-yuen seems to have recovered from his attack of bronchitis and is taking part of his work.

Earlier in the month Mr. Shih-Shen-ho seemed to be felling poorly, and then last week he took to his bed, and Dr. Wu says that he has a mild case of typhoid. I understand that the crisis is past, and he should be getting around sometime in December.

Dr. Bien had a circular from Dr. Fenn the other day, which was concerned mainly with post-war developments for the colleges. He reports that only three or four of the colleges, including Hua Chung, had sent in the information he had asked for in regard to their libraries. Also only Gingling and Hua Chung had sent him information about the people on their staffs who would be candidates for refresher courses. He also brought up the question of the possibility of placing orders for equipment through the Associated Boards, and gave the impression that possibly it was slightly early to do that. Along this same line, Dr. Bien had a letter from Mr. Slater, saying that the British firms, which gave money last year, would probably give some money this year without any restrictions as to its use by the Christian colleges. Mr. Slater also held out the hope that the Imperial Chemicals might be ready to supply some scientific equipment.

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As the time for our return to Wuchang approaches, some of us have been thinking about some of the problems which will come up next summer and certainly should be solved before that time. Dr. Bien feels that this year to the end of July, whether in Hsichow or whether moving to Wuchang, should be regarded as an emergency year; and whatever grants and privileges are given to the faculty this year should not be regarded as permanent. The biggest problem is that of faculty salaries and subsidies. Should we continue with the present scheme modified to meet Wuhan price conditions as long as the present inflationary tendencies continue in this country? (I have heard indirectly that the banks are still issuing large numbers of new notes of the five-hundred and thousand-dollar denominations.) Or, should we plan on a revision of our salary and subsidy scale, starting with the first of next August?

There is also the question of housing. While in Hsichow it has been the practice of the college to provide housing for all members of the faculty and staff with no distinction made as to rank and position. As you remember, it was the former practice of the college in Wuchang to provide a residence for the senior members of the faculty and their families. Most of the junior members of the faculty were provided with a room in one of the hostels (Po-yu). The staff and some of the junior members who preferred to live off the campus found their own housing accommodations. I have heard indirectly that people like Dr. Wang Jen-tsai and Mr. Li of the library are talking of going back to the places where they used to live in Wuchang. What is to be the future plan of the college in regard to this housing?

The third point is that of tuition. Tuition was abolished by action of the Executive Committee Pro-tem in the summer of 1940, and I understand that that action was taken as a war emergency measure. Should the college plan to go on indefinitely charging no tuition, or should steps be taken to resume a tuition charge next fall?

In many ways it would seem to me that it would be easier to have these three problems settled and a definite policy for the future put into effect starting with the opening of the academic year in Wuchang. If we start off by calling the first year or two emergency years, and then plan a change of policy when currency conditions settle down, we shall find that many people will feel that the emergency conditions should be continued and not take kindly to a change. Also there is the problem of the proper authorities to decide upon these matters, especially the first two points. The Executive Committee Pro-tem is made up of members of the faculty who would be interested parties in whatever decisions are to be reached. I do not know whether it would be possible to get a Board of Directors organized, which would be ready to tackle and solve those problems before next summer. It may be the wisest thing that you should take these matters up with the Board of Founders at their winter meeting.

As I wrote you earlier, Dr. Bien reported that Dr. Fenn had mentioned to him that in the proposed rehabilitation funds for the colleges a grant of N. C. \$400,000 per adult member of the faculty and staff should be given for reoutfitting. Earlier we had informally talked over this problem and it was our feeling that this grant should probably be graded upon the considerations of rank, length of service, and size of family. Dr. Bien mentioned those considerations to Dr. Fenn, and Fenn said that they should be taken into consideration, but I have heard of no concrete de-

Dr. Francis C. M. Wei

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November 25, 1945

velopments along that line. As you are in touch with the Associated Boards in New York, would you please keep us informed about any new developments along this line.

In talking over the question of repairs in Wuchang, we have been wondering if it would be possible to secure screening and window glass abroad and have it shipped out under one of the relief agencies. Would you let us know if there is any possibility of such.

Mrs. Coe joins me in wishing you a Merry Christmas and a Happy New Year.

Sincerely yours,

(signed)

John L. Coe

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HUA CHUNG (CENTRAL CHINA) COLLEGE

WUCHANG, CHINA

TEMPORARILY IN HSICHOW

VIA TALI, YUNNAN, CHINA

室 長 校

OFFICE OF THE PRESIDENT

Treasurer.

CO-OPERATING UNITS

BOONE COLLEGE

GRIFFITH JOHN COLLEGE

HUPING COLLEGE

WESLEY COLLEGE

YALE-IN-CHINA COLLEGE

Mr. C. S. Lyford,  
54 Dana Place,  
Englewood, N. Y.

Dec. 2, 1945.

✓ L-39.

*Received  
Dec 24  
Paid to F. C. C. Co. Jan 2, 1946*

Dear Mr. Lyford,

In my last letter to you (L-38) of November 18, I mentioned two sums which had been sent to the college account in Hsiakwan from Chengtu. Since then, I have had details from Miss Priest in regard to these;

The remittance of October,	UCR- faculty aid, Aug. Oct.	661,668.00
	UCR- October grant	808,500.00
		<u>1,470,168.00</u>

The remittance of mid November		
British firms-fourth payment \$160		453,067.16
British Aid to China		400,000.00
		<u>853,067.16</u>

(There was the explanation that the British Aid funds were decidedly reduced in November because exchange was low for British funds).

Two days ago I was notified by the Bank in Hsiakwan that \$950,648 had been received there for us from Chengtu. I am rather assuming that this represents the November grant from UCR. I will let you know when I have details in regard to this.

I believe that Dr. Bien is going to write Dr. Fenn very shortly in regard to the money from UCR and other aid funds. AS I understand, Dr. Bien on his return from Chengtu <sup>reported</sup> Dr. Fenn had promised Hua Chung \$30,000,000 for the year ~~1945~~ October 1945-46. However, up to date the receipts <sup>received here from Chengtu</sup> have been running at the rate of between a million and a half and two million a month. It may be that it is planned to make up more later in the year. ~~xx~~

Dr. Bien recently had a letter from Mr. Slater of the China Christian Universities Committee in Great Britain saying that he had started \$108 on its way to us and hoped to be able to send more. This should all help out.

So far Mr. Tan has made three trips to Hsiakwan on the gasoline business. We have purchased so far 14 drums of gasoline ( 53 gallons each) for \$120,000 per drum. Tan had made contacts in Hsiakwan, and within a week or so we will probably have secured fifteen to twenty drums more at a price of (I hope) not over \$125,000 per drum delivered here in Hsiakow. This should be ample for our trip through as far as Kunming. So far no gasoline has been purchased in Kunming, and we are now hoping that it will not be necessary to buy there. Dr. Bien has had recent information that the work on the railway south to Indo-China is to be underway shortly and pushed through quickly. In that case the long, difficult, expensive truck trip through to Yunnanling will be avoided. It will be very much to our advantage if ~~that~~ can be worked out that we can go by rail from Kunming and then by boat from Indo-China. We will keep you informed of developments.

We have had no direct word of the condition of the property in Wuchang. Mail communication with Wuhan has improved recently. One report says that the troops were still in our property early in November and that it might be the end of the year before they would leave. Mr. Kemp of the school has probably already left Tsingchen to truck school equipment back to Wuhan.

Dr. Bien received <sup>Nov 30</sup> two days ago a cable from New York dated the 23rd which through some error in the telegraph office was unsigned. We assume that it came from you or Dr. Sherman. Every endeavor will be made to carry out the instructions

*no word that trucks were purchased*

*(This is the callgram quoted on page 7 of my covering letter of Dec 27. - AS)*

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in the cable. As soon as we have any idea of the cost of temporary rehabilitation in Wuchang~~xxxx~~, we will let you know by cable. (Purchase of trucks has not been reported as yet - O.S. Dec 27)

I can quite well understand that with the ending of the war, that the problem of raising funds in the United States may become more and more difficult. We are anxious over the political developments in this country, but feel that we are a long ways out of touch with such matters, and probably you people there in New York know more of what is actually going on than we do here. The college radio functions most of the time, but the broadcasts which we are able to get over it do not give much in the way of news. Since the army left this part of the country, we have seen nothing in the way of foreign magazines. The Chinese newspapers do not carry much in the way of news except what it suits the pleasure of the government to have published.

Prices have risen somewhat during the last part of November. Rice has climbed to around a thousand dollars a shen and other commodities have also increased. For one thing the harvest in the Tengchuan valley just north of here, which usually has a large amount of surplus rice, proved to be poorer than at first expected. Also the government is continuing the collection of rice for military purposes. Some people had expected that there would be no collection this year. Also there are signs that new currency is being issued by the government banks at a fairly rapid rate. On Friday when I got money in Hsiakwan, the bulk of what I got was given to me in four hundred dollar and thousand dollar notes. In Kunming two thousand dollar notes are in fairly large circulation.

The town is quite excited at the moment over the funeral of Mr. Tung who died in Kunming several months ago. The coffin was carried from Kunming to Hsichow by gangs of coolies. During the last few days there has been almost continuous feasting at the Tung place, and Dr. Bien reported one day there were twenty tables in the front yard and eight in the back. The burial is scheduled for tomorrow. Some estimate that at least one hundred million will be spent on the whole business. He is the gentleman who two-and-a-half years ago started giving the college a monthly grant of fifteen thousand dollars a month, and then increased it to twenty thousand. His son is ~~xxxx~~ continuing the grant and starting with the first of October increased it, at Dr. Wei's suggestion, to fifty thousand a month.

With best wishes,

Yours sincerely,

John L. Lee.

the climate of Yungchow is - but not the people nor isolation. Very cool going to Miss

*Monday*  
P.S. Dec. 3 - from wife. Sorry I couldn't do this letter for my husband but yesterday was "Thanksgiving" in Hsichow - and it took me all day long to get ready for our evening dinner of ten. Pork served for turkey. Thursday evenings in Hsichow are too busy with school work for festivities! We have been lucky in acquiring some U.S. army tinmed goods - by gift and by purchase - so we really have many delicacies which I suspect are still scarce in U.S. It is a wonderful feeling to be able to say "our last Thanksgiving in Hsichow" - "my last birthday in Hsichow" - but we are

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December 7, 1945

Dr. Francis C. M. Wei  
c/o The Church Missions House  
281 Fourth Avenue  
New York City 10, U. S. A.

Dear Dr. Wei:

Thank you for your letter of November 7, which came last week. Dr. Bien has shown me your letter to him of the same date, together with the ten resolutions which you propose to present to the Founders.

The account which I sent you in my letter of September 20, was made up largely of items which were sent to me by Mr. A. J. Allen. In the final account which he sent me just after you left China, he had an item of \$40,000. which he had paid for you to Pao-fang. Under this he entered, "Cash returned by Dr. Wei \$1500." Thus he charged me with the item \$38,500. This item of \$38,500. and the \$10,000 which you sent to Anna through Mr. Allen and Miss Shen in August were charged to your July salary. I have no record of the other \$30,000. which you returned to Mr. Allen. Soon after I received your letter I wrote to Mr. Allen asking him about it. As soon as I have a reply from him, I will let you know. When I wrote you in September, I did not then have full information in regard to exchange, and so I made the account in Chinese currency. Later when I had full account, I wrote to Mr. Lyford, saying that I considered it fair to convert the total sum into U.S. dollars at the rate of 700-to-one. The sum drawn in July were at a time when the rate was considerably higher than this. But the bulk of the money (for your plane ticket to India and your board at Mr. Allen's) was charged to me early in September when if I had been selling U.S. dollars through Mr. Allen, I would have been able to receive only about 500-to-one.

I have already reported to you the information which Dr. Bien brought back in regard to the UCR grants for the current year. In letters which I have sent to Mr. Lyford I have reported to him the receipts which have come. As I wrote earlier, Dr. Bien was assured verbally by Dr. Fenn that we could expect Chinese \$30,000,000. from UCR and British Aids to China for the year October 1945 to October '46. During the months of October and November the total receipts amounted to slightly more than \$3,000,000. from these two sources. I have just received a letter from Miss Priest, in which she says, "We are not quite sure yet of the amount each month from UCR--they are sending on account. Will advise you when it comes as the definite decision as to the grant for each school." When we have more information in regard to this, we shall let you know.

A week ago a cable from New York, dated November 23, arrived, giving the approval of the Founders for moving in April under certain conditions and for using money from the Reserve Fund. Day before yesterday a cable from New York, dated November 15, arrived acknowledging receipt of Dr. Bien's letter from Chengtu and urging an immediate report on costs of repairs in Wuchang and securing the services of Kemp. Through some slip in the telegraph service neither cable was signed. I have written to the telegraph office in Tali, asking them to clear up this omission. I think the reason that the cable of the 15th was so slow in reaching us was because it was addressed to Huachung College, Hichow, with no mention of Tali in the address and hence it probably took the telegraph administration sometime

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December 7, 1945

to find out where Hsichow was. The cable of the 23rd was addressed to "Hsichow Taliyun" and came through in good time. It might be well if you would advise the people in New York, whenever they are cabling the college, to make sure that "Tali" is in the address. In fact, it would appear that "Tali" is more important than "Hsichow", for ensuring delivery promptly of cables.

Dr. Bien has written to Bishop Gilman several times in regard to the situation in Wuchang and has asked for the services of Mr. Peter Pao-sen Ko in getting the college plant in repair. Mr. Kemp was reported to be leaving Tsingchen on November 25 to take school equipment back to Wuchang.

I have already written to Mr. Lyford in reference to the details of our estimate of Chinese \$60,000,000. for moving the college. This letter should be in New York very soon, and therefore we are not cabling in regard to the details of moving, as suggested in the cable of the 23rd. As soon as we have any figures in regard to the cost of rehabilitation in Wuchang, we will cable. So far we have purchased fourteen drums of gasoline, and they are stored here at the college. Dr. Bien is watching the situation closely and feels that for the moment we should not purchase more. Mr. Lin-Chin-yu returned early in the week from Kunming, after having explored possibilities of buying gasoline there but not purchasing any. There are reports that some of the large oil companies may be going to operate the pipeline from India to Kunming. Also, there will probably be large imports of gasoline into the coast ports, such as Shanghai, very soon, and this gasoline will be working its way upriver to Hankow and further! How much Penn may be able to secure for us from the American Army is still a question. During the last week or so the price of gasoline in Hsiakwan and Kunming has risen considerably over the figure at which we purchased it, but the factor which I mentioned above may bring the price down again. Our feeling is that it was wise to lay in as much as we have, which is sufficient to get the faculty and minimum essential equipment as far as Kunming.

I have read with a great deal of interest your letter to Dr. Bien. It is certainly cheering news that there is such a good chance of a considerable increase in the number of teachers coming to the college from America. I hope that the situation in regard to Yale-in-China may be straightened out, and you are certainly the person who will be able to do it, if anyone can. I hope that the relation with the Reformed Church Board may be cleared up while you are in America. It is unfortunate that Dr. Taylor did not explain things more fully when he was here in Hsichow. Nothing has been heard from him during the last few months. As far as we know, he has not yet gone to Wuchang, and no reply has been received here to the letter which you sent him from Kunming in August.

I shall be very much interested in knowing what action the Board of Founders will take in regard to the ten propositions which you have drawn up. Certainly it is none too soon to have them give us an idea of what we may expect in the way of support during the next few years. I have already been turning over in my mind the question of a budget for next year. In my last letter to you I raised certain questions such as scale of subsidies, rentals, and tuition, which should be settled preferably by either the Board of Founders or a Board of Directors, as those questions should not be settled for a long term by a committee composed of members of the faculty, such as the Executive Committee Pro-tem. In reference to drawing up a budget for next year, one of the biggest problems is how large a staff should we plan on. This question is one which will have to be

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December 7, 1945

largely decided by you in consultation with the Board of Founders, because we here at this end cannot estimate the amount of support available. I would suggest that this matter be thrashed out at the February meeting of the Board, and then a cable be sent to Dr. Bien informing him what plans should be made in reference to the size of staff for the year 1946-47.

You probably already know more about the student troubles and agitation in such centers as Kunming than we do. Word of this reached us only within the last week or so. Some elements in the freshman class seem to be getting somewhat excited about the matter. There are two new organizations among the new students which are interested in political matters. They have put up wall papers, in which they have discussed such views. Evening before last a meeting was held in the college under the auspices of the History Club, the Economics Club, the New Students Club, etc., which was attended by a large number of the students and the advisors of the clubs. The announced subject of the meeting was to discuss current events. However, those in charge of the meeting seemed to interpret "current events" as meaning events which were in favor of the Communists. There was considerable discussion at the meeting with most of the discussing being done by new students and by some outsiders. Some of the older students expressed views which were not entirely sympathetic to the opinions of the leaders. Dr. Bien was at the meeting and felt that the people got pretty well talked out. He is keeping a careful eye on the situation, and I hope that nothing untoward will develop.

Mr. Shih Sen-ho is recovering from his attack of typhoid fever and expects to resume his teaching duties very soon. There has been quite a bit of illness among the faculty lately due to colds, but they seem to be coming out of it all right.

At its last meeting the Senate appointed a Transportation Committee, consisting of Mr. Constantine, Mr. T'an Jen-i, and me. We have held a preliminary meeting and are planning to present a detailed scheme for handling the question of student travel to the Senate at its next meeting. Not more than twenty students have dropped out so far this term, and so far I do not know of any indication as to how many may drop out at the end of this term.

Since dictating this, a telegram has come from the Reformed Church Mission in Yuanling saying Dr. Taylor had been reassigned to the college upon the expiry of his year of Relief Work, November 24th. No word from Dr. Taylor.

With best wishes,

Yours sincerely,

(signed) John L. Coe

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Hua Chung College,  
Hsichow,  
Dec. 19, 1945.

JAN 21 1946

MR. EARL FOWLER

*Answered  
2/5/46*

Mr. J. Earl Fowler,  
281 Fourth Ave.,  
New York City.

Dear Earl,

Francis in his last letter to me suggested that I send to you a copy of the letters which have been going to Lyford. I have been trying these last few months to write a letter one week to Francis and the next week to Lyford. Herewith I am enclosing a copy of my latest to Lyford.

In a letter which Jim Whitney wrote Mary early in October and which just arrived last week, Jim mentioned that Dot was then going to the hospital for an operation. I hope that everything went well and that Dot is up and around again as good as ever.

*Wagner*

In this last letter to Lyford I have emphasized the fact that the board and Francis have got to settle some problems this winter. If support is going to be limited, the best thing will be to let us know as soon as possible, and then plans can be made accordingly. Some people seem to think that there is a limitless supply of money in the States just waiting to be tapped. I am not of that opinion, but it doesn't do much good to say too much about it here. Something more authoritative must come along.

*Dr. Wei*

Certainly this boost in exchange during the last year has helped us out tremendously and most of the time this year Mary and I have been able to live on our salary from the mission and not require a bonus from the mission. Costs even in US\$ are still higher than prewar, but not so out of line as they once were. For November our costs reckoned back into US\$ would work out about US\$1.50 per person per day. What the future holds along that line is hard to say, but the general expectation now seems to be that prices will stabilize if the civil war issue is settled, but also may mean a lower exchange rate.

With best wishes for a Merry Christmas and a Happy new year and sorry that these wishes will be reaching you somewhat late,

*As ever,  
John*

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Treasurer.

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Dec. 19, 1945.

Mr. Oliver S. Lyford,  
34 Dana Place,  
Englewood, New Jersey.

Dear Mr. Lyford,

Since I last wrote you on December second we have received nothing more from Cheungtu on the UCR account or British Aid to China. Dr. Bien has received a telegram from Dr. Penn which indicates that up to the date of the sending of the telegram (Dec. 1), UCR had not yet made known to him the definite amount for this year.

Recently the ministry of education sent us a special grant of C\$160,000. 60% of the grant is for faculty aid and the balance is for equipment. Also there was the question of the use of the balance of the Yen money received from the sale of the Yen rice a year ago. At that time the executive committee voted decided to hold that as a reserve against a possible loss in the purchase and sale of rice and oil to the faculty. The committee in charge of the rice and oil business has now wound up its work as it has been decided, in the light of the fact that the college hopes to move in a few months and that prices have been fluctuating so much lately, that it would be unwise for it to make continued purchases. On a business totaling about a million and a quarter Chinese dollars during the year just past the committee has just about broken even in terms of Chinese dollars. If one were to stop to reckon it from the standpoint of foreign currency it would look like a large loss. However it must be remembered that if the committee had not been in the business, the subsidies last spring and summer would have had to have been a good deal higher than they were. Also it ~~now~~ has made a large contribution to the morale of the faculty. The executive committee voted at its meeting two days ago decided to distribute the 60% of the government gift and the balance of the Yen rice money amounting to C\$48,000 among the faculty as a special Christmas gift on Friday of this week. This amounts to \$3,000 per individual member of the staff.

We have made no further gasoline purchases since I last wrote. Dr. Penn has not been able to give us any ~~more~~ further word about the truck purchase. Dr. Bien is meanwhile pursuing several avenues of inquiry into the possibilities of being able to charter from private or public organizations enough transportation for our needs and there is a fairly good chance that such can be arranged. Negotiations are still in a preliminary state and even if something like this goes through, the money already invested in gasoline will probably prove to have been a good investment. The transportation committee has already considered the question of students going with us and have asked for such applications to be in not later than the middle of January. I would not be surprised if the number of students who actually sign up for such transportation will be very limited but that does not mean many of the students will drop out. For we will not be planning to open till September in Wuchang and many of them will prefer to find their own way through somewhat later than we leave here.

A letter in from Bishop Gilman yesterday reports that Dr. Taylor had arrived in Wuchang during the first week in December and taken up residence on Boone compound. I hope that before long we may have letters from him telling of the condition of the property there and giving an estimate of the possible cost of necessary rehabilitation. Mr. Kemp should have arrived there ere this and so things should begin moving there. Bishop Gilman reports that there is an acute shortage of lumber and building materials in Wuhan at the present time but by spring and summer that should be somewhat alleviated. Rafts of lumber by early summer can begin arriving there from points in western Hunan and also there is a good chance that there may be imports.

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This first term closes at the end of this week and certainly most of the students seem to have buckled down and done good work. They are especially busy at the moment with their examinations. A few of the poorer material have dropped out and I rather expect that we ~~xxxxxxx~~ may have quite a drop at the opening of next term, as many of the local people do not favor in the least keeping in session right over China New Year which comes the first week in February. A moderate drop will be a good thing as it will relieve the pressure on the teachers of the freshmen where the sections have in cases been overlarge this year.

It was certainly very cheering to hear the news over the radio last evening that it looks like a settlement between the government and the communists. Truman's speech last weekend seems to have made a very good impression. The thing to remember in regard to some of this fighting in north China is that at the time of the surrender, Japanese troops simply have faded out into the countryside and be helping stir up trouble by fighting against the central government troops. A settlement of this whole political problem will certainly be the best thing in the world. We are so out of here from news that we have probably missed many of the significant developments.

The hoped-for return of political stability has had its effect on prices locally and within the last ten days prices have dropped between twenty and thirty per cent in many cases. This brings them back to a point comparable to early October when they had risen somewhat from their September low. It is hard to know what will occur in that line within the next few months, but from previous experience one would expect prices to remain steady or decline slightly between now and China New Year and then something of a rise afterwards. But this is an unusual year and I have heard that the government is still issuing new paper. I do not know how far they have gotten with calling in the tremendous mass of paper issued by the various puppet regimes in east China during the past several years. Before the surrender last summer, they had gotten to the point of issuing notes without serial numbers so when financial people from Chungking went down to try and arrive at some solution of the riddle, they were unable to find any sort of an accurate estimate of how much paper was in circulation.

Dr. Bien has just written at length to Dr. Wei in regard to the problem of next year, and of whether or not Dr. Wei should plan to return here in the summer or prolong his stay abroad and go to England for a few months. Whatever decision is reached in regard to Dr. Wei's plans there are certain problems which must be solved before summer and I hope that Dr. Wei will bring them up to the Founders sometime this winter. The biggest problem is of the future of Hua Chung. The ten year plan for the development of the college has already been in New York and Dr. Wei has it with him. The thing is are resources in sight to carry this out and how soon? Before the college leaves here in April, appointments should be made for next year and a budget drawn up which may have an uncertain element in it due to uncertainty of the future course of prices. But in ~~xxxxxxx~~ drawing up the budget the question is are we to plan on the same number of personnel as this year, a decrease or an increase? That question I hope that the Board of Founders will be able to answer in some measure at a meeting in February. ~~We~~ could appreciate it very much if a cable as to what to plan on in this respect could be sent us. Subsidiary to this big problem is the one of a revision of faculty salary and subsidies, faculty treatment, such as housing, medical care, educational allowances, sabbatical etc. It is our feeling here that upon our opening in Wuchang something in the way of a definite program must be laid down and carried out. Here in Heichow we have been able to carry on with a makeshift program, and to continue it too long after our return may mean that everyone will expect such conditions to continue. One of the most difficult problems which has faced us here during the last few years has been that the body which was deciding upon matters of salary, subsidy etc. was composed largely of people who were very much interested parties. If at all possible these long term decisions ought to be made by a body which is not composed of interested parties and I very much hope that ~~xxx~~ the Founders will, while Dr. Wei is in the United States, formulate a definite policy in these matters. Whatever policy is decided upon by the Founders, I will do my best to see that it is implemented here in China. Dr. Bien has been doing well as

acting president but it would not be fair to him to expect him to carry on beyond the summer unless he is given very definite word as to what policies to initiate. The policies initiated in the closing months of 1946 are going to be the ones which will largely determine the character of the institution during the next few years.

I very well realize that financial resources are not unlimited and with the ending of the war, we can no longer count upon ~~unoxzrgsx~~ large emergency gifts from such sources as UCR to carry us through. How far it will be possible to raise funds in China is difficult for me to say but the college has a large enough body of alumni and interested friends who ought to be able to help a bit. Also next autumn would be the best time for the reintroduction of tuition charges which were dropped by the college in the summer of 1940. There is no reason why many of our students should not pay a moderate tuition charge when one considers the amount of money which they are spending in one way and another here. In the cases of poor students a liberalized system of scholarships could be introduced so that poor students would not be shut out, because they were not able to pay tuition. If financial resources are not in sight nor likely to be in sight to carry the proposed ten year plan in all its ramifications, the sooner such is known the better, and it will be possible for us to do more realistic planning.

The fact that the vacation this year will be less than two weeks between the terms will mean that most of the students will be staying here for the vacation. Plans are under way for the Christmas services and a general round of festivity during the next ten days to two weeks. A group of the students is planning to put on a play on New Year's day as a farewell performance to the Haichow community.

Various members of the faculty have already been selling some of their things in anticipation of the ~~move~~ and several of them or members of their families are likely to go to the big <sup>local</sup> markets to sell. In some cases the faculty wives seem to be the keener business people of the family. On the whole the condition of the faculty has eased considerably over the past six months. One does not feel that there is the extreme financial pressure on many families that there was as long as prices were soaring. Not that they are anywhere near back to a prewar standard, but they are in a condition to breathe a bit easier.

Saturday late in the morning Mrs. Coe and I are hoping to go out for a bit of a picnic to the foothills and there gather a few green boughs to make wreaths of. She will probably come back from there with the greens while I hope to climb up to around the nine thousand foot level to get an armful of these bushes with red berries on them. The weather should be good and we are hoping that it will continue good over Christmas.

With best wishes,

Yours sincerely,

*John D. Coe*

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C O P Y

HUA CHUNG (CENTRAL CHINA) COLLEGE

WUCHANG? CHINA

Temporarily in Hsichow

Via Tali, Yunnan, China

Office of the Treasurer

December 27, 1945

copy for Mr. Lyford

Dr. William Fenn  
Mission Building  
Yuen Ming Yuen Road  
Shanghai

Dear Bill:

Thank you for your letter of December 1, which arrived the week before Christmas. Thank you for all the information which you have given us. Your telegram of the 17th to Dr. Bien arrived here the day before Christmas. Dr. Bien has sent a reply c/o UCR, Chungking, saying "Cancel trucks Tali trip not extremely important. Consult Bishop Gilman in Hankow." I quite well understand all of the difficulties which you were up against in the matter of trying to secure the trucks for us, as I have seen more-or-less how the army has worked here in Yunnan. I know quite well that people who were "Johnny on the spot" have gotten a great many things. When the army was pulling out from Yunnanyi, I considered going over there to try to see what I could get, but the word of their breaking up there arrived here a little too late. In addition a great deal of the stuff they were disposing of there was not the kind of things we need. I have heard that it would have been impossible to get any sort of vehicles from them there, as they had some sort of an arrangement with the Chinese army by which all vehicles which they were not taking with them were to be turned over to the Chinese army. The C.I.M. in Tali had a man at Yunnanyi for several days; and while they were able to get considerable in the way of equipment and wiring for the hospital, they were not able to get even as much as a jeep in the way of transport.

The reason Dr. Bien sent you word to cancel the trucks was that he is now working on the possibility of being able to charter trucks from the Chinese army. One of our new faculty members is very well acquainted with one of the higher-ups in the Chinese army transport in this part of the country. We have decided to try to start the moving of the college some time in April. The way things are going in this part of the country makes it seem very evident that we should get everything at least as far as Kunming before the rainy season. There is no telling what the condition of the road will be after the next rainy season as there will not be American army engineers here to put in repairs. To attempt to stay on here for another year would probably mean almost a dissolution of the college. Quite a number of the faculty members (especially the younger men with no families or small families in this part of the country) would certainly leave us, and the prospects of getting replacements to come out here would be very slim indeed. My feeling is that while next year may in some ways be more difficult than this year has been in Hsichow, we should certainly try to reopen in Wuchang. I can see very little use of continuing to pour money and effort out to keep the college going in Hsichow. The funds and effort should be devoted to making a start in Wuchang.

It may very well work out that if the railway to Indo-China is not functioning by spring, some of the heavy equipment and some of the heavy faculty baggage will be stored in Kunming to come out in six months or so later when it can travel by rail to Haiphong and by boat the rest of the way. Personnel, if we are unable to use the railway, will have to be trucked across Kweichow to some point in Hunan, probably either Yuanling from whence we can get boats down to

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December 27, 1945

Wuchang; or alternatively to Henyang from whence there is rail communication to Wuchang. Dr. Bien is keeping his ears open and exploring every possibility. We have already laid in some fourteen drums of gasoline, and I am in hopes of being able to get some five or seven more drums in a couple of weeks. We feel it necessary to have some gasoline on hand even if we charter through the Chinese army. Our first purchases of gasoline, delivered here, have averaged around Chinese \$130,000. per 53-gal. drum. If I am successful in the negotiations which I have started, the additional five or seven drums will come to us at a nominal cost of transportation as they were ex-army gasoline which were left with a person who is not able to use them.

I quite well understand the difficulties in the raising and apportioning of rehabilitation funds. I understand clearly that the figures which you gave Dr. Bien were merely estimates which you were using for an appeal to UCR. As we go deeper into this question of moving, we have found it necessary to revise our figures upwards. I was talking with Dr. Bien two days ago over various possibilities, and our estimates ranged from Chinese \$45,000,000 to nearly \$80,000,000. The lowest figure would prevail if we are able to obtain refugee rates for the transport of our personnel from Taanyi (terminus of the railroad eastward from Kunming) to Henyang. As we understand it, a government organization is opening a service from Taanyi to Henyang. Refugees returning from the west to East China are carried for \$20,000. Fares for other people range from \$90,000. to \$120,000. for the trip. Our other estimates are based upon various figures which we have received for chartering trucks.

Dr. Taylor returned to Wuchang early in December, and Dr. Bien has just had a letter from him. Bishop Gilman, who is chairman of our Rehabilitation Committee in Wuhan, has not yet sent a very detailed report of the condition of the property, and we have received no estimate as to the possible cost of rehabilitation. From all reports that we have received, the buildings were not in too bad a condition. With the acute shortage of buildings in Wuhan, most of them have been occupied, and the only way that we are going to be able to get hold of them is to have people back there and gradually push in by occupying a small portion at a time. Boone School, I believe, is on its way back there now, and should be able to clear a portion of the campus. Bishop Gilman also reports an acute shortage of building materials in Wuhan at the present time, and I believe that in the next few months it will be a matter of making only the most necessary repairs. By summer it should be possible for rafts of lumber to come down the Yangtze to Wuhan, which should reduce the present price of lumber somewhat. Dr. Bien has written to one of our alumni in Western Hunan to find out whether it will be possible for us to get a supply of lumber shipped down from there.

I understand that the suggested figure of Chinese \$400,000. per capita for reoutfitting faculty was a very tentative figure. As far as I know, Dr. Bien has not mentioned that figure to any one else here and does not intend to do so until the figure is settled. In connection with this question of faculty reoutfitting, Dr. Bien and I have had several discussions. It was our feeling that the question of reoutfitting should be divided into two parts. First, the college would try to give each family a minimum of furniture for starting off. This would naturally depend upon the size of the family. Second, members of the faculty would be given a cash grant for reoutfitting. It is our feeling that this second portion should be graded according to rank and length of service in the institution. Also if a man had a family larger than five, counting himself, dependent on him, there would be a slightly larger grant to him. (At the present time our subsidy scheme is based upon the fact that each faculty member is assumed to have a family of not more than five, for which he draws the normal subsidy. In case he has more than five, counting

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December 27, 1945

his children and parents, he has an additional subsidy based upon the number more than five.) It is our feeling that when it comes to the matter of recoufitting a man, who has been with the college for ten or fifteen years and who came out here and has been in Hsichow right through, should be treated more generously than a man who has joined the college within the last year or two, especially one who has just graduated from some college.

Thank you for the information you sent in regard to the grants from UCR for the year. On the basis of expenditures so far, I would estimate that we will need somewhere between \$45,000,000 and \$50,000,000 for the year, provided prices do not jump too fast. In November and early December prices rose here approximately one-third. Within the last two weeks there has been a fall, which has removed a considerable portion of the recent increase. I think that you probably know better than I the present feeling of the Chinese administration of universities that it is next to impossible to decrease subsidies even though prices should continue to fall. My only hope is that prices will not rise so that we will not have to make any particular increase.

Dr. Wei is in New York, and we are keeping him informed of our estimates for moving and rehabilitation as fast as we get them. If we have any definite figures before the end of January, they will be cabled to him, and he will undoubtedly get in touch with you when you are in New York. The various departments of the college at the present time are making lists of books and needed apparatus. I do not know yet what the total of that may run into.

We would very much have liked to have a visit from you here in Hsichow, but I realize that you have been doing a great deal of travelling and that it is probably more important for you to have visited other places, and the problems of East China are much more pressing. In any case Dr. Wei in New York will be able to present the problems and needs of Hua Chung. I hope you will have a good trip to the U.S. and a successful one.

With best wishes, and hoping that before too long we may meet somewhere in Central China,

Yours sincerely,

(Signed) John L. Coe

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HUA CHUNG (CENTRAL CHINA) COLLEGE  
WUCHANG, CHINA

Temporarily in Hsichow  
via Tali, Yunnan, China

Office of the Treasurer

Dec. 31, 1945

L - 41.

Mr. Oliver S. Lyford,  
54 Dana Place,  
Englewood, N. J.

Dear Mr. Lyford,

Since I wrote you on the 19th of December (L-40) I have received a long letter from Dr. Fenn. I have written him at length and am sending you a copy of my letter to him. He is expecting to leave for the United States by the end of January and try and straighten out the question of the rehabilitation funds in New York. In his letter to me he says that the figures which I quoted to you earlier as coming from him via Dr. Bien were merely estimates which he was using for an appeal to UCR and that the money was not yet in sight. However I feel that if rehabilitation funds are raised that he will try and see that we get the sums which he mentioned. You are probably much more in touch with the progress of such matters in New York than we are here.

He also reported that he had asked from UCR for Hua Chung for 1945-46 current account C\$16,000,000. This is being paid on the basis of 35% for the first six months. In addition to this there will be funds from British Aid to China, etc., which if they should run in the same proportion as last year we should receive somewhere over C\$25,000,000 which should carry us through on the regular budget. Prices have fallen here a bit recently so that I have hopes that my last estimate of around C\$48,000,000 for the year will work out for the regular budget.

Also exchange has given us a help recently as the last amount I received came in at 1300. There are rumors around that the government has agreed on a stabilization with Washington on the basis of 1350 to one. I do not know when this proposed to go into effect but certainly the government is going to have to do something about the old official rate which is still 20 to one as soon as imports start coming in. The rate of 1350 would be reasonable if the increase in currency circulation in China were 400 times that of prewar (this is the lowest figure quoted for currency inflation) but many feel that the actual inflation is perhaps double that figure. Anyhow it looks as though exchange would help us and may also help on the moving.

Dr. Bien also has received a letter from Dr. Taylor in reference to the Wuchang campus. Dr. Bien has written you at length and quoted Dr. Taylor's letter. Apparently things might be much worse and the buildings which were constructed in the summer of 1937 have apparently come through well. It is hard to estimate repair costs in Wuchang at present and my feeling is that by spring material costs should be cheaper than at present.

Dr. Bien was very much pleased with your letter of November to him and has just sent off a long answer. He has asked me to touch on one or two points. He has absolutely no idea of running the college into debt (as I said in my last letter to you the thing is that New York has got to inform Dr. Wei and others connected with the college how much they can count on for using, not only for rehabilitation but also for the future). However he does feel that it is essential that the college move this spring and that will be financed as cheaply as possible from this end. We have just had word that work is going forward on the railway to Indo-China. If that should be in working order before the rainy season so much the better for all concerned though I am wondering if that will mean things will be much cheaper. Dr. Bien is working ahead hard on plans and exploring every possible avenue. He is still negotiating with some of the Chinese military which may mean of a bit of a reduction between here and Kunming.

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In the matter of the truck order of last October about which Dr. Bien has written at length I was never overly happy in regard to it. I could see the difficulties of handling the trucks about which you wrote in your letter to Dr. Bien and was also concerned over the question of using the trucks later. (However I did not consider it wise to say anything to Dr. Bien at the time as he had done it after consultation with people in Chungking and Chengtu and Kunming.) Now we have had a telegram from Fenn saying that there is so much red tape involved that he doubts if he can get them. Dr. Bien has gradually come to see the difficulties involved with the trucks and so has telegraphed Fenn to cancel the order. (What I am writing you about this is confidential and should not be passed on to Dr. Wei. There has been no disagreement between Bien and myself over the matter, and as he has progressed with negotiations with the military, etc., he has come to see that it is just as well that Fenn was not able to get the trucks.) I was also worried over the question of the condition of the trucks seeing how the army had been using some of them.

I am in negotiation in regard to getting another five or six drums of gasoline. This is some gasoline which was left behind by the army and it will come to us (if it comes) for only transportation charges from a place 12 miles north of here. This should give us enough to get us through to Kunming and in dealing with the Chinese military this will make things much easier and cheaper. Some of these semi-official organizations in chartering expect you to pay them for gasoline on the basis of C\$250,000 per drum so that anything we can get for less is so much to the good.

The college has a good Christmas week of it. Mrs. Coe is writing up a short letter in regard to the activities of the week and will be sending it off to someone at 281 within a few days and we will ask that they send you a copy.

With best wishes,

Yours sincerely,

(Signed) John L. Coe