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Shantung / Cheeloo  
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Lair, Howell P.

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TRANSFER

SHANTUNG

INDEXED

Shantung Christian University

January 24, 1931

Rev. L. J. Davies, Dr. R.  
Dr. Randolph T. Shields,  
Dr. H. P. Lair,  
Shantung Christian University  
Tsinan, China.

Lair -

My dear Mr. Davies, Dr. Shields and Dr. Dair

This letter will deal with recent correspondence we have had with the Rockefeller Foundation concerning their appropriations to Shantung Christian University.

See "Rockefeller Foundation" 12/31/30

Appropriation to Medical School 1930-31. About a month ago I started in to prepare a report to the Rockefeller Foundation covering the conditions under which they advanced their appropriation for the medical work at Cheeloo during the fiscal year 1929-30. I am enclosing with Dr. Lair's copy of this letter copies of the letter and report I finally sent to Dr. Carter. Dr. Carter at once replied stating that on the basis of the figures presented the Foundation was willing to consider the advances already made on appropriations for 1929-30 as fully accounted for. I trust you will find that I have not taken any serious liberties with the facts in the preparation of this report. While I made an exhaustive search through all the sources of material available here in New York, I felt in the end that I had to draw upon my imagination at a few points.

Let me urge that for the year 1930-31 this report to the Rockefeller Foundation be prepared on the field and transmitted to our office here in New York for forwarding to the Foundation. This is the procedure followed in all our other Universities and is really the only logical one. It is almost impossible for us here in New York, on the basis of information sent us by the field, to prepare an accurate and complete statement of this kind that we can defend at all points, and can explain if requested to do.

We requested the Rockefeller Foundation that as soon as they were satisfied that the conditions for 1929-30 had been met, they begin their advances for the year 1930-31. They have sent us L.C. \$20,000 in the form of a draft on Shanghai representing the first two quarters of the 1930-31 appropriation. I am enclosing this draft with Dr. Lair's copy of this letter. Future drafts will be sent us as follows:- February 15, L.C. \$10,000; May 15, L.C. \$10,000. We will transmit these further drafts immediately after they are received.

Completion of appropriation for work in pre-medicine. Several

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weeks ago the Rockefeller Foundation took the initiative in suggesting that we give them a statement showing disbursements made by the University during the year 1929-30 under the conditions of their appropriation CM 2729 for support of the work in pre-medicine, in order that the Foundation might complete its payment of L.C.\$5,850 due on this appropriation for 1929-30. I must confess that I had not realized that the University was still entitled to one year of this appropriation. I knew that the appropriation ended on June 30, 1930, and the Field Treasurer's report showed that during the year 1929-30 you received L.C.\$5,850, so I had assumed that the appropriation was already completed. Apparently, however, the \$5,850 you received during 1929-30 was the amount due on 1928-29, leaving this last year unpaid. Immediately after receiving Dr. Carter's suggestion I again dug into the Field Treasurer's report as of June 30, 1930, supplementing this report with all the facts I could obtain (and, I am afraid, by guesses on my own part), and as a result, prepared the statement and covering letter (dated January 2, 1931) copy of which I am enclosing with Dr. Lair's copy of this letter.

The point at which I had the greatest difficulty in preparing this report was that of salaries. The best I could do was to follow the budget estimates for 1929-30, together with the faculty lists appearing in the University catalogues we have available. In the case of Mr. Jacot, who seems to be the only mission supported staff member working in these three departments during 1929-30, I took a flat basis of L.C.\$6,000.

Dr. Carter wrote in reply stating that "although the total budget is smaller than that contemplated at the time the appropriation was made, we realize that the past year was a very difficult and unusual time..... I am asking our Comptroller to send you a draft on Shanghai for Mex.\$5,850 in payment of the final allotment for the year 1929-30 appropriation C.M.2729 to the pre-medical department of Shantung Christian University". As yet this draft has not arrived. As soon as it reaches our office I will send it along to Dr. Lair.

Since this completes payments on appropriation C.M.2729 there is no need for any further action by the field in the way of preparing future reports; if I have too greatly distorted facts in presenting the report for 1929-30 I hope you will so advise us in order that I may report any necessary corrections to the Rockefeller Foundation.

Appropriation for gas plant. A few days ago one of the secretaries of the Rockefeller Foundation called up and stated that they had received recommendation from Mr. Gee in Peiping that the Foundation pay over the sum of L.C.\$5,000 remaining on appropriation C.M.2727 to Shantung Christian University for a gas plant. She asked whether the Governors had signified their approval of such a payment, and whether our office would officially request that the payment be made. This request caught me somewhat unawares because I believe we have had no recent correspondence from the field indicating that you were taking steps to secure the completion of this payment. However, I assured her that the Governors would heartily support the request of the field in this matter, and that our office would greatly appreciate the generosity of the Foundation in completing the payment. A few days ago I received a letter from Dr. Carter in which he states that "in accordance with a recommendation which has just been received from Mr. N. Gist Gee in Peiping, I am asking our Comptroller to send a draft for Mex.\$5,000 local currency to cover the balance on appropriation 2727 to Shantung Christian University for a gas plant". The draft has not yet arrived but it will undoubtedly be in sometime during the present week. As soon as it comes in I

Mr. Davies, Dr. Shields, Dr. Lair-5

1-12-51

will forward it on to Dr. Lair.

With the forwarding of the last two drafts referred to, however, I believe we will be brought up to date on our appropriations from the Rockefeller Foundation. Please let us know whether the method we have adopted of having the Foundation send its local currency appropriations in Shanghai drafts is the most satisfactory to the University. If you consider that some other procedure would be better I am sure the Foundation would be glad to revise its method accordingly.

Very cordially yours,

BAG-H

Enc. to Dr. Lair

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CHEELOO UNIVERSITY  
TSINAN, SHANTUNG  
CHINA

山東濟南

TRANSFER

OFFICE OF THE PRESIDENT

14th April, 1931

Mr. B. A. Garside,  
China Union Universities,  
150, Fifth Avenue,  
New York.

SHANTUNG

INDEXED

Dear Garside,

Mr. Davies has asked me to reply to your letter of March 12th regarding discrepancies in the figures in the budget which we sent and the figures which you give. Long before this you will of course have received the tabulated form of the budget showing all mission receipts, and their allocation among the different departments, which will explain most of the discrepancies. You understand of course that all salaries paid directly by missions, that is, not through the treasurer's office on the field, have been reckoned at the flat rate of \$3000 Mex. for a single person or \$6000 Mex. for a married man and wife. I add the following notes which will perhaps make more intelligible the budget as we presented it.

Northern Presbyterian Board. - The budget was drawn up on the assumption that the Presbyterian grant would be made as heretofore on a Mexican basis and we took the last available appropriation, which was \$29859.37, and considered it for convenience as \$29860 even. This, as you will see from the tabulated form, was allocated as follows:-

Arts	19380
Medicine	7000
Theology	1000
Rural Inst.	500
Residence Rep.	640

leaving a balance of \$1340, which was assigned to <sup>a</sup> general scholarship fund. This inclusive figure, of course, comprises the net grant \$24,700 plus the interest on endowment funds and as this has always been charged against us through the Associated Mission Treasurers office in Mex. I thought the safest way to draw up the budget was on that basis. The income from these endowment funds, is, as you doubtless know, paid directly into our account in the Bankers Trust Co. in New York but is charged against us on the field. The two substitute salaries have been included on a Mex. basis, the one allocated to the School of Arts & Science at \$3000 and the other to the School of Theology at \$1920.

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0407

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- 2 -

APR 14 1931  
Mr. Garside

*Account  
of J. H.*

These are included in the sum of \$61,920 put down on the tabulated form for salaries paid directly by the mission. If the Board agrees to pay these salaries in gold at \$1500 each the University would of course be much the gainer. We had had no definite word this year in regard to that point so I thought it safer to draw the money through the Mission Treasurers' office in Shanghai and as you know their instructions from the Board relating to substitute salaries for Cheeloo are to pay actual expenditure up to a maximum of \$250 Mex. a month, so that this year we are actually losing \$600 on the one substitute salary paid to Dr. Hsieh Hui, as we are paying him \$300 but can draw only \$250. The other substitute salary is for Mr. Lo of the Theological School and is ~~reckoned at~~ \$220 a month. I raised the question with the Mission Treasurers as to whether or not it would be in keeping with the spirit of the regulation to lump the two and reckon them at \$500 a month but they objected to this so that we are actually \$600 short this year on the substitute salary item. //

United Church of Canada - As you see, our figures agree with yours with the exception of the question of the substitute salary for Mr. Harkness. I have had considerable correspondence on this matter with Mr. Mackenzie the field treasurer in Tientsin and have not had definite word from him as to how long they will continue to pay a substitute salary nor how much they are able to pay. I found that for January to June 1930 only \$97 a month was drawn and as their financial year is the calendar year they were unable to pay for the six months from July to December at any higher rate although we are actually paying \$300 a month to the man at present on that salary, so that for the six months in question we are actually in the hole \$1218. I have applied for the salary for the present six months January to July 1931 at the rate at which we are paying, namely \$300 a month, and hope to be able to get this. We were fortunate in getting the Canadian Church grant to the budget at a good rate of exchange so that this will help to make up the loss on the substitute salary. The amount which we expect to pay next year on this salary, namely \$3600, has been included under the heading of salaries paid direct by missions. Miss Brodie's salary was also included under the Canadian United Church grant instead of the Women's Society. This will explain her omission in the latter case.

Women's Foreign Missionary Society - The amount put down in the budget for the Women's Foreign Missionary Society, \$7420, was arrived at by taking the sum they are paying at present, namely \$6,360, and increasing it by one-sixth, which was, as I understood from Miss Wilson, the undertaking of the W.F.M.S. until further notice.

0408

APR 14 1931

14.4.31

- 3 -

Mr. Garside

The American Board - As you will observe from the tabulated summary of the budget, all of the receipts from the American Board are assigned to the School of Theology and are reckoned in Mex. at the rate put down in the Theological School budget, which is 2 to 1 instead of 3 to 1, the rate which was used in drawing up the budget for the rest of the University. They have however included an item of exchange in their receipts which they hope to be made up by the increase on exchange on such grants as are made in gold.

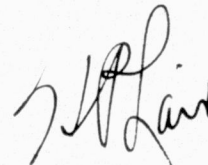
Harvard-Yenching, and Hall Estate Grants - The anticipated receipts from Harvard-Yenching, Hall Estate and the portion of the Hall Estate income allocated to the Women's Unit were estimates only as we had no definite information as to the exact amount available. We considered this as \$10,000 gold for Harvard-Yenching, \$5,000 gold for Hall Estate, and \$2,500 gold for the Hall Estate Women's Unit, and simply reckoned these amounts at 3 to 1.

*h.z. medical school*  
Your paragraph about the rather large item of interest and exchange included in the budget, namely \$13,983, can be explained in this way. The budget as originally made out by us did not provide for a President's salary. Two items for interest and exchange were inserted, \$1000 on general university administration and \$6,983 to balance the budget of the School of Medicine. This seemed rather a large figure but as the prospects of getting a large number of their receipts in gold or sterling seemed good it appeared justifiable to insert it. When the Administrative Council met and considered the budget they added another \$6000 on general university administration to cover the President's salary, which swelled the item of \$7,983 which we had already included to the rather disproportionately large sum of \$13,983, though if exchange should continue at the present figure we would probably realise more than that.

I am not replying to the last paragraph regarding the securing of the Presbyterian Board grant in gold as I understand Mr. Davies is writing himself on that matter.

Very cordially yours,

HPL/GMH



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SHANTUNG

TRANSFER

TREASURER'S PRELIMINARY REPORT

CHEELOO UNIVERSITY

June 1931

To the Board of Directors.

Ladies and Gentlemen,

The wide fluctuations in silver exchange during the present financial year have made it practically impossible to keep to the budget made out eighteen months ago. The cost, in local currency, of all apparatus, books and supplies, imported from America or Europe, has greatly increased, in many cases more than doubled, while local receipts have shown <sup>no</sup> corresponding increase. Thanks to those missions and contributing agencies which have adopted the liberal policy of making all or part of their contributions in Gold or Sterling, the University has been able to more than meet the increased operating costs and will be able to close the financial year with a gratifying balance.

The American Presbyterian Mission has paid its grant in Mexican but has given a bonus of \$12,350.

The Society for the Propagation of the Gospel is making its grant in sterling.

The London Mission has undertaken to pay its grant in Sterling.

The British section of the Board of Governors has given us the option of receiving its grant in Sterling or in Mexican at an increased figure over the sum originally budgeted.

The Wesleyans are paying both their annual grant and the substitute salary which they furnish on a sterling basis.

The Candian United Church has continued its usual practice of paying in gold.

The Women's Foreign Missionary Society of the Methodist Church has continued to pay in Mexican but an increase of one-sixth effective January 1st 1931.

Thus far the English Baptist Mission has been unable to grant any increase, while the A.P.M.S. is actually decreasing its grant because of a cut in the appropriations from America.

The Rockefeller Foundation is paying the third and fourth quarters of its appropriation in gold, which makes a very substantial increase in the income of the Medical School.

It is impossible at this date to tell with any degree of accuracy exactly what the financial position will be at the end of the year, June 30th. The exact figures showing the position on May 30th are available in the Treasurer's office for anyone who is interested in any particular department or any individual item of the receipts or expenditures.

0411

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Probable Standing of the Departments  
on June 30th, 1931

1. General Administration

Expenditure to date	Probable Expen. by June 30, 1931	Total Receipts	Probable Deficit
\$22,249	\$25,000	\$24,787.30	\$200

2. School of Arts and Science.

Expenditures to date	Probable Expend. by June 30	Total Receipts	Probable Credit Balance
\$47,865.99	\$52,5000.00	\$54,546.75	
		Cr. Bal. July 1/30	
		\$ 5,282.57	
		Total	\$7,300.00 X

X Against this, however, there are outstanding bills for scientific apparatus amounting to approximately \$4,000.

3. School of Medicine

Expenditures to date	Probable Exp. to June 30/31	Total Receipts to date	Probable Credit Balance
\$45,650.50	60,000	\$89,336.97	
Probable subsidy to hospital ....	30,000	Anticipated Receipts	
	<u>90,000</u>	<u>22,000.00</u>	
Deb. bal. July 1/30	10,470.75	\$111,336.97	\$11,000
	\$100,470.75		

4. The Hospital

Expenditures to date	Probable Exp. to June 30	Total Receipts to date
\$91,569.12	100,000	\$64,655.38
	Probable subsidy	30,000.00

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C O P Y

Shantung Christian University

July 18, 1930

Dr. Randolph T. Shields,  
Shantung Christian University,  
Tsinan, China.

Dear Dr. Shields:

On November 15, 1928 Dr. Lair wrote Mr. Garside as follows:

"I have at last gotten around to answering one of your letters dated August 27, inclosing copy of a letter from Miss Eggleston in regard to the C.M.B. appropriation C.M. 2693 of \$30,000.00 for loss in exchange.

"So far as this office is concerned the facts are as follows:- Of the amount paid by the Rockefeller Rockefeller Foundation in April, 1925, Gold \$38,750.00 was drawn on the field in different amounts the whole sum realizing Mex. \$69,664.19. This means a loss in exchange of Mex. \$7,835.81, the amount realized being that sum less than what would have been realized at 2 to 1. It seems to me therefore that this \$7,835.81 would be a clear claim on the appropriation for loss in exchange as the money was drawn then.

"In regard to the funds drawn in 1927 by Mr. Adgie, the Gold \$75,000.00 changed for Mex. \$154,789.07, representing a gain in exchange of \$4,789.07. As you know these funds were drawn with the expectation of proceeding at once with the building of the hospital. Political events made it impossible to build, and the home office asked for the return of this money. Returning it then would have meant a big loss because of difference in exchange so it has been, and is being held here, at a lower rate of interest than could have been obtained in America had the money been held there. It would be possible of course to place the money here at high rates of interest but my chief concern, as I know the concern of the home office is, is for a safe investment and I'm getting now only 3-3/4% on most of it. I understand from Dr. Shields that the part of the fund invested in America is realizing approximately 5%.

"In the light of these facts I think there is a good case for asking for the full amount lost in exchange in 1925. I trust I have given you sufficient information to make it possible for you to take up the matter with the C.M.B. office."

You will note that this represents an endeavor to ascertain any loss on exchange which could be rightfully collected from the \$30,000 appropriated by the China Medical Board for loss in exchange.

To Mr. Garside this information hardly seemed sufficient to base a claim for loss in exchange, and the matter was held in abeyance. During Dr. Lair's stay in the States, he was conferred with regarding it, and he felt that it was a legitimate claim against the said appropriation. After further discussion we decided to go ahead and accordingly wrote the China Medical Board as per the enclosed copy.

0413

We are also enclosing herewith a copy of Dr.Carter's reply together with copies of his enclosures.

You will notice we are confronted with a peculiar situation. We have taken the loss in exchange represented in the earlier remittances to the field, and have paid no attention to the gain in exchange on the \$75,000. remitted in 1927. In the third from the last paragraph Dr.Carter states: "It might be that later remittances would show an advantage in exchange which would balance earlier losses." In that case the only claim we have is the difference between \$7,835.81 representing a loss in 1925, and \$4,789.07 representing gain in 1927.

After having made this claim with the Rockefeller Foundation and after receiving a request for a statement of details, it is hardly possible for us to continue the correspondence without complying with their proposition.

If you will note the last paragraph in Dr.Carter's letter, there is a very specific request for a statement showing what had been accomplished on the building program and a statement of remittances since November 1924 indicating losses or gains in exchange.

I have secured access to the complete files of Shantung, as held in the Presbyterian Board rooms, and can very clearly trace remittances, but there is no answer to Dr.Carter's request for a statement of what has been accomplished. Seemingly, the only proper method is to make a clear statement of funds received on the field and showing the equivalent in Mex which the gold purchased. Secondly, a list showing what had been done with the funds received on the field. If any funds have been or are being held on hand, after having been converted into Mex., the gain or loss in these funds should be shown. The difference between this net gain and loss in so far as I can judge, should work out to show a loss in exchange of around \$3,046.80. That is, provided all funds in the project have been included in the amounts shown in Dr.Lair's letter. If I were making out such a statement I would take the building program and set down opposite each item the actual expenditures, if any, that have been made for each project, listing at the bottom of the sheet a statement showing gain or loss in exchange.

I am sending him copies of this letter and enclosures. I have also written to the China Medical Board indicating that the request they made will probably entail correspondence with the field and that it will be some time before a definite reply can be received.

In view of the fact that we have now made the request for a certain amount of loss in exchange, it would seem that we ought to follow it up as soon as possible.

Very cordially yours,

(Signed) C.A.Evans

C O P Y

June 23, 1930

Miss Margery K. Eggleston,  
The Rockefeller Foundation,  
New York, N.Y.

My dear Miss Eggleston:

You may remember the correspondence we had in the autumn of 1928 relative to the item of loss in exchange on the China Medical Board's appropriation to Shantung Christian University, No. CM 2693. I understand that the appropriation set aside G\$30,000 to provide for a possible loss in exchange.

As a result of our correspondence with you on this subject we communicated with the office of the Field Treasurer of the University to obtain their record of the amount of this loss in exchange. Through a combination of circumstances this information has been long delayed in reaching us. I am now able, however, to quote the following statement prepared by Dr. H. P. Lair, Field Treasurer of the University, after a careful study of the University accounts.

"The facts are as follows:- Of the amount paid by the Rockefeller Foundation in April, 1925, G\$38,750 was drawn on the field in different amounts, the whole sum realizing Mex.\$69,664.19. This means a loss in exchange of Mex.\$7,835.81, the amount realized being that sum less than what would have been realized at 2 to 1. It seems to me, therefore, that this Mex.\$7,835.81 is a clear claim on the appropriation for loss in exchange as the money was drawn then."

I sincerely hope that on the basis of this information the Foundation will find it possible to make payment to the University in the amount of Mex.\$7,835.81. If such a payment is found to be in order it could be handled most conveniently for the University by sending us a draft for L.C.\$7,835.81 drawn on some banking institution in Shanghai, payable to the order of Shantung Christian University.

We are very sorry indeed that this matter has been so long delayed because I know you are anxious to close out these long standing items.

Very sincerely yours,

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C O P Y

THE ROCKEFELLER FOUNDATION

June 30, 1931

My dear Mr. Evans:

Miss Eggleston as Secretary of the Trustees of the Peking Union Medical College, which is now administered separately from the Foundation, no longer has an official connection with the Foundation, and has referred your letter of June 23 to me.

We have looked up the full minute covering this appropriation, C.M.2693, and according to our interpretation, the grant was to apply against remittances on the whole construction program made subsequent to November, 1924. The appropriations for buildings and equipment, C.M.2693, and for loss in exchange, C.M.2693, were based on a statement giving the total estimated cost of the construction program, funds remitted, funds pledged, and additional funds needed, made up by Mr. R.S. Greene from figures furnished him at the time, which appeared in the minutes of the China Medical Board of November 5, 1924. You will note from the copy of this statement which I enclose that a sum of \$145,593.63 is shown as available, to which the appropriations C.M.2692 of \$50,000, plus \$10,000 from sources other than the China Medical Board, and C.M.2693 of \$30,000 for loss in exchange, were additional. Therefore, according to our interpretation of the resolution, a copy of which is included with the enclosed statement, the loss in exchange should apply not only against the sums remitted under appropriation C.M.2692, but also against all other remittances since November, 1924, up to \$145,593.63. It might be that later remittances would show an advantage in exchange which would balance earlier losses.

It is our understanding that the political conditions for the past few years have made it impossible or inadvisable for you to proceed with the construction planned and that comparatively little has been done on the items numbered 1 to 8 in the statement enclosed. If the building program were moving forward rapidly with prospect of completion within a short time and you were suffering from an adverse rate of exchange we should be glad to make payments on account of our appropriation, but under the circumstances, we should prefer to delay payment until we have further information.

We should appreciate it if you could give us a statement of what has been accomplished on the building program so far, and a statement of remittances since November, 1924, indicating losses or gains in exchange.

Sincerely yours,

(Signed) W.C. Carter

Mr. C.A. Evans,  
Shantung Christian University  
New York City.

WSC:H

E: Statement and resolution

0416

SHANTUNG CHRISTIAN UNIVERSITY BUILDING PROGRAM

	<u>Cont</u> <u>Max.\$</u>
1. Remodeling old hospital, the groundfloor to house the outpatient department which has outgrown its old quarters	30,000.00
2. New hospital with 200 teaching beds, instead of present 100 beds	200,000.00
3. New private ward building	30,000.00
4. Mechanical plant, including electric generator, steam heating, gas plant, etc.	61,500.00
5. One new residence and enlarging of nurses' dormitories	20,000.00
6. Additional furniture and equipment for hospital	30,000.00
7. Removal and re-erection of three residences, one dormitory and dining hall	17,500.00
8. Architectural expenses	<u>26,000.00</u>
	415,000.00

For land, construction of quarters for women teachers and students and purchase of reequipment, including water supply, there has been expended from funds already received about \$71,580.91, U.S. currency, or say 130,000.00

The total expenditures proposed will therefore come to 545,000.00

Towards the above sum the following amounts have been paid or pledged:

	<u>U.S.\$</u>
Raised through the Presbyterian Board	52,554.20
From the campaign for women's colleges in the Orient	76,900.00
From the Methodist Women's Foreign Missionary Society	25,000.00
Grant from China Medical Board in 1923	50,000.00
Interest and profit on sale of securities	<u>2,720.34</u>
	\$217,174.54
Already remitted	<u>71,580.91</u>
Balance available	<u>\$145,593.63</u>

Present building and equipment program, Item 1 to 8	Mex. 415,000.00
At the time when the estimates were considered by Dr. Houghton exchange was favorable and a rate of Mex. 1 = \$0.50 was assumed. At this rate the gold balance available, \$145,593.63, would bring	" <u>291,187.26</u>
Deficit	" <u>123,812.74</u>
Equal at .50 to	Gold \$ <u>61,906.37</u>
At rates now prevailing (.568) the funds still available would bring only	Mex. <u>256,326.00</u>
Deficit	" <u>158,674.00</u>
Equal at .568 to	Gold \$ <u>90,127.00</u>

—o—

RESOLVED that the sum of Thirty thousand dollars (\$30,000) be, and it is C.M.2693 hereby, appropriated of which so much as may be necessary shall be used for payment of LOSS BY EXCHANGE ON REMITTANCES FOR CAPITAL EXPENDITURE made by the China Medical Board or by the supporting societies for the SCHOOL OF MEDICINE OF THE SHANTUNG CHRISTIAN UNIVERSITY, considering as the normal exchange rate one dollar Chinese silver currency (Mex.1.00) equals fifty cents United States currency (\$.50).

0417

**TRANSFER  
SHANTUNG**

*over*

INDEXED

January 18, 1932.

*ack. by Shields 3/15/32  
ack. by Lair 7/27/32*

Dr. H. P. Lair,  
Cheeloo University,  
Tsinan, Shantung, China

My dear Dr. Lair:

I am enclosing herewith a copy of the report we are today sending to the Rockefeller Foundation covering the income received by the Cheeloo School of Medicine and Hospital for the year ending June 30, 1931. I believe I mentioned a few weeks ago that we were struggling to get this report in shape.

This statement is based primarily upon your Field Treasurer's report as of June 30, 1931, but I have had to turn to other sources to find such information as the Mission Board contributions and salaries and allowances. Also I have tried to make this present report reconcile with the report which Dr. Shields sent to Mr. Gee on October 2nd, a copy of which reached our office a few weeks ago.

In glancing through this statement I note that every figure in it has been worked out from material coming from the field. All this material came from your office with the exception for the flat figures of missionary salaries and allowances. I believe that one sitting in your office could have prepared the statement in a couple of hours time. Here in New York however, I have worked on this statement for days; the amount of time one must spend at this distance to check up on any missing items is amazing. For example I spent at least half a day in going through catalogues, bulletins, and letters in trying to find out just why members of the medical and nursing staff were receiving support from Mission Boards, and what Boards were supporting them during 1930-31. Even now, I am absolutely certain that the list is correct.

There are several points at which this report is vague, and some at which I am afraid it is definitely incorrect, but I have not found it possible to do any better. Some of these points are as follows:-

1. Your Treasurer's report as of June 30, 1931 shows that the total income of the School of Medicine was Mex. \$113,747.49. Dr. Shields' report to Mr. Gee gives his figure as Mex. \$119,747.49. Where does this difference of Mex. \$6,000.00 lie?

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January 16, 1932.

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2. Dr. Shields' report to Mr. Gee does not contain so far as I have been able to ascertain, either the Dormitory Fees for Leonard Hall, or the Women's Unit share of income from the Hall Estate endowment.
3. The only figure I can find under the sections of your Treasurer's report dealing with the Medical School and Hospital, with reference to the Women's Unit share of Hall Estate income for 1931 is Mex. \$1,009.28 shown under income for Leonard Hall. Our accounts show that the Woman's Unit share in this income last year was \$2,923.70, which must have produced about Mex. \$10,000.00. Was this allocated outside the Medical School, or have we overlooked some figure right before our eyes?

On the attached statement I have put a (?) beside the figures for which I am in doubt, because of the gaps of information just referred to. You will notice that in order to reconcile the difference of Mex. \$6,000.00 between your report of June 30th, and Dr. Shields' statement to Mr. Gee of October 2nd I have included the following three items:-

Missions Dormitory Fees	\$849.00	
Share in Hall Estate Income	1,009.28	
Miscellaneous Income	<u>4,141.72</u>	\$6,000.00

The figure of \$11,788.66 received from the Women's Committee I have divided as follows:-

General appropriation Presbyterian Board	\$5,000.00	
Scholarships, Chinese Salaries, and General Appropriation W.F.M.S.	<u>6,788.66</u>	\$11,788.66

I have no love for this method of juggling figures to get a balance, but it seems it is the best we could do under circumstances.

4. Your Field Treasurer's report does not give any detailed information as to the Cash received from the Women's Committee, totaling Mex. \$11,788.66. Presumably this comes from the W.F.M.S. and Presbyterian Board, though in that case what about the income received from the Day of Prayer offering?

Lets hope this will finally clear the 1930-31 accounts off our hand. The important question now is what we are going to do at the close of the fiscal year 1931-32. For about a 'steenth time, let me strongly request that when you prepare your Field Treasurer's report as of June 30, 1932, you prepare at the same time the report for the Rockefeller Foundation along the same lines as the one I am including with this letter. This is the form in which the report has been sent to the Foundation for a number of years, and I would suggest that we continue to follow it, unless there is good reason for some change. So far as I can see you will be able to obtain without difficulty every figure necessary in the preparation of this report.

If we can get such a report in the hands of the Rockefeller Foundation by September of each year it will be of tremendous benefit to us in securing

0419

2. Dr. Shields' report to Mr. Gee does not contain, so far as I have been able to ascertain, either the Dormitory Fees for Leonard Hall, or the Woman's Unit share of income from the Hall Estate endowment.
3. The only figure I can find under the sections of your Treasurer's report dealing with the Medical School and Hospital, with reference to the Woman's Unit share of Hall Estate income for 1931, is Mex. \$1,009.28 shown under income for Leonard Hall. Our accounts show that the Woman's Unit share in this income last year was G \$2,925.70, which must have produced about Mex. \$10,000.00. Was this allocated outside the Medical School, or have we overlooked some figure right before our eyes?
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Share in Hall Estate Income	1,009.28	
"Miscellaneous Income"	<u>4,141.72</u>	\$6,000.00

The figure of \$11,788.66 received from the Women's Committee I have divided as follows:-

General appropriation Presbyterian Board	\$5,000.00	
Scholarships, Chinese Salaries, and General Appropriation W.F.M.S.	<u>6,788.66</u>	\$11,788.66

I have no love for this method of juggling figures to get a balance, but it seems it is the best we could do under the circumstances.

Let's hope this will finally clear the 1930-31 accounts off our hands, The important question now is what we are going to do at the close of the fiscal year 1931-32. For about the 'steenth time, let me strongly request that when you prepare your Field Treasurer's report as of June 30, 1932, you prepare at the same time the report for the Rockefeller Foundation along the same lines as the one included with this letter. This is the form in which the report has been sent to the Foundation for a number of years, and I would suggest that we continue to follow it, unless there is good reason for some change.

If we can get such a report in the hands of the Rockefeller Foundation by September of each year it will be of tremendous benefit to us in securing

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Dr. H. P. Lair

January 16, 1952.

-5-

payments on next year's appropriation, and will also improve greatly our standing with the Foundation.

Our friends at 61 Broadway have been very impatient with us almost every year, because of the long delays in getting these reports to them. Just today Dr. W. S. Carter spoke rather sharply, during a telephone conversation I had with him, about our delay this year in getting the Chesloo statement in their hands.

Very cordially yours,

BAG:PC  
Enc. 2

Copy: to Dr. Shields

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*over*

## SHANTUNG

INDEXED

May 6, 1932.

Mrs. Pauline V. Hunger,  
624 Benton Street,  
Aurora, Ill.

My dear Mrs. Hunger:

Let me acknowledge receipt of your letter of April 30th in which you ask for information in regard to Dr. H. P. Lair's work in China.

I have counted Dr. Lair one of my warmest friends since Mrs. Garside and I went out to China in 1922, and I am glad to give you all the information I can with regard to him, though I am not entirely clear as to the information you are seeking.

Dr. Lair was born in Herten, Kansas on May 29, 1885. He spent his boyhood in Kansas, graduating from the Herten High School in 1902, and from the College of Emporia, Kansas in 1906. Following his graduation he was in public school work serving as Principal of the High School in Dodge City, Kansas. In 1909 he began his missionary service by going to the Near East as an Instructor in the Syrian Protestant College at Beirut, Syria where he spent three years. He then returned to America and completed a course at McCormick Theological Seminary where he received his B. D. degree in 1913. On April 5, 1914 he was married to Miss Katherine Stephens, and he and his bride sailed for work under the Presbyterian Board to the Island of Hainan, off the Coast of China in the fall of 1914. The very trying climate in Hainan proved difficult for Mrs. Lair and a year later they were transferred to the Presbyterian mission in Shantung, and were assigned to the College of Arts and Science at Shantung Christian University. At that time the University's work in arts and science was being carried on in Weihai where Dr. and Mrs. Lair spent the next two years. In 1917 the departments of Shantung Christian University were brought together on the present campus in the city of Tsinan, and Dr. and Mrs. Lair moved to the location where they have been carrying on their splendid Christian service for the last fifteen years. During most of this time Dr. Lair has been in the Department of Religious Education, where he soon was made head of the Department, with the rank of professor. In addition to his work as a teacher, Dr. Lair has been one of the most invaluable administrative officers at the University, where he is now the Treasurer.

During his furloughs Dr. Lair has continued his studies. In 1922 he received a degree of S.T.M. from Union Theological Seminary in New York, and in 1923 was made a Doctor of Divinity by the College of Emporia.

In addition to being an effective teacher and an excellent administrator,

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Mrs. Pauline V. Hunger

May 6, 1932.

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Dr. Lair is one of the most popular men on the faculty, both among the student body and the other members of the staff. He is a leader in sports and all recreational activities on the campus, and at the same time is one of our most influential Christian spirits. I have heard most of the great preachers in and around New York, but I know of only one or two men whom I would rank as equal or superior to Dr. Lair in the pulpit.

Mrs. Lair has been a fitting companion during the eighteen years of their married life. Their home on the University campus is one of the most delightful spots my wife and I have ever known. It is the center for many of the informal religious gatherings of staff and student body, as well as the friendly social activities which contribute so much to the delightfulness of life at Cheeleo. They have two children - John, age 14, and Theodora, age 6.

Is the above the type of information you are seeking? I would be happy to supply any other material I would be able to give.

Very sincerely yours,

*B. A. Carside*

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SHANTUNG

Aurora. Ill

April 30/1932

ack 5-6-32

New York Office of  
Shantung University  
150 - Fifth Ave.  
New York City.  
N.Y.

Kind Sir

Will you kindly send me at  
once. all information in regard to  
Mr H. P. Lair's work in China.  
and what ever the cost will permit  
at once. Giving history of his life and  
work in our Missionary Society  
Thanking you in advance

I Remain

Mrs Pauline V. Hunger

624 Benton St

Aurora. Ill.

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**TRANSFER  
SHANTUNG**

*over*

INDEXED

Shantung Christian University

May 31, 1932

Dr. H. P. Lair  
Cheeloo University  
Tsinan, Shantung, China

Dear Doctor Lair

Following the custom established last year when we sent out authorizations on June 2, we are submitting for your approval and acceptance a similar schedule.

In reviewing the action of the North American Section at the meeting held May 18, you will notice that outside of the Rockefeller Foundation \$10,000.00, which will be forwarded to the field when, if, and as received, there is a balance of \$13,232.42. We have tabulated these in the following schedule, divided them into quarters, and extended the account number:-

	<u>Total</u>	<u>Quarterly Payment</u>	<u>Account</u>
Hall Estate, General	\$ 3,909.83	\$ 977.33	31
Hall Estate, Woman's Unit	1,954.67	488.67	41
Harvard-Yenching Institute	7,368.42	1,842.11	135.6
	<u>\$13,232.42</u>	<u>\$3,308.11</u>	

According to the above there will be \$3,308.11 due each quarter, and we are suggesting as last year that July 15, October 15, January 15, and April 15 be the dates on which we authorize drafts. That does not mean that it is necessary to draw at that particular time, but we are indicating that date because the funds are received early in each of these months. The authorizations are as follows:-

Authorization #16:- On or after July 15, 1932 you are authorized to draw \$3,308.11 at three days to be charged according to the above tabulation.

Authorization #17:- On or after October 15, 1932 you are authorized to draw \$3,308.11 at three days to be charged according to the above tabulation.

Authorization #18:- On or after January 15, 1933 you are authorized to draw \$3,308.11 at three days to be charged according to the above tabulation.

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Dr. H. P. Lair

May 21, 1933

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Authorization #19:- On or after April 15, 1933 you are authorized to draw \$23,308.11 at three days to be charged according to the above tabulation.

Very sincerely yours

Assistant Treasurer

CAE:MS  
CC: Accounting Office

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REPORT OF INCOME

SCHOOL OF MEDICINE AND HOSPITAL  
SHANTUNG CHRISTIAN UNIVERSITY

For the fiscal year ended June 30, 1951

(All amounts in local currency dollars. Missionary salaries estimated as follows:- Married Mex. \$6,000.00 Single Mex. \$5,000.00)

A. GENERAL INCOME

I. School of Medicine

(1) Salaries and allowances provided by Missions.

Baptist Missionary Society	\$12,000.00	
Presbyterian, North (exclusive of women)	6,000.00	
United Church of Canada	12,000.00	
Presbyterian, South	12,000.00	
London Missionary Society	6,000.00	
Society for Propagation of the Gospel	<u>15,000.00</u>	63,000.00

(2) Mission Cash Grants

British Section, Board of Governors	1,500.00	
Baptist Foreign Missionary Society	7,595.00	
Presbyterian, North	2,000.00	
Presbyterian, South	1,533.00	
London Missionary Society	1,339.75	
United Church of Canada	2,062.55	
Society for Propagation of the Gospel	2,625.00	
Wesleyan Methodist Missionary Society	<u>4,624.58</u>	23,079.88

(3) Field Income

Student Fees	8,522.50	
Women's Dormitory Fees	849.00	
Miscellaneous Income	<u>4,141.72</u>	13,513.22

(4) Share in Hall Estate Income

1,009.28 ? \$100,602.38

II. Hospital

(1) Salaries and Allowances provided by Missions.

Presbyterian, North	6,000.00	
Wesleyan Methodist Missionary Society	3,000.00	
Society for Propagation of the Gospel	<u>3,000.00</u>	12,000.00

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Report of Income - School of Medicine & Hospital - 2

(2) Field Income

Board of Pay Patients	2,824.21		
Board of Part-pay Patients	29,541.50		
Donations	4,947.05		
Miscellaneous	1,150.99		
Out-patient receipts	31,659.55		
Nursing School receipts	<u>385.00</u>	<u>70,508.28</u>	<u>82,508.28</u>
Total General Income (Exclusive of Rockefeller Foundation Grant)			183,110.66
Amount required by Rockefeller Foundation Appropriation			<u>122,325.00</u>
Surplus above requirements			60,785.66

B. WOMEN'S COMMITTEE

(1) Woman's Foreign Missionary Society of M. E. Church

Dr. Julia Morgan	3,000.00		
Miss Frances K. Wilson	3,000.00		
Miss Cora E. Hoffman	3,000.00		
Miss Mollie E. Townsend	<u>3,000.00</u>		
	12,000.00		
Scholarships, Chinese Salaries, and General Appropriation	<u>6,788.66</u> ?	18,788.66	

(2) Presbyterian Board, North (Women's Committee)

Dr. Susan Waddell	3,000.00		
Dr. Annie V. Scott	3,000.00		
Dr. Arabella Gault	<u>3,000.00</u>		
	9,000.00		
General Appropriation	<u>5,000.00</u> ?	14,000.00	

(3) Woman's Missionary Society of the United  
Church of Canada

Miss Carol M. Brodie	3,000.00		
General Appropriation	<u>2,191.10</u>	<u>5,191.10</u>	
Total Income, Woman's Committee			57,979.76
Amount required by condition of appropriation			<u>28,000.00</u>
Surplus above requirements			\$ 9,979.76

C. SUMMARY OF TOTAL INCOME

General Income		\$183,110.66	
Woman's Committee Income		57,979.76	
Rockefeller Foundation appropriation		<u>68,165.35</u>	
Grand Total			\$289,255.77

0429

H. P. Lair

# SHANTUNG

June 1932

## PRELIMINARY FINANCIAL REPORT

1931 - 1932

# TRANSFER

As the financial year does not end till June 30th it is impossible at this time to make a complete financial report. The forecast given below is based on the actual financial standing on May 31st and estimated receipts and expenditures for June. The complete report should be available on July 15th.

RECEIPTS - The receipts from Mission Boards will have been received in full with the following exceptions:-

The Baptist Missionary Society has reduced its grant for Jan. - June 1932 by 25 per cent.

The United Church of Canada Mission has reduced its grant for Jan. to June 1932 by 15% per cent. However as this grant is paid in gold the receipts for the entire year have amounted to more in local currency than the amounts shown in the budget.

The Society for the Propagation of the Gospel reduced its grant to the Schools of Arts and Science last year by 7½ per cent.

The American Presbyterian Mission South has reduced its grant by about 35 per cent.

Receipts from tuition fees have been a little less than the budget figures -(Budget, \$25,204; Actual, \$24,899).

GENERAL ADMINISTRATION - The general administration account, on the basis of the standing June 1st and the estimated expenses for June, will show a deficit of approximately \$5,000. In view of the fact that the budget was adopted with a deficit of \$6,000 and the additional fact that about \$2,500 (not budgeted) has been spent on the wall in connection with the drainage ditch, this really shows a saving of \$3,500 on expense as compared with the budget. It will probably be possible to meet this deficit from savings on exchange.

ARTS & SCIENCE - The most serious financial problem is that of the Schools of Arts and Science. On the basis of the statement of June 1st and the addition of absolutely necessary expenditures for June, the expenditures will amount to \$74,800, or \$17,300 more than the amount of the budget, an excess of 30%.

The receipts, on the other hand, will amount to just about the budget figure (Budget \$57,528; Actual \$57,418). This shows a deficit for this year of \$17,400. To apply on this there is a credit balance from 1930-31 of \$5,653, which still leaves almost \$12,000 unprovided for.

0430

**MEDICINE** - Assuming the expenses for the Medical School for June to be the average of those for the last four months, the actual expenses for the year will meet the budget almost to the dollar (Budget, \$105,266; Actual, \$105,240). The income, however, will show a considerable increase over the budget, due largely to the rate of exchange on the Gold \$10,000 from the Rockefeller Foundation, making the income from this source \$62,378 instead of \$50,000 as budgeted. The total income will be something in excess of \$115,000, about \$10,000 more than the budget.

**HOSPITAL** - Assuming the expenses and receipts of the Hospital for June to be the same as the average of the last four months, the total expenses will be \$128,663, and the total receipts \$88,131, making a deficit of \$38,432. \$35,926 of this is provided for in the Medical School budget, which would make the probable net deficit \$2,500. It is probable, however, that there will be a considerable decrease in the expenses this month so that this deficit may be avoided or even converted into a small credit balance.

**HALL ESTATE** - The receipts from this source for the current year are \$19,957, and the amounts assigned to departments by the budget are \$16,000, leaving a credit balance of \$3,975.

**HARVARD-YENCHING RESEARCH INSTITUTE** - Receipts for the year amount to \$44,625 and expenses \$40,654, leaving a credit balance of \$3,971. The credits on these two funds, in addition to substantial credit balances from 1930-31 as shown on the treasurer's report for that year, have made it possible to carry on the work of the entire institution without serious financial embarrassment which otherwise would have occurred on account of the reductions in receipts referred to above.

The treasurer desires to record his appreciation of the hearty cooperation of the other administrative officers of the University in dealing with the financial problems of the year.

Respectfully submitted

(Signed) H. P. LAIR

Treasurer.

SHANTUNG

CHEELOO UNIVERSITY TRANSFER  
TSINAN, SHANTUNG  
CHINA

齊魯大學

山東濟南

Treasurer.  
OFFICE OF THE PRESIDENT

27th July, 1932 #1  
ack 9-12-32

Dr. H. H. Weir  
2, Eaton Gate,  
London, S.W.1.

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

Dear Dr. Weir and Mr. Garside,

*See field Treasurer's Reports 1931-32, Mr Garside's  
beta binder*

In looking over the balance sheet enclosed herewith it appears that there are two or three items about which questions might arise. The balance sheet for June 30th 1931 showed a credit on the Arts Building Fund of \$3628.73 while this year's sheet shows a debit of \$8611.66. This approximately \$12,000 of expenditure during the year is made up of the sum necessary to complete the gas plant and various alterations which were made in the Arts dormitories last year, walling in the openings between the buildings in order to limit means of entrance to one gateway and changes in the heating plant. It also includes the first payment on three new residences which we are building just east of the Model Village. Arrangements have been made to borrow from the American Board Scholarship administered by Dr. Miner the money to pay for these new houses. I do not know how we are going to pay off this overdraft although the changes in the heating plant have been amply justified by resulting economies in cost of heating, as you will see by reference to that item on the Arts and Science report.

The debit reported on Medical School residence is the balance still unpaid on the new house which has been built this year for Mr. and Mrs. Wolfe. This will be cared for by rent.

It is proposed to pay off the overdraft of \$10,909.43 on the Schools of Arts & Science from the present balance on the Hall Estate unrestricted funds, thus making it possible for the Schools of Arts & Science to start this present year from scratch.

I see nothing else in the balance sheet which calls for explanation unless it be the decrease in the amount of money held on the field for the new hospital building. Last year's figure \$159806.83, this year's \$153481.88. There has been received during the year \$5234.73 interest on this new hospital building fund, but \$11,559.68 has been paid out as first payment on the boilers and machinery for the new power plant. With these explanations the report as it stands appears quite clear to me but it may be that there are other points about which you would desire further information and if so I will of course be glad to furnish it.

Yours very sincerely

*W. H. Hain*

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CHINA

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OFFICE OF THE RESIDENT  
TREASURER.

37th July, 1932  
#1  
2-12-32

Mr. B.A. Garstide,  
150, Fifth Avenue,  
New York.

Dr. H. H. Weir,  
S. Eaton Gate,  
London, S.W.1.

Dear Dr. Weir and Mr. Garstide,

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Yours very sincerely  
*W. G. ...*

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UNIVERSITIES  
AUG 24 1932  
JOINT OFFICE

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SHANTUNG CHRISTIAN UNIVERSITY

TSINAN, CHINA

OFFICE OF THE TREASURER

TRANSPORT

27th July, 1932 #2

ack-9-12-32

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

SHANTUNG

INDEXED

Dear Garside,

I enclose herewith my annual report and the report similar to the one which you made out with many arduous labours and doubtless frequent cuss words, for the Rockefeller Foundation last year. As I have followed the arrangement of that report I presume no further explanation is called for. It seems to be questionable whether or not the Women's Dormitory Fees and the share of Hall Estate which goes toward the support of Leonard Hall should be included, but as you did include them last year I thought I would include them in this copy which I send and leave you to leave them out of your report to the Rockefeller Foundation if you think it better to do so. You understand of course that the upkeep of Leonard Hall is met by dormitory fees, School of Medicine and the Hall Estate, the amount of dormitory fees being first deducted from the total cost of upkeep and the resulting deficit being apportioned to the School of Medicine and to the income from the Women's Unit Hall Estate funds on the basis of the relative number of students - Medical, Arts & Science, and Theological. Of course in the sense that Leonard Hall is medical school property it is correct to include both the expenditure and income connected with that building in a statement of medical receipts and expenditures. However if you think it wiser to leave it out the resulting totals will still be ample to meet the conditions of the Rockefeller Foundation appropriation. I don't seem to recall the source of your figure under School of Medicine "amount required by Rockefeller Foundation appropriation \$122,325", but I am inserting the same figure this year. I do recall the other one under Women's Committee "amount required by condition of appropriation \$28,000".

I hope this is in the form in which you want it and that you will not again need those hours of worry and hard work and sleepless nights through guessing what figures to include and what not to include.

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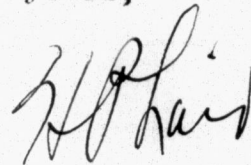
JUL 27 1932

Mr. Garside

I have never replied to your query in your letter of January 16th about the discrepancy of \$6,000 between my report and the statement sent by Shields to Mr. Gee. I have no copy of the statement Shields sent to Gee and as both he and Miss Morton Smith are away now I would have difficulty in finding one. Your guess as to its having been made up of Women's Dormitory fees and share of Hall Estate income, and another figure representing miscellaneous income of \$4141.72 is doubtless wrong, as there was no such miscellaneous income, and the discrepancy no doubt arises from the inclusion of a foreign salary, but as I have not the statement here I cannot tell whose salary it was that was included.

With best wishes from all of us,

Very cordially yours,



HPL/GMH

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Mr. Garfield

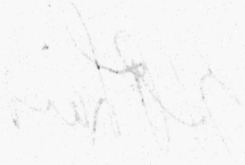
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27.7.32

I have never replied to your query in your letter of January 16th about the discrepancy of \$6,000 between my report and the statement sent by Garfield to Mr. Bee. I have no copy of the statement Garfield sent to me and as both he and Miss Morton said the way now I would have difficulty in finding one. Your guess as to its having been made up of Women's Auxiliary fees and share of half estate income, and another figure representing miscellaneous income of \$4141.72 is doubtless wrong, as there was no such miscellaneous income, and the discrepancy in doubt arises from the inclusion of a foreign salary, but as I have not the statement here I cannot tell whose salary it was that was included.

With best wishes from all of us,

Very cordially yours,



J. Edgar Hoover

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REPORT OF INCOME

SCHOOL OF MEDICINE AND HOSPITAL  
SHANTUNG CHRISTIAN UNIVERSITY

(Sent with Hein's letter of  
July 27, 1932)

for the fiscal year ended June 30, 1932

(All amounts in local currency dollars, Missionary salaries  
estimated as follows:- Married Mex. \$6,000, Single Mex. \$3,000)

A. GENERAL INCOME

I. School of Medicine

(1) Salaries and allowances provided by Missions

Baptist Missionary Society	\$18,000. <sup>00</sup>	
Presbyterian, North (exclusive of women)	12,000. <sup>00</sup>	
United Church of Canada	9,000. <sup>00</sup>	
Presbyterian, South	12,000. <sup>00</sup>	
London Missionary Society	6,000. <sup>00</sup>	
Society for Propagation of the Gospel	<u>15,000.<sup>00</sup></u>	72,000. <sup>00</sup>

(2) Mission Cash Grants

British Section, Board of Governors	2,025. <sup>00</sup>	
Baptist Missionary Society	6,179. <sup>83</sup>	
Presbyterian, North	2,000. <sup>00</sup>	
Presbyterian, South	627. <sup>00</sup>	
London Missionary Society	1,380. <sup>00</sup>	
United Church of Canada	1,692. <sup>63</sup>	
Society for Propagation of the Gospel	2,025. <sup>00</sup>	
Wesleyan Methodist Missionary Society	<u>7,830.<sup>65</sup></u>	23,760. <sup>11</sup>

(3) Field Income

Student Fees	9,156	<del>79,136.<sup>00</sup></del>
<del>omit</del> - Women's Dormitory Fees & rent	1,676	
<del>omit</del> - T.M.R.	<u>62.<sup>98</sup></u>	010,894. <sup>68</sup>

<del>omit</del> (4) <u>Share in Hall Estate Income</u>	1,447. <sup>12</sup>	01,447. <sup>12</sup>
		<u>104,916.<sup>11</sup></u>
		108,101. <sup>31</sup>

II. Hospital

(1) Salaries and Allowances provided by Missions

Wesleyan Methodist Missionary Society	3,000. <sup>00</sup>	
Society for Propagation of the Gospel	3,000. <sup>00</sup>	6,000. <sup>00</sup>

0437

1932  
6,000.00

(2) Field Income

Board of Pay Patients	4,544.45	
Board of Part-pay Patients	32,274.39	
Donations	3,012.97	
Miscellaneous	593.60	
Out-patient Receipts	47,317.07	
Nursing School Receipts	<u>1,471.50</u>	89,213.98

95,213.98

Total General Income (Exclusive of  
Rockefeller Foundation Grant) 200,130.09  
203,315.29

Amount required by Rockefeller Foundation Appropriation 122,325.00  
Surplus above requirements 77,803.09  
80,990.29

B. WOMEN'S COMMITTEE

(1) Women's Foreign Missionary Society of M.E. Church

Dr. Julia Morgan	3,000.00	
Miss Frances R. Wilson	3,000.00	
Miss Cora E. Hoffman	3,000.00	
Miss Mollie E. Townsend	3,000.00	
Miss Florence Evans	<u>3,000.00</u>	
	15,000.00	
Scholarships, Chinese Salaries, and general appropriation	<u>8,341.32</u>	23,341.32

(2) Presbyterian Board, (North) Women's Committee

Dr. Susan Waddell	3,000.00	
Dr. Annie V. Scott	3,000.00	
Dr. Arabella Gault	<u>3,000.00</u>	
	9,000.00	
General Appropriation	5,000.00	14,000.00

(3) Women's Missionary Society of United Church of Canada

Miss Coral Brodie	3,000.00	
General Appropriation	3,678.85	6,678.85

(4) Fed. Women's Boards Day of Prayer

Total Income, Women's Committee		49,770.64
Amount required by condition of appropriation		<u>28,000.00</u>

Surplus above requirements 21,770.64

C. SUMMARY OF TOTAL INCOME

General Income	<u>200,130.09</u>
Women's Committee Income	49,770.64
Rockefeller Foundation approp.	<u>62,378.00</u>
Grand Total	<u>312,278.73</u> 315,463.93

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6,000.00

(2) Field Income

4,844.48	Board of Pay Patients
32,274.39	Board of Part-pay Patients
2,012.97	Donations
293.60	Miscellaneous
47,317.07	Out-patient Receipts
1,471.50	Nursing School Receipts
<u>89,213.98</u>	

89,213.98

Total General Income (Exclusive of Rockefeller Foundation Grant)

89,213.98

Amount required by Rockefeller Foundation Appropriation 88,325.00  
Surplus above requirements 80,990.98

B. WOMEN'S COMMITTEE

(1) Women's Foreign Missionary Society of N.E. Canada

15,000	Miss Florence Evans
3,000	Miss Mollie B. Townsend
3,000	Miss Cora E. Hoffman
3,000	Miss Frances H. Wilson
3,000	Dr. Julia Moran
<u>30,000</u>	
8,341.38	and general appropriation
<u>21,658.62</u>	

21,658.62

(2) Presbyterian Board, (North) Women's Committee

3,000	Dr. Arabelle Smith
3,000	Dr. Annie V. Scott
3,000	Dr. Susan Waddell
<u>9,000</u>	
14,000	General Appropriation
<u>23,000</u>	

23,000

(3) Women's Missionary Society of United Church of Canada

3,000	Miss Coral Brodie
3,878.88	General Appropriation
<u>6,878.88</u>	

6,878.88

(4) Fed. Women's Board of Health

2,750.47	Total Income, Women's Committee
49,770.64	Amount required by condition of appropriation
<u>52,521.11</u>	

52,521.11

Surplus above requirements 31,770.64

C. SUMMARY OF TOTAL INCOME

315,483.93	Grand Total
62,378.00	Rockefeller Foundation approp.
49,770.64	Women's Committee Income
<u>203,335.29</u>	General Income

203,335.29

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SHANTUNG CHRISTIAN UNIVERSITY

TSINAN, CHINA

TRANSFER

28th July, 1932

ack 9-12-32

OFFICE OF THE TREASURER

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

SHANTUNG

INDEXED

Dear Garside,

In the letter which I wrote you yesterday I forgot to answer your query in your letter of January 16th, I believe it was, as to what went with the Women's Federated Boards Day of Prayer offering in 1931. If you will refer to my report for that year you will see that that is one of the items on the balance sheet which is held in reserve and not allocated to departments during that year. This was done for two reasons, one being that the Medical School did not really need the money, and the other because of a difference of opinion as to whether or not all of the money should go to the Medical School. I might add that this difference of opinion still exists, although in my own mind there is no doubt about the fact that it is Medical School money, and you will see that on this year's report the sum of money credited to the Medical School from the Federated Women's Boards Day of Prayer offering is \$5750.47, which represents the proceeds of the remittance for 1931 and for 1932. I trust this is clear.

I am sending today to the Associated Mission Treasurers, Shanghai, a draft for gold \$3308.11, which is the amount authorized in Evans' letter stating authorizations which may be drawn during this year for Harvard-Yenching and Hall Estate Funds, authorization No. 16.

Please tell Evans that I received his letter of May 13th in which he sends best wishes from Rupert Stanley, and ask him to kindly return mine to the whole Stanley family when he sees them. Also tell Stanley that we are having some very exciting baseball games these days, and in fact have some of the Britishers so enthused over the game that they ask for extra games in addition to the two days a week when we regularly play.

Very cordially yours,

HPL/GMH

*L. L. L.*

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SHANTUNG CHRISTIAN UNIVERSITY

TAIWAN, CHINA

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TRANSFER  
SHANTUNG

INDEXED

Shantung Christian University

August 17, 1932.

Dr. H. P. Lair,  
Shantung Christian University,  
Tsinan, Shantung, China

My dear Dr. Lair:

It becomes my painful duty to state that we have just received a letter from the Woman's Missionary Society of the United Church of Canada through its Executive Mission Secretary, Mrs. Loretta Spotton, wherein it is indicated that a 10% reduction in the grant of Shantung Christian University has been voted by that organization. In other words the grant for 1932-33 will be \$900 instead of \$1,000. We believe you will receive this through the Field Treasurer, and we give you full authority to secure any additional amounts from the same source that is possible to lay your hands on.

If you can get anything better than reductions and decreases out of these Boards during these days you will command a place in the Hall of Fame. Some of our dear brethren seem to be fading just out of existence.

I trust that you have been able to secure a vacation this summer, and that things are running along smoothly with you even though there is a depression and Japan is still in existence.

With kindest regards to you all, I remain,

Very cordially yours,

*Carl A. Evans*

CAE:PW

PS: Mr. Garside is spending his vacation on the shores of Lake Champlain, and reports that they are having an excellent time.

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SHANTUNG

INDEXED

September 12, 1952.

Dr. H. P. Lair,  
Shantung Christian University,  
Tsinan, Shantung, China

Dear Lair:

When I got back to the office after loafing around the shores of Lake Champlain for a month, I found your two letters of July 27th together with your letter of July 28th. You should not be sticking around Tsinan in the middle of the summer working on dry financial statistics - I hope you got away to Iltus Huk shortly after your letters were written, and that you had a good rest there during August.

Mr. Evans has already acknowledged these three letters. There are a few items on which I will comment a little further.

Treasurer's Report and Balance Sheet. I have gone over this material with keen interest. You folks at Cheeloo have a genius for getting through a very difficult year in good shape financially. It is easy to see that you have had some difficult struggles to make both ends meet, but you succeeded remarkably well on very limited resources. One of my greatest regrets is that it has not been possible thus far to obtain larger support for the work at Cheeloo. I hope that the coming year will see the working out of plans which will make for increased resources before we die of old age.

I do not see anything in the report or the balance sheet which calls for special comment.

Report to Rockefeller Foundation. I transmit a carload of thanks for your work in preparing this report for transmittal to the Rockefeller Foundation. This will save a tremendous amount of grubbing around in our records here, and will also avoid the strain of my tender conscience which I have suffered each year when I have sent the Foundation a report that I knew was not entirely accurate.

I am transmitting the report in the form you have prepared it, except that I am omitting the two items of Women's Dormitory and Hall Estate appropriation toward the support of Leonard Hall, since it is doubtful whether these two items should be included. Our report shows ample income anyway. The figure of L.C.\$122,525 which we have been using from year to year as the minimum general income required by the Rockefeller Foundation dates back to the fiscal year 1923-24. This figure was taken as the amount of income received by the School of Medicine that year, and all appropriations made by the Rockefeller Foundation

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Dr. H. P. Lair

September 12, 1952.

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since that date have been given on condition that this minimum be maintained.

Your explanations on the two questions raised in our correspondence - the \$6,000 discrepancy between the two reports for 1951-52, and the use of the Day of Prayer Offering seem to be quite satisfactory.

I believe that no further discussion of these two items is necessary.

Mrs. Garside and I today celebrate our 11th anniversary, so I am at this moment reaching for my hat and brief case and beating it for home.

Very cordially yours,

*B. A. Garside*

BAG:PW

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TRANSFER

*over*

SHANTUNG

INDEXED

Shantung Christian University

October 17, 1932

Dr. H. P. Lair  
Chee'leo University  
Tsinan, Shantung, China

Dear Doctor Lair

On February 24, 1931 we received from the field a schedule of building costs including land, equipment, fixtures, together with a supplementary list covering the Tsinan Institute, School of Theology, and two miscellaneous items. This list, however, did not include funds to cover the capital expenditures, and you will recall that we wrote the field accordingly. We have also followed that up with later requests, and in the meantime have withheld bringing these figures into our books.

We have come to the conclusion, however, that the best method of procedure is to use the figures submitted in setting up the Plant account calling attention of the field to certain discrepancies in the schedule and asking for adjustment on these individual items. We are enclosing with this letter a copy of the Journal Voucher covering the entries.

In the first place the total of original costs amounts to LC\$63,000.00 more than indicated on your list. We have tried in every possible manner to reconcile this difference but without success. Will you not check your original costs with your ledger and ascertain if the total is correct, a mistake having been made in entering excessive costs among the items.

You will notice that we have separated equipment from the buildings accounts, whereas in a number of instances you have combined the buildings and the equipment in one item. We are allowing these to stand at the present time with the hope that you can review these items and give us a separate figure for building as over against either equipment or furniture. The particular cases referred to are as follows:-

Chemistry and Physics Building and Equipment  
Augustine Library Building and Equipment  
Men's Dormitories & Equipment  
Administration Building and Equipment  
Chapel and Furniture  
Women's Dormitory, including equipment.

If it is convenient to follow the idea we have used in other universities, it will help considerably. Our procedure has been to include as "furniture"

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Dr. H. P. Lair

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October 17, 1932

all fixture in buildings including chairs, desks, and the like, but under equipment such accessories as are required in teaching such as physics or chemistry equipment, maps, and similar paraphernalia. If it is not convenient to do this, a separation of furniture and equipment from buildings will be of some assistance.

Under "Roads and Mains" you have included two operations which ordinarily we have separated. Roads have been classed as "Land Improvements," whereas "Mains" are considered as a part of the "Power, Light, and Water" account. I hope it will not be too difficult to separate these transactions.

You will note that we are including "Building Funds" under one item. The next move will be to separate them according to income on your books showing the source of the funds. This should not be an especially difficult task and it will give us a much more complete picture if you will give us this information.

We are making an effort to have the Presbyterian Board give authorization for the setting up of their Shantung endowment funds on our books. We hope they will agree to this. Some time ago we made the same effort, but without success, but by making a different approach at the present we are more hopeful.

Our usual run of Trustees' meetings for the fall will take place the latter part of this month. After that time there will be occasion to write you still further on actions of the North American Section.

We are also enclosing trial balance and cash statement as of September 30, 1932.

Very cordially yours

*C. A. Evans*

Assistant Treasurer

CAE:MS  
Enc.

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TRANSFER  
SHANTUNG

INDEXED

Shantung Christian University

November 21, 1932.

Dr. H. P. Lair  
Cheelee University  
Tsinan, Shantung, China

*over*  
*ack. 12/20*

Dear Lair:

Let me acknowledge receipt of your letter of October 15th. This acknowledges receipt of the news that the Rockefeller Foundation has begun making payments for the fiscal year 1932-33, and informs us that you are drawing the first draft for G. \$5,000, together with the G. \$3,308.11 authorized by our Authorization No.17. These drafts were received on November 12th.

We have received from the Rockefeller Foundation this month a Shanghai draft for L.C.\$10,000 covering the second quarterly payment on their appropriation for this year, and have forwarded the draft on to you, so it will reach you a week or two before this letter. The Foundation's procedure in sending these local currency remittances by draft, which is the simplest and easiest way of handling the matter, necessitates a modification in the authorizations I sent you on September 17th. In my letter of September 17th I authorized you to draw on us on October 15th for L.C.\$10,000, and on May 1, 1933 for L.C.\$10,000.

Since the L.C.\$10,000 authorized to be drawn on October 15th has already been forwarded to you by draft, and if a draft from the field for this amount (or rather the gold equivalent of L.C.\$10,000) is presented to us, it will mean that we are paying this L.C.\$10,000 to you twice, and will leave our accounts short by just that amount. If therefore, such a draft from you reaches us, we will charge it against Authorization No.18 which is for a total of G.\$3,308.11, and is to be drawn by you on or after January 15, 1933. If you drew this L.C.\$10,000 on October 15th, you will already have discovered, with the arrival of the draft from the Rockefeller Foundation, that you have been paid twice, and will probably be wondering what adjustments should be made. I hope it will be a simple matter for you to credit the gold equivalent of one of these payments of L.C.\$10,000 as having been received on Authorization No.18, and that when January 15th comes around, you will draw your draft for G.\$3,308.11 less the amounts you have thus credited.

Please cancel entirely the authorization to draw L.C.\$10,000 on May 1, 1933 on account of the Rockefeller Foundation appropriation, as this also will be forwarded to you by draft.

I am enclosing herewith a monthly budget report showing how our various Cheelee budget accounts stood on October 31st. We will attach a sheet like this to each of our monthly financial statements during the rest of the fiscal year, so that both you and we may see at a glance just how our budget appropriation is working out.

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Dr. H. P. Lair

November 21, 1932.

As a matter of fact, we are facing the likelihood - almost with certainty - of a rather serious deficit this year. Since the North American Section took action on its contribution to the field this year, we have suffered a severe loss in income due to the passing of dividends on one of our large blocks of preferred stock. We will probably be able to struggle through to the end of the fiscal year, by using the small reserve we have built up here in New York, but if the Aluminum Company should discontinue entirely the reduced dividends they have been paying us, the Section might be forced to the unfortunate position having to inform the field that we must renege a part of the appropriation we have promised you. I hope that we can avoid this, for I feel strongly that our Governors ought to make good on their promises, even if they do get caught in a jam. I am, however, passing on this informal word of warning, so that you may not be taken completely by surprise if things take an unfavorable turn.

Very cordially yours,

*B. A. Gaiside*

BAG:PW  
Enc.

CC: Accounting Office

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February 1, 1933

Dr. H. P. Lair

# SHANTUNG

## TRANSEER

INDEXED

### Shantung Christian University

February 1, 1933. No. 2

ack. 4/15/33

Dr. H. P. Lair  
Shantung Christian University  
Tsinan, Shantung, China

Dear Lair:

I have your letter of December 20th, discussing chiefly budget finances.

We are mighty grateful to you for holding up a bit some of the drafts which we, in our optimism, last year authorized you to draw. If you had drawn a draft for the full amount stated in Authorization No. 18 we would have found ourselves skating quite close to a negative balance. While we had framed up an emergency procedure to get us over the crisis if such a draft were presented, we are relieved that we did not have to call out the riot squad.

Here is the way we forecast anticipated income and budget commitments to June 30, 1933:-

<u>Anticipated Income</u>		
Jan. 31, 1933	Cash in Bank	\$ 866.55
Feb. 5, "	Dividend, General Motors Pfd.	337.50
Feb. 5, "	Remittance from H.-Y. I.	1,842.11
Feb. 15, "	Remittance from Rockefeller Fdn.	5,000.00 G.
April 5, "	Dividend, Aluminum Co. of America	487.50
April 5, "	" Commonwealth & Southern	150.00
May 5, "	" General Motors, Pfd.	337.50
May 5, "	Remittance from H.-Y. I.	<u>1,842.11</u>
		\$10,863.27

<u>Assumed Obligations</u>		
Feb. 5, 1933	Auth. No. 18, Current Budget	3,308.11
Feb. 25, "	Draft from Field	
	Rockefeller Fdn. apprn.	5,000.00
May. 5, "	Auth. No. 19, Current Budget	3,308.11
	Balance due on Home Administration	<u>305.22</u>
		\$11,919.54

(In addition to the above, a draft for L.C. \$10,000.00 will be received from the Rockefeller Foundation about May 1st, and will immediately be forwarded to the field.)

You will see that on the above basis we would have an actual cash shortage of around G. \$1,100 when we close our books on June 30th.

Accounting Office

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February 1, 1933

Since we must keep some balance in the bank, we must either increase income, or cut down our expenditures, by about \$2,000.

The immediate cause of this financial misery is the omission of dividends on our American Smelting and Refining Preferred Stock, which would have amounted to G. \$3,114.00. The omission of these dividends was not announced until some months after our budget for 1932-33 was acted upon by the Governors, so we counted this \$3,114.00 in when we made our appropriations.

We are having a meeting of our North American Section on February 17th, and at that time we will ask the Governors to make a very earnest restudy of the whole budget situation to see if there is not some source from which we can secure additional revenue.

Until some solution is reached the only thing we can do is to cut down a bit on the amounts we are remitting for the current budget. Instead of the G. \$5,308.11 you are asking us to deposit in line with Authorization No.18, we are at this time putting in your account at the Bankers Trust Company only G. \$2,308.11. If you draw a draft on us about April 15th in accordance with Authorization No.19, will you make your draft for G. \$2,308.11, instead of the larger figure of G. \$5,308.11 as authorized by Mr. Evans last spring? If you ask us to make a deposit for you on account of Authorization No.19, we will deposit this same amount -G\$2,308.11. Probably you have already drawn a draft for G. \$5,000 to cover the payment on the Rockefeller Foundation appropriation which we will receive about February 15th. The funds for this draft will undoubtedly be in hand, and it will not cause any difficulty.

When the reduced remittances discussed above have been taken care of, we will be exactly \$2,000 short on what the North American Section has appropriated toward the 1932-33 budget. I certainly hope that the section will be able to live up to its guarantees, and will not make any reduction in an appropriation already defined. But, of course, if the Section merely succeeds in finding some temporary measure to get us over the present crisis, without securing two or three thousand dollars in additional income to enable us to close this year in a satisfactory way, we will merely have to charge the 1932-33 deficit as the first item against our estimates of funds available for 1933-34. I hope we can avoid doing that, though as yet I do not see just how we can bridge the gap.

We are hoping that a little later on these dividends now falling in arrears will be made up; so if we can survive that long we should in due course, come to more pleasant pastures. But just now the grazing is pretty thin.

There is one point that is causing us some concern. It is the possibility that you may be drawing on your account at the Bankers Trust Company for more than the G. \$2,308.11 we are now depositing to your credit. We will try to guard against any embarrassment there by asking the Bankers Trust Company to notify us if they should receive any checks or drafts that would overdraw your account. In such a case we would try to make some emergency deposit that would tide us over the situation.

Very cordially yours,

B. A. Carside

BAG:PW

CC; Accounting Office

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TRANSMITTED  
SHANTUNG

INDEXED

February 21, 1955.

Dr. H. P. Lair  
Cheeloo University  
Tsinan, Shantung, China

My dear Lair:

We are sending you herewith a copy of the Minutes of the meeting of our North American Section held on February 17th. You will be particularly interested in the Minute on page 4 and 5 dealing with the financial situation.

We are facing the certainty of a deficit this year, but the Section intends to try to carry on and pay the full amount of what has been appropriated for this year. However, it will probably be after June 30th before we can send you the last G. \$2,000 due you on this year's budget. Possibly we might help you out a little in closing your books, by having you draw about June 15th a draft for G. \$1,000 to be paid you a little later. Would this be a satisfactory procedure from your standpoint? It is still too early for us to promise that we can do this, but there will still be time to send you an authorization after I receive your reply to this suggestion.

With income still decreasing, and the prospects for next year still further bedclouded by this deficit with which the year will open, our appropriation for the 1955-54 budget will have to be substantially cut down. If we do not suffer any further losses in income, we may hope for the following amounts:-

Rockefeller Foundation		G.\$10,000.00
	plus	L.C.\$20,000.00
Harvard-Yenching Institute		G. 7,568.42
General Endowment Income	\$2,600.00	
Woman's Unit Endowment Income	<u>1,500.00</u>	
	\$3,900.00	
Less Home Administration	<u>1,000.00</u>	<u>2,900.00</u>
		\$20,268.42
Less Deficit, 1952-55		<u>1,774.11</u>
Net Total		G.\$18,494.51
	plus	L.C. \$20,000.00

Let's hope that we soon get around that corner we have all heard so much about for several years.

Very cordially yours,

*B. A. Carside*

BAG:PW  
Enc.

0451

**TRANSFER**  
SHANTUNG CHRISTIAN UNIVERSITY  
TSINAN, CHINA

OFFICE OF THE TREASURER

Dr. H.H. Weir  
2, Eaton Gate,  
London, S.W.1.

**SHANTUNG**

INDEXED

8th March, 1933

*ack. 5/13*  
Mr. B.A. Garside  
150, Fifth Avenue,  
New York.

Dear Dr. Weir and Mr. Garside,

I am sorry that no covering letter from me accompanied the budget when it was sent off about three weeks ago. I had the misfortune to get my upper jaw broken in a hockey match a few days after the budget was passed and am even now supposed to be on a schedule of a maximum of four hours work a day. However as I discover that the Theological School budget was not included with the other I can write now about the principle on which the receipts were estimated. In the cases where grants are made in local currency and where cuts have been applied during the current year the full amount of the original grant was inserted without applying the cut as we have received no official intimation that these cuts are to be continued. In cases where the grant is made in gold dollars the exchange was estimated at 3 - 1; the chief grant affected in this case is that of the United Church of Canada from which we have received notice of a cut but the conservative rate of exchange at which the grant was estimated should more than make up the loss occasioned by the cut. You will observe from the table enclosed that the income from the Hall Estate and Harvard-Yenching Funds was estimated as for last year on a basis of Hall Estate \$5,000, Women's Unit Hall Estate \$2,500 and Harvard-Yenching \$10,000 gold. In view of the decreased income this year this is of course a departure from the principle of estimating exchange at 3 - 1. However the high rate of exchange that has obtained throughout most of this year will more than make up the difference due to the loss in amount in gold and it seemed safe to estimate the income for another year on this basis. The Rockefeller Foundation grant is estimated at \$20,000 Mex and \$10,000 gold at 3.50.

Since making out the budget I have discovered that there is one item on which I have slipped up and that is the income from the British Section of the Board of Governors, which is put down at \$6,500 Mex. I find that their action in Minute 351 promised only £300 which at present exchange would fall far short of \$6,500. This \$6,500 was arrived at by taking the B.S.B.G. former grant of £435 at 15 - 1 and at the time we made out the budget this later action reducing their grant had escaped my memory. Perhaps

*See*  
*"Budget-*  
*1933-34*  
*3/8/33*

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Dr. Weir  
Mr. Garside

it is not too much to hope that conditions will so improve that they may be able to come up to the former figure by the end of 1933.

Dr. Stanley has written explaining the discrepancies between the Theological budget as presented and the figures which appear on this chart. It seemed wiser to me to make out the chart applying the same principles in regard to exchange as had been applied to the rest of the budget, and the net result is the same in any case.

You understand of course that missionary salaries have been inserted in round numbers as before - a single missionary salary being estimated at \$3,000 Mex and a married man's salary at \$6,000 Mex. These figures do not affect the accounts carried by the field treasurer.

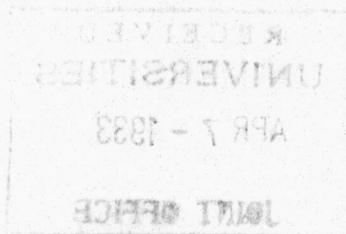
I hope these additional explanations will make the figures in the budget intelligible and hope that conditions at home will be such as to ensure our receiving the full amounts budgeted.

With kind regards.

Yours very sincerely,

HPL/GMH

*W. H. L. L.*



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MAR 8 1933

Dr. Weir  
Mr. Garbide

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It is not too much to hope that conditions will so improve that they may be able to come up to the former figure by the end of 1933.

Dr. Stanley has written explaining the discrepancy between the Theological budget as presented and the figures which appear on this chart. It seemed wiser to me to make out the chart applying the same principles in regard to exchange as had been applied to the rest of the budget, and the net result is the same in any case.

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I hope these additional explanations will make the figures in the budget intelligible and hope that conditions at home will be such as to enable our receiving amounts outlined.

With kind regards,

Yours very sincerely,

*W. Weir*

W. Weir

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# TRANSFER

SHANTUNG CHRISTIAN UNIVERSITY

TSINAN, CHINA

OFFICE OF THE TREASURER

SHANTUNG

9th March, 1933

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

*Closed by me  
Evans 3/16/33*

INDEXED

My dear Garside,

I have your letters of February 1st and naturally am rather disturbed by the news that you have found it necessary to decrease the amount of the payments for Harvard Yen-ching and Hall Estate Funds by \$2,000 gold. I had of course credited the full amount of \$3,308.11 for which I asked on Authorization No. 18 and will let the entries on my books stand as they are and will credit only \$1,308.11 for Authorization No. 19. In the meantime I will take care to avoid overdrawing my account in the Bankers Trust Co. Will you therefore when the date arrives kindly pay into our account in the Bankers Trust Co. the amount which you now authorize for Authorization No. 19, namely \$2,308.11.

I have been waiting since February 15th for exchange to again touch 5 - 1 before drawing on you for the gold \$5,000 from the Rockefeller Foundation. Now the bottom seems to have dropped out of the foreign exchange and the banks are not quoting any exchange at all on U.S. or Canadian gold. When the market reopens I imagine there will be a big drop so I think the best thing to do at present is to ask you to treat this \$5,000 gold from the Rockefeller Foundation in the same way, namely deposit it in gold to our account in the Bankers Trust Co. I may have lost several thousand dollars Mex. for the Medical School by not drawing this earlier. However I hope that by handling it in this way I may still be able to get a good exchange for it and in the event that exchange remains low for the rest of the year it may not be necessary to change it all.

I wrote you yesterday in regard to the rates of exchange used in making out the budget which you have received before this. It is probable that this reduction in income will affect next year's budget. In that event I suppose the only thing to do is for you to make the necessary reductions in your consideration of the budget and transmit the bad news to us as promptly as possible before we are too deeply obligated for expenditures for next year. I hope however that by this time things are picking up again and that we may have reasonable assurance of expecting to receive at least the amounts called for in the budget as submitted.

Sincerely yours,

HPL/GMH

*H. P. Lewis*

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SHANTUNG CHRISTIAN UNIVERSITY  
TAINAN, CHINA

OFFICE OF THE TREASURER

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APR 7 - 1933  
JOINT OFFICE

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TRANSFER

SHANTUNG

INDEXED

Cheeloo

May 1, 1933.

Dr. H. P. Lair,  
Cheeloo University,  
Tsinan, Shantung, China.

Dear Lair,

Enclosed is a copy of the minutes of the meeting of the North American Section of the Cheeloo Governors held on April 21st.

I have already written Dr. Chu and Mr. Davies a long covering letter, so in this epistle I will comment only on the two items of finance.

Budget for 1933-34. Action NAB-354 sets forth in a tentative way what we hope the North American Section will be able to give toward the 1933-34 Budget. We must correspond with the cooperating Mission Boards to get their confirmation or modification of these figures before we can give any definite assurances on some of these items. Even then these matters will be far from assured, for with the constant decrease in Mission Board receipts, and estimates given now will have to be scaled down later. In all events, it is obvious that the amount we will be able to give in 1933-34 will be much less than has been given heretofore, and will be substantially less than the field estimates call for. We will write you again when we have gotten more definite word from the cooperating Boards.

General Financial Situation. We presented a brief financial report showing that we will have a deficit of approximately G.\$2,000 as of June 30, 1933. The prospects both for the immediate and more-distant future seem very depressing. We are asking the Executive Committee and the Committee on Promotion to study the whole problem of our financial situation. I hope they may have the wisdom to solve the solution, though it will not be easy.

I hope this letter will find you finishing up your year's work in satisfactory shape and looking forward to a peaceful summer at Tsingtao. We trust the Japs will not disturb China this summer, though it seems they may do almost anything.

Very cordially yours,

*T. A. Casside*

BAG:PW  
Enc.

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TRANSC.

SHANTUNG

Cheeloo

INDEXED

May 17, 1935

Dr. H. P. Lair,  
Cheeloo University  
Tainan, Shantung, China.

Dear Lair,

We have today received a letter from Harold B. Belcher, Treasurer of the American Board, with an enclosed check for US\$640.00 on account of their Cheeloo appropriation, 1932-35. He comments as follows:- "This amount was formerly \$800, but suffered the same reduction as our other appropriations for the China institutions, and for this year we have set it at \$640."

I understand that this goes to the School of Theology, so I am sending a copy of this letter by regular mail to Dr. Stanley.

We are holding this \$640.00 for your instructions. You may draw it, or, if you prefer, we will deposit it to the credit of your account at the Bankers Trust.

Cordially,

*B. A. Caside*

BAG;G

Original by Air Mail  
Copy by Regular Mail to Dr. Stanley

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# TRANSFER

## SHANTUNG

INDEXED

Shantung Christian University

May 19, 1933.

Dr. H. P. Lair  
Chealoo University  
Tsinan, Shantung, China

My dear Dr. Lair:

In accordance with Action MAS-334 adopted by our North American Section on April 21st, dealing with the budget for 1933-34, we wrote to the cooperating Mission Boards and asked them to indicate what amounts they are planning to contribute for the coming fiscal year.

We have now heard from the Northern Presbyterian Board, the United Church of Canada, the Woman's Foreign Missionary Society, and the American Board. I am enclosing herewith copies of the letters they have written. As soon as we hear from the Southern Presbyterian Board and the Woman's Board of the United Church of Canada, we will send you copies of their letters also.

We all regret very much that the financial outlook for next year is so discouraging and so uncertain. Mission Boards are all in such desperate financial straits that they do not dare make any encouraging forecasts. The last month or so has been marked by a definite upturn. If this trend will only continue for a few months, it will begin to have a beneficial affect upon missionary giving, though as yet no appreciable benefit has been received.

Very cordially yours,

*B. A. Caside*

BAG:PW  
Enc.

Copy to Mr. Davies

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SHANTUNG TRANSFER

INDEXED

Shantung Christian University

June 26, 1933

Dr. H. P. Lair, Treasurer  
Cheeloo University  
Tsinan, Shantung Province  
China

My dear Dr. Lair:

The closing entries for 1932-33 are enclosed herewith.  
Journal vouchers are also accompanying this letter.

You will notice that we are closing the year in a  
rather precarious condition. Were it not for a slight balance in  
in the Suspense Account, our bank balance would look pretty sick.  
As a matter of fact, all surplus have been eliminated with the  
exception of \$9.34 held in the Woman's Reserve.

By the way, you have never made any comment on the  
method of setting up the Plant Section. We have often wondered  
if your office has had opportunity to dig out any of the particulars  
regarding funds for Completed Buildings. Any time these are available  
we would be glad to enter them on the books.

With sincerest personal regards, I remain,

Very cordially yours,

*C. A. Evans.*

Assistant Treasurer.

CAE:C

Enc.

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# TRANSFER

## SHANTUNG

INDEXED

Cheeloo University

June 30, 1933

Dr. H. P. Lair  
Cheeloo University  
Tsinan, Shantung, China

Dear Doctor Lair

At this time it is our usual custom to issue authorizations for the drawing of funds on the budget for the ensuing year. We find that the budget as approved by the North American Section of the Board of Governors contains the following items which are handled through our office:-

\$20,000.00 from the Rockefeller Foundation for the Medical School, which will be forwarded to the field when and as received.

\$2,500.00 from the Rockefeller Foundation for science work, which probably will be paid in China. If not, we will forward same when and if received through our office.

The endowment income is divided into two lots, one for general income amounting to \$1,250.00 and the other from the Woman's Unit amounting to \$625.00, or a total of \$1,875.00. Adding the Harvard-Yenching appropriation gives a total of \$9,243.42. We are dividing this amount into four authorizations represented as follows:-

Hall (	General Endowment	\$ 312.50
	Woman's Unit	156.25
	Harvard-Yenching Institute	1,842.10

We are therefore authorizing you to draw

Authorization #24 \$2,310.86 on or after July 15, 1933 to be charged to the current budget.

Authorization #25 \$2,310.86 on or after October 15, 1933 to be charged to the current budget.

Authorization #26 \$2,310.86 on or after January 15, 1934 to be charged to the current budget.

Authorization #27 \$2,310.86 on or after April 15, 1934 to be charged to the current budget.

Very sincerely yours

*C. A. Evans*

Assistant Treasurer

CAE:MS

CC: Accounting Office

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SHANTUNG  
SHANTUNG CHRISTIAN UNIVERSITY  
TSINAN, CHINA

OFFICE OF THE TREASURER

TRANSFER

15th July, 1933

Mr. B. A. Garside,  
Associated Boards,  
150, Fifth Avenue,  
New York.

INDEXED

ack 8/15

Dear Garside,

*See Mr. Garside's book binder*  
I enclose a copy of the financial report for the year ending June 30th. I do not think any special comment is called for other than to say that I am very much concerned about the large number of overdrafts, especially in the Schools of Arts & Science. In my preliminary report to the Board of Directors I estimated the G\$2,500 special grant from the Rockefeller Foundation at \$10,000. However exchange fell so rapidly between that date and the date when the cheque was actually received that we realised only \$8,000 for it, so that the net deficit for the Schools of Arts and Science this year is over \$6,000 and I see no immediate prospect of reducing this amount.

If there are any items in the report which need further elucidation I shall endeavour to give it.

I am hoping to get off tonight to Tsingtao for two weeks or longer.

Very cordially yours,

H. P. Lair .

*H. G. M. Jackson*

HPL/GMH

DICTATED BUT NOT  
PERSONALLY SIGNED

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SHANTUNG CHRISTIAN UNIVERSITY

TOWNSHIP, CHINA

OFFICE OF THE TREASURER

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*H.P. Fair*

1933

*Recd 8/14/33*

SHANTUNG  
PRELIMINARY FINANCIAL REPORT  
1932 - 1933

TRANSFER

As the financial year does not end till June 30th it is impossible at this time to make a complete financial report. The forecast given below is based on the actual financial standing on May 31st and estimated receipts and expenditures for June. The complete report should be available about July 15th.

APPROPRIATIONS:

AMERICAN PRESBYTERIAN MISSION, NORTH

The A.P.M.N. appropriation has been reduced 10% but it has been possible to credit the various departments with the full amount called for by the budget because of the high rate of exchange on that portion of the A.P.M.N. money which is paid in gold, and the fact that there was a small unappropriated balance from last year.

<u>BUDGET</u>	<u>RECEIVED</u>
\$ Mex.	\$ Mex.
29,000.00	29,164.61

BAPTIST MISSIONARY SOCIETY

The B.M.S. appropriation has been paid in full, amounting to \$480 more than the budgeted figure.

4,900.00	5,380.00
----------	----------

SOCIETY FOR THE PROPAGATION OF THE GOSPEL

The receipts from the S.P.G. have amounted to somewhat more than the budget estimate, due to variation in exchange.

4,650.00	5,377.80
----------	----------

UNITED CHURCH OF CANADA MISSION

The grant from the U.C.C.M. has been affected both by a cut in the amount of gold and the comparatively low rate of exchange on Canadian gold.

6,000.00	4,377.99
----------	----------

U.C.C.M. WOMEN'S BOARD

The grant from the Canadian Women's Board has not been reduced in the same proportion, the first six months having been paid in full and the second six months having been reduced 10%.

3,000.00	3,643.89
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AMERICAN PRESBYTERIAN MISSION, SOUTH

<u>BUDGET</u>	<u>RECEIVED</u>
1,000.00	339.00

LONDON MISSIONARY SOCIETY

Paid in sterling at an arbitrary rate.	1,500.00	1,333.33
--	----------	----------

WESLEYAN METHODIST MISSIONARY SOCIETY.

The W.M.M.S. grant has been paid in sterling and notwithstanding the small reduction has realized considerably more than the budgeted figure.	6,000.00	7,143.00
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WOMEN'S FOREIGN MISSIONARY SOCIETY OF THE METHODIST EPISCOPAL CHURCH

8,500.00	6,782.00
----------	----------

ROCKEFELLER FOUNDATION

The relatively high rate of exchange on the \$10,000 gold portion of this appropriation has produced an income far in excess of the budgeted amount.	50,000.00	65,174.82
--	-----------	-----------

HALL ESTATE & HARVARD-YENCHING INST.

There has been a serious reduction in the amount of gold available from these sources. The loss has, however, been made up by the high rate of exchange.

Hall Estate	15,000.00	15,790.74
Women's Committee " "	7,500.00	7,895.37
Har.-Yen.Institute	30,000.00	29,762.84

BRITISH SECTION BD. OF GOVERNORS

There remains the grant from the British Section of the Board of Governors from whom nothing has been received since August 1931. At our request the whole of the 1932 appropriation has been held in England to meet the Fire Insurance Premium. For lack of definite information we are assuming that the amounts called for in the budget will be available.	6,500.00	
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FEEES

The amounts received for fees have varied considerably from the budgeted estimates, as shown in the margin

2534218

	<u>BUDGET</u>	<u>RECEIVED</u>
Arts & Science	20,820.00	24,459.00
Medicine	9,000.00	7,830.00
Hospital (inc. estimate for June)	81,700.00	84,839.71

RECEIPTS AND EXPENDITURES:

The following statement of receipts and expenditures is based on the standing as shown by the treasurer's books on May 31st 1933, showing exact figures for eleven months of the year with an estimate of expenditures for the remaining month. In the case of the Hospital this estimate is made by adding 9% to both receipts and expenditures for eleven months. In other cases the estimate is made not by a percentage addition but by adding those items which must be expended during June, i.e. teachers' salaries, workmen's wages, etc., so that the estimates are probably less than the actual expenditures will be.

GENERAL ADMINISTRATION

Receipts to May 31st .....	15,302.65	Debit Bal. July 1/32	1005.93
Estimated Receipts .....	7,000.00	Expend. to May 31st	20531.93
		Estimated expend.	1631.50
	<hr/>		
Estimated Deficit	22,302.65		
	866.71		
	<hr/>		
	23,169.36		23,169.36

LIBRARY

Credit Bal. July 1/32 .....	266.38	Exp. to May 31st	6833.51
Receipts to May 31st .....	4270.39	Estimated expend.	160.00
Estimated receipts .....	1500.00		
	<hr/>		
Estimated Deficit	6036.77		
	956.74		
	<hr/>		
	6993.51		6993.51

ARTS & SCIENCE

Hall Estate (Ex. Cl. #143) .....	10909.43	Debit bal. July 1/32	10909.43
Receipts complete 1932/33 .....	59096.10	Expend. to May 31st	68779.14
Rock. Found. Gold 2,500 (not yet received) .....	10000.00	Estimated expend.	5012.57
	<hr/>		
Estimated Deficit	80005.53		
	4695.61		
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	84701.14		84701.14

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MEDICINE

Rec. to June 1/33 .....	108287.42	Exp. to May 31st	97100.34
Estimated receipts .....	2000.00	Est. expend to June	6626.80
		Hosp. subsidy (see	
		Hosp. rep.)	3850.86
		Rents to be trans.	
		to Bld. Fund	2480.27
		<u>Est.</u>	<u>110888.22</u>
		Est. Credit bal.	229.15
	<hr/>		<hr/>
	110287.42		110287.42

HOSPITAL

Rec. to May 31st/33 .....	107834.60	Exp. to May 31st	108890.43
Estimated receipts .....	7005.11	Est. expend. to June	9800.14
	<hr/>		<hr/>
Est. deficit to be made	114839.71		
up by Med. School	3850.98		
	<hr/>		<hr/>
	118690.57		118690.57

HARVARD-YENCHING

Receipts for year .....	29762.84	Exp. Salaries	22350.00
Est. Deficit .....	7232.49	Books etc.	12648.33
		Est. expenditure	1997.00
	<hr/>		<hr/>
	36995.33		36995.33

BUILDING FUNDS.:

NEW POWER PLANT. - \$62,611.99 of the New Hospital Building Fund has been expended in the construction of a new Power House and installation of boilers and engine and generator and heating <sup>and wiring</sup> connections with the Medical School and Hospital. This reduces the present balance of the New Hospital Funds held on the field to \$107,683.40.

ARTS BUILDING FUND - During the last two years numerous improvements have been made in the Arts & Science Dormitories, and the Gas Plant, for which the appropriation from the Rockefeller Foundation was insufficient, has been completed. The total cost of these changes has been \$11,116.45. There is now a debit balance on this account of \$8,600.24.

NEW RESIDENCES - Three new residences have been built to the east of the "East Village" at a cost of \$5,060.00. Part of the money was borrowed from the Hannah Ellis Scholarship Fund, to be paid back from rents. \$858.00 of this has already been repaid.

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1933<sub>T</sub>.

A new double house is being built just east of the Heeren house at a cost of \$6,000. This money is being borrowed from the University Press, to be paid back from rents.

A new double house is being built for the accommodation of women members of the medical and hospital staff supported by the Presbyterian and Methodist Boards, from capital funds contributed by the Women's Committee. The cost is to be about \$6,000.

NEW DORMITORY FOR WOMEN STUDENTS. - A new Dormitory to provide accommodation for 50 girls is being built at a cost of \$22,000. There is at present \$18,693.08 in hand for this building. The resulting deficit can probably be met by surplus receipts on Women's Committee Hall Estate Funds in the next few years.

H. P. Lair.  
Treasurer

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TRANSFER

SHANTUNG

August 16, 1933.

Dr. H. P. Lair  
Cheeloo University  
Tsinan, Shantung, China

My dear Dr. Lair:

Your letter of July 15th enclosing Treasurer's report and Auditor's statement is at hand. We have given some preliminary study and find no necessity for any comment at the present time.

*See Mr. Gaidin's letter under*

Within a few days we will be considering how much data from the various reports for the year is to be submitted to the Board of Governors. A more careful study will be made of your report.

The sudden reversal of silver caught some of us napping. Apparently a real crisis of our universities is to be faced when the exchange turns against us. This indeed, will be a calamity, as the possibilities of getting money have not greatly improved, and along with that, any U. S. money will purchase fewer local currency dollars. We are hoping, however, that the "new deal" will change the entire aspect of things, but we are not very optimistic.

Very cordially yours,

*C. A. Evans*

CAE:PW

*Noted  
JAG*

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# SHANTUNG TRANSFER

CHEELOO UNIVERSITY  
TSINAN, CHINA

OFFICE OF THE TREASURER

24th November, 1933

TELEGRAPHIC ADDRESS:  
CHEELOO

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

*ack 12/21/33*

INDEXED

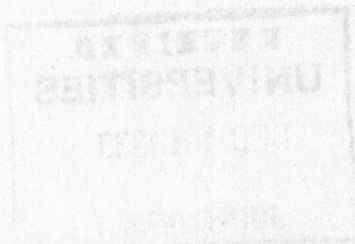
Dear Garside,

I have at this late date become very much concerned about the money from the Rockefeller Foundation. I see on referring to my books that last year they paid the first \$5,000 gold on October 20th and the first \$10,000 Mex. on November 30th. Thus far this year we have received nothing at all and money is getting very scarce, in fact has been so for some time. I find on reference to Evans' letter notifying me of the appropriations for this year a statement that receipts from the Rockefeller Foundation will be transmitted to the field when and as received, so as we have received nothing I assume none have been received by your office. All of which makes me fear that I did not send you any special report for presentation to the Foundation at the time that I sent my annual report. The figures are all in that report of course, with the exception of mission salaries, but it is much easier for me to pick them out than for you to do so at that distance. I can hardly think that I was so forgetful as not to send this report at the time I sent the other report in June, but as neither Miss Hickson nor I have any recollection of it nor can find any copy I fear the evidence is against me. I am therefore enclosing in this letter such a statement, with my humble apologies for not having sent it in July, and with the hope that some receipts from the Rockefeller Foundation will be appearing soon.

Very sincerely yours,

HPL/GMH

*H. P. L.*



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CHEELOO UNIVERSITY  
CHINA

TELEGRAPHIC ADDRESS  
CHEELOO

OFFICE OF THE TREASURER

2111 N. 1st St. 1933

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Faint, mostly illegible text, likely a letter or report, containing several paragraphs of information.

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( Sent w/ Dr. Lain's  
letter 11/24/33 )

**SHANTUNG**  
REPORT OF INCOME

SCHOOL OF MEDICINE & HOSPITAL  
CHEELOO UNIVERSITY

for the fiscal year ended June 30, 1933

(all amounts in local currency dollars, Missionary salaries estimated as follows: Married, Mex.\$6,000; Single, Mex.\$3,000)

A. GENERAL INCOME

I. School of Medicine

(1) Salaries and allowances provided by Missions

Baptist Missionary Society	\$18,000	
Presbyterian, North (exclusive of women)	12,000	
United Church of Canada	9,000	
Presbyterian, South	12,000	
London Missionary Society	6,000	
Soc. for Propagation of the Gospel	12,000	69,000

(2) Mission Cash Grants

British Section, Board of Governors	2,000	
Baptist Missionary Society	3,400	
Presbyterian, North (ex. women)	2,000	
Presbyterian, South	339	
London Missionary Society	1,333.33	
United Church of Canada	1,053.80	
Soc. for Propagation of Gospel	2,362.50	
Methodist Missionary Society	7,143	19,631.63

(3) Field Income

Student Fees	7,830	
Power Plant Rebate	1,889.35	
T.M.R.	26.50	
Women's Dormitory Fees & Rent	2,430.60	12,176.45

100,808.08

II. Hospital

(1) Salaries & Allowances provided by Missions

Methodist Missionary Society	3,000	3,000
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(2) Field Income

Board of Pay Patients	4,547.11	
Board of Part-pay Patients	33,259.47	
Donations	1,350.96	
Miscellaneous	87.47	

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Out-patient Receipts	44,851.41	
Nursing School Receipts	<u>1,425.90</u>	85,522.32
		<hr/>
Total Hospital		88,522.32
Total Medical School		<u>180,808.08</u>
		189,330.40
Amount required by Rock. Found.		<u>122,325.00</u>
		<hr/>
Surplus		67,005.40

B. WOMEN'S COMMITTEE

(1) Women's Foreign Miss. Society of M.E. Church

Dr. Julia Morgan	3,000	
Miss Frances R. Wilson	3,000	
Miss Mollie E. Townsend	3,000	
Miss Florence Evans	3,000	
	<u>12,000</u>	
Scholarships, Salaries etc	6,783	18,182.00

(2) Presbyterian, North, Women's Committee

Dr. Susan Waddell	3,000	
Dr. Annie Scott	3,000	
Dr. Arabella Gault	3,000	
Miss Rosa Bell	3,000	
	<u>12,000</u>	
General Appropriation	5,000	17,000.00

(3) Women's Missionary Soc. United Church of Canada

Miss Coral Brodie	3,000	
General Appropriation	<u>3,643.89</u>	6,643.89

(4) Fed. Women's Boards Day of Prayer 335.73

Total Income Women's Com.	42,161.62
Amt. req. by conditions	<u>28,000.00</u>
Surplus	14,162.62

C. SUMMARY OF TOTAL INCOME

General Income	189,330.40
Women's Committee Income	42,161.62
Rockefeller Foundation Appr.	<u>65,174.82</u>
Grand Total	296,666.84

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85,525.32  
1,425.90  
44,851.41

Out-patient Receipts  
Nursing School Receipts

88,325.32  
100,808.08  
189,330.40  
122,325.00

Total Hospital  
Total Medical School

Amount reported by Rock. Found.

67,005.40

Surplus

B. WOMEN'S COMMITTEE

(1) Women's Foreign Miss. Society of N.E. Canada

Dr. Julia Morgan 2,000  
Miss Frances R. Wilson 2,000  
Miss Mollie E. Townsend 2,000  
Miss Florence Wynn 2,000  
12,000

18,125.00

Scholarships, Salaries etc 6,783

(2) Presbyterian, North, Women's Committee

Dr. Susan Webber 2,000  
Dr. Annie Scott 2,000  
Dr. Arabelle Gault 2,000  
Miss Rose Bell 2,000  
12,000

17,000.00

General Appropriation 2,000

(3) Women's Missionary Soc. United Church of Canada

Miss Coral Brodie 2,000  
General Appropriation 2,645.89  
6,645.89

585.73

(4) Fed. Women's Board Day of Prayer

42,161.62  
28,000.00

Total Income Women's Com.  
Amt. rep. by contributors

14,162.62

Surplus

C. SUMMARY OF TOTAL INCOME

189,330.40  
42,161.62

W 114.85  
276,000.84

Grand Total

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Cheeloo

November 24, 1933

Dr. H. P. Lair  
Cheeloo University  
Tsinan, Shantung, China

Dear P:

When you sent us so promptly in July last year a report of income for the School of Medicine and the Hospital for us to transmit to the Rockefeller Foundation, I thought we had at last trained you into this very desirable habit. Apparently, however, you have fallen from grace this year, for we have had no report except your general statement of accounts as of June 30, 1933.

I have, therefore, once more done violence to my Presbyterian conscience by preparing the annual report to the Foundation. I am enclosing a copy herewith. So far as the cash income is concerned, I have been able to take exact figures from your report. As regards salaries and allowances provided by Missions, I have had to do the best guessing I could. In a report Dr. Shields sent Dr. Gregg on September 23rd, he gives Missionary salaries as \$100,000.00. Obviously this is merely an approximation for there is no conceivable way by which you can take any number of married missionaries at \$6,000 and single missionaries at \$5,000 and get a total of an even \$100,000.00. I have come as near as possible - ~~merely~~ \$102,000.00.

We hope that the enclosed report is fairly close to the actual facts. Let me get in a plea well in advance by requesting that as soon as possible after June 30, 1934 you send us a report similar to this for the fiscal year 1933-34. Our friends in the Rockefeller Foundation simply will not budge on any payments for the new fiscal year until the past one has been satisfactorily accounted for. And the only way in which we can get a prompt and accurate accounting is for your office to produce it.

After the above stern admonitions, let me convey all sorts of warm Christmas greetings to Mrs. Lair, John, Theodora and yourself. If Margaret and I can get around to it we may send you a Christmas card. But the prospects don't seem any too bright, so don't feel disappointed if one doesn't arrive.

Very cordially yours,

*B. A. Carside*

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1933

REPORT OF INCOMESCHOOL OF MEDICINE AND HOSPITAL  
SHANTUNG CHRISTIAN UNIVERSITY

For the fiscal year ended June 30, 1933

(All amounts in local currency dollars, Missionary salaries  
estimated as follows:-Married, L.C.\$6,000, Single L.C.\$5,000)A. GENERAL INCOMEI. School of Medicine(1) Salaries and allowances provided by Missions

Baptist Missionary Society	\$18,000.00	
Presbyterian, North (exclusive of women)	12,000.00	
United Church of Canada	9,000.00	
Presbyterian, South	12,000.00	
London Missionary Society	6,000.00	
Society for Propagation of the Gospel	<u>12,000.00</u>	\$69,000.00

(2) Mission Cash Grants

British Section, board of Governors	2,000.00	
Baptist Missionary Society	3,400.00	
Presbyterian, North	2,000.00	
Presbyterian, South	339.00	
London Missionary Society	1,533.33	
United Church of Canada	1,055.80	
Society for propagation of the Gospel	2,562.50	
Wesleyan Methodist Missionary Society	<u>7,145.00</u>	\$19,631.63

(3) Field Income

Student Fees	7,830.00	
Miscellaneous Income	<u>1,915.85</u>	\$ 9,745.85
Total for Medical School		\$98,577.48

II. Hospital(1) Salaries and Allowances provided by Missions

Wesleyan Methodist Missionary Society	3,000.00	
Society for propagation of the Gospel	<u>3,000.00</u>	6,000.00

0476

Report of Income

- 2 -

(2) Field Income

Board of Pay Patients	\$ 4,547.11	\$ 6,000.00
Board of Part-Pay Patients	55,259.47	
Donations	1,550.96	
Miscellaneous	87.47	
Out-Patient Receipts	44,851.41	
Nursing School Receipts	<u>1,425.90</u>	<u>\$85,522.32</u>
Total for Hospital		<u>91,522.32</u>
Total General Income, Medical School and Hospital		\$189,899.80

B. WOMEN'S COMMITTEE(1) Salaries and Allowances Provided by Missions

W.F.M.S. of Methodist Church	\$15,000.00	
W.M.S. of United Church of Canada	9,000.00	
Women's group of Presbyterian Church	<u>3,000.00</u>	\$ 27,000.00

(2) Mission Cash Grants

W.F.M.S. of Methodist Church	\$ 6,782.00	
W.M.S. of United Church of Canada	5,643.89	
Women's Group of Presbyterian Church	5,000.00	
Federated Women's Boards, Day of Prayer Gift	<u>335.73</u>	<u>\$15,761.62</u>
Total Income, Women's Committee		\$42,761.62

C. RECAPITULATION(1) Summary of Income

General Income, Medical School and Hospital	\$189,899.80
Women's Committee Income	42,761.62
Rockefeller Foundation Grant	<u>65,174.82</u>
GRAND TOTAL	\$297,836.24

(2) Compared With Conditions Rockefeller Foundation

General Income, medical School and hospital	\$189,899.80	
Amount required by R.F. grant	<u>122,325.00</u>	
Surplus above requirements		67,574.80
Women's Committee Income	\$ 42,761.62	
Amount required by R.F. grant	<u>28,000.00</u>	
Surplus above requirements		<u>14,761.62</u>
Total Surplus above requirements		\$ 82,336.42

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Report of Income

- 2 -

(2) Field Income

Board of Pay Patients	\$ 4,547.11	\$ 6,000.00
Board of Part-Pay Patients	33,259.47	
Donations	1,350.96	
Miscellaneous	87.47	
Out-Patient Receipts	44,851.41	
Nursing School Receipts	<u>1,425.90</u>	<u>\$85,522.32</u>
Total for Hospital		<u>91,522.32</u>
Total General Income, Medical School and Hospital		\$189,899.80

B. WOMEN'S COMMITTEE(1) Salaries and Allowances Provided by Missions

N.F.M.S. of Methodist Church	\$15,000.00	
W.M.S. of United Church of Canada	9,000.00	
Women's group of Presbyterian Church	<u>3,000.00</u>	\$ 27,000.00

(2) Mission Cash Grants

N.F.M.S. of Methodist Church	\$ 6,782.00	
W.M.S. of United Church of Canada	5,643.89	
Women's Group of Presbyterian Church	5,000.00	
Federated Women's Boards, Day of Prayer Gift	<u>535.73</u>	<u>\$15,761.62</u>
Total Income, Women's Committee		\$42,761.62

C. RECAPITULATION(1) Summary of Income

General Income, Medical School and Hospital	\$189,899.80
Women's Committee Income	42,761.62
Rockefeller Foundation Grant	<u>65,174.82</u>
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Amount required by R.F. grant	<u>28,000.00</u>	
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Total Surplus above requirements		\$ 82,336.42

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SHANTUNG

December 4, 1935

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

Ladies and Gentlemen:

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

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

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

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

Very cordially yours,

*B. A. Carside*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. L. Warnshuis

New York  
November 25, 1933

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