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Shantung / Cheeloo
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Shields, Randolph T.
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SHANTUNG

INDEXED

TRANSFER

Shantung Christian University

June 4, 1930

Dr. R. T. Shields,
Rev. J. W. Hunter,
Cheeloo University
Tainan, China

My dear Dr. Shields and Mr. Hunter:

Yesterday we received from Dr. Shields a cablegram which we decoded as follows:

"CAN YOU REMIT BY TELEGRAM HONGKONG AND SHANGHAI BANKING CORPORATION, SHANGHAI, HALL ESTATE GOLD \$2,000 RETAINED FOR THE CURRENT YEAR, ALSO WOMAN'S BOARD GOLD \$3,000 PROMISED?"

Immediately after receiving this cablegram Mr. Evans and I made a thorough study of our Shantung finances to see how much we could transmit to the field. We found that approximately G\$2,800 was still available on the 1929-30 budget so we at once asked the Hongkong-Shanghai Banking Corporation to transmit this amount by cable to their Shanghai branch. We also sent you the cablegram of which a confirmation copy is attached hereto.

Unfortunately we found it impossible to transmit the G\$2,000 set aside by the Board of Governors last year as a Reserve Fund. In setting aside this reserve the Governors had in mind the necessity of a working balance here at the home base, as well as the desirability of a small fund for meeting any unforeseen emergency. The only ways in which authorization to transmit any or all of this \$2,000 fund to the field would be either for the Board of Governors as a whole to take such action, or for the two sections to take concurrent action. Inasmuch as neither Section is likely to meet before the annual meeting of the Governors in London on June 30 it seems that the best plan is to defer until the June 30 meeting your request that we transmit this G\$2,000 to the field. I presume that Dr. Weir or I will receive from you in advance of the June 30 meeting more detailed information as to the specific need for this G\$2,000. Of course, it is already clear to both of us that the field is in urgent need of funds and that any amount we can send out will be of great value.

See Treasurer's Report 6/2/30

I am enclosing herewith an analysis of the current Cheeloo funds handled here in New York during the last year. This analysis brings us down to date; so far as we are able to foresee there will probably be no further receipts or disbursements of Cheeloo funds between now and the end of the fiscal year on June 30, with the possible exception of a few minor expenditures in home administration.

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In comparing this revised analysis of the current Cheeloo accounts I have had before me Mr. Hunter's letter of April 26. In that letter he calls attention to one point at which the analysis I sent him on March 31 disagrees with Mrs. Shaw's letter of October 11, 1929. On October 10 Mrs. Shaw sent the field a draft for \$2,700 and in her covering letter she stated that this amount represented G\$1,111.00 income from the Hall Estate funds for 1928-29, and the balance, G\$1,589.00, was Hall Estate income for 1929-30. Apparently Mrs. Shaw had not actually written up her Shantung ledger at the time her letter of October 11 was written and when the ledger was written up a little later she did not follow the exact procedure indicated in her letter. As a matter of fact, the process followed by Mrs. Shaw arrives at the same point in the end. To be exact, the procedure finally used by Mrs. Shaw, and subsequently followed by our office, gives the field an advantage of G\$8.24. I hope that Mr. Hunter will feel that this \$8.24 will repay the trouble he has had in adjusting his books to fit in with the procedure finally adopted by Mrs. Shaw.

I believe that the explanation of this confusion is as follows: When Mrs. Shaw sent her remittance of \$2,700 on October 10 the money was transmitted rather hurriedly to meet the urgent request of the field for funds. She had at that time approximately \$1,111.00 as the balance remaining from Hall Estate income 1928-29. To this she added enough income from the new year to make a total of \$2,700. This just about cleared out all the Cheeloo cash in her hands. Later on when she wrote up her ledger in final form, instead of considering that the balance on hand July 1, 1929, had been transmitted to the field she placed this amount (which her ledger reveals as \$1,119.24 rather than \$1,111.00) in the Board of Governors' Reserve account to apply toward the G\$2,000 which the Governors had directed should be placed in the Reserve during 1929-30. As a result it has since been necessary for us to add only G\$880.76 from Unrestricted Income to complete this Reserve Fund of G\$2,000. Had we accounted for the balance on July 1, 1929 as having been transmitted to the field, it would, of course, have been necessary to take \$2,000 new income to build up this Reserve account. Thus the net result to the field would have been the same except that you are G\$8.24 ahead on the basis of Mrs. Shaw's revised figures as to the balance on hand July 1, 1929.

Dr. Shield's cablegram of yesterday refers to the "Woman's Board G\$3,000 promised" as though nothing had as yet been transmitted on this account. This, of course, is incorrect because we know from Mr. Hunter's letter of April 26 that you received in due course the G\$1,500 transmitted to you on March 31 on the Woman's Unit Current account as the part of the draft for G\$9,000 sent you at that time. Adhering to the procedure we have consistently adopted of considering the G\$1,200 sent out by Mrs. Shaw on October 10, 1929, as applicable to the Woman's Unit Current account, we have thus a total of G\$2,700 already transmitted to the field. As a matter of fact, the Governors did not approve an appropriation of exactly G\$5,000 for the work of the Woman's Unit during 1929-30, the exact figure they had in mind being G\$2,716.67. In fact, this figure has been increased by the balance on hand in this account July 1, 1929, of G\$141.62. This makes a total available for the field of G\$2,858.29. Since G\$2,700 had already been transmitted, we had a balance on hand of only G\$158.29.

The sum of G\$2,800 transmitted to you through the Hongkong & Shanghai Banking Corporation June 3 is composed of the following items:-

Dr. Shields, Mr. Hunter-3

6-4-30

TRANSFER

Balance available Harvard-Yenching Inst.
Trust Fund

G\$1,880.85

Balance available Unrestricted Income acc.
" " Woman's Unit Current "

760.86

158.29

\$2,800.00

As a matter of fact, we had available in the Unrestricted Income account a total of \$804.00. There thus remains a small balance in this account of G\$43.14. We did not attempt to send out the exact amount of the balance due to the difficulty of cabling such an awkward figure as G\$2,843.14. We are, therefore, enclosing herewith a check to the order of Mr. Hunter in the amount of \$43.14.

According to our records, this now completes the transmission to the field of all the amounts appropriated under the 1929-30 budget from the Harvard-Yenching Institute Trust Fund, from the Unrestricted Income account, and from the Woman's Unit Current account. You will note that in the Harvard-Yenching Institute account we have only a small balance amounting to G\$133.94 which has accrued as a result of the income being slightly in excess of the budget estimates. In the Unrestricted Income account we have a balance of G\$16.94 which has been received as bank interest on current deposits. We will ask the Board of Governors to give us instructions as to what should be done with these two small balances. The Woman's Unit Current account is now in balance, as is the special account in the Woman's Unit for the Day of Prayer Offering.

We still have a small balance of G\$87.44 in the old "North American Joint Board Account" which is an account Mrs. Shaw carried in connection with the expenses of home administration before the Cheeloo secretarial and financial work was transferred to our Central Office. We will ask the Governors to give instructions as to the closing out of this small balance sometime within the near future.

You will notice that our Home Administration account shows a deficit of \$820.91. The major part of this deficit is due to the fact that at the beginning of the fiscal year 1929-30 our Central Office was carrying a large charge against Shantung Christian University for services rendered over a period of several years. The amount available up to this year had never been quite enough to cover the cost of the work the Central Office had been doing for Cheeloo, and a gradually mounting deficit had been the result. This deficit has also been materially increased by the appropriation made this year toward the expenses of the Committee for Christian Colleges in China. Cheeloo's share in these expenses has been \$243.92. The actual cost of Home Administration for the last month has been well within the \$1,200 appropriated for that purpose. The deficit now standing in this account will, of course, be carried forward as a first charge on the appropriation for the new year unless we are able to find some special source whence this deficit can be met or at least reduced.

In order to make our accounting complete, we have included the Suspense account now carried on our Cheeloo books, although the entries within this account are not really a part of the University's current funds. Mr. Cochran and Dr. Milliken have very generously made special gifts to help Mr. Carson with meeting the expenses he has incurred this year in completing his preparations for return to China, and we have carried these gifts on our Cheeloo accounts as a matter of record.

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Dr. Shields, Mr. Hunter-5

6-4-30

TRANSFER

Balance available Harvard-Yenching Inst.	
Trust Fund	G\$1,880.85
Balance available Unrestricted Income acc.	760.88
" " Woman's Unit Current "	158.29
	<u>\$2,800.00</u>

As a matter of fact, we had available in the Unrestricted Income account a total of \$804.00. There thus remains a small balance in this account of G\$45.14. We did not attempt to send out the exact amount of the balance due to the difficulty of cabling such an awkward figure as G\$2,845.14. We are, therefore, enclosing herewith a check to the order of Mr. Hunter in the amount of \$45.14.

According to our records, this now completes the transmission to the field of all the amounts appropriated under the 1929-30 budget from the Harvard-Yenching Institute Trust Fund, from the Unrestricted Income account, and from the Woman's Unit Current account. You will note that in the Harvard-Yenching Institute account we have only a small balance amounting to G\$133.94 which has accrued as a result of the income being slightly in excess of the budget estimates. In the Unrestricted Income account we have a balance of G\$16.94 which has been received as bank interest on current deposits. We will ask the Board of Governors to give us instructions as to what should be done with these two small balances. The Woman's Unit Current account is now in balance, as is the special account in the Woman's Unit for the Day of Prayer Offering.

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Dr. Shields, Mr. Hunter-4

6-4-30

It is probable that at the time your cablegram of yesterday was sent you had not received the \$540 which we transmitted to you on May 9 to cover the contribution just received from the Federation of Women's Boards as Cheelco's share in the Day of Prayer Offering. I hope that this remittance will reach you within a few days and that it will be of material help in tiding you over your financial difficulties.

^{ed} I sincerely hope that these explanations, together with the ^{ap-} pending analysis, will make it possible for you to reconcile your accounts with ours. After closing our Cheelco books on June 30 we will send you a final financial summary of the fiscal year 1929-30.

Very cordially yours,

B. A. Garside

BAG-H

CC: Later mail
Miss Lane

Enc.

0899

JUN 7 1930

Extracts from letter from Dr. Shields, 7.6.30.

The consuls have advised those who can leave to go to Tsingtao, and practically all of our women with children have left the city. So far the Tsingtao trains are running regularly, though, if the Northern troops cross the river, they may cut the line at any time.

Senate Minute 1477 applies specially to the Hospital. We are receiving grants at the rate of \$2 to \$1, or \$10 to the £, and we are having to pay for supplies at approximately \$3 to \$1, or \$15 to the £.

Co-opted Members of the Board of Directors. This was discussed at great length by the Board, and Minutes No. 921 and 922 were the result of the discussion. We hope that this will meet with the approval of the Board of Governors. The British Section suggested 8 foreign and 5 Chinese mission representatives, 5 alumni and 7 co-opted, a total of 25. The N.A.S. suggested 15 mission representatives, 4 alumni, 6 co-opted, not to exceed one-third of the elected members. You will note that the constitution of the University states that the co-opted members are not to exceed one half of the elected members, therefore the N.A.S. has suggested a change in the constitution. We hope that the ratio of 12:5:10, with a total of 27 will be approved. It was the unanimous opinion of the members of the Board that it was necessary to have certain prominent men on the Board, and it was also recognised that it would be difficult to get some of these as representatives of the missions. All of the names suggested as co-opted members are Christians. Of these men, two have already signified by letter their willingness to accept, and three told Mr. Yee verbally that they would be willing to serve on the Board. The fact that the Board of Governors refused to allow these co-opted members has put us in a rather awkward position as, by rights, we should have already written a formal letter to each of these men. I have already taken this matter up in a previous letter. I shall ask the Board of Directors before they adjourn as to what they wish us to do in regard to these gentlemen who have been verbally asked.

I wish you would send me a cable giving permission to invite these co-opted members formally, and also as to whether the Board of Governors will acquiesce in the N.A.S. Minute No. 216. in regard to registration.

Minute No. 928, Internal Re-organisation, Exhibit E. is enclosed. The Board spent many hours in going over this re-organisation plan. A draft of this was made out some time ago and sent to the various members of the Board. You will note that it was approved by unanimous vote. All of us who have had experience in administrative work here have come to the conclusion

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that the old Senate, as constituted, has been tried in the balance and found wanting. Everybody, I think, now agrees that more centralisation of authority for administrative purposes is necessary. It is ridiculous to ask a body of men, either in faculty meeting or Senate to vote on their own salaries and their own academic standing on the faculties, as well as other matters. As you know, the Senate form of government broke down absolutely during the emergency this winter, and few, if any, wish to return to this method of management.

Minute No. 930, Registration occupied the whole of this afternoon's meeting. There was a great deal of plain speaking, and I think the members of the Board realise more than ever the weakness of the School of Arts and Science. Some wished to recommend that the Executive Council commence negotiations at once and present a formal application to the Government within a month, but the minute as passed was finally decided upon. I think there was entire unanimity in feeling that we should attempt to register the University as a whole, but that, if we did not succeed at once, we were to proceed to register the School of Medicine. The Board realised the seriousness of this step and many, if not most, have very little hope that the University as a whole can be registered. It was frankly stated that separate registration of the School of Medicine would mean the closing of the School of Arts & Science, temporarily, if not indefinitely. Whether the Northerners win or not, the general opinion seems to be that the present educational authorities, or similar ones, will continue the present policy of the government in regard to registration. If this is true, we are faced with three alternatives:- (1) the registration of the University with all of its schools; (2) the registration of the Medical School separately, or (3) the closure of the whole University, and we feel that, if possible, we should keep the Medical School going, even if we have to close the School of Arts & Science. There are many problems that will have to be faced if this contingency arises: the question of the general University administrative officers and funds, the distribution of the funds for the School of Arts & Science, so as to strengthen the Pre-medical Department which is essential to the School of Medicine, etc. The Commissioner of Education told me that a Pre-medical Department, as such, could not be registered, but that we could get round this very easily by considering the pre-medical students as belonging to the School of Medicine and stating that the Medical School has a course covering seven years.

I am writing this letter late at night, in order to get it off as soon as possible. As soon as the Board of Directors

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adjourns, I will send you the rest of the minutes with another letter. Please do not fail to cable as soon as possible the action of the Governors in regard to co-opted members and registration. If the Governors refuse to grant permission for either Minutes No. 921 or 930, we shall have to prepare to close the University with all of its schools. As soon as we get permission, the Executive Council of the University will be able to go right ahead with plans for registration. We are taking it for granted that, in this emergency situation, the Board of Governors will agree to the new re-organisation scheme which makes this Executive Council.

The Rev. L.J. Davies is the man who will probably be nominated for Vice-President. Whether he will accept or not, under the circumstances, I do not know. If he does not, Mr. Linn and I will be the two executive officers of the University. Of course, if the Medical School is registered separately, we shall at once elect a Chinese Dean. We had expected to secure some well-known Christian doctor as a sort of honorary dean, and carry on as at present, but the last regulations which have been put out by the Board of Education state that the Principal of a school must reside on the campus. Therefore I presume that we shall elect Dr. Kiang as Dean and I will be his Associate.

(signed) R.T. SHIELDS.

Vice-President.

Extracts from Minutes of Meeting of Board of Directors, June 4th-8th
1930.

FBM 921. Reorganisation of Board of Directors.

With a view to ensuring a two-thirds majority of Chinese on the Board of Directors, according to the requirements of the Government Regulations, we recommend:

(a) That the Board of Directors be reorganised as follows:

- | | |
|--|------------|
| (1) Mission Representatives (of which 9 at most shall be foreigners) | 12 |
| (2) University Alumni (Chinese) | 5 |
| (3) Co-opted Members (all of whom may be Chinese if necessary to ensure the two-thirds Chinese membership) | 10. |
| | <u>27.</u> |

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- (b) That the co-opted members be appointed by the elected members of the Board of Directors.

FBM 922. Co-opted Members.

That the following be asked to serve as co-opted members of the Board of Directors:

Dr. C.Y. Cheng	Dr. Y.Y. Tsu	Dr. C.P. Cheng
General Chang Chih Chiang	Dr. H.H. K'ung	Dr. J.H. Liu
Mr. S.F. Li	Mr. Li Chih Lun	Mr. Sun K'e

That in case of vacancies occurring in the above list, the following be invited to take their places:

Dr. S.C. Ch'uan	Dr. S.T. Wang	Dr. C.I. Hsia
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FBM 924. Budget.

- (a) The General University Budget was approved as follows:
- (b) The Budget of the Schools of Arts & Science was approved as follows:
- (c) The Budget of the Library was approved as follows:
- (d) The Budget of the School of Medicine was approved as follows:

FBM 927. Dean of Schools of Arts & Science.

Resolved: That the Board of Directors accepts the report of the Special Committee appointed to interview Mr. Linn Ch'i Ch'ing and notes with pleasure Mr. Linn's willingness to undertake the duties of the Deanship of the Schools of Arts and Science and presents his name to the Board of Governors for appointment.

FLM 929. Method for Appointment of President and Vice-President.

It was further voted that we recommend to the Board of Governors that they delegate to the Board of Directors the duty of appointment of the President and Vice-President, on the understanding that nominations for appointment be first submitted to the Governors.

FBM 930. Registration.

A letter from Cheeloo Medical Alumni Association was read: also a letter from the Medical Students Association. The Committee appointed in Min. 893 of last meeting reported no action taken.

RESOLVED; That with reference to Min. 893 of the last meeting of the Board referring to the registration of the University or its Schools, we hereby request the University Executive Council to continue negotiations with the Government on the lines laid down in that Minute. Further, we request the Executive Council to commence formal negotiations with the Government within two months.

0903

JUN 7 1930

Extract from Minutes of Senate Meeting, June 2nd, 1930.

1475. Request not to Decrease Quota and Grants.

The following regulations of the Budget Committee of the Arts and Science Colleges were passed:

The Budget Committee of the Arts & Science Colleges recommends that the Senate inform the Board of Directors of the following:

FIRST: That the income from the Home Boards for 1929-30 was the minimum on which to run these Colleges, and that in order to Register, and to have any degree of efficiency, an increase instead of a decrease of funds is necessary.

SECOND: That our present Budget for 1930-31, is made up on a basis of receiving this minimum, and that it is impossible for us to make out a Budget, if the Home Boards decrease their gifts at this time.

We therefore recommend that the Board of Directors inform the Home Boards of this fact, and that they urge the English Baptist Board, and the United Church of Canada, not to cut their funds to the Arts & Science Colleges; and further, that they urge the American Presbyterian Board to give the University a minimum of two Chinese Substitute Workers' Salaries, outside of the Seminary.

We also beg the Board of Directors to inform the American Presbyterian Board that their maximum allowance for a substitute worker, no longer covers the salaries of the work, for the minimum required to engage a returned student with a PH.D. and experience is \$250.00 Mex. a month, plus 20% for a house.

We therefore ask the Board of Directors to urgently request the American Presbyterian Board to increase the Substitute Workers' Allowance to \$300.00 Mex. a month, or to allow the University a part of the benefit of the present high rate of exchange to cover our deficit on the Substitute Workers' Salary.

We further strongly urge that the Board of Directors appoint some one to raise money, both in China and abroad, for the Arts & Science Colleges, and that from the money raised several Scholarships be provided to assist several of our own men (students or teachers) to study abroad, thus assuring ourselves of returned men who will have the loyalty to stay with us, and who will have the spirit of sacrifice necessary to maintain a Christian institution.

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We wish to impress on the Board of Directors the seriousness of our financial situation. We are unanimous in the opinion that unless Means are adopted AT ONCE, to increase instead of decreasing our income, the Arts and Science Colleges will have to close shortly for lack of funds to make a Budget.

1477. Request for Grants on a Gold Basis.

The following recommendation of the Finance Committee was passed:

That the Senate recommend to the Board of Directors:

First: That, whereas the grants made by Mission Boards to the University are usually made in Mexican Dollars according to the usual rate of exchange of One Dollar Gold to Two Dollars Mexican, and

Second: That, whereas the present rate is approximately One Dollar Gold to Three Dollars Mexican, or One Pound to Fifteen Dollars Mexican, and most of our supplies, being foreign, must be bought at this rate;

We request the Home Boards to increase their grants in accordance with the increased rate of Three Dollars Mexican to One Dollar Gold, or One Pound Gold to Fifteen Dollars Mexican, so long as this condition in the silver market continues.

Otherwise we shall find ourselves in a very difficult financial position, and will have to curtail our work.

0905

齊魯大學

CHEELOO UNIVERSITY

TSINAN, SHANTUNG

CHINA

山東濟南

OFFICE OF THE PRESIDENT

June 7th, 1930.

TRANSFER

Dr. H. H. Weir,
22 Farnival Street,
LONDON. E.C.4.

Mr. B. A. Garside,
22 Farnival Street,
LONDON. E.C.4.

SHANTUNG

Dear Dr. Weir and Mr. Garside,

I am writing you a joint letter and am sending one copy by air-mail from Irkutsk to Moscow and one copy by regular mail, both going via Siberia. I shall be interested to know whether you get the air one first.

The consuls have advised those who can leave to go to Tsingtao, and practically all of our women with children have left the city. So far the Tsingtao trains are running regularly, though, if the Northern troops cross the river, they may cut the line at any time.

We have had a four days meeting of the Board of Directors and were able to have nine members present. The Board has not finished its meeting, but will do so, I think, on Monday. However, I am sending you the minutes as far as they have been passed, hoping that they will reach you in time. I shall send the others as soon as the meeting is completed. I will comment on a few of the items.

1. Budgets. You will note, in the General University budget that the item for Party and Military Instructors (\$2000) has been added. If we are going to register with the Government, it is absolutely necessary that we have these instructors. The Board has also added \$2000 for the President's salary. You will note that the only way in which this money can be raised is by taxing the School of Medicine \$5000 and the School of Arts \$5000. No provision has been made in the budgets of these schools for this money and personally I do not see how we are going to raise it. The question of whether we can get a President, even if we have the money, is very problematical.

In the Budget of the School of Arts and Science you will note B.M.S. \$1550, with an additional sum of \$2500 on the basis of the last three years. The B.M.S. have informed us that they will give only \$1550 this year. In connection with this, please note Senate Minute 1475 and Senate Minute 1477, both of which I am sure will be passed by the Board on Monday.

0906

Dr. H. H. Weir
Mr. B. A. Garside

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June 7th, 1930.

You will note that we have put only the sum of \$16,000 for H.Y.I. This is simply because we do not expect to spend more than this, and, if we do, we have plenty of money for it as the H.Y.I. funds should be C.\$10,000 which, at present rate of exchange, will be approximately Mex.\$30,000.

The School of Medicine you will note has a deficit of \$4517, but we can adjust this as is noted on the budget. I have added a statement in regard to Medical School and Hospital budgets which will show how much we are receiving locally, and how little we are receiving from the missions. Senate Minute 1477 applies specially to the hospital. We are receiving grants at the rate of \$2 to \$1, or \$10 to the 2, and we are having to pay for supplies at approximately \$3 to \$1, or \$15 to the 2.

The Library budget does not need any explanation.

We are considering that the Institute is separate from the University, therefore I am not sending its budget. Also the Field Board, when it adjourns as a Board of Directors of the University will meet as the Board of Directors of the School of Theology and take up its affairs.

A. Registration. The question of the Registrar has not yet been passed by the Board, but I presume that they will pass Senate Minute 1480.

B. Co-opted Members of the Board of Directors. This was discussed at great length by the Board and Minutes No. 921 and 922 were the result of the discussion. We hope that this will meet with the approval of the Board of Governors. The British section suggested 8 foreign and 5 Chinese mission representatives, 5 alumni and 7 co-opted, a total of 25. The N.A.S. suggested 15 mission representatives, 4 alumni, 6 co-opted, not to exceed one-third of the elected members. You will note that the constitution of the University states that the co-opted members are not to exceed one half of the elected members, therefore the N.A.S. has suggested a change in the constitution. We hope that the ratio of 25:5:10, with a total of 27 will be approved. It was the unanimous opinion of the members of the Board that it was necessary to have certain prominent men on the Board, and it was also recognised that it would be difficult to get some of these as representatives of the missions. All of the names suggested as co-opted members are Christians. Of these names, two have already signified by letter their willingness to accept, and three told Mr. Yee verbally that they would be willing to serve on the Board. The fact that the Board of Governors refused to allow these co-opted members has put us in a rather awkward position as, by rights, we should have already written a formal letter to each of these men. I have already taken this matter up in a previous letter. I shall ask the Board of Directors before they adjourn as to what they wish us to do in regard to these gentlemen who have already been verbally asked.

Dr. H. H. Weir
Mr. B. A. Garside

- 3 -

June 7th, 1930.

I wish you would send me a cable giving permission to invite these co-opted members formally, and also as to whether the Board of Governors will acquiesce in the N.A.S. Minute No. 216 in regard to registration.

4. Minute No. 923 regarding Mr. H. F. Smith. No comment on this is needed as I think the minute is sufficiently clear.

5. Minute No. 928, Internal Re-organisation, Exhibit E is enclosed. The Board spent many hours in going over this re-organisation plan. A draft of this was made out some time ago and sent to the various members of the Board. You will note that it was approved by unanimous vote. All of us who have had experience in administrative work here have come to the conclusion that the old Senate, as constituted, has been tried in the balance and found wanting. Everybody, I think, now agrees that more centralisation of authority for administrative purposes is necessary. It is ridiculous to ask a body of men, either in faculty meeting or Senate to vote on their own salaries and their own academic standing on the faculties, as well as other matters. As you know, the Senate form of government broke down absolutely during the emergency this winter, and few have any wish to return to this method of management.

6. Minute 929. If we are to be registered, the Board of Directors on the field must have the power of appointing the President and Vice-President.

7. Minute No. 930, Registration, occupied the whole of this afternoon's meeting. There was a great deal of plain speaking, and I think the members of the Board realise more than ever the weakness of the School of Arts and Science. Some wished to recommend that the Executive Council commence negotiations at once and present a formal application to the government within a month, but the minute as passed was finally decided upon. I think there was native unanimity in feeling that we should attempt to register the University as a whole, but that, if we did not succeed at once, we were to proceed to register the School of Medicine. The Board realised the seriousness of this step and many, if not most, have very little hope that the University as a whole can be registered. It was frankly stated that separate registration of the School of Medicine would mean the closing of the School of Arts & Science, temporarily, if not indefinitely. Whether the Northerners win or not, the general opinion seems to be that the present educational authorities, or similar ones, will continue the present policy of the government in regard to registration. If this is true, we are faced with three alternatives:- 1) the registration of the University with all of its schools; 2) the registration of the Medical School separately, or 3) the closure of the whole University, and we feel that, if possible, we should keep the Medical School going, even if we have to close the School of Arts and Science. There are many problems that will have to

Dr. H. H. Weir
Mr. B. A. Garside

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June 7th, 1930.

be faced if this contingency arises:- The question of the general University administrative officers and funds, the distribution of the funds for the School of Arts and Science, so as to strengthen the Pre-medical Department which is essential to the School of Medicine. The Commissioner of Education told me that a Pre-medical Department, as such, could not be registered, but that we could get round this very easily by considering the pre-medical students as belonging to the School of Medicine and stating that the Medical School has a course covering seven years.

I am writing this letter late at night, in order to get it off as soon as possible. As soon as the Board of Directors adjourns I will send you the rest of the minutes with another letter. Please do not fail to cable as soon as possible the action of the Governors in regard to co-opted members and registration. If the Governors refuse to grant permission for either Minutes No. 921 or 930, we shall have to prepare to close the University with all of its schools. As soon as we get permission, the Executive Council of the University will be able to go right ahead with plans for registration. We are taking it for granted that, in this emergency situation, the Board of Governors will agree to the new re-organisation scheme which makes this Executive Council.

The Rev. E. J. Davies is the man who will probably be nominated for Vice President. Whether he will accept or not, under the circumstances, I do not know. If he does not, Mr. Linn and I will be the two executive officers of the University. Of course, if the Medical School is registered separately, we shall at once elect a Chinese Dean. We had expected to secure some well-known Christian doctor as a sort of honorary dean, and carry on as at present, but the last regulations which have been put out by the Board of Education state that the Principal of a school must reside on the campus. Therefore I presume that we shall elect Dr. Kiang as Dean and I will be his Associate.

Yours sincerely,

RTS:MME.

R. T. Shields
Vice President.

Encl:-

Min. of Meeting of Bd. of Directors, June 4th, 1930.
" " " " " " Mar. 5-7th, 1930.
" " " " " Senate, May 30th, June 2nd, June 3rd, 1930.
Budget 1930-31, Gen. Univ.,
Arts & Science Colleges
Library
School of Medicine & Hospital
Exhibit B: Regulations for Internal Reorganisation.

0909

Extracts from letter from Dr. Shields, June 9th, 1930.

Dear Dr. Weir and Mr. Garside,

No. 931. I mentioned in my letter of two days ago that we expected Mr. Davies would be nominated for the Vice-Presidency. He is a good sport and promises to be here by the 1st July.

No. 935. I have been howling about finances until I finally got the Board really to study the situation in the light of Mr. Myers' letter. The condition of the University is financially much better, I think, than it was two years ago because Lair and Hunter have been very careful and have been able to pay off some of the bad debts.

No. 945. Special Financial Requests. It was thought best to put these items in. The President's salary will have to be raised in addition to our present budget. (c) The C.M.B. Grant. We have been informed, as you know, that, after this present grant of \$5850, the Rockefeller Foundation will make no more such grants. If an equivalent sum or more is not forthcoming, by next year, the work of the Pre-medical School will be seriously affected. In connection with this, I may say that we expect Mr. Ch'en in Biology, and Mr. Linna in correspondence with a Physicist and a Chemist, both of whom have high recommendations. We shall have to pay these men from \$250 to \$300. (e) and (f). These were added because we thought there might be some chance of finding a second-hand telescope or a plane table outfit for Astronomy, which Mr. Wang Hsi En wishes very much to have. (g) If Mr. Keyte comes this teacher will not be needed, but I doubt very much if he will come.

In the School of Medicine, you will note that the figures are the same as I have given to the Milbank Fund, in the correspondence with Mr. Edgar Sydenstricker, who was in China some months ago. I will write you further about this. There is some possible hope that the Milbank Fund might be interested in Public Health work. If we had an adequate salary I believe we should have a good chance of getting Dr. Wampler, at present Professor of Preventive Medicine at the Medical College of Virginia. As I have written you before, we must have money to increase the salaries of our Chinese teachers. I added 30% to the present budget. This year, the Library is budgeted for \$2000. Exchange in the last six months has made such a difference that we have already overspent about \$1000.

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Hospital. In order to make our hospital more efficient, we must have more residents, and their salaries and the internes' salaries are increased. It costs now almost \$5000 to employ two residents and 8 internes. In considering these financial needs, please remember that most of them have been put in Mexican, but, as the last news from Shanghai is that the G\$ is worth \$4Mex., we do not know what is going to happen in the silver market and any Mexican estimates are now mere guesswork.

(i) I hope the N.A.S. will take steps in time to present a request to the Rockefeller Foundation for renewal of the \$40,000 Mex. If possible, we should like to ask for an increase in Mexican, or still better, for a grant in Gold.

(signed) R.T. SHIELDS.

Extracts from Minutes of the Board of Directors (cont.)

931. Invitation to Rev. L.J. Davies to accept the office of Vice-President.

Resolved: That in accordance with the action of the Senate (1467) we extend to Rev. L.J. Davies the cordial invitation of the Board of Directors to accept the position of the Vice-Presidency of the University, and present his name to the Board of Directors for appointment.

Resolved: Further, that because of the pressing needs of the University, we request Mr. Davies to assume his duties as early as possible.

935. Financial Status of the University.

The Report of the Committee to examine Mr. C.M. Myers' Statement on the financial Status of the University, was approved as follows:

Report: It was reported that in accordance with Minute 898 (3) the Rev. C.M. Myers of the Associated Mission Treasurers, had made a careful analysis of the 1929 balance sheet. His report showed that within the limits of its chartered resources the financial position of the University is sound. Owing, however, to the absence of reserve funds or sufficient floating balances, the Treasurer is compelled to use funds designated for specific purposes, some of them in the nature of Trust Funds, to meet periodic and temporary deficiencies, a practice which, while it

JUN 9 1930

is to be deprecated, is at present unavoidable. There appears to be no serious case of the misuse of funds at the present time, and much has been done during the last two years in clearing off deficits of long standing.

It was Resolved:

- (1) That there be a periodic examination into the accounts by a professional accountant, if possible, say once in three years.
- (2) That Mr. Adam Black of the A.M.T. be asked to visit Cheeloo and undertake such examination on his return from furlough in 1931.
- (3) That the Finance and Property Committee of the Administrative Council be instructed thoroughly to scrutinize the balance sheet annually, and make report to the Board.

936. Correlated Programme.

It was reported that the Faculty of the Arts and Science Schools, with the Senate, were developing and elaborating the details of the draft scheme presented at the last Meeting of the Board of Directors for the "ruralization" of the Curriculum of the University.

The Board of Directors notes the opposition to the scheme from several quarters, due mainly to misunderstanding of its aims and methods. In view of this, and the need for careful investigation at every step, it will be necessary for the University to develop the scheme cautiously, while, in the very nature of the case it will be necessary for the principles already laid down to be applied professionally, if the University is to render the particular service allocated to it under the Correlated Programme. The latter it should be noted the Board of Directors has approved in so far as that Programme refers to itself.

The Board of Directors therefore instructs the University Executive Council to continue the development of the accepted Programme, and to take steps to promote a better understanding of the aims and methods of the Programme in and out of the University.

The Board of Directors further welcomes the action of the Board of Governors in securing that Dr. Butterfield shall spend a suitable proportion of his time in China at Cheeloo, and hopes to receive great help from him in the closer definition and practical application of the so-called Rural Programme.

937. The Institute.

Seeing that the British Joint Board and the English Baptist

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Mission have concurred in the action of last Meeting of the Board of Directors advising the withdrawal of the Institute (Extension Department) from organic union with the University on the grounds stated in their Minute, and seeing that the decision of the American Joint Board seems dependent upon the attitude of the English Baptist Mission already determined in favour of withdrawal:
Resolved, That the University Executive Council be requested to make the arrangements necessary for the withdrawal of the Institute at the end of the current financial year.

938. Internal Re-Organization of the University.

Having in view the present critical conditions, both within and outside the University, the Board of Directors authorises the members of the University staff to organise the University Executive Council, and to reorganise the Senate along the lines laid down in the plan for reorganisation passed by the Board of Directors and the session, and to proceed for the future in accordance with the new regulations. It is understood that these new regulations are being put into immediate operation as an emergency measure, subject to revision on further experience, and pending the approval of the Board of Governors.

Extracts from Minutes of the Board of Directors of Cheeloo School of Theology, June 9th, 1930.

2. Budget.

The Budget for the ensuing year was adopted as follows:

Expenditure

A. Administration	\$1880.00
B. Instruction	6760.00
C. Literary Department	2270.00
D. Books & Magazines	430.00
E. Maintenance	2060.00
Total Expenditure	13400.00

Receipts from All Sources:

A.P.M.N.	2640.00	Chinese Sal.
M.E.M.	1920.00	" "
E.B.M.	1740.00	" "
A.B.C.F.M.	1600.00	Gen. Expend.
E.B.M.	1000.00	" "
C.U.C.M.	1000.00	" "
A.P.M.N.	1000.00	" "
Tuition Fees	1200.00	
Benefit on Exchange	1300.00	
Total Receipts	13400.00	

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3. Byelaws.

The revision of the Byelaws of the Board of Governors for the Reorganisation of the Cheeloo School of Theology was approved as follows:

4. Recommendations.

Recommendations to the Cheeloo Board of Directors were made as follows:

(1) Recommended to the Board of Directors of Cheeloo (Shantung Christian University) that the School of Theology of the University be organised independently of Cheeloo in accordance with the provisions of the proposed revision of the Byelaws of the Board of Governors for the reorganisation of the School of Theology as passed at this meeting.

(2) Recommended that the School of Theology be independently organised from July 1, 1930, subject to the approval of the Board of Governors.

(3) Recommended that the arrangements for independent organisation be referred to a joint committee consisting of members of the Executive Council of the Cheeloo University and the faculty of the Theological School in equal numbers.

Extracts from
Revision of Byelaws of the Board of Governors for the Reorganisation
of the Cheeloo School of Theology.

Article I. Name. Article II. Purpose.

The purpose of the School shall be the advancement of the Kingdom of God in China, through the training of men and women for the Christian ministry in its various forms.

Article III. Grade. Article IV. Composition.

The School of Theology shall be constituted, operated and controlled by the cooperation of various Christian organisations.

....
Article V. Board of Governors.

The Board of Governors for Shantung Christian University shall constitute the Board of Governors of this School, their Constitution, organisation, etc. being determined by the Byelaws adopted with reference to the University, except as they shall deem it wise to adopt a different procedure in relation to the School of Theology.

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Article VI. Finance and Property.

..... Title to the property used for School of Theology purposes shall preferably stand in the name of the School of Theology; but when necessary it shall be held in trust or under agreement by the School of Theology for the organisation providing it, or in trust by such organisation for the School, or by the Shantung Christian University in trust for the School of Theology.

Article VII. Board of Directors.

..... The Byelaws of the Directors and amendments thereto shall be subject to the approval of the Governors.

Membership. Meetings. Functions.

(a) The Directors shall, in agreement with these byelaws, have the responsibility and authority for the administration of the School, with powers and duties similar to those of the Directors of similar institutions They shall promote the interests of the School in all appropriate ways.

(b) The Directors shall present to the Governors names for The Directors shall prescribe the courses of studies Important change in the character of the educational or financial policy or programme shall be made only with the approval of the Governors.

(c) Balance sheets and statements.

(d) The Directors shall be accountable to the Governors for the condition, custody and uses of all funds

Article VIII. The Staff.

Prior to assigning a representative to the staff, a cooperating organisation shall make sure that the prospective appointment is desired by the Directors.

Ranks of staff.

Duties of Principal, who shall be ex-officio a Director.

Article IX. Degrees and Credentials.

Article X. Amendments.

Amendments to these Byelaws may be proposed by either section of the Governors or by the Directors.

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SHANTUNG

June 9th, 1930.

Dr. H. H. Weir,
22 Farnival Street,
LONDON, E.C.4.

Mr. B. A. Garside,
22 Farnival Street,
LONDON, E.C.4.

TRANSFER

Dear Dr. Weir and Mr. Garside,

The Field Board met all to-day and we are trying to get the minutes off to-night by the members of the Board who are leaving. My family are going to-night and also several other ladies. We fear that the railroad may be cut very soon and the news is that Han is going to make a stand here which means that there may be fighting in Tsinan. Hope you will get these minutes on time. I will make a few remarks and will then help to get my family off.

No. 931. I mentioned in my letter of two days ago that we expected Mr. Davies would be nominated for the Vice Presidency. He is a good sport and promises to be here by the 1st July.

No. 935. I have been howling about finances until I finally got the Board really to study the situation in the light of Mr. Myers' letter. The condition of the

University is financially much better, I think, than it was two years ago because Lair and Hunter have been very careful and have been able to pay off some of the bad debts.

No. 936 needs no comment.

No. 943. You will note the personnel of the Board of Directors. I wrote of this in my last letter.

No. 945. Special Financial Requests. It was thought best to put these items in. The President's salary will have to be raised in addition to our present budget. (a) The C.M.B. grant. We have been informed as you know, that, after this present grant of \$5850, the Rockefeller Foundation will make no more such grants. If an equivalent sum or more is not forthcoming, by next year, the work of the Pre-medical School will be seriously affected. In connection with this, I may say that we

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expect Mr. Ch'en in Biology, and Mr. Linn is in correspondence with a Physiologist and a Chemist, both of whom have high recommendations. We shall have to pay these men from \$250 to \$300. (e) and (f). These were added because we thought there might be some chance of finding a second-hand telescope or a plane table outfit for Astronomy, which Mr. Wang Hsi En wishes very much to have. (g) If Mr. Keyte comes, this teacher will not be needed, but I doubt very much if he will come.

In the School of Medicine you will note that the figures are the same as I have given to the Milbank Fund, in the correspondence with Mr. Edgar Sydenstricker, who was in China some months ago. I will write you further about this. There is some possible hope that the Milbank Fund might be interested in Public Health work. If we had an adequate salary, I believe we should have a good chance of getting Dr. Wampler, at present Professor of Preventive Medicine at the Medical College of Virginia. As I have written you before, we must have money to increase the salaries of our Chinese teachers. I added 30 % to the present budget. This year, the Library is budgeted for \$2000. Exchange in the last six months has made such a difference that we have already overspent about \$1000.

Hospital. In order to make our hospital more efficient, we must have more residents and their salaries and the internes' salaries are increased. It costs now about \$5000 to employ two residents and 8 internes. In considering these financial needs, please remember that most of them have been put in Mexican, but, as the last news from Shanghai is that the G.\$ is worth \$4 Mex., we do not know what is going to happen in the silver market and any Mexican estimates are now mere guesswork.

(i) I hope that the N.A.S. will take steps in time to present a request to the Rockefeller Foundation for renewal of the \$40,000 Mex. If possible, we should like to ask for an increase in Mexican, or still better, for a grant in Gold.

No. 946 needs no comment.

The Board of Directors, after completing the work of the General University, met as a Board of Directors of the School of Theology and passed the minutes which are enclosed. It was thought best to do it in this way.

I shall keep you posted by letter and by cable, if necessary, if anything important happens in the military situation.

Yours sincerely,

RTS:MMS.

P. T. Schilde

Encl. Minutes of Bd. of Directors, 931-947
Minutes of Theological School Bd. Meeting.
Budget of Theological School
Reorganisation Scheme of Theological School.

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SHANTUNG

TRANSFER

INDEXED

Shantung Christian University

June 17, 1930

Dr. Randolph T. Shields,
Cheeloo University,
Tsinan, China.

My dear Dr. Shields:

We attach hereto a confirmation copy of a cablegram we sent you today.

I know you will be glad to learn that the G\$3,000 promised by the Woman's Committee two years ago has at last actually been transmitted to the field. I trust that this deposit to the credit of the University at the Shanghai Branch of the Hongkong and Shanghai Banking Corporation will arrive in time for Mr. Hunter to use these funds in closing his books on June 30.

We have just received your letter of May 15. In the first paragraph of this letter you make clear what I had already suspected, that the G\$3,000 asked for in your cablegram of June 3 is the amount promised by the Woman's Committee from interest on the Hospital Building Fund rather than the appropriation in the 1929-30 budget for the work of the Woman's Unit. Our first interpretation of the cablegram was that you referred to the current appropriation from the Woman's Unit of approximately \$3,000, and it was this amount that we had telegraphed through the Hongkong and Shanghai Banking Corporation on June 4. You will have noted that my letter of June 4 is written on the supposition that it was this current appropriation rather than the special gift of \$3,000 which we had in mind.

However, even before our letter of June 4 was mailed I thought possibly your cablegram had reference to the gift of G\$3,000 from the Hospital funds, so last week I took up again with Mrs. Shaw's office the question of whether this G\$3,000 had ever been transmitted. After several days checking over their accounts, Mrs. Shaw's office decided that the G\$3,000 was still available. She was able to give us a check for the amount this morning and we at once had it telegraphed to you.

This, I trust, clears up all the obligations due the field to date. If there is anything more which we ought to send you please let me know and I will try to get it started.

I will try to avoid the temptation to discuss at great length just at this time the important questions of policy raised in your letter of May 15. Before this letter can reach you the Board of Governors at the meeting in London on June 30 will, I hope, pass on all these questions, so

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any comments I might now make would be obsolete before you read them.

Let me, however, comment very briefly on some of the most important matters.

Your Resignation as Vice President. As one of your friends and admirers I sympathize heartily with your feeling that you should give up the vice-presidency. You are carrying far too many heavy burdens and it is not fair to you or to your medical school work to ask you to carry on this additional heavy administrative burden. Even though your medical school work may not suffer, your health certainly cannot stand the strain indefinitely.

But from the standpoint of our desire for the continued progress of the University I am faced by the inevitable question:- If you step out of the vice-presidency, to whom will we turn? You have been the one dependable link in the chain of administrative officers during the past six months. If you had not been on the job to hold things together, it seems that everything would have gone to smash. If you are to withdraw from the vice-presidency we must find someone else who is both able and willing to carry on. It is hard enough to find a man who is willing to undertake the task; still harder to find one able to do it; and it may be impossible to find one who combines both qualifications.

Two-thirds Chinese majority on Board of Managers. I am disturbed that anyone on the field should even raise the question of whether the Governors are favorably inclined toward a two-thirds majority of Chinese on the Board of Directors. I thought that all our official correspondence and informal communications had made it clear that the Governors are entirely satisfied to have such a two-thirds majority of Chinese on the Board of Directors. The one point at which the Governors have raised a very serious question is that of the method of securing these Chinese members. In practically all of our other Christian colleges where the Boards of Directors have been reorganized to comply with the Chinese government regulations the great majority of the Chinese members are representatives of cooperating missions and churches. Only a few are coopted. It is easy enough to see that the first coopted personnel of the Directors are entirely satisfactory from every standpoint. But experience has shown over and over again that once a self-perpetuating body is created, it is apt to be only a matter of time until the personnel of such a body is entirely different in ideals and viewpoint from the original membership. We have seen that process work out again and again in American institutions. There is an even greater likelihood for such a drift in China today. The only way we can see to avoid this drift is to place the power of election in the hands of the cooperation organizations. This has been done in practically all the other Christian union universities, and so far as we can see, there is no fundamental objection to this procedure at Cheeloo.

With regard to Mr. Reisner. In the lukewarm reception given by the University to the suggestion that Reisner spend the major part of next year on the campus, I read another indication of lack of support for any emphasis on the training of leaders for the towns and rural districts. Since we have received no cablegram from you relative to Mr. Reisner I suppose I can do nothing more than inform him that Cheeloo is making no effort toward securing his services. It is already very late to ask him or the University of Nanking to make any change in the plans already made for his return to

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Ranking early in the fall, and within a few days or weeks there would be no possibility of favorable action, no matter how strongly we urge it.

With regard to Dr. Smith. This is a closed issue unless the field wishes to reopen it. I infer that you do not.

Restriction by Presbyterian Board to 2 quota vacancies. As you know, this action has been threatening for several years. The Presbyterian Board has long been discontented with the attitude it took on quota vacancies because of the fact that the other cooperating Mission Boards have refused to fall in line. When the Presbyterian Board agreed to supply cash in place of vacancies on its quota, it was with the understanding that the other cooperating boards would adopt the same policy. Thus far only one or two of the other boards have made even a move in that direction, and these boards have taken only limited action. In fairness to the Presbyterian Board, therefore, it ought to be borne in mind that their withdrawal is not so much a falling behind the rest of the group as it is getting back in step with the other boards. Both your letter and some of the other personal letters I have received from the field seem to indicate that the Presbyterian Board is being criticized for adopting a reactionary stand. As a matter of fact, it is simply returning to the position all the other boards have consistently kept. Even now the Presbyterian Board is more generous in supplying quota vacancies than are any of the other boards except one or two.

"Foreign domination". If the situation at Cheeloo were not so serious I would be amused at the accusations of domination by the Board of Governors which are now reaching us from the field. Ever since I came to America I have been impressed by the fact that our Shantung Board of Governors is by far the least active of any governing board of our China colleges. Year after year the Governors have acted as a rubber stamp organization to approve policies formulated on the field, to pass pious resolutions praising the field for the splendid way it has carried on under difficult circumstances, and then adjourned with a sigh of relief until the next year. During the past six months the Governors have done nothing either constructive or administrative excepting to raise one or two warning flags where it has appeared to them that the field is headed for danger. The only two major questions of policy on which the Governors have expressed themselves have been the separate registration of the medical school and the excess of coopted members on the Board of Directors. Both Sections have now authorized the University to proceed with separate registration of the medical school at the discretion of the Board of Directors, so the Governors could hardly be accused of foreign domination at that point.

The attitude of the Governors on the question of membership in the Board of Directors is in recognition of the fact that the Board of Directors is really the body that is charged with the direct administration of the University, and because of its primary importance must be composed of men in whom the Christian forces both in the West and in China can have every confidence. As a matter of fact, their actions have been taken on the basis of precedents set by other Chinese Boards of Directors and on the recommendation of leaders who are intimately in touch with the situation in China, rather than on the half-baked judgment of Mission Board secretaries or laymen who have no intimate knowledge of conditions on the field.

As I have said numerous times in my correspondence with the field, we have to choose one of two alternatives. If the field wants a rubber stamp Board of Governors you will probably have an organization that will do you no great harm, but it will certainly be of absolutely no assistance. You cannot

expect a group of men and women who meet together once or twice a year to approve policies already formulated and pass on financial matters already predigested for them, to take any active interest in an institution. Only as a governing board makes an intimate and constant study of the problems of an institution, expresses its judgment on these problems, makes suggestions for solutions, and feels that it has a real influence on policies, can you hope for interest and support.

If you think our Shantung Board of Governors has a tendency toward foreign domination you should read the minutes of our Yenching Board of Trustees and its various committees. In our Yenching Trustees' meetings and committee meetings questions of field policy are intelligently and seriously considered and worth while decisions are reached. Just now, for example, the Treasurer here in New York is writing a letter telling the Treasurer on the field how certain financial matters within the Field Treasurer's office should be carried on. Yet I have never heard our friends up at Yenching object to foreign domination because they have realized that a board of trustees which is interested enough to make suggestions, offer criticisms, and propose new departures is also interested enough to get behind and help support. I think it is fair to say too that Yenching University has gone much farther in securing Chinese support and control than has any one of the other institutions where our boards of trustees are so inactive.

"The Ruralized Program". I believe that everyone at the home base has been genuinely surprised during recent months to learn of the hostility at the University toward the "Ruralized Program". It is even more surprising that we have received various intimations from folks at the University that the field considers the Governors to be partially responsible at least in taking the initiative in advocating a ruralized program at the University. I am sure that the attitude of the Board of Governors has consistently been that the ruralized program for the University was proposed in China as a part of the correlated program for Christian higher education. This correlated program is presumed to represent the general consensus of opinion among educational leaders in China, both Chinese and Western. When this ruralized program was advocated for Cheeloo in 1928 we understand that it was acceptable to the University. The Governors have, therefore, considered that in approving the ruralized program they have been simply endorsing a policy recommended by the educational leaders of China and approved by the powers that be at the University.

I am confident that if the field would propose any practical alternative to the ruralized program the the Governors would be happy to concur in the approval of such an alternative. The question that inevitably faces us, however, is this:- What is the alternative? We sometimes think that the field has made a great boggy of the ruralized program, whereas the thought here in the West has been that this program is merely a continuation and development of lines of work which Cheeloo has, from its organization, undertaken to do.

Since I first became acquainted with Cheeloo eight years ago I have understood that the University was expected to give its major emphasis to the training of leaders for the great majority of people of North China, and, to a less extent, Central and Southern China, who live outside the handful of urban centers. About eight years ago there became apparent at Cheeloo a gradual drifting away from this ideal. In several conversations I had with Dr. Li Tien-lu he stated that he was receiving a great deal of pressure from students, alumni, and the Chinese faculty to place more emphasis on English, and on other lines of work that would prepare students for work in the cities. I believe I stated to him at the time that I thought Cheeloo would be very fool-

6-17-50

ish to drift into such a policy because already most of the other China colleges are either directly or indirectly preparing their students for the very limited opportunities within the urban districts, and as a result we have already begun to see an overcrowding of graduates within these districts so that the cry has arisen that the Christian colleges are turning out more graduates than can be absorbed. For Cheeloo to go into this same overcrowded ^{field} would mean that it would be turning its back upon the types of service for which it was created.

I presume that this drift which began some years ago has now continued so far that it is very difficult to get the work in Arts and Science back on its original course. Meantime all the mission forces of the West have come to a clear realization of the extreme urgency of the need for more work in the non-urban areas of the mission fields. This was one of the key notes of the Jerusalem Conference. This need has been stressed again and again in practically all the Mission Board conferences I have attended or have read about during the period since the Jerusalem Conference. I have understood too that there has been a widespread recognition in China of this urgent need for devoting more effort to the study of the needs of non-urban areas and the training of men and women to meet these needs. I believe that the educators working on the correlated program of Christian higher education in China see this need quite clearly and in choosing Cheeloo as the institution primarily responsible for meeting the need, they gave us the biggest job they could. Nobody has ever maintained that it would be an easy task or that it can be accomplished over night.

It is, of course, impossible for us here in the West to know how much importance should be placed on the fact that some of the Shantung provincial authorities have objected to Cheeloo going into this field. While it may be that the provincial government has made a start toward meeting this need, it is certain that all the government can do, together with all Cheeloo can do during the next decade or so will hardly scratch the surface of the need existing not only in Shantung, but in the surrounding provinces. On the other hand, if the Colleges of Arts and Science turn their back on the ruralized program, what will they do? Would they expect to develop a purposeless and colorless program of "cultural education" which would not prepare their graduates for anything in particular. So far as we can see, there is no demand at all in China for a college course that is simply a preparation for cultured leisure. If our graduates are to continue going into teaching positions it seems quite certain that most of these positions will be in the non-urban areas. How does the University expect to prepare its students for such teaching positions? A majority of the graduates who go into religious or social work will also be working in the non-urban areas. What kind of preparation will they be given? What case do the Colleges of Arts and Science expect to make to the Council of Higher Education, to the Mission Boards and other supporting agencies in the West, or to the Chinese people at large, to justify their continuance?

If the University can give us the information which will enable us to answer such questions as these I am sure the Board of Governors will be happy to back up any constructive program you have to offer. The thing about which I am most fearful is that the Colleges of Arts and Science may continue destroying all the forces working toward the correlated program, may force out all the people at the University, or nominated for work there, who are interested in developing a ruralized program, and then in the end may find that they have no other program to suggest and neither the personnel nor the funds to go on with. That is to say, in making the ruralized program impossible they may actually destroy themselves so effectively as to prevent their carrying on the Colleges of Arts and Science on an indirect cultural basis, or developing an effective

0922

6-17-30

program for work in the field assigned to the University by the correlated program.

Financial Support. We are as deeply concerned as those of you on the field in regard to the extremely urgent question of financial support, yet I think you can see how effectively our hands are tied. I agree heartily with your comment that "It is time the American Board of Governors did something besides hold meetings". But can you suggest what you would like us to do? You will remember that last autumn our American Section developed a considerable amount of enthusiasm in the direction of promotional work on behalf of the University. We were all set to send a cablegram to the field asking you to come home and head up a promotional appeal on any basis that seemed to offer the best chances of success. Just at that time the situation at the University began going from bad to worse and you stated, quite naturally, that, under the circumstances you felt it would be unwise for you to leave the campus or to launch out on any appeal in this country. You will remember that this is at least the second time within the past two years when we have been ready here in New York to launch out on a promotional appeal for the University, but in each case the situation in China has prevented. It is hard enough just now to secure funds for a going concern in China and it is infinitely more difficult to obtain any support whatever for an institution that is uncertain as to its work and its future. About three weeks ago I called a special meeting of our

Dr. Shields-7

6-17-50

of the points raised in your letter. I have certainly failed to keep my promise.

BAG-H

Enc.

Very cordially yours,

B. A. Casside

P.S. Since the above was dictated we have received the carbon copy of your letter of May 24. We quite appreciate the embarrassment you are facing in regard to the coopted members of the Board of Directors. It has just occurred to me that we might possibly solve the situation by having the Governors approve all the coopted members nominated by the Directors at the meeting in March, with the understanding that this organization of the Directors is a provisional one which is to continue only until arrangements could be made whereby the cooperating Mission Boards and churches could increase the number and proportion of their Chinese representation. As rapidly as the terms of office of this coopted group expire these coopted members would be replaced by representative members until the coopted group had been reduced to whatever number may be considered a fair proportion of the entire board. If this suggestion still seems worth while when I get to London I will raise it at the annual meeting. Possibly the Directors at their meeting on June 4 hit on some better solution.

0924

6-17-30

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About three weeks ago I called a special meeting of our Committee on Promotion within the North American Section and put up to them as strongly as I could the urgent need at Cheeloo for additional funds. As a matter of fact, I hoped that two members of the Committee who could give generously from their personal funds would be moved to make a special contribution to help the University through this emergency. The meeting was absolutely dead. Nobody on the Committee could make a single constructive suggestion. They stated that they felt that any widespread appeal for support would not even pay the expenses of sending out such an appeal, and expressed the judgment that even an appeal to a more restricted group of special friends of the University would produce practically no immediate response, and might destroy the possibility of future support from these individuals. The Committee did make a feasible suggestion that we might appeal to the co-operating Mission Boards to make additional emergency appropriations for the University this year. This is a question we can bring before the Governors at the meeting on June 30. Personally I have very little hope that such an appeal will produce any decisive results.

I have been earnestly hoping that Cheeloo could keep going ahead on its present basis of support for a year or two until we could get the appeal under the correlated program sufficiently far along to get some added support. If the University had only been able to carry on during 1929-30 and could open up in hearty fashion for the year 1930-31 we would have a basis on which to build a strong appeal here in America for additional support, particularly for the ruralized program in the Colleges of Arts and Science, and for such support for the School of Medicine to supplant and supplement the support heretofore received from the Rockefeller Foundation. I hope that at the meeting of the Governors in London we may be able to devise some immediate measures of financial relief which will tide the University over the next year, though as yet I confess I do not see very clearly how such support is to be secured.

I began this letter by saying I would comment briefly on some

0925

Dr. Shields-7

6-17-50

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BAG-H

Enc.

Very cordially yours,

B. A. Casside

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0926

over

SHANTUNG

INDEXED

TRANSFER

Shantung Christian University

June 21, 1930

2

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

My dear Dr. Shields:

We are attaching herewith confirmation copy of the cablegram we are sending you today. This is sent in response to the cablegram we received from the University reading as follows, "How much may we rely on China Child Welfare for next year?"

When Dr. and Mrs. Smith took up with the China Child Welfare group in May the question of an appropriation for the work at Tsinan, I encouraged Dr. Smith to send the cablegram under his name rather than transmitting it myself because of the fact that, although our North American Section had formally applied for a contribution from the China Child Welfare we had not received any formal statement from them that the application had been granted.

Dr. Smith's letter of May 17th really gives you all the information which is as yet available.

Yesterday I talked with Dr. J. S. Hagle of the China Child Welfare to ascertain what further information he could give me for the prospect of our securing this appropriation during the coming year. He stated that the item of Gold \$12,250.00 for the work at Cheelee was in the list of approved askings for which the China Child Welfare is seeking funds this year. However, his organization cannot as yet guarantee that the amount or any part of it will be forthcoming. Much depends on the financial conditions here in America during the coming year and the success of the appeals made by the organization. Dr. Hagle stated that it might be a good many months yet before he could give us any positive assurance that this sum of money would be forthcoming.

Under these circumstances, the University will obviously not desire to undertake any large expenditures dependent solely upon receiving this gift from the China Child Welfare, until greater assurance has been obtained that this gift is forthcoming. I believe that if the gift does eventually materialize it would be to the advantage of the University

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Dr. R. T. Shields - 2

June 21, 1950

to be able to report to the China Child Welfare that it has actually undertaken the work laid out in connection with this gift. I hope that this initial gift may be the means for securing larger funds in future.

I will keep you informed of developments that have occurred.

Very cordially yours,

B. A. Gaiside

BAG:C

0928

齊魯大學

CHEELOO UNIVERSITY
TSINAN, SHANTUNG
CHINA

山東濟南

OFFICE OF THE PRESIDENT

June 26th, 1930.

TRANSFER
SHANTUNG

Dr. H. H. Weir,
22 Farnival Street,
LONDON. E. C. 4.

Mr. B. A. Garside,
150 Fifth Avenue,
NEW YORK.

Dear Dr. Weir and Mr. Garside,

As I wish to say practically the same thing to both of you, I shall make this a joint letter. My term of office expires in four more days, so this will probably be the last letter that I shall write to you as Acting President.

The conditions under which my last covering letter, sent with the minutes, was written were not conducive to very clear thinking as we were trying to rush off the minutes and letters before the possible cutting of the railway to Tsingtao. However, nothing serious happened and the situation has been quiet locally since then. The southern troops all left town by Wednesday morning, and now we are in the hands of the northern troops. The general in command promises protection to everybody, and the reports that I hear are that the soldiers are conducting themselves very well. All shops were closed yesterday, but to-day everything is open and the small tradesmen are very much pleased with the way in which the soldiers pay for everything they get. The southern army has retreated along the Tsingtao railway. Just where they are we do not know, and just what their plans are no-one knows. They could not retreat south for the very good reason that the northerners have cut the railway between here and Kweichowfu, and the report is that they have actually taken Taian. We hope that this changed military situation means that there will be a change in the provincial authorities, both military and civil, and that it will be greatly to our advantage. The only doubt is that there are so many nondescript groups connected with Yen and Feng that we do not know just what the new government's attitude towards foreigners and Christianity may be.

Two days ago I received the minutes of the emergency meeting in London, of May 30th, and also Dr. Weir's covering letter. I shall first take up the minutes of the Board of Directors, of June 4th -8th, specially in view of some of the resolutions contained in the minutes of the emergency meeting of May 30th, in London.

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Dr. H. H. Weir
Mr. B. A. Garside

- 2 -

June 26th, 1930.

No. 916. Dean of Women. Mrs. Yui has left Tsinan, to join her husband, and she told me she could not give us an answer until after she had seen him.

No. 921. Reorganisation of the Board of Directors. I have nothing further to add in regard to this, but I note with concern that the British section endorsed the cablegram that permission cannot be given to increase co-opted members until the Sections or the Annual Meeting receive satisfactory information from the field. This matter is dealt with very fully in Dr. Weir's covering letter. I hope that, after seeing Resolution 921, the Board of Governors will give their consent. It is thought absolutely necessary that we have more prominent Chinese on our Board, and the opinion of all concerned is that we cannot wangle this by getting enough of these men as mission representatives. All of the men who have been elected are Christians. I would point out that this year it is necessary to elect six co-opted members, according to the constitution of the old Board, for those members who retire this year automatically or who have resigned, so that our total of nine co-opted members was not greatly in excess of what we should have had to add under the old rule. Of course, if the University Alumni members are considered as co-opted also, this makes the situation more difficult. The Board of Managers recognised that their action was not exactly in accordance with the constitution, but, when no comment had been heard of the action of the Board in November in regard to this, they felt that they could proceed with invitations to the co-opted members. We are not taking any steps in regard to honorary members of the Board, and I do not think this is a serious matter.

No. 925. There is nothing further to add to what I said in regard to the budgets, except that the Treasurer has just closed his books. The General University and the School of Arts both have a surplus for the current year, due to the fact that they had saved on the President's salary for the latter part of the year, and on the Dean's salary for the whole of the year. As I pointed out in my last letter, and in previous letters, the Medical School was bound to have a large deficit. The books show a deficit of approximately \$10,000. \$2500 of this is due to the School of Medicine from the E.B.M., so the Medical School, as separate from the Hospital, has only a very small deficit. Foreign firms are beginning to inform us that they will charge hereafter only on a gold basis, which means that we must pay from Max. \$3.50 to \$4 for G.\$1. If the Board of Governors and the missions concerned cannot make a material increase in their grants for the coming year, we shall be forced to increase our charges to patients very greatly or to cut down materially the work done by the hospital, and curtail much of our other work.

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D.H.H. Weir
Mr. B.A. Garside

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June 26th, 1930.

I hope you will look carefully over the Treasurer's Report which has just come out. The School of Medicine has a Special Suspense Fund of \$4000 odd. The X-Ray Equipment item of \$14000 is really a part of the Building Fund and is now on fixed deposit. The C.M.B. surplus of \$17000 odd is still on the Treasurer's books and we may say that it is being used to carry on the School of Medicine in the face of its deficit of \$10000, but this surplus has been saved from Rockefeller grants, with the approval of the Rockefeller Foundation, the idea being that it was to be used when the new hospital was built. I have been trying to get this money taken off the Treasurer's books and put on fixed deposit, as a trust fund, where it ought to be. Of course, the special suspense could be used to wipe out part of the deficit of this year, but unless we get some help, we are going to have a very much larger deficit next year.

Presbyterian Board Needs. We have heard from the Presbyterian Board that they will grant only two substitute salaries after July 1st, 1930. The Board of Directors, in passing the budget, interpreted this to mean that there would be two substitute salaries given to the School of Arts and Science, and they did not count the substitute salary now given to the School of Theology. If the Presbyterian Board states that one substitute salary should go to the School of Theology and one to the Arts and Science, then we are short one teacher's salary. I have just had a letter from Dr. Paul Fugh, the head of the Department of Education, saying that he has resigned. As he was drawing one of these substitute salaries, the situation may be saved for the present.

No. 930. Registration. The Executive Council was prepared to begin informal negotiations at once in regard to registration but, as Mr. Ho, the Commissioner of Education, with all of the other officials, has gone to Tsingtao, we can do nothing at present. No-one knows what effect the change in military administration will have on the educational situation. We are hoping that the change will be advantageous to us.

No. 934. Correlated Programme. I received a telegram from the Secretary of the China Christian Educational Association in Shanghai asking me to cable to New York the action of our Board of Directors. I sent the following cable:- "Board of Managers approve Correlated Programme plans in general way; proceeding with the work as rapidly as possible". I can say nothing further in regard to this at present.

I will now take up Dr. Weir's letter. I fully realise that the home secretaries must always keep in mind the possible reactions which will take place on the members of their constituent churches, and on the effect this will have on recruits, and, above all, on finances. I do not envy you as it must be

Dr. H. H. Weir
Mr. B. A. Garside

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June 26th, 1930.

rather trying to have the financial aspect of all actions continually in mind. Dr. Weir refers to a certain feeling of jealousy on the field, on the part of members of one of the missions connected with the University. This is true, as both you and I know, and it has its effect, not only on the field but, I am sure, also at the home end. I note that you quote a previous letter of mine in which I remarked that I thought the final decision in regard to finances should rest with the home boards. This is only fair as the contributing missions should certainly have the say as to how their money is to be spent. Of course, I realise that this situation might produce serious difficulties in case the Board of Directors wished to spend funds in a way that the home constituency might not approve, but it would act as a safe-guard in case the home boards thought that the Board of Directors was not sticking strictly to the Christian purposes for which the University was founded. No doubt the present situation in China, and the articles which are printed in the newspapers, are having a great effect upon the willingness of the general public to support such work as ours.

In regard to the Rural Programme and the Correlated Programme, I have said that I cannot give you any definite information. The School of Medicine is hoping this fall to have a certain amount of work done in Public Health, even if we cannot get a proper man to head up this department, and it may be that we shall follow up some of the quiet work which has been done by members of the Medical Faculty and students in near-by villages. This is in addition to the work that has been carried on at the distant village of Lungshan. Unless there is a change in the attitude of the educational authorities at present in the saddle, there is no more effective way for us to kill our chances of registration, if not of existence, than by advertising that we are going to do "Rural Education". I understand the serious difficulty that this puts us in, in regard to the Correlated Programme. No doubt we shall be accused of having gone back on the promises made by our Committee in Shanghai last winter and reaffirmed by the action of the Senate later, but Mr. Cressy himself said, in a letter to me just before leaving, something about the opposition of the Government to our Rural Programme.

Dr. Weir asked me to cable before June 30th, in regard to the matter of the co-opted members, but, as I have already sent the minutes and covering letter in time, I hope, to reach the Board by the June 30th meeting, I am not sending any further word. I sent a cable, at Mr. Davies' request, last week, as follows:- "PROSPECTS ENCOURAGING AUTUMN OPENING ARTS COLLEGE. FOUR RETURNED STUDENT AND OTHER TEACHERS HIGH SCHOLARSHIP WERE EXPERIENCE DEFINITELY ENGAGED. GOOD STUDENT ENROLMENT

Dr. H. H. Weir
Mr. B. A. Garside

- 5 -

June 26th, 1930.

CIPATED. NEW DEAN MAKING ACTIVE START. PRESENT ATTITUDE
EDUCATIONAL AUTHORITIES REGISTRATION WHOLE UNIVERSITY BELIEVED
MORE OPEN. BOARD OF MANAGERS MINUTES WERE SENT ON JUNE 8.
L. J. DAVIES NOMINATED VICE PRESIDENT. MEDICAL SCHOOL HOSPITAL
BUDGET DEFICIT \$10000 LOSS BY EXCHANGE."

Please note that the cable rates have gone up as the silver dollar has gone down, and each word to New York costs \$4 now, where a week ago it cost \$2.40. From July 1st the postal charges abroad are to be raised 50% also.

There is another matter about which I want to write which does not concern Mr. Garside as much as Dr. Weir. So far as I know, none of the British missionary societies, except the London Mission, are doing the right thing by their missionaries in the present financial crisis. Salaries are still being paid on the old basis of \$10 to the pound. Prices of all imported goods in China are going up rapidly to meet the silver slump, and I do not see how it is possible for missionaries to continue to live in any kind of comfort on their present salaries, not to mention the fact that it will be impossible to lay by anything for the future or look forward to the education of their children. I know many families who would not be able to make both ends meet if they had not for a good many months been drawing on their own personal funds from home. Of course I realize that there are a great many people at home who expect us to live on a pretty low level and not to have many of the things that people at home have. I have often told people that, while we are deprived of some of the modern luxuries that they have in the home lands, yet we have many comforts and that there was no cause for complaint. I think this was true until recently, but I do not see how the British missionaries, and many of the members of American societies are going to be able to continue work on the field unless they have private means or unless the mission boards will come to their help. I am one of the fortunate ones because we belong to the Southern Presbyterian Board which, with the Northern Board, gives us the benefit of exchange, so that, though prices are going up, our salaries are also going up a little in advance of the prices, but many of the American societies are sticking to the 2 to 1 basis, just as the British societies are. If this silver rate continues, it is not going to be long before local products also begin to rise in price, and then we shall have our Chinese teachers and employees calling for a rise in salaries also.

There is another matter which I wish to bring to your attention. I am writing frankly to you two men because I know you both. You can use this letter as you please. The more I am mixed up in the administrative work of this institution, the more I am convinced that its machinery is too cumbersome. As long as we were dealing with only foreign missionaries who understood the conditions in our respective home lands, we could get away with it. But now, with the Chinese coming in more and more in numbers and authority, the situation is becoming more difficult.

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Dr. H. H. Weir
Mr. B. A. Garside

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June 26th, 1930.

Think of the number of missionary societies in England, Canada and the States, including the different Women's Boards. Then remember that we have a responsibility to the Rockefeller Foundation, which gives us a financial grant which is larger than that of all other missionary societies. (This, of course, is not including personnel.) Add to this the constantly changing government officials, the nationalistic spirit which is growing amongst all the people and which is quick to take an anti-foreign turn on the least provocation. Then we have our alumni and our growing Chinese faculty. These Chinese are all in favour of registration. Many of them agree with me that this is not ideal and that there may be difficulties which we shall have to face after registration, but they all think that it is the only course for us to pursue at present. I think I wrote you that Dr. Hawks Pott, in a recent communication to me, said that he felt that the Nanking government was resolved either to register or close all mission schools. Of course, you may say that the Nanking government may be changed. May be it will, but the educational authorities will probably continue.

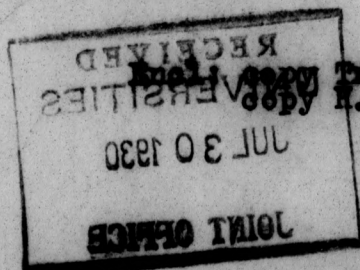
I hope by next week that Mr. Davies will be able to send you a letter dealing with the situation in the University, as outlined in our cable of last week. Mr. Linn hopes that his new teachers in Chemistry, Physics and Chinese will arrive this summer, and he also hopes that there will be a number of students in the fall, in addition to the pre-medical students. He also thinks that the attitude of the local authorities towards registration has changed; therefore we hope that the plans for the registration of the University as a whole may go forward and be consummated. The present military turn-over may help.

I hope I have been able to make myself clear to you in this rather rambling letter. I do want to impress very strongly on you that we on the field are confronted by a very complicated situation, and that one of the difficulties is the unwieldy organisation of the University. I think you will find that it is the most complicated organisation in China, if not in the world!

Yours sincerely,

R. J. Shields
Acting President.

RTS:MMS.



Encl. copy Treasurer's Report 1929-30.
copy N. Y. accounts.

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June 28th, 1930.

- 6 -

Dr. H. H. Weir
Mr. R. A. Garbidge

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Yours sincerely,

R. A. Garbidge
Acting President.

RTS:MMS

RECEIVED
UNIVERSITIES
JUL 30 1930
JOINT OFFICE

Dr. H. H. Weir's Report 1929-30.

CHEELOO UNIVERSITY
TSINAN, SHANTUNG
CHINA

SHANTUNG

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SCHOOL OF MEDICINE
OFFICE OF THE DEAN

June 30th, 1930.

Mr. B. A. Garside,
150 Fifth Avenue,
NEW YORK.

ack
TRANSFER

Dear Garside,

I have received two cablegrams from you regarding finances which I do not thoroughly understand. The first was in regard to the fact that you could not send out the G.\$2000 Hall Estate held in New York, but that you were sending out G.\$2800. As this was an answer to my cable asking for G.\$2000 Hall Estate and also the \$3000 from the Women's Committee which has been promised again and again for the last two years, Hunter and I interpreted the \$2800 as part of the \$3000 from the Women's Committee. Later, you sent another cable saying that you were depositing the \$3000 from the Women's Committee to our credit in Shanghai.

We should like to know whether Carson is coming out. Linn may want me to cable about him. Dr. Paul Fugh, who has been drawing his full salary, plus rent, all spring and also \$500 voted him by the School of Arts to enable him to study the Rural Programme, has just resigned. He has received his \$300 a month and the \$500, but he has not carried out the itinerary and he has not even sent in a report of the work he has accomplished. Hunter and I consulted about this and we have held up his salary for June until we get some report and explanation from him. The cheque had been sent, but we are holding it up by telegram. He has done us a rather dirty deal, we all think. Incidentally, he is the head of the Department of Education and the main hope of Rural Education! Hence we are specially interested in Carson's coming. I hope you will let us know as soon as possible whether the Presbyterian Board consider that their substitute salary in the School of Theology is one of the two salaries which they are giving to the University.

Another financial matter. We were very pleased to receive the G.\$540 from the Women's Committee which they sent to Mr. Evans. I shall write a letter to the Women's Committee thanking them for it.

As you will note, the Board of Directors asked the Board of Governors to approach the Rockefeller Foundation in regard to another annual grant of \$40,000. I am taking the matter up here with Mr. Gee as he says that is the proper way to approach

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June 30th, 1930.

the home people. As I have written you before, I sometimes feel a little uneasy about the support of the Rockefeller Foundation because Mr. Greene, for one, does not approve of the way in which we are not raising our Chinese salaries, compared with other schools in China. I think he feels that we should not attempt to run a School of Arts and Science as we have not the money to do so, but concentrate on Medicine and Pre-medicine. I will quote from a recent letter I have received from him in which he says: "One reason why I am not in favour of a special grant for Dr. Kiang's salary is that I see no future for your school unless you can provide in your regular system for reasonable salaries for your Chinese staff. It would, in my opinion, be just as well to give up the Medical School entirely unless you are prepared to face this question. It seems to me entirely unreasonable that the University and the missions supporting it should be prepared to expand much larger sums on foreigners whose qualifications in some cases are not superior to the Chinese, to whom you say you are unable to pay adequate salaries." I shall write to Mr. Greene that the last sentence is not correct. There are Chinese members of the staff who have been receiving actually more than some of the foreigners. However, this letter of Mr. Greene's shows his attitude towards this question. I have written and spoken several times on this subject to the Board of Directors, and, in my last report, I emphasised the fact that we should not be able to keep our staff members indefinitely on the salaries that they are receiving.

We are thinking of you as you meet in London to-day, but if you begin at 10.30 in the morning and finish in time for a get-together dinner in the evening, I fear you will not be able to put as much time and thought on some of our problems as they deserve.

I am sorry that you could not give me more definite opinion in regard to China Child Welfare. I note a quotation from the New York H.T. of April 18th, with the state of Connecticut has refused to renew the licence for collecting funds of the China Child Welfare. We are not going to spend one cent until we have some sort of guarantee, but if you can guarantee G.\$1000 Dr. Scott has plans that we can put into operation at once. Of course it would be ridiculous to try to spend G.\$12000 one year on Pediatrics. I hope you will arrange, if we do get this money, that it can come as an endowment. We could do some fine work with G.\$2000 or \$3000 a year. Let them give us whatever they can and we shall pile it up as a nest egg.

You can imagine that the action of the Presbyterian Board in regard to substitute salaries created quite a stir. There were various expressions of opinion; some fully approved and thought it was about time that the Board should take such action. Others disapproved and thought that the Board should

Mr. B.A. Garside

- 3 -

June 30th, 1930.

give the Chinese full swing and get as many substitutes for foreigners as possible.

You are perfectly right in your letter of May 14th, in which you say that part of the blame for not getting financial aid from the Board of Governors is on the field. You will note that we added some specific needs to the minutes of the Board of Directors.

I wish that I could find out how the other Christian schools are really getting on. I am going to write to some of my friends and try to get inside information. I cannot believe that everything is going along smoothly, financially and otherwise, in the Yangtze Valley schools.

I mentioned in my joint letter to you and Weir the serious difficulty we have in trying to run an institution with the cumbersome machinery that we have. One little matter is bothering me right now. Wolfe is an employee of the University. He is living in a Presbyterian house. He has to pay rent, though he has probably rendered services in technical advice and oversight of Presbyterian buildings this year which would more than pay for his rent. Still the Presbyterian Station Committee insist that he must pay. Now they have decided to put Mr. Davies in this Presbyterian house, formerly occupied by Smith. Wolfe will have to move out and will probably have to move into some other mission house where he will have to pay rent. It may be all right for one mission to charge rent for a member of another mission, but it does seem rather silly for one mission to charge rent to a member of the University staff who is serving all of the missions concerned in the University. Remember that Wolfe is a practical builder, though he is not an architect. This is a sample of what we have to face constantly. I frankly believe that we must simplify the machinery in some way or we shall have great difficulty in carrying on.

Yours sincerely,

R. T. Shields

RTS:MMS.

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June 30th, 1930.

- 3 -

Mr. E. A. Garfield

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You are perfectly right in your letter of May 14th, in which you say that part of the blame for not getting financial aid from the Board of Governors is on the field. You will note that we added some specific needs to the minutes of the Board of Directors.

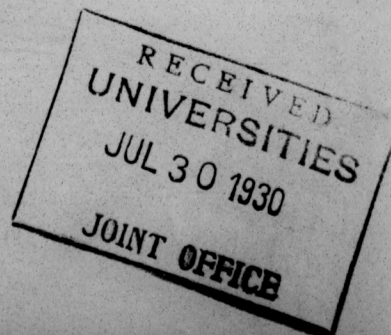
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Yours sincerely,

R. T. Williams

RTS:IMS.



9990

SHANTUNG

INDEXED

TRANSFER

Shantung Christian University

July 3, 1930

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

My dear Dr. Shields:

We have recently acquired the Shantung accounts. While Mrs. Shaw was connected with the Presbyterian Board they were kept in her office at 156. When she left to take a position with the Bankers Trust, she asked us to take the books.

We have been trying to arrange the account according to the general procedure followed in the other China university books. We have reserved a place in our ledgers for plant and endowment funds, and we hope to set up these just as soon as we acquire the complete data.

We talked with Dr. Lair before he left the East and he stated that there is a complete inventory of plant, including building, land and equipment. He said that he had personally supervised this inventory and that there probably was an extra copy which our office should have. If not, would you kindly have someone make a typewritten copy of the original and forward same to us so we can bring our books in line with those of the University.

We were very sorry to see Dr. Lair go, as we have enjoyed him immensely.

Very cordially yours,

C. A. Evans

CAE:SA

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CHEELOO UNIVERSITY
TSINAN, SHANTUNG
CHINA

SHANTUNG

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SCHOOL OF MEDICINE
OFFICE OF THE DEAN

July 3rd, 1930.

TRANSFER

Mr. C. A. Evans,
Assistant Treasurer,
Shantung Christian University,
150 Fifth Avenue,
NEW YORK.

Dear Mr. Evans,

As I do not know to whom I should send a letter of thanks for the sum of G.\$540 which you sent out from the Federation of Women's Boards of Foreign Missions, I shall write this to you and ask you to pass it on to the proper authorities.

This gift was greatly appreciated, especially as it came just as we were closing our books with a deficit, owing to the slump in silver. This sum of G.\$540 realised Mex.\$1929, which helped considerably in lessening our deficit. Those who are familiar with the situation out here can readily understand that almost all of the contributions we receive are made in silver, roughly according to the old rate of exchange of G.\$1 for Mex.\$2, but, as all of our instruments and apparatus, drugs and most of our supplies have to be bought abroad and are now costing us at the rate of Mex.\$3.50 to \$4 per G.\$1, we have not been able to make the budget balance this year. Hence, as I said above, this gift of G.\$540 was especially welcome at this time, and I wish you would convey to the officers of the Women's Boards our grateful thanks.

Yours sincerely,

R. J. Shields

Dean.

RTS:MMS.

*Van Buren
Oct 17*

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CHEELOO UNIVERSITY
TIANJIN, SHANTUNG
CHINA

SCHOOL OF MEDICINE
OFFICE OF THE DEAN

July 27th, 1930.

Mr. C. A. Evans,
Assistant Treasurer,
Shantung Christian University,
180 Fifth Avenue,
NEW YORK.

Dear Mr. Evans:

As I do not know to whom I should send a letter of
thanks for the sum of \$1,500 which you sent out from the
Board of Women's Board of Foreign Missions, I shall
write this to you and ask you to pass it on to the proper
authorities.

This gift was greatly appreciated, especially as it
came just as we were closing our books with a deficit.

New York, which helped considerably in lessening our deficit.
Those who were familiar with the situation at that time can
readily understand that almost all of the contributions we
receive are made in silver, roughly according to the old
rate of exchange of \$1 for 100, but as all of our
instruments and apparatus, drugs and most of our supplies
have to be bought abroad and are now costing us at the rate
of 100 to 120 per \$1, we have not been able to make
the budget balance this year. Hence, as I said above,
this gift of \$1,500 was especially welcome at this time,
and I wish to convey to the members of the Women's
Board our grateful thanks.

Yours sincerely,

W. T. Marshall

RECEIVED
UNIVERSITIES
JUL 30 1930
JOINT OFFICE

2490

Mr. B.A. Garside

- 2 -

July 7th, 1930.

down to the minimum, but it will be about G.\$300. This will take up all of his appropriation, probably, for his budget, and I am going to authorize it. If the home boards do not pay us on a gold basis, we shall not be able to carry on.

I note with appreciation that Mr. Cochran and Dr. Millikin paid Mr. Carson's extra expenses. I suppose we can count on Carson coming out this fall.

I had a letter from P. Lair, saying that he would feel like a quitter if he did not come at this time and that he expected to arrive about the middle of September. He showed no enthusiasm whatever about returning, however. I have received Harry Harkness' formal letter of resignation.

I hear that Leighton Stuart is due at the end of this month. From things that I have heard from two of our teachers who have been at Yenching this spring, everything is not as it should be there. I fear Leighton will have his hands full.

There is nothing new in the political situation. I do not know what we can do about registration as our new officials are not now under the Nanking government. No-one seems to know where we are at.

I hope to hear soon from the meeting in London. Thanks for the cables, specially the one telling that the Board of Governors agreed to the Directors' resolutions regarding co-opted members and registration. Evidently you got my covering letters with the minutes, in time. Let me know whether you received the one sent by air mail before the other.

We expect to go to Tsingtao for August, if the railroad is open. My wife and daughter refuged for three weeks in Tsingtao, but have returned here for July. How are your family?

I will turn over the letter you wrote about Dr. H.Y. Ch'en to Mr. Linn.

Yours sincerely,

P. J. Shields

RTS:MMS.

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Mr. B. A. Garfield

pay us on a gold basis, we shall not be able to carry on and I am going to authorize it. If the board is not take up all of his appropriation, probably for his budget down to the minimum, but it will be about \$3500. This will

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I will turn over the letter you wrote about Dr. H. L. Hunt to Mr. Lamm.

Yours sincerely,

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CHEELOO UNIVERSITY
TSINAN, SHANTUNG
CHINA

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SCHOOL OF MEDICINE
OFFICE OF THE DEAN

July 7th, 1930.

Mr. B.A. Garside,
150 Fifth Avenue,
NEW YORK.

TRANSFER
SHANTUNG

Dear Garside,

Yours of June 4th to Hunter and me has just been received. Hunter left yesterday morning for Tsingtao and Pei-tai-ho, but, as there was fighting on the railroad, his train was turned back and he left again this morning, hoping to get up by the Tsin-Pu line. This line has been running trains for a week, but people have to cross the Yellow River on a ferry. I received two copies of your letter so will send one on to him. Some of your statements are too complicated for me to follow without reference to his books. There is one item, however, about which I know more than you do, the G.\$3000. This was promised by the Women's Committee in the spring of 1928, at a meeting at which I was present. It was to be given from interest on the Hospital Building Fund, for necessary repairs and improvements to the Medical School and Hospital. This money was never sent to the field, but another amount of Mex.\$10,000 was granted later, from Building Funds held in Shanghai, and, as we had control of these funds, we were able to get the money. As the \$10,000 has been expended, I have written and cabled, trying to get the G.\$3000. Fortunately for us, this amount was late in arriving as it realised over Mex.\$11,000. We should have had great difficulty in carrying on the Medical School and making some necessary alterations or improvements if we had not had these sums. Some of the improvements are permanent ones, whether the new hospital should be built or not: others are necessitated by the fact that the hospital has not been built and no-one can say when we shall be in a position to build it.

In regard to finances, I think I have written pretty plainly for the last few months, specially to you and Weir recently. As a case in point, Dr.Kiang made out a list of apparatus needed for Bio-chemistry which amounted to about G.\$500. A year ago we could have estimated this at Mex.\$1000 and added about 30% for transportation, customs, etc. To-day we must estimate this at about \$4 to \$1 and add 50% or more for transportation and customs. Dr.Kiang has just out his list

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CHEELOO UNIVERSITY
Tsinan, Shantung,
China

July 11th, 1930

TRANSFER

My dear Friends,

My last letter was written on December 18th and told you about the trouble that we were having in the School of Arts and Science. I sent special letters to many of you on January 29th and February 14th, telling of the strike of our workmen, instigated by the local Labour Union and the "Party". This caused the closing of the Arts and Science School, the expulsion of a number of student ring-leaders and the closing of the hospital for about six weeks. As we saw there was no hope of getting the government authorities to help us, we fell back on the powerful weapon of publicity. The central government in Nanking finally gave orders which enabled us to settle the trouble without giving in to the workmen's demands. The leaders of the strike were all dismissed, so we won out in the end. Since the middle of February we have had no internal troubles, though, of course, our attitude has made us unpopular in certain quarters.

Now I will try to give you a summary of the general political situation. General Yen Hsi Shan has been the "model governor" of Shansi since 1911. His real attitude towards the Nanking government and General Chiang Kai Shek has never been known. General Feng Yu Hsiang has been an uncertain factor for years. Was he planning to overthrow the Nanking regime? Was he backed by Russia? What were his relations to Yen? These are some of the questions that have been asked about him for years. For some months there were newspaper articles and telegrams galore to and from Yen, Feng and Chiang (more later of Chang Hsueh Liang of Manchuria). Finally, in May, the storm broke and Yen and Feng unitedly denounced Chiang and his government and started another revolution. I do not know what serial number to give to this revolution. There have been so many wars I have lost count, but in this one the alignment is new though it is again mainly north versus south. The battles have been fought mostly in Hunan, Hupeh and Shantung provinces. At present the north and north-west are in the hands of Yen and Feng. On June 25th the southern forces left Tsinan and went east, towards Tsingtao, on the railroad, and the northerners took possession without any incident. There has been no fighting very near this city, but the consuls advised women and children to evacuate before the turn-over. My family and most of the women and all children went to Tsingtao. Just at present the southern troops are on the railroad, but are apparently not trying to reach Tsingtao. The Tsinan end of the railroad is held by Yen's men, the Tsingtao end is rather neutral. In between there is a southern army, the number of which is variously estimated, and just north of the railroad are the forces of General Liu, a fence rider. In spite of this, the trains have been running irregularly. My family returned a week ago, but for several days there has been fighting on the railroad and trains have now stopped. However, since we were captured by the northerners, the railway to Tientsin has re-opened. The local situation is uncertain, naturally, and the general even more so. Papers, both Chinese and foreign, are so obviously partial, or bought up, or scared that one cannot believe all that is written. What will be the result if the Yen-Feng combination wins? What is it all about? Japan seems to have adopted a new policy towards China and is, apparently, keeping hands off. What of Russia? Get a map of Asia and note that the Trans-Siberian railway runs from Moscow to Vladivostock, skirting Manchuria on the north, the Chinese Eastern "joint ownership" railway runs from Manchuli direct through Manchuria to Vladivostock. Volumes could be written on the history and status of this railroad. The Soviet government made war on Manchuria (without formally declaring it) last year because of this and the controversy seems as far from settlement as before. Also, in June the Soviet government celebrated the completion of the Soviet-Siberian-Turkish Railroad which starts from Moscow and runs south towards Persia and then north and

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east, skirting Chinese Turkestan and Outer Mongolia. It is 1700 miles long and it is said that branch lines penetrating Chinese Turkestan and Mongolia are projected. Chang of Manchuria (son of General Chang Tso Lin who was killed two years ago in a railway bombing raid, some think by the Japanese) obviously cannot fight Russia. Nanking cannot help him now. Will Yen and Feng? What are their relations to Russia? Will Chang remain on the fence or join Yen and Feng, or fight against them? Will Japan allow Russia to overrun Manchuria?

Some of you good people will ask here, what has all this to do with missionary work? Much, I think. We know that hundreds of Chinese are studying in Moscow. We also know that the Yen-Feng combination is not a strong united party but is made up largely of generals who are anti Chiang Kai Shek, and the left wing of the Kuomintang (the Red) is well represented in it. If they conquer north China, as it seems now they may do, how long before this combination will break up into its naturally selfish elements? Some think that the greatest danger to China in the near future will be communism, as preached and practised by the Soviet. Mission work has been hampered greatly by the Kuomintang party. Will the situation be improved by the Reds? I do not have space to touch on the situation in the far south where there are numerous generals fighting Chiang Kai Shek. Are these elements which are mostly communistic really in league with Yen and Feng? No-one knows.

Another factor which is troubling everyone, except the lucky speculators, is the silver market. Formerly the silver dollar was worth about 50 cents U. S. money. Now it is worth about 25 cents. Grants for mission work are made on the old basis, but, with the new rate of exchange and added duties and transportation rates, foreign goods are worth twice what they were formerly. You can see how this hits schools and hospitals. Personally, we do not have to suffer as the Presbyterian Boards give us the advantage of the exchange, but most of the missionaries here, up to the present, are paid in silver and at the old rate. We must get help soon or we shall have to curtail our work seriously. In spite of this, however, we have carried on the work of the Medical School and Hospital as usual. We graduated twelve men and three women in June. About half of them are staying with us as assistants and the others have gone to other hospitals. There is a good esprit de corps in the Medical School and we are going ahead and are hoping that the future will be brighter than it bids to be just now.

I have resigned as Vice-President of the University, and the Rev. L.J. Davies has taken on the job. We have an energetic Dean of the School of Arts and Science, and that school is preparing to re-open in September. We can do nothing in regard to registration with the government at present as the new local government authorities have not become firmly established. As they are the enemies of the central government in Nanking, we cannot go to the central government through them, neither can we go to it directly.

I have already cut off many names from my mailing list as I presume they do not care to receive my letters, and I am going to cut off more if I do not get acknowledgements from this letter.

Yours sincerely,

R. T. Shields.

Received at Nashville, Tennessee, August 13, 1930.
Address: Dr. R. T. Shields, Cheeloo University, Tsinan, Shantung, China.
Postage: Letters five cents, postcards three cents.

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CHEELOO UNIVERSITY
TSINAN, SHANTUNG
CHINA

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SCHOOL OF MEDICINE
OFFICE OF THE DEAN

July 15th, 1930.

Mr. B. A. Garside,
150 Fifth Avenue,
NEW YORK.

TRANSFER

INDEXED

Dear Garside,

My reason for writing a letter at this time is to send you a copy of one that I have written to Mr. Gee, asking for a renewal of the annual grant from the Rockefeller Foundation. You will note what I said in regard to an increase of this grant or that it be put on a gold basis. I do not feel as sure about the Rockefeller Foundation now as I did formerly when Dr. Pearce was alive and Dr. Vincent was President, as I knew both of them personally, and I do not know Mr. Mason, nor do I know who has taken Dr. Pearce's place. Possibly it is Dr. Carter.

I do not think that any of us feel now like pushing the building of the new hospital. With the uncertain political conditions in this country and the unfavourable exchange, we cannot think of taking on an institution which would cost us double what our present hospital costs. Of course, we could probably build now more cheaply than we could have done two years ago, but I do not want to build a new hospital until we have a practical assurance of endowment, and I do not want to attempt to raise money in America until we have actually received money from our alumni in China, and also have a definite promise from the Rockefeller Foundation. I will not approach the Foundation directly, but only through Mr. Gee or Mr. Greene. I leave the matter of the home end to you.

The railroad is still not operating trains between here and Tsingtao. We have had absolutely no American mail since the trains stopped running nine days ago. We can get no definite information as to when we may expect the resumption of the train service. There is evidently no real fighting going on on the line at present.

We had expected that Mr. Davies would be here by this time, but he is held up on account of the railroad condition. Linn is going to work very energetically. He hopes to have several new teachers here before long. He also has some plans about rural education. As soon as Davies comes, I hope that he will be able to act for Linn in writing letters

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Mr. B. A. Garside

- 2 -

July 15th, 1930.

to you. Linn realises the importance of doing something along rural education lines and that, if we do not at least make some plans, we stand to lose any share in the correlated programme drive.

I am awaiting your letters regarding the London meeting with interest.

The statement which I enclose is a rather interesting one, I think. I have commented on it in my letter to Mr. Gee. If we can keep the percentage of Rockefeller grant low and the percentage of local receipts high, we shall stand a better chance of getting money from the Rockefeller Foundation.

I have touched on finances in my letters of June 30th and July 7th. I hope you will cable us as soon as you know for sure whether we can get any of the China Child Welfare money.

Yours sincerely,

R. T. Shields

RTS:MMS.

0949

July 18th, 1930.

- 2 -

Mr. B.A. Garbide

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along rural education lines and that, if we do not at least
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money.

Yours sincerely,

R. T. Williams

RTS:MS.

RECEIVED
UNIVERSITIES
JUL 13 1930
JOINT OFFICE

0950

July 10th, 1930.

N. Gist Gee, Esq.,
Rockefeller Foundation,
PEKING.

Dear Mr. Gee,

I have just worked out a table showing receipts for the Medical School and Hospital for the last five years, and also the estimated budget for the present year. Most of this is self evident, but there are two or three points which may need explanation. The figures are all given in round numbers.

During the three years when we received \$49,000 from the Rockefeller Foundation we were able to set aside \$17,000 as a Rockefeller Suspense Account. This money has not yet been touched but, as you know, it was agreed both by the members of the Foundation out here and at home that we could use this if necessary, even before the new hospital is built. I am trying not to use it, however, but if we can get a teacher of Bacteriology or Public Health, I shall not hesitate to use some of this money to pay such a salary. It may be that we shall have to use it by next year to help to raise the salaries of our Chinese teachers.

The foreign salaries are estimated on the basis of G.\$3000 for a married couple and G.\$1500 for single people. This is in accordance with what most of the American boards do and I think we have followed this in recent years in corresponding with the Rockefeller Foundation.

In addition to this money, the Women's Committee who have charge of the Hospital Building Funds in America have allowed us to draw, on two occasions, for special repairs and improvements an amount of \$21,000. Half of this has been spent already. The reason for this was that there were many necessary improvements needed at once, some of them because of the fact that the hospital cannot be built in the near future, and some of them which would be permanent improvements in the plant even after the new hospital is built. We have largely remodelled the O.P.D., have fixed up a very satisfactory autopsy room, have made some necessary changes in the hospital basement and in the students' dormitories with this money.

As you well know, the rate of exchange during the past six months has affected us very seriously. In the Medical School we have felt this in the departmental expenditures

N. Gist Gee, Esq.

- 2 -

July 10th, 1930.

as most of our supplies have to be bought from abroad, but the hospital has been hit the hardest, specially in the Pharmacy and in medical and surgical supplies. If the present rate continues, I imagine that we shall have to spend from \$20,000 to \$30,000 this year more than has been estimated on the budget. Obviously, our increase of fees cannot meet this and we have for the last few months been sending appeals home to ask that our grants hereafter be made on a gold basis or, at least, be materially increased. Dr. Heimbürger has taken hold of the hospital in a very energetic way and we are beginning to see the results of his work in the finances of the institution, as well as in other ways. He is getting out a full report of the hospital which will be sent you later.

You will note that there has been a great increase in total receipts, due to several reasons. (1) We have listed as receipts the gifts of hospital supplies received from America which have actually been used. We now have several thousand dollars worth of such supplies on hand. (2) We have also received a gift of Mex. \$2000 from the Women's Boards; (3) the main reason for the increase, however, is that we have raised patients' fees and drug fees to try to make up for the loss in exchange which we saw was coming. In spite of this, we closed the books with about \$6000 deficit. We have received three special gifts during the year, amounting to C. \$1200, which were given for special purposes and are not put down in the budget.

The uncertainties of the present political situation make it impossible for us to do anything at present in regard to registration, though our Board of Governors has recently acquiesced in allowing the Field Board to use its judgment in regard to registration, and, if the whole University cannot be registered, to go ahead with the registration of the School of Medicine. Our new local government authorities are not firmly established now and, even if they were, they are the enemies of the Nanking government. We obviously cannot go direct to Nanking over their heads, and we cannot get them to help us in the matter.

In face of the present financial difficulties, when we do not have money enough to run with our small hospital, it would be folly to think of building a larger one. We must have a reasonable hope of increased receipts before we can attempt this. I believe we can get some money from our alumni, and, with this as an endorsement, I would be prepared to raise money at home for an endowment whenever the home authorities and the Rockefeller Foundation think the time has come for this action.

In view of all these circumstances, I should like to request that the Rockefeller Foundation continue its grant to us for the year 1931-32. I should also like to point out the difficulties

N. Gist Gee, Esq.

- 3 -

July 10th, 1930.

in which we are placed, on account of the rate of exchange, and request, if possible, that the grant of \$40,000 be increased, or that it be put on a gold basis. The Board of Directors, at its June meeting, requested the Board of Governors in New York to approach the Rockefeller Foundation in regard to a renewed grant, but I am taking this up directly with you and not with the Rockefeller Foundation at home.

Everything is quiet here at present, but there is fighting on the railroad between here and Tsingtao. Whether the railroad is actually broken or not, we do not know, but no trains have been running for several days, and I do not think any mail has been able to get through. The Yellow River bridge has been mended and ~~express~~ trains are now running to Tientsin. Of course, all communication south of Taian is cut off, and we can get no definite information as to what is going on. I hope that conditions will be such in the fall that you can pay us a visit.

Yours sincerely,

R. T. Shields

RTS:MMS.

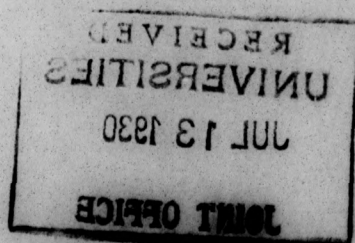
0953

**RECEIPTS SCHOOL OF MEDICINE AND HOSPITAL
SHANGHAI CHRISTIAN UNIVERSITY**

1925-1930

	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31
Medical School	74,000	82,000	90,000	88,000	83,000	82,000
Hospital	38,000	32,000	32,000	31,000	54,000	52,000
Total	112,000	114,000	122,000	119,000	137,000	134,000
Local Receipts	47,000	39,000	40,000	39,000	57,000	57,000
Rockefeller Foundation Grant	33,000	49,000	49,000	49,000	40,000	40,000
Other Foreign Receipts	32,000	26,000	33,000	31,000	40,000	37,000
Total (exclusive of Foreign Salaries)	112,000	114,000	122,000	119,000	137,000	134,000
* Foreign Salaries	129,000	117,000	96,000	108,000	105,000	105,000
Grand Total	241,000	231,000	218,000	226,000	242,000	239,000
Local Receipts %	20%	17%	19%	17%	26%	24%
Rockefeller Foundation Grant %	18%	21%	22%	21%	17%	17%

* Foreign Salaries estimated at G.\$3000 for a married man at \$2 to \$1
G.\$1500 " " single person " " "



0954

1982-1980

* Foreign Salaries estimated at \$3000 for a married man and \$1500 for a single person " " " "

RECEIVED
UNIVERSITIES
JUL 13 1930
JOINT OFFICE

SHANTUNG

INDEXED

TRANSFER

Shantung Christian University

June 18, 1930

July

Followed up 7/9/31

Dr. Randolph T. Shields,
Shantung Christian University,
Tsinan, Shantung, 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. 2683 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 Foundation in April, 1925, Gold \$38,750.00 was drawn on the field in different amounts the whole sum realizing Mex.\$69,864.19. 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 1/2% 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.

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Dr. Randolph T. Shields

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July 18, 1930

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.

See file of Rockefeller Foundation. 6/30/30

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,

0957

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 \$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, \$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,

0958

SHANTUNG

TRANSFER

Shantung Christian University

July 24, 1930

Dr. Randolph T. Shields
Cheelee University
Tsinan, Shantung Province
China

My dear Dr. Shields:

I should have acknowledge the receipt of the Minutes of Senate Meeting for May 2nd, May 30th, June 2nd and June 3rd before this.

We understand also that the Presbyterian Board have received copies of these minutes. We note the action of the Senate requesting the return of Dr. Lair as University Treasurer and we are very glad that he has agreed to return to the field. I sincerely wish that Dr. Harold Smith was returning at the same time. While on their furlough we have seen more or less of these members of the Cheelee staff and have become greatly attached to both of them.

Since being in this office, I have found three reasons why Cheelee is so outstanding in its position in China: Carside, Lair and Smith. I have been told that there is another reason by the Name of Shields. I hope to have that verified in person some day.

The Chinese news has been clustered principally around Tsinan and we daily expect to see the local government change hands. I believe that it is just as true of Shantung as another university which is now sending out some reassuring letters to its constituency wherein they say that regardless of what political party is in power, Christian education is still proceeding. The other day I was reading the printed booklet descriptive of the Correlated Program and it seemed to me I could visualize the tremendous challenge that comes to Shantung in giving her such a very important and practical part in the Correlated Program. In all of our contacts with the other universities I can see nothing so extremely worthwhile and to the point. In fact, if there isn't a right about face in a great number of our foreign missionary institutions, wherein they will endeavor to meet the needs of the masses, I fear they will find little excuse for continued existence. To prepare young men for actually serving their own people is one of the greatest tasks to which a university can be called. Too many are preparing young men to serve themselves for their own personal interests, and I have had the unhappy experience of actually seeing some of this work done.

I don't know why I am writing this way. When I started out I intended simply to acknowledge these minutes but I was so impressed with the wonderfully thrilling opportunity given to Shantung that I could not help but say a word or two in appreciation for all that you are doing in endeavoring to stabilize the University and put it off on the right foot in enthusiastically throwing itself into one of the most worthwhile and useful tasks that any university can undertake.

Very cordially yours,

C. A. Evans

CAR:C

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OVER

SHANTUNG

TRANSFER

Shantung Christian University

August 1, 1930

Dr. R. T. Shields,
Cheelee University,
Tsinan, Shantung, China

Dear Dr. Shields:

We have received your several letters, and while Mr. Garside will probably be back in the office within a week or ten days, we could save considerable time by writing you now, and Mr. Garside can write you later on at greater length after he has waded through some of the mass of correspondence that is awaiting him.

First of all, the questions regarding the cables have been cleared up by the two letters written by Mr. Garside, one on June 17th and the other on June 4th.

Barring earthquakes, floods, fires, wars and other things which might possibly interfere, Carson will be sailing October 17th on the PRESIDENT VAN BUREN. It has been impossible for him to finish his studies in Cornell in time to take an earlier sailing, and we are very glad indeed that definite steps have now been taken whereby we are quite sure that he will return.

Dr. Fugh certainly has not been very considerate, and while sympathy is not worth very much at the present time, nevertheless we can understand how you feel regarding him.

The attitude of the Presbyterian Board regarding vacancies on staff has been defined only as it reads in the motion. If Cheelee expects three members on the staff, which naturally would include one in Theology and two in the Arts and Science School, it would seem only proper and in order to make the application through the China Council, and at the same time request the Trustees in America to appeal to the Presbyterian Board to extend the interpretation to mean as above stated. The minutes have just come to hand today, and as I have not had a chance to read them, I do not know of the action the field took. Undoubtedly the foregoing is a waste of time in writing, and our final answer to this question is that just as soon as we receive any decision from the Presbyterian Board it will be communicated to the field.

We are very glad to have your July 3rd letter acknowledging the \$540.00 of the Federation of Women's Boards of Foreign Missions. We shall be very glad to pass this on to that organization.

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The matter of approaching the Rockefeller Foundation regarding the annual grant of \$40,000 will come before the Board at its next meeting. In the meantime anything that can be done on the field towards securing a favorable decision from the Committee in China will surely help. It is quite impossible to do anything here without the concurrence of the China Committee. I believe that this is the first intimation we have had that the Rockefeller Committee in China has any definite conviction regarding the attempt of the University to run a School of Arts and Science. At least it is the first statement of this kind that I have seen. There is no question whatever regarding their primary interest in the medical work but we are greatly surprised to know that they are attempting to in any way indicate that it is not proper or desirable to continue the School of Arts and Science. You surely are taking the proper attitude in endeavoring to correct any such situation.

We wish we were in a position to give you more details regarding the China Child Welfare proposition. The fact, however, is that the commission itself is not in a position to give any definite information and apparently it will be some little time before they will be in a position to give any definite reply. However, the approach has been made and the door opened. The interest has been created and a conditional promise made. There are many things, however, that enter into a campaign of that sort before the cash actually comes to hand.

We can greatly sympathize with you in your deep desire to know the conditions existing in other Christian schools. China is a pretty hot place at the present time in which to operate a school of this kind, but as far as running smoothly financially, we don't know of any in any spot that are in that condition. We might qualify that statement by saying "on the foreign field" because there are a few educational institutions in the States and elsewhere who are not greatly worried over their year's income, but ordinarily it is the bone of contention. If you get any inside information which you think of value, won't you please pass it on to us?

If there is anything more difficult to manage than finances, it is the housing proposition, and you have mentioned one difficulty, - where one board pays rent to another. I really don't know how such a situation is going to be solved unless it is through the missions on the field, for surely no boards in the States or London will take action unless through the advice of their missions. In other words, action must be started on the field.

We agree with you perfectly that there are times when the machinery seems to be too complicated, but one is often reminded on other occasions that the machinery is the thing that stabilizes and stimulates the whole enterprise. I have seen some propositions that would have been floundered on the rocks through pure enthusiasm and energy had it not been because of some restraining influence in the cumbersome board backing the proposition. Nevertheless these same elements could be served and some of the red tape eliminated, and where that is possible we are with you heart and soul.

This is not a final answer to this group of letters. You will notice I have not made any reference to what appears to be your official swan song.

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Dr. R. T. Shields

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8/1/30

I am sure that Mr. Garside will want to take this up with you, and I shall leave it for one of his tasks.

Neither have I dwelt upon the Treasurer's report, which needs considerably more study than I have been able to give it during these last few days.

This letter will be reaching you just before the time of your registration and we want you to know that you are all on our hearts and minds and that we are constantly scanning the news for any reassuring bits of information. We hope the year will be successful, not alone from a scholastic standpoint, but that the different powers endeavoring to secure the ascendancy will be so self-occupied that they will allow Cheeloo to sail through a year without any serious mishap.

Very cordially yours,

C. A. Evans

CAE:A

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over

SHANTUNG
TRANSFER

Shantung Christian University

August 13, 1930

Dr. Randolph T. Shields,
Mr. L. J. Davies,
Cheeloo University,
Tsinan, Shantung, China

My dear Dr. Shields and Mr. Davies:

I am writing to you jointly to comment on the minutes of the annual Cheeloo meeting and to reply to various letters we have received during recent weeks dealing with general administrative matters.

The Annual Meeting in London - You will have learned already from Dr. Weir's letters that engine trouble on the BERENGARIA delayed my arrival in London by about forty-eight hours and caused me to miss the major part of the Cheeloo meeting. This was a tremendous disappointment to me, because my main purpose in going to London was to be present at this meeting. Also I was very much chagrined over the fact that I disappointed Dr. Weir and the others who were depending upon me to be present throughout the meeting. It was one of these unforeseen misfortunes which could not have been guarded against in any way except by my taking a boat to London almost a week earlier, thus losing that amount of time from the very busy period here in the office and having to pay living expenses in London for a number of days in advance of the meeting. I chose the BERENGARIA in preference to several other boats scheduled to arrive in England at about the same time because it was the largest, fastest, and most dependable one of the lot. As a matter of fact, Mr. Cressy took one of the other boats, which was not scheduled to arrive in England until about twelve hours after the BERENGARIA, but his boat arrived approximately on time and he was present for the Cheeloo meeting.

As I read through the minutes of the annual meeting, I believe that my presence would have made no substantial difference in any of the actions taken. I had opportunities for conferences with Dr. Weir, Mr. Hawkins, Dr. Balme and others, both at the Governors' dinner following the meeting and on other occasions later in the week. I believe that the actions the Governors took represent about all we could have expected of them under the circumstances.

The one thing that I hoped to get more fully into the consciousness of the Governors at the time of the annual meeting was the seriousness of

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Dr. Randolph T. Shields
Mr. L. J. Davies

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8/13/30

the financial situation at the University and the urgent necessity that the Board of Governors take emergency steps to meet the situation. I am constantly faced by the conviction, as I attend meetings of our Cheeloo board, that we have a splendid group of men and women who as individuals are sincerely interested in the work at Cheeloo, but who as a board are very impotent and lacking in initiative. If we could only find some way in which our Cheeloo board could be galvanised into activity, there is no limit to what they could accomplish for the institution. As matters now stand, the board does practically nothing in a financial way except to refer all financial requests from the University to the cooperating mission boards. We all know that these mission boards are struggling desperately to maintain their work in the face of constantly declining receipts, and it is beyond the realm of possibility for them to make any substantial increases to their appropriations for any of our universities in China. The best we dare hope for is that they will not materially reduce these appropriations with each successive year. Already we hear some rather bitter complaints from other portions of the work done by these boards to the effect that all the other board appropriations are being cut and the appropriations for the union institutions in which the boards participate are being maintained at substantially their previous level.

If Cheeloo is to go forward, and if it is even to maintain what it is already doing, it is absolutely necessary for us to seek new funds from sources outside the cooperating boards. We have been hoping year by year that the united appeal for all our colleges in China would meet this need. But the problems which must be solved in connection with the correlated program, and the inevitable delay which always occurs when a large number of institutions and individuals are asked to move together, has set back the date for beginning such a united appeal much beyond the time we had at first counted upon. I hope in another year or two we will be making a substantial beginning toward such a united appeal. But even so, there is an urgent need for Cheeloo to make an independent effort to secure additional funds to carry us through the years until we can hope for adequate returns from such a united appeal.

This is one of the most fundamental problems our Cheeloo Board of Governors should face squarely. The board did not face the issue this year, and while I very much doubt whether anything that could have been said would have produced any result, I would have liked an opportunity to press this problem upon them as vigorously as I could.

Budget - 1930-1931. These financial questions have their immediate focus in the 1930-1931 budget. The Governors really had no opportunity to make an intelligent study of the budget because of the fact that it did not come to their hands until just before the annual meeting convened. As I wrote you some months ago, I believe it would have been far wiser if the Managers had transmitted to us early in the spring, the budget as originally drafted even though they had not fully succeeded in balancing it. This sounds almost like treason, for 95% of our correspondence on financial matters is dedicated to the task of persuading our friends on the field to keep their expenditures within available resources. But I feel that in Cheeloo this year you leaned over backward, and

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Dr. Randolph T. Shields
Mr. L. J. Davies

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8/13/30

spent so much time at the impossible task of making the assured income for next year cover the absolutely essential expenses required for carrying on any adequate program, that you made it impossible for the Governors to face up to their share of the task as they really should have done.

Actions G-166 and G-167 simply affix the Governors' rubber stamp of "general approval" and throw back the responsibility to the cooperating boards and indirectly to the two Sections. I will try to see whether the North American Section and the North American mission boards can be persuaded to study the situation with the seriousness it deserves, but I am far from optimistic as to the result.

Correlated Program. I believe that Action G-162 includes all we could have asked the Governors to do at this time. The initiative in approving Chesloe's share in the Correlated Program and undertaking the work recommended for the University in this program must rest with the field rather than the home base. I think it is fair to say that the Governors have been very much troubled, and somewhat mystified by the fact that the field is not so wholeheartedly in favor of the program proposed for it as the Governors had at first been led to believe. Under the circumstances they could do no more than continue to register their general approval and thus leave the way open for continued progress toward the adoption of the program and the seeking of support for it.

Reorganization of the Board of Directors. I hope that Action G-165 will effectively relieve the Directors of the embarrassment they have had in regard to their newly invited co-opted membership and will at the same time guard against the danger of allowing this preponderance of co-opted membership to become permanent. I am sure the field can find some plan by which the membership of the Board of Directors can gradually be made more representative without losing face to anyone. Perhaps some such plan as I suggested in June, whereby, as the terms of co-opted members expire such members would be replaced by representative members until the co-opted group had been satisfactorily reduced, might meet the situation.

I believe that these were the most fundamental questions discussed by the Governors. Probably no comments are needed on the other items dealt with by the meeting. The most important question now is whether or not the two Sections will this fall grapple effectively with some of the problems the full board left unsolved.

General Situation in Shantung. We have all followed with concern the ebb and flow of the military tide in China as these movements have been revealed to us in the daily press dispatches. Once again Shantung has found itself near, or in, the center of the disturbance. It seems that the best we can hope for now is that one side or the other will have gained such decisive control of the province before September as to permit the University to reopen in a reasonably quiet and stable atmosphere. We will wait with interest for further news from the campus.

Very cordially yours,

B. A. Casside

BAG:SA

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Over

SHANTUNG
TRANSFER

Shantung Christian University

August 13, 1930

ans'd. 9/25/30

Dr. Randolph T. Shields,
Chee-lee University,
Tsinan, Shantung, China

My dear Dr. Shields:

In my joint letter to you and Mr. Davies I have commented in a general way on matters growing out of the annual meeting of the Board of Governors. Let me now briefly acknowledge the receipt of several letters from you, and comment on some of the most important of the topics you discuss.

Your letter of May 24th.

This letter reached me on my arrival in London. I will not comment further on it because I have already written at length on most of the topics you discuss.

Your letter of June 7th.

This letter also reached me in London. It deals chiefly with the actions of the spring meeting of the Board of Directors. I have commented on most of these matters in connection with the annual meeting of the Governors. Some of the questions raised by these minutes must be studied further by the North American Section.

Your letter of June 26th.

Most of the more formal topics discussed in this letter have already been dealt with. I am, however, very much interested in the informal comments you make on pages 5 and 6. I quite appreciate what you say as to the cumbersome nature of University administration on the field with so many different mission boards and other cooperating organizations to be dealt with, so many different viewpoints to be taken into consideration whenever any decision is reached, and so many different principles, and sometimes prejudices, which must be kept in mind in order to avoid complications. We all recognize this situation - how can we solve the difficulty? Here at the home base we have theoretically unified administrative control in the hands of the Board of Governors. Do you feel that the different mission boards here in the west are still putting their "finger in the pie" more than is for the best interests of the University? If so, what steps can we take to encourage their reformation?

8/13/30

How far do the different missions on the field press claims for special recognition and special treatment? There is very little that we at the home base could do in dealing with such problems as would arise on the field from such factors as these but it should be of some value if we could at least see clearly just what are your problems.

I feel that one of the chief causes for such lack of unity has been the constant change in administrative control of the University. With an endless succession of "Acting" administrative officers occupying the chairs of the Deans and the President, it has been absolutely impossible to build up a strong and centralized control in which the University and the cooperating organizations would have the necessary confidence. If we could only get a qualified President on the job and hold him there for a few years, I hope that most of the lack of coordination now apparent could be overcome. When things are obviously going badly it is natural for everyone interested to try his hand at improving the situation; but whenever a real leader takes over a job and handles it well, most people are willing to step back and follow his guidance. It is not even necessary that such a leader hold the office of President. If we could have persuaded you to remain in the Vice-Presidency for a few years, I am confident that you could have brought things together in that position even though the University did not have a President or had a Chinese President who might not have been well known to the mission boards and the missionary agencies. Now that Mr. Davies is coming into the Vice-Presidency, I hope that he will be able to accomplish this unification of forces. I wish you would let me know if there is anything that we here in New York office can do to help along this urgently needed improvement.

Your letters of June 30th, July 7th and July 15th.

I will deal with these three letters together because several of the topics discussed are mentioned in two or more of these communications.

Funds cabled you during June. I am sorry that you were left so long in doubt as to the exact nature of the two remittances we sent you during June for G.\$2,800 and G.\$3,000 respectively. I hope that my letter of June 17th finally cleared up your questions.

Renewal of the Rockefeller Foundation Annual Account. We will bring this matter to the attention of the North American Section at its next meeting and will press this request upon the Foundation as strongly as we can. I have an uneasy feeling, as I am sure you do, that each successive renewal of this grant will be more difficult, and that we must get out of our present condition at Cheeloo within the near future or else run the risk of losing both the annual grant and the possibility of any capital grant to replace it.

Funds from the China Child Welfare. I have not been able to obtain any new information as to the status of this appropriation to Cheeloo. Dr. Nagle, through whom I had all my dealings with this organization, has now resigned his connection with the group, so I will be forced to develop some new contact. Dr. Smith has kept in touch with the group and is still hopeful that we may get a substantial contribution from them. Thus far we have been somewhat embarrassed

8/13/30

by not receiving from the field any effective publicity material which we can give to the Child Welfare Group to assist them in presenting an appeal for support of the work at Cheeloo. I have written to Dr. Scott on this point, but I hope that even before my letter has time to reach her, we will have some effective material that we can turn over to the group.

Mr. Carson's plan. I have not seen Mr. Carson since I returned to the office but I understand that he expects to sail for China about October 1st. I am sorry that he will be arriving in Tsinan so long after the opening of the autumn work, but even so he will be making a tremendous effort to get there even then. It is necessary for him to finish up his obligations to Cornell, to complete an important research project he undertook last year, and to finish up the requirements for his Ph.D., as well as to close up his own personal affairs and make preparations for the journey to China. Mr. and Mrs. Carson have during the last few months certainly manifested their staunch Christian character and their loyalty to the work in China. When you get them on the campus I certainly hope you folks will really appreciate them. I have always thought that Cheeloo was very appreciative of its workers but, as you know, my convictions on this point have been sadly shaken more than once during recent months.

When this letter reaches Tsinan (if the military situation ever does permit its arrival) the University should be starting out on its work for the new year. I certainly hope that we will soon be hearing good reports of a satisfactory beginning of the year's labors.

With warmest personal regards, I am,

Very cordially yours,

B. A. Garside

BAG:SA

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SHANTUNG

CHEELOO UNIVERSITY
TSINAN, SHANTUNG
CHINA

齊
魯
醫
科
大
學

SCHOOL OF MEDICINE
OFFICE OF THE DEAN

September 4th, 1930.

ans'd 10/8/30

Mr. C.A. Evans,
150 Fifth Avenue,
NEW YORK.

TRANSFER

Dear Mr. Evans,

Yours of August 1st was received a few days ago. I shall pass it on to Mr. Davies who is now the Vice President.

Since I wrote last, I have corresponded with Mr. Gee, and, on his recommendation, have applied to the Rockefeller Foundation, through him, for Mex. \$20,000 and G. \$10,000 for the year 1931-32, instead of for Mex. \$40,000 as usual. I hope this will go through.

In none of the recent letters which I have received from New York or London has any mention been made of the great difficulty that we are going to have because most of our funds are paid on the 2 to 1 basis and the rate of exchange now is, and has been for some time, at least Mex. 3.50 for G. \$1. Unless something is done to relieve us this year, we shall not be able to live within our budget. As an instance, I bought not long ago some microscopic glass slides which cost in U.S. gold \$17. Outside of the postage, I had to pay Mex. \$83 for them. When you realise that we may have to pay for thousands of dollars worth of supplies at this rate, I think you will understand the difficulty. We are faced just now with the problem of a possible coal shortage this winter. There is certainly a shortage just now and, unless transportation facilities improve, I do not know just what we shall do. Ordinarily, we can buy coal in quantities ~~just now~~, but I understand that the coal dealers will only sell one ton at a time at present, and it has gone up greatly in price.

I am glad to be able to report, as a more cheerful item of news, that the Medical School opened as planned to-day, and I think there are only nine out of a possible ninety students who are not on the ground. Two weeks ago we feared we should not be able to open school because all of our railroad communications were out off and the country was full of soldiers and bandits, so that we could hardly expect students to return. Almost half of the medical students have been here during the summer as it is, because of difficulties of travel.

You have probably seen from the papers that we were re-captured by the Southerners on August 15th. There was some bombing done, a few bombs being dropped near our compound as

0969

Mr. G.A. Evans

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Sept. 4th, 1930.

as the retreating Northern soldiers passed outside the south wall of the city, close to where we live. The situation might have been serious but, as far as the University was concerned, there was no damage done and no soldiers entered our premises, though thousands of Northerners retreated by the side of the campus and many thousands of Southerners followed them up. The campus would have made a fine battlefield, but the heroin-eating, opium-smoking Shansi troops were beating it for the railroad station, and there was, apparently, no fight in them. The situation now is quiet, though there is desultory firing at the Yellow River, 6 miles north of the city. Presumably there are Northern troops on the north side of the river and both sides are shooting off guns without doing any damage. Very few casualties have come to our hospital or have been reported. It seems impossible for them to have fired as much as they did for the few days before the city was captured, and to have killed so few people!

On account of the difficulty of travel, the Arts and Science School are having two extra entrance examinations and the opening is postponed until the 8th of this month. I was told yesterday by the Registrar that there would probably be about 40 new students and 60 old students. Of this number about half will be Pre-medical. Most of our staff have returned, as the railroad is now open between here and Tsingtao, and, for the last few days, trains have been running south to Pukow. There are all sorts of rumours about what the North is going to do, but rumours and newspapers are so utterly unreliable that it is hardly worth paying any attention to what one hears.

You will show this letter, of course, to Garside. Let us know by cable as soon as you get any definite amount of money from the China Child Welfare people. Also do what you can towards getting our appropriations paid in gold, or at the rate of \$3.50 to \$4, instead of \$2, to \$1 for this year.

Yours sincerely,

R. J. Shields

RTS:MMS.

0970

Sept. 4th, 1930.

- 2 -

Mr. C.A. Evans

as the retreating Northern soldiers passed outside the north wall of the city, close to where we live. The situation might have been serious but, as far as the University was concerned, there was no damage done and no soldiers entered our premises, though thousands of Northerners retreated by the side of the campus and many thousands of Southerners followed them up. The campus would have made a fine battlefield, but the herding, opium-smoking Chinese troops were beating it for the railroad station, and there was apparently no fight in them. The situation now is quiet though there is heavy firing at the Yellow River, 6 miles north of the city. Presumably there are Northern troops on the north side of the river and both sides are shooting off guns without doing any damage. Very few casualties have come to our hospital or have been reported. It seems impossible for them to have fired as much as they did for the few days before the city was captured, and to have killed so few people!

On account of the difficulty of travel, the Arts and Science School are having two extra entrance examinations and the opening is postponed until the 8th of this month. I was told yesterday by the Registrar that there would probably be about 40 new students and 80 old students. Of this number about half will be Pre-medical. Most of our staff have returned, as the last few days there have been rumors about what the North is going to do. But rumors and newspapers are so utterly unreliable that it is hardly worth paying any attention to what one hears.

You will know this letter, of course, to Garfield. Let us know by cable as soon as you get any definite amount of money from the China Child Welfare people. Also do what you can towards getting our appropriations paid in gold, or at the rate of \$3.50 to \$4, instead of \$2, for this year.

Yours sincerely,

W. J. H. H. H.

RTS:WHS

RECEIVED
UNIVERSITIES
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CHEELOO UNIVERSITY
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SCHOOL OF MEDICINE
OFFICE OF THE DEAN

September 25th, 1930.

SHANTUNG

Mr. B.A. Garside,
150 Fifth Avenue,
NEW YORK.

TRANSFER

Dear Garside,

INDEXED

Yours of August 13th came a week ago, one to me and one to Mr. Davies and myself. I am sorry you did not get to the Annual Meeting in London.

You do not give us very much hope in regard to the financial situation. I am going to write a letter to the secretary of every board which is supporting us and send a copy of the enclosed statement or something similar. I hope to get from J.W. before long a statement as to the actual amount of money that was spent on foreign supplies last year, but I am sure that my estimate in this statement is approximately correct, as I have gone over this with Heimbürger who has his finger on the finances of the hospital, and that is where the great difficulty lies.

I wrote a letter to Mr. Evans on September 4th which you have, no doubt, seen. There is no political news to add to this. Everything has been perfectly quiet and we hear now that the southern troops have crossed the Yellow River, going north. We cannot believe what we see in the papers. It may be true that Chang Hsueh Liang is in possession of Tientsin and Peking, as the Chinese papers have reported. I saw the British Military Attache the other day, and the Japanese Consul, and they both made the statement that neither side had the money to continue this war much longer, so possibly we shall have a patched-up peace, with no new wars until spring, with, possibly, a reshuffling of the cards.

I am going to try to do something to raise money from our alumni, but I do not know whether I shall be successful. The financial condition of China is so bad just now that everybody is feeling it.

As to the University, Linn has gotten some good teachers in Chemistry, Biology, Physics and Sociology. He is, of course, making H.Y.I. funds go as far as possible, but I fear that some of these new teachers, if not carefully watched, will get us into financial difficulties.

0972

Sept. 25, 1930.

I do not remember the exact number of students, but there are well over 100 in the Arts and Science, about 50 pre-medicals. In the School of Medicine we have 89 regular and 4 special students. Every possible student is on the ground. I think this shows how keen these students are to return to their old school, in spite of transportation and financial difficulties. If it were not for our financial condition, I would feel that the Medical School is in better shape than it has every been before, but, in addition to our difficulties caused by exchange, I know that, by the end of the fiscal year, we are going to be faced with the salary difficulty more acutely than ever. We cannot keep our young teachers on their present salaries. It is only their loyalty to the institution that keeps many of them here now. When they realise that new teachers, without any better preparation and without as much experience as they have, are being paid \$300 a month in the School of Arts and Science, whereas only one man in the Medical School is getting this much, we can, of course, expect a reaction.

We are going ahead with plans for registration and I hope that something will be accomplished soon. I feel that we must register or quit, in spite of the fact that I am not enthusiastic about registration. If the local authorities still insist that they will not register the School of Arts and Science, but will register the Medical School, then we are going to have a show-down, and we shall go ahead and register the School of Medicine. I had a letter from Mr. Roger Greene a few days ago in which he intimates that, probably, the Rockefeller Foundation will not be willing to continue a grant to an institution that is not recognised by the government. You can see what that would mean for the School of Medicine.

I have written to my own Board Secretary, Dr. Egbert Smith, and sent him a copy of the statement I am sending you, but just yesterday I heard from our Treasurer in Nashville, Mr. Willis, that he is preparing to arrange the budget for 1931-32 on a 40% cut, I think on all appropriations except salaries. If the other mission boards are in this bad shape, then I suppose we can hope, not only for no help from them, but for lessened appropriations. This will, of course, mean cutting down the efficiency of our work, and I feel that this Medical School is doing a work for the church and for China that is second to no other institution in this country. It will be a pity to lessen the usefulness of such an institution.

We have no definite news in regard to coal, but there is some hope that we may be able to get it. I think there is no question but that we shall have to pay much more than usual, however.

0973

Mr. B. A. Garside

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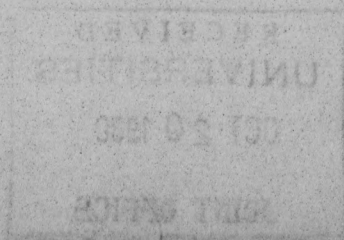
Sept. 25, 1930.

No doubt Mr. Davies is writing to you. I wish I could have a good long talk with you instead of having to write more or less official letters. P. Lair blew in for a day last week and then went back to Tsingtao to take John up to Tungchow to school. We expect him and Mrs. Lair the middle of next week. We shall all be glad to see him, especially J.W.

Yours sincerely,

R. T. Shields

RTS:MMS.



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Sept. 22, 1930

Mr. H. A. Garfield

No doubt Mr. Garfield is writing to you. I wish I could
have a good long talk with you instead of having to write
more or less official letters. I have been for a day
last week and then went back to college to take them up to
Lynchburg to report. I expect to see you again the middle
of next week. We shall all be glad to see him, especially
you.

Yours sincerely,

R. T. Williams

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INDEXED

A STATEMENT REGARDING THE FINANCIAL CONDITION
OF THE SCHOOL OF MEDICINE.

The budget for the year 1930-31 gives the receipts and expenditures for the School of Medicine as Mex. \$82,000. \$22,000 of this is transferred to the hospital. The total budget for the expenses of hospital and Medical School amounts to \$139,000.

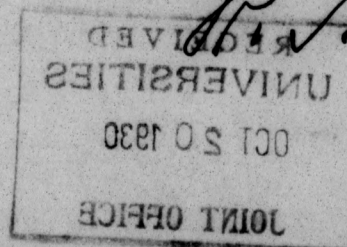
We can take it as a low estimate that one half of the departmental expenditure for the School of Medicine is expended on supplies which must be bought from foreign countries. It makes no matter whether this money is paid in Shanghai in Mexican, or in New York in Gold as the sums granted to the School are in Mexican and not Gold. We can take this amount of departmental expenditure at approximately Mex. \$5000. Taking from the hospital expenditure of \$79,000 such items as medical and surgical supplies, dental, X-Ray and laboratory supplies, and drugs, we have approximately Mex. \$28,000 to be expended on foreign supplies. This makes a total of approximately Mex. \$33,000 for the School of Medicine and Hospital. Out of a total expenditure of \$139,000, exclusive of foreign salaries, this is not a large percentage of the budget, but the difficulty we are facing is the fact that the purchasing power of Mex. \$33,000 in foreign countries, that is, outside of China, which was approximately G. \$16,000, or 23,200, a year ago, is now scarcely worth G. \$2000, or 21650. The rate of exchange has been between \$3.50 and \$4 silver for G. \$1 (\$18 to the £) for many months, and bids fair to remain there. Customs duties are now 17%, instead of 5%, and special taxes of 5% are levied in the interior. In other words, if we are to purchase the necessary supplies which can only be bought abroad, we shall need at least Mex. \$50,000 to \$60,000, instead of \$33,000 promised on this year's budget. When we made out the budget, this fact was realized, and the Board of Directors passed Minute 947, asking the home boards to increase their grants in Mexican dollars in accordance with the current rate. We could not add \$20,000 or \$30,000 to our expenditures on the budget, but we are forced to limit expenditures to the guaranteed receipts alone. We closed the last fiscal year with a deficit of approximately \$6000, due to exchange, and there was also an estimated deficit of \$4000 on the hospital for this year, even if the exchange rate were not so unfavourable. Therefore we started the year with a deficit of practically \$10,000, to which must be added at least \$25,000 due to the rate of

exchange. Local conditions in Tainan, due to the war situation, will make it almost impossible to collect any substantial subscriptions. We can appeal to our alumni and we may get something in this way. We can also raise the price of drugs, to meet the deficit in the Pharmacy Department, and we can raise the patients' fees, but, if so, we shall not be able to care for many worthy poor patients, and there is a danger that we shall cut down the number of patients, which would defeat our object and not help the income of the hospital.

We realise the difficulties that the home boards are facing in trying to raise their budgets, and we are not asking for any increase in grants, only that the grants made to the home boards in gold dollars and pounds sterling shall be sent to us at, at least, the increased rate, say \$3 Mex. to \$1 Gold, or \$15 to \$1, rather than at the old rate of \$2 to \$1, or \$10 to the £. (Only one mission board has always paid its grant to the School of Medicine in sterling.) If this were done, it would be possible to approach the Rockefeller Foundation and ask them to do the same thing. With careful economy and the raising of fees, we could then probably meet our difficulties. With the approval of the Rockefeller authorities in China, we have already asked the Rockefeller Foundation to make a grant for 1931-32 on the basis of one half in silver and one half in gold, but I doubt if they would grant this for next year, or consider it for this year, unless our missionary societies would first take this step.

Where a Society appropriates only Mex. \$1000, at the present rate, it costs them only about G. \$200, or £55, whereas, formerly, it cost them G. \$500 (£100) or even more. We have no hope that the rate of exchange will change in the near future, and, as a matter of fact, one quarter of the fiscal year has already gone and there has been no change. Of course, the price of everything is going up but, as this is a gradual increase, we have been expecting it.

I have been writing for months to the Board of Governors about the financial difficulty due to exchange, but nothing has been done to relieve the situation. If we do not get relief within the next two or three months, we shall be forced to make a drastic curtailment of our work, possibly closing up part of it or dismissing some of our teaching force.



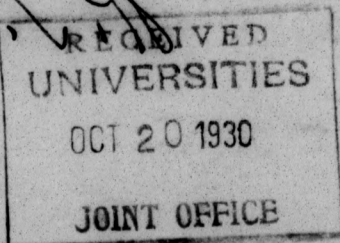
exchange. Local conditions in Taiwan, due to the war situation, will make it almost impossible to collect any substantial subscriptions. We can appeal to our alumni and we may get something in this way. We can also raise the price of drugs, to meet the deficit in the pharmacy Department, and we can raise the patients' fees, but, if so, we shall not be able to care for many worthy poor patients, and there is a danger that we shall cut down the number of patients, which would defeat our object and not help the income of the hospital.

We realize the difficulties that the home boards are facing in trying to raise their budgets, and we are not asking for any increase in grants, only that the grants made to the home boards in gold dollars and pounds sterling shall be sent to us at, at least, the increased rate, say \$3 Mex. to 1 Gold, or £15 to £1, rather than at the old rate of \$2 to \$1, or £10 to £1. (Only one mission board has always paid its grant to the School of Medicine in sterling.) If this were done, it would be possible to approach the Rockefeller Foundation and ask them to do the same thing. With careful economy and the raising of fees, we could then probably meet our difficulties. With the approval of the Rockefeller authorities in China, we have already asked the Rockefeller Foundation to make a grant for 1931-32 on the basis of one half in silver and one half in gold, but I doubt if they would grant this for next year, or consider it for this year, unless our missionary societies would first take this step.

Where a Society appropriates only Mex. \$1000, at the present rate, it costs them only about \$280, or £28, whereas, formerly, it cost them \$2500 (£250) or even more. We have no hope that the rate of exchange will change in the near future, and as a matter of fact, one quarter of the fiscal year has already gone and there has been no change. Of course, the price of everything is going up but, as this is a gradual increase, we have been expecting it.

I have been writing for months to the Board of Governors about the financial difficulty due to exchange, but nothing has been done to relieve the situation. If we do not get relief within the next two or three months, we shall be forced to make a drastic curtailment of our work, possibly closing up part of it or disbanding some of our teaching forces.

W. H. H. H.



Over
SHANTUNG

INDEXED

TRANSFER

Shantung Christian University

October 8, 1930

Mr. L. J. Davies,
Dr. R. T. Shields,
Chealoo University,
Tainan, China.

ack. 11/13/30

My dear Mr. Davies and Dr. Shields:

I am addressing this letter to you jointly because it is partly in reply to Dr. Shields' letter of September 4 and is partly devoted to a discussion of various administrative matters.

Since I returned to the office on August 1 I have made a number of efforts to get in my own mind a clear picture of the financial status of the Chealoo budget for the year 1930-31. The annual meeting in London by action G-186 directed Dr. Weir and myself "to consult with the various cooperating boards and agencies as to the amounts of their appropriations to Chealoo and to advise the field of any corrections, which shall then be so incorporated into the budget by the field as to maintain the balance between income and expenditure". I have discovered that this is an extremely difficult undertaking because the figures we have received from Chealoo do not give us an adequate basis on which to proceed in approaching the various boards.

We always like to be able to go to representatives of the Mission Board and tell them in effect that the budget of the University anticipates the receipt from them of so many members of staff, so much cash in lieu of vacancies, and so much cash for the general budget or for specific items. But in dealing with Chealoo finances I find that it is necessary for us to go to the Boards confessing our ignorance of just what they are expecting to contribute, and to ask them for information as to what they plan to give. In past years the budget estimates as prepared on the field have given fairly complete information; but the 1930-31 budget is much briefer than usual, and almost wholly lacking in detail. The minutes of the Board of Managers and the covering letters we have received from the field do not help us greatly.

Moreover, many of the letters we have received during recent months have remarked in a general way on difficulties the University has met because of unsatisfactory in which the various Boards pay their appropriations. Such letters have not, however, given us definite facts as to what Boards are the chief sinners, or just where improvements should be sought. In Dr. Shields' letter of September 4, for example, he writes as follows:

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Mr. [illegible], [illegible]

12-8-30

"In some of the recent letters which I have received from New York or London has any mention been made

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"In some of the recent letters which I have received from New York or London has any mention been made of the great difficulty that we are going to have because most of our funds are paid on the two to one basis and the rate of exchange now is, and has been for some time, at least \$3.50 for Gold \$1." Unless something is done to relieve us this year, we shall not be able to live within our budget."

Dr. Shields does not give us anything definite as to the "something" which needs to be done; nor do the previous letters which he has written on the subject give us any very clear course of procedure.

I am attaching hereto a summary of the contributions to Chealoo which the Presbyterian Board is making for their fiscal year beginning April 1, 1930. It would help us tremendously if at the time the budget is sent us each year the field would provide us with statements similar to this, showing how much they hope to receive from each Mission Board cooperating in the University. Since the Presbyterian Board is one of our largest contributors this particular statement is somewhat longer and more difficult to prepare than the average. If I were armed with a statement similar to this which had come to me from the field I could go to the Presbyterian Board and compare the University's figures with their own estimates and see where any differences occur, either as to items, or as to amounts, or methods of payment. It is largely because of our close touch with the Presbyterian Board that I have been able to consult with their personnel in preparing the attached statement. For Boards outside New York City or with which I have a less intimate acquaintance it is often difficult to get the requisite facts.

Moreover, it frequently happens that representatives of the various Boards write to our office and ask for specific information as to the amounts the University is relying upon them to contribute. I have before me on my desk as I write a letter from Mrs. Inkster of the Women's Missionary Society of the United Church of Canada asking whether the University is counting upon them to provide \$2,000 toward its budget for 1930-31. She states she has not received any word from the University in regard to the matter. About all I can reply is that the University is anxious to get all the funds it can from any source, and that we would all welcome a contribution of \$2,000 from her Society. But such a statement does not carry anything like the amount of conviction as would a reference to a specific item in the budget estimates as drafted by the field.

I realize that for the administrative officers in Taiwan to prepare the summaries showing what they expect to receive from the various contributing boards will involve a substantial amount of work. I believe, however, that you must have all these facts before you when the budget is drawn up; otherwise you would not be able to make any progress in planning work for the coming year. Many of these details which you have at your fingers' tips while the budget is being prepared do not appear in the final draft, and we here in New York have no way of supplying them.

I believe that the reason Chealoo has never supplied our New York office with this information in the past is that there has been a far greater amount of direct correspondence between the University and the cooperating boards, than has been the case in some of our other Universities, with a corresponding decrease in the work and responsibility of our Central Office here in New York. In working with the budgets of

all the other Universities our office each year has substantially the information I have outlined above, and is, therefore, able to discuss intelligently with the various cooperating Boards the contribution that is expected from them. We are also in a position to go to the Boards and plead for an increase in appropriation or for an improvement in their method of handling funds. For Chealoo, I am afraid that the attitude of our New York office from the beginning has been to let things slide, and to let the University deal direct with the various cooperating Boards. Our office is always under the strong temptation of continuing this easy-going policy, for Mr. Evans and I are always swamped with work for the other Universities and have no particular desire to add other responsibilities; but for the sake of Chealoo we certainly must work out a clearer policy. There are many things that our New York office could do for the University if we had fuller information and a more clearly defined procedure.

Take, for example, the payment of appropriations by the various Mission Boards both for staff vacancies and for general budget appropriations. In practically all the other Universities we have succeeded in persuading the Mission Boards to pay all their appropriations both for staff vacancies and for general budget needs here in New York in gold. Our office then transmits the funds to the field as the Field Treasurer may request. Thus the routing of such funds is from the Mission Board to the Central Office to the University; rather than from the Mission Board to the Associated Mission Treasurers to the University. The advantage to the University of using our Central Office is that they obtain their contributions in gold and thus profit by the favorable rate of exchange. Also if any questions arise concerning appropriations, it is far easier for the Central Office, acting as agent for the University, to present an intelligent statement to the Board concerned.

Do not think that any of us here in the Central Office are looking for more work. We have more of it now than we can handle as effectively as we would like. If you feel that the present procedure of the University is the more satisfactory one it will be a relief to us to know that we need not feel any great amount of responsibility. If, on the other hand, our office can be of any greater assistance we want you to call upon us whenever we are needed.

I am not sure whether at this late date there is much value in your supplying us with such information as I have outlined above applicable to the 1930-31 budget. But when the 1931-32 budget is prepared I certainly hope you will send us these facts. If you wish us to do so we can go to the various Mission Boards in a preliminary way some months in advance of the preparation of the budget, and can either report to them tentatively what the University is counting on them to give in men and money, and can ask for their tentative verification of these items. Or else we can go to them and ask them to state what they are planning to give to Chealoo during the approaching fiscal year. I believe that the first method of presentation is the more desirable one. Then when the budget estimates are complete and are transmitted to the Governors they should be accompanied (in a separate letter rather than in part of the budget itself) by full information along the lines we have indicated above.

With the statement of contributions from the Presbyterian Board I am attaching some comments and inquiries. I believe that at certain

10-8-30

points we may be able to effect some improvement, but it will be very difficult to accomplish anything until we have all the facts in hand.

I am corresponding with the various other North American Boards cooperating in Chefoo asking them to supply us with information paralleling that secured from the Presbyterian Board. As soon as we have any further facts we will transmit them to you for your information and verification. In one or two cases I am uncertain whether or not we should direct any inquiry to a Mission Board that has heretofore contributed to the University but is perhaps no longer doing so.

We should have a meeting of the North American Section sometime during the autumn. I hope that by that time we can take action urging the Mission Boards to strengthen their support of the institution. It would be difficult for us to accomplish anything concrete unless we have concrete facts on which to go. I feel after practically every Chefoo meeting I attend that the Board and its Sections and Committees generally fail to come to grips with the problems at Chefoo partly due to lack of exact information, and partly to failure to realize the Boards' responsibilities to the institution.

We are glad to have the encouraging news Dr. Shields gives as to the opening of the year's work. I hope that in another week or two we may have more final facts and figures as to the opening of the school year. The news appearing in the dispatches from China during the last month has indicated that for the present Shantung is not nearly so much in the storm center as it has been. I hope that the coming academic year may be relatively free from political and military disturbances; and that the University will be free from radical influences within and without which so greatly disturbed you last year.

With warmest good wishes, I am

Very cordially yours,

BAG-H

Enc.

B. A. Garside

APPROPRIATIONS OF NORTHERN PRESBYTERIAN BOARD

TO CHICAGO UNIVERSITY

For Fiscal Year Beginning April 1, 1930

<u>A. STAFF</u>						
<u>Name</u>	<u>Dept.</u>	<u>Dept.</u>	<u>Salary</u>	<u>Children's Allowance</u>	<u>Travel</u>	<u>Total</u>
L. J. Davies		G	G\$1,350	G\$	G\$	G\$1,350
H. P. Lair		G	1,750	500	1,890	4,140
J. J. Heeren		AS	1,800			1,800
A. P. Jacot		AS	1,680			1,680
A. L. Carson (9 months)		AS	1,350	400	1,620	3,350
Stanton Lautenschlager		AS	1,680	200		1,880
L. P. Heinburger		M	1,800	1,100		2,900
Annie V. Scott		M	900			900
Susan S. Waddell		M	900			900
Arapella Gault		M	900			900
Thornton Stearns		M	1,680	600		2,280
Margaret C. Smith (7 months)		H	525			525
			\$16,295	\$2,800	\$5,510	\$22,605

NOTES:-

(1) Departments of work are designated as follows:- General University, G; School of Arts and Science, AS; School of Medicine, M; Hospital H; School of Theology T.

(a) All the above appropriations are paid direct to the staff members, and are received in Gold, or in Mex. at the prevailing rate of exchange, with guaranteed minimum of 2 to 1

B. CASH IN LIEU OF VACANCIES

	<u>Total</u>
Three vacancies for only first quarter April 1 to June 30, 1930 @ G\$375	G\$1,125
Two vacancies for entire year April 1, 1930 to March 31, 1931 @ G\$1,500	3,000
	<u>G\$4,125</u>

NOTES:

(1) Payments for three of the five vacancies existing on April 1, 1930, was discontinued by the Presbyterian Board as of June 30, 1930, in accordance with decision of Board that henceforth payment would be made for only two vacancies. However, the appointment of Miss Smith and Mr. Carson covered two of three vacancies, though probably after a lapse of two months. Mr. Davies also came on quota as Dr. Smith left it, leaving number of vacancies unchanged. Thus the change in Presbyterian policy caused loss of cash for nine months on one vacancy, and two months each on two other vacancies, a total of 13 months or G\$1,625 to March 31, 1931, or G\$2,000 to June 30, 1931.

(2) I am informed by the Presbyterian Board that inasmuch as these appropriations for cash in lieu of vacancies are in Class I, along with salaries, they are considered as appropriations in gold, or if paid in Mex. should be paid at the prevailing rate of exchange, with a guaranteed minimum of 2 to 1.

I would like your verification of the fact that the University is receiving these appropriations on this basis. If they are being received at the flat rate of 2 to 1, in spite of present favorable rate, we should be able to secure the more favorable rate.

C. CASH APPROPRIATION TO UNIVERSITY BUDGET

Total appropriation

Mex.\$24,700

NOTES:

(1) I understand this is an appropriation in straight Mex. currency with no rate of exchange involved. Apparently the only hope for more funds from this source would lie in an increase in the appropriation, or else having it converted into a gold appropriation of \$12,350. The Presbyterian Board now makes its general budget appropriations to Yenching and Hankow on a gold basis. What would you advise?

(2) I have not been able to obtain any figures showing the allocation of this Mex.\$24,700 among the various departments, though I discovered a provision that Mex.\$5,000 for the Women's Department of the University is included. Can you give me the distribution of the remaining Mex.\$19,700?

D. INCOME ON ENDOWMENTS HELD BY PRESBYTERIAN BOARD

The Presbyterian appropriations are as follows:-

	<u>Estimated Income</u>		
		<u>Rate of</u>	
	<u>Gold \$</u>	<u>Exchange</u>	<u>Max.\$</u>
General Endowment	1,832.59	.42	4,363.21
Elizabeth Armstrong Oliver Fund	150.00	.42	557.14
Van Cleave Memorial Fund	62.50	.42	148.61
Clara Kelcey Memorial Fund	17.50	.42	41.67
"In Memory of Three Christian Mothers" Fund	62.78	.42	149.49
Lacy Hart Scholarship Fund	50.00	.42	119.05
	<u>2,175.37</u>		<u>5,179.57</u>

NOTES:

(1) I was not able to ascertain definitely whether the Presbyterian Board is paying over this income in gold, or its equivalent in Mex. at prevailing rates; or is paying over Mex.\$5,179.57, the amount the income would yield at the arbitrary rate of .42. Since these funds belong to the University and are merely held in trust by the Presbyterian Board, the University is entitled to the benefit of all income, and all gain in exchange. Apparently the average rate of exchange this year will be around .50, rather than .42 as estimated by the Presbyterian Board. At .50, the equivalent of \$2,175.37 is Mex.\$7,251.25, somewhat more than Mex.\$2,000 in excess of the figure estimated by the Board. If the full equivalent for the income of these funds is not being received by the University, we will take the matter up with the Presbyterian Board. We might discover that in the past the Presbyterian Board guaranteed the income on these endowment funds at a minimum of 2 to 1, and made up from other sources the losses incurred when Mex. was higher than this rate, and so feels that it is now entitled to a part of the gain. But the matter should be cleared up as soon as I have the facts in hand. Please send us information and comments.

E. SPECIAL FUND

To be held for Expenses in New York

\$100

NOTE:

This appropriation was first made a number of years ago when Dr. Scott as Secretary and Mrs. Shaw as Treasurer, had to incur miscellaneous expenses for postage, stationery, telegrams, cables, and the like. We will apply this amount toward the \$1,200 appropriated for our Central Office budget.

10-8-30

0986

SHANTUNG

TRANSFER

Shantung Christian University

October 10, 1950

ack 11/3/50

Dr. R.T.Shields,
Cheeloo University,
Tsinan, China.

My dear Dr.Shields:

I have this morning had a visit from Dr.F.W.Goddard who is in medical work under the Northern Baptist Board at Shaoching, Chekiang. I understand that you are well acquainted with him and his family.

Dr.Goddard's daughter Margaret is now in her senior year at Mt.Holyoke, and has been taking the pre-medical course there with a view to studying medicine after she graduates. However, because of considerations of time and expense involved in a full medical course, she is now considering taking a specialized course in bacteriology and parasitology, leading up to the degree of Doctor of Philosophy.

Dr.Goddard hopes that his daughter may return to China for medical work, and I believe that she also is anxious to do this. The question now confronting both of them is whether there is any probability of her rendering worth while service somewhere in our Christian medical work in China in a specialized field such as she is contemplating. Do you think that if Miss Goddard were to finish the course she is now contemplating and demonstrated her fitness both in personal and in professional qualifications, she could be used effectively in the School of Medicine at Cheeloo? While the Northern Baptist Board is not one of the participating organizations at Cheeloo, Dr.Goddard thinks that possibly his daughter might affiliate herself with some of the boards cooperating there such as the Northern Presbyterian Board or the Methodist Woman's Board, or possibly the American Board.

It will be several years at best before Miss Goddard would be ready for service in China, so about the only thing we can do now is to indicate in a general way whether the course of preparation she is contemplating will fit her for effective medical work in China. Dr.Goddard would greatly appreciate your judgment on this point. I will be glad to pass on to him any comments you may make; or if you wish you may write to him direct at the headquarters of the American Baptist Foreign Mission Society, 152 Madison Avenue.

BAC-H

Very cordially yours,

B. A. Caside

0987

SHANTUNG

SHANTUNG CHRISTIAN UNIVERSITY
Tsinan, Shantung, China.

TRANSFER

October 22nd, 1930.

My dear Friends,

My last letter was written on July 11th, so I am doing a little better in my correspondence. I was gratified at the way some of you have answered my last letter. Recent mails from the U. S. have brought about a dozen letters, and some of you who have not written to me have written to Nashville asking that you be kept on my mailing list. I have been looking over the list carefully. I make additions and subtractions nearly every time I send a letter. This one should go to 205 people, scattered over 33 states and Washington, D. C., as well as in Canada and England. There are 79 relatives and boyhood friends, including 19 old boys with whom I was at college. How many of you can keep up with old friends in this way? The letter goes to 12 people whom I have not yet seen, most of them young ladies in Florida, who became interested in our work in a mission study class, and have requested that a letter be sent to them. The others to whom I write are personal friends whom I have met in China or while on furlough at home. I am not a statistician so cannot give detailed figures, but there are people of various church affiliations, or of no affiliations at all, and of different political parties, a dozen preachers and 38 doctors, and a number of professors in different institutions. My relatives are my worst correspondents! On the whole, I get a lot of kick out of these letters and I believe they are worth while. If I can say anything that will give you a more intelligent and sympathetic view-point on missions in general and China in particular, I shall be fully repaid for the trouble and time it entails on me. I am grateful to the Foreign Missions Committee for giving me a chance to correspond with so many of you.

When I last wrote, we were in the hands of the Northern party, the Yen-Feng combination. This situation continued until August 15th when Tsinan was recaptured by the Southern troops. A few days before this, some of us went up to a hill seven miles from here where there are some cottages near a temple, to get a vacation, but when the Southern troops and planes got too close, we came home. There was some air-plane bombing and machine gun firing at certain points in the city on the 14th. On the 15th, the Northern troops retreated and made for the railroad station where they piled on trains and were carried across the Yellow River, six miles north of us. On this day the bombing was uncomfortably near our campus as the troops were retreating just outside our wall, but there were no casualties here, and the University did not suffer at all. No soldiers entered the campus, though thousands of the defeated and of the victorious troops passed by. I went back to the hill and had my vacation, alone with a coolie for nine days, except for a visit from my wife.

All has been quiet in Tsinan since that date. You have no doubt seen in your papers of the great change that has taken place in the military situation since then. Chang Hsueh Liang of Manchuria, who has been neutral, sent his troops to Tientsin and Peking and demanded that fighting should cease. Yen has retreated and Feng has been driven back in Honan and is also reported as having quit fighting. General Chiang Kai Shek in Nanking has surprised most of us in the way he has won out, and just at present it looks as if the Southern government really has some power. Of course, it is a question as to what will be the real relation between Chiang of Nanking and Chang of Manchuria. Today's paper states that Chiang is not recruiting any further troops, and also that Chang is recruiting eleven divisions in Manchuria! On the whole, however, I feel that the political situation looks much more hopeful. There has been a lot of fighting. It is claimed that from

OCT 22 1930

-2-

200,000 to 300,000 have been killed or wounded, besides thousands who have suffered from famine or bandits, as an indirect result of the war. There are still many serious problems ahead: general disorganization, bandits, communists, famine and lack of funds, and it remains to be seen whether Chiang is strong enough to organize and govern the country. The comparison is often made between China's present situation and that of the United States in the years following the Revolution, but the great difference lies in the fact that, though the American leaders differed in opinion, sometimes violently, yet they were most of them men of integrity and real patriotism, and America had Washington. If China has such men, they have not yet had a chance to show their power.

During the acute fighting all of our railroad communications were cut off for a time, but they were partly open by the time for the opening of the University, and we began school on time. There are about 125 students in the Arts and Science School, 48 being Pre-medical. In the School of Medicine, we have all possible students back, a total of 92, in spite of the conditions of finance and travel which have faced many of them. We are getting our papers made out to try again for registration. If we fail to register the University as a whole this time, we expect to go ahead and register the School of Medicine as a separate school. When this is done, we shall be in a much stronger position and our graduates will receive government recognition.

We have recently had a visit from Dr. Faber, representing the League of Nations Commission on Medical Education, who is visiting medical schools at the request of the Chinese Ministry of Education. I hope his visit will be of benefit to us. We were also very glad to have Mr. and Mrs. E. D. Grant who are making a tour of the Southern Presbyterian Mission stations in the Far East. Mr. Grant is Educational Secretary of the Foreign Missions Committee.

I was asked by one of you why I resigned as Vice-President. Briefly, it was because I feel my job is in the School of Medicine. Being Acting-President of the University (that is what the Vice Presidency meant to me) is not in my line and I insisted on resigning. I was not kicked out.

I hope I shall hear from more of you soon.

Yours sincerely,

R. T. Shields.

Received at Nashville, Tennessee, November 18, 1930.

Address: Dr. R. T. Shields, Shantung Christian University, Tsinan, Shantung, China.

Postage: Letters five cents, postcards three cents.

0989

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I hope I shall hear from more of you soon.

Yours sincerely,

R. T. Shelden

Received at Nashville, Tennessee, November 18, 1930.
Address: Dr. R. T. Shelden, Shantung Christian University, Tientsin, Shantung, China.
Postage: Letters five cents, postcards three cents.



SHANTUNG

TRANSFER

Shantung Christian University

October 31, 1930

Dr. Randolph T. Shields,
Cheeloo University,
Tsinan, China.

My dear Dr. Shields:

Let me acknowledge receipt of your letter of September 25.

It is good to know that the University opened up in a fairly satisfactory manner, although I note that a somewhat pessimistic atmosphere still pervades the correspondence from the office of the Dean of the School of Medicine. I hope that your other pessimistic predictions may go the same way as the one that "the Rockefeller Foundation will not be willing to continue a grant to the institution that is not recognized by the government" and also your statement with regard to the proposal that you doubt whether the Rockefeller Foundation will be willing to make a grant for 1931-32 on the basis of one-half in silver and one-half in gold.

About a fortnight ago I wrote you and Mr. Davies a long letter on the subject of finances, so there is little more that I can add at this time. We will have a meeting of the North American Section sometime during November, and I hope that at that time the Section will give a serious study to the question of University finance. However, the financial situation of all our Mission Boards is such that I fear we can hope for little more than the maintenance of appropriations already being made from year to year, with possibly the granting of a bonus here and there to compensate for what the University is losing and the Mission Boards are gaining on the present rates of exchange. It has been a great many years since financial conditions here in the United States have been so unsatisfactory, and since the whole psychological attitude of the Mission Boards has been at such a low ebb. Even during 1927 when disturbances in China so upset the morale of the Mission Boards and missionary contributors we had at least the assistance of a satisfactory financial condition throughout the country.

I still feel that the only real hope of an adequate solution of Cheeloo's financial problems will lie in our making a strong appeal for new support whenever the financial situation here in the West and the conditions in China and at the University render such an appeal possible. Whether such an appeal for the University is to be made as a part of the correlated program or independently is a question we must decide later. The plan which has been developed here in America during the last six months for a new Rockefeller Commission to investigate and pass judgment

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upon the missionary work in China, Japan and India has delayed for the time being any substantial progress in the direction of securing support from the correlated program. For the present this delay is not serious, since any large appeal just now would be extremely difficult anyway. Awaiting the report of this commission may, however, hold us up a year hence when such an appeal would normally be launched. The Commission does, however, offer us an opportunity to secure a strong commendation where the missionary enterprise

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upon the missionary work in China, Japan and India has delayed for the time being any substantial progress in the direction of securing support from the correlated program. For the present this delay is not serious, since any large appeal just now would be extremely difficult anyway. Awaiting the report of this commission may, however, hold us up a year hence when such an appeal would normally be launched. The Commission does, however, offer us an opportunity to secure a strong commendation of the work the missionary enterprise is doing. The personnel of the Commission is such that we can hope they will be extremely friendly, as well as intelligently analytical. I know that all of you at Cheeloo will be on the lookout to see that the Commission gets the best possible impression of the work at the University, and gains a true appreciation of the program the University should carry on in the future.

Just before Cressy sailed for China as a member of this Rockefeller Commission I talked over with him at some length the possibility of our presenting an emergency appeal to Mr. Rockefeller and possibly to other outstanding friends of China for the increased support necessary to keep our colleges going ahead during the year or two which must intervene before we can hope to secure any income from a united appeal under the correlated program. Cressy promised that he would consult with the other members of the Commission, particularly Dr. Galen Fisher while they were en route to China, and that he would try to send us a list of such emergency needs as soon as possible after he arrives in Shanghai. This whole proposal is in a rather nebulous state as yet, and nothing may come out of it; but I am at least hoping that we may have here a possibility of securing the funds which are most urgently needed at various points during the next year or two. The matter is still in a confidential stage, so it should not be broadcast. It might be well, however, for you to discuss the matter with Mr. Davies and possibly some of the other administrative officers of the University because Mr. Cressy or others might make some inquiry as to what Cheeloo considers the most urgent needs which should be met in the immediate future.

With best wishes, I am

Very cordially yours,

B. A. Caside

BAG-H

C O P Y

SHANTUNG

CHEELOO UNIVERSITY

November 13, 1930

#1

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

TRANSFER

Dear Garside,

In regard to your letter of October 10th re Dr. Goddard's daughter Margaret, it is manifestly impossible for us to make any prognostications in regard to whether we could take Miss Goddard after five six years. We are living from year to year. I feel just as uncertain about her as I do about my own son who would like to come back to China and teach in Cheeloo. Of course, if this school keeps up and progresses as we hope it will, we can certainly use a person who is willing to live on a missionary salary, in Bacteriology and Parasitology.

You can pass this letter on to Frank Goddard. Tell him to write to me and let me know when he is coming back. Dr. George Worth's daughter has taken a course in Technology in Bacteriology and Parasitology, and is now working at the University of Virginia, expecting to come to China in eighteen months.

Yours sincerely,

(Signed) R.T. Shields

RTS:MMS

0994

SHANTUNG

CHEELOO UNIVERSITY
TSINAN, SHANTUNG
CHINA

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SCHOOL OF MEDICINE
OFFICE OF THE DEAN

Nov 12/15/30
November 13th, 1930.

#2

TRANSFER

Mr. B.A. Garside,
150 Fifth Avenue,
NEW YORK.

Dear Garside,

First, in regard to your dentist, Mr. Carrick. As he says in his letter to Mr. Hadley: "I am very sorry that you have been misinformed as to my desire to enter the mission field", I think there is no use carrying on any further correspondence with him. We do want a dentist, in addition to our Dr. Yoh, if we could get him, or her, supported by one of the missionary societies, but such a person would come on the distinct understanding that we were going to start a school in dentistry, and I do not think that we are prepared to take definite action in regard to that this winter.

(sk)

Your letter of October 18th to me and Mr. Davies has been carefully considered. As most of what you say in regard to the American Presbyterian Mission concerns the General University and the Arts School, I have turned this over to Lair who is writing you in regard to it.

I think some of your criticisms in regard to our last year's budget are perfectly correct, but I cannot see why you do not understand what I meant in my letter of September 4th. It is perfectly obvious that the "something" I wanted done was for our grants to be paid in gold, or partly in gold, at the present rate of \$3.50 rather than at the old rate of \$2 to \$1.

In regard to the Women's Missionary Society of the United Church of Canada, I have not written specifically asking for a grant, and I do not know now just what to do about it. We have never been informed, as far as I remember, whether this missionary society were coming into the University as a whole, in which case they would contribute to the General University, to the School of Arts and Science, and to the School of Medicine, or whether they were joining the other women's missionary societies and making contributions solely to the School of Medicine (see N.A.S. minutes April 25th, 1930 and B.S. minutes April 11th, 1930). I suppose I was remiss in my duty at the time in not writing at once about this, but I thought that the matter was being arranged at home. I will take this matter up with Mr. Davies and see that Mrs. Inksater is written to.

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Mr. B.A. Garside

- 2 -

Nov. 13th, 1930.

Mrs. Avann was here last week for 24 hours. We enjoyed her visit very much, though it was too short. She was very positive in her statement that the W.F.M.S. was financially interested only in the School of Medicine. Is the Canadian Women's Society interested in the Theological School, as well as in the University? If so, their \$2000 will be pretty well scattered.

I did not realise before that we were expected to write to you asking you to request each contributing mission to continue the money that they have been giving annually for the last ten years or so. The only changes that I remember that have been made in regard to grants have been by the A.P.M., on account of the reallocation of funds from the School of Medicine to the School of Science, and the giving up by the Medical School of a substitute salary when Mr. Wolfe was taken on by the General University. This has made such a change in the contributions from the A.P.M. to the School of Medicine that, for this year, we are **budgeted** for only \$2000, whereas the Arts and Science School gets over \$19,000. There has been a change occasionally in the grant of the B.M.S., on account of a cut. The Wesleyan Missionary Society has paid its grant in gold and this is the only mission that has done so. The other missions have been paying their small grants in Mexican year by year, without any special correspondence in regard to the matter. I suppose that the reason we have corresponded more than other institutions direct with the co-operating boards is because we were doing this before the Central Office was established in New York. I shall be very glad to write you in detail what we hope to get, or want to get, from every contributing mission. You will certainly remember that I have written again and again to you, as Secretary of the Central Office, asking that our Board of Governors do something to get the Methodists, the Brethren and the American Board missions to co-operate in this institution. It is not your fault that nothing has been done, but, still, this does not make us have great confidence in the power of the Central Office in New York.

There is one statement in your letter which gives us some hope, while at the same time it makes us feel that we have been treated very unfairly. You say that practically all the other universities are paying their appropriations for staff vacancies and general budget needs in New York in gold, and that these are transmitted to the field at the current rate. This is all that we could ask. In fact, as you know, we are asking the Rockefeller Foundation to give us their annual grant next year on a 50/50 basis, half at the old rate of \$2 to \$1 and half at the current rate. I see no reason why the Presbyterian Board should make its appropriations to Yenching and Nanking on a gold basis, presumably at the current rate, and still keep

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Mr. B.A. Garside

- 3 -

Nov. 13th, 1930.

Cheeloo on the \$2 to \$1 basis. Is this because we have not written to your office about it? You are certainly in full touch with the actions of the Presbyterian Board, if not with the others, and here it is November before we learn that the money for the fiscal year is being paid to other institutions at the current rate while ours is not. I wish you were here and I could have a good scrappy talk with you! I will leave the rest of your letter to be answered by Lair, showing him a copy of this and seeing a copy of his letter before it goes.

Now a few words in regard to the general situation. We are going ahead with making out our papers for registration, and I hope that this can be accomplished before long. Whether this means weeks or months, I do not know, but I am firmly convinced that we must get registration as the first step towards any progress we may plan to make. Our alumni are clamouring for it as they cannot get the proper licences to practise. Of course, they are practising, but their status is more or less an illegal one which is winked at. I hope that the whole University can be registered. There are some good new men on the Arts faculty and I see no reason why this school should not be recognised as well as some of the others which have been registered; but, if the educational authorities refuse to register the University, then we must proceed to register the Medical School separately, though this, of course, will raise a good many problems that must be solved. After registration, we must begin to make plans for raising money. I feel that we should be able to raise something from our alumni and I am not willing to undertake work of this kind in America until we have some money from China as a lever. We must have more money in order to progress. We have about \$17,000 Rockefeller Suspense which is outside of the budget and which can be used for salaries. I am proposing to our Executive Committee that we use this money carefully, beginning with the next fiscal year, in order to raise practically all of the salaries of the teachers in the Medical School. We have been able, so far, to keep our young teachers because of a sense of loyalty, and because they were getting good experience here and felt that they were making a real contribution to their country, but this situation cannot last indefinitely. In the disorganised condition of China for the last few years, even though government institutions promised large pay, everybody realised that the payment of salaries was very uncertain. If the government can now furnish money to its institutions, as it should, these institutions are going to be able to offer two or three times the amount of the salaries that we are now paying our men, and they will inevitably take some, if not most of them away from us. Dr. Pa has just resigned to take a government position in Wei-hai-wei, in the hospital there.

0997

Mr. B.A. Garside

- 4 -

Nov. 13th, 1930.

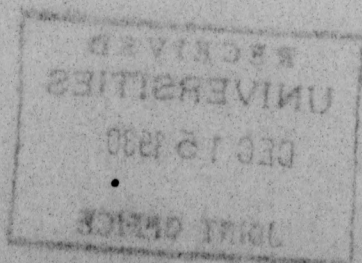
Ideally, we should expect all of our Chinese colleagues to consider themselves on the same basis as foreign missionaries, all of whom are making a financial sacrifice in being here. No doubt, some of our people consider themselves as being on this status, but we cannot expect all of them to feel this way. If we do not have our annual spring war, and the economic situation becomes more stabilised, I am sure that the government is going to put a lot of money into education, and medical education will take its share. More than this, the government is going to develop hospitals and public health centres, and there are so few doctors in China that they will certainly look for some of our teachers, as well as graduates. As I see the situation, unless we can in some way, either from China or America, raise an endowment which will enable us not only to increase the personnel on our staff, but to increase the salaries of all, we shall be brought into competition with institutions which will, sooner or later, draw away our best workers. I am not blaming them if they go. They can easily feel that they are serving their country in one of their government institutions, and, incidentally, getting a much larger salary than they do here. This is but human nature which manifests its peculiarities in China as well as in America.

I shall see to it that you get an itemised account of the Medical School budget when we begin working on it this winter. Enough of this for the present.

Yours sincerely,

P. J. Shields

RTS:WMS.



0998

Nov. 15th. 1930

Mr. A. A. Lawrence

I have the honor to acknowledge the receipt of your letter of the 11th inst. in relation to the matter of the proposed amendment to the constitution of the University of California. I am sorry that I am unable to give you a more definite answer at this time, but I am sure that the Board of Regents will be able to give you a satisfactory answer in the near future. I am sure that the Board of Regents will be able to give you a satisfactory answer in the near future. I am sure that the Board of Regents will be able to give you a satisfactory answer in the near future.

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A. A. Lawrence

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SHANTUNG

TRANSFER

INDEXED

Shantung Christian University

December 8, 1930

Rev. L. J. Davies,
Dr. Randolph T. Shields, ✓
Cheeloo University,
Tainan, China.

ack. 1/7/31

My dear Mr. Davies and Dr. Shields:

We enclose herewith copies of minutes of the meeting of the North American Section held on November 25, together with two appendices attached to those minutes. Under separate cover we are mailing to Mr. Davies' office a sufficient quantity of this material to supply the Board of Directors and others to whom you may wish to send it.

General atmosphere of meeting. I was very much gratified at the very deep and genuine interest shown by all those present at the meeting in the affairs of the University. While I have sometimes felt that our Cheeloo Governors do not take an active an interest, or as large a share of responsibility, in the affairs of the University as they should take, on the other hand, I feel that we have on our Board of Governors one of the finest groups we could hope to assemble. Our great problem is not so much that of getting the right people on our Board as it is of finding some way to stir into activity the men and women whom we have already secured. At this particular meeting of the Section more than the usual amount of real activity was manifest.

Request to Harvard-Yenching Institute. The Section gave its hearty approval to action FEMCOSE which requests Harvard-Yenching Institute for special assistance for the School of Religion for research in Chinese cults and practices, and for books in connection with this work. However, I believe it would be a mistake to present this request to the Institute until we have all our material in hand and can present a very strong case at the beginning. We must look to you on the field to prepare this request for us in a convincing fashion. I hope, therefore, that, if a beginning has not already been made, you will request the proper people in the School of Theology to prepare and send us a strong presentation of this request, backed by a careful statement of what the University is already doing, particularly in this field which it is proposed to develop; and setting forth in detail just what is proposed and the amounts involved.

Several points should be kept in mind:- In the first place, it should be remembered that the Harvard-Yenching Institute is very definitely limiting its activities to the field of "Chinese cultural studies". This is the first yard stick they will apply in measuring any request that comes before them. No matter how worthy a request may sound, if they cannot conscientiously consider it as falling within the field of Chinese cultural studies they will at once reject it.

In the second place, it should be remembered that the Institute is now being bombarded from enumerable sources by requests of every kind, so that the distinguished gentlemen on the Board of Trustees of the Harvard-Yenching Institute are somewhat bewildered and inclined to play safe by rejecting any requests on which they do not have full information and cordial endorsement from all the sources to which they look. The requests coming to the Institute are from a great many other institutions than the six union Universities which are beneficiaries of the Hall Estate and for which the institute is already holding funds. Thus far one or two of the other Universities have made pleas for special bequests, and these are now pending. I have tried to see that these initial requests from our various Universities are presented in such a way as to give the brightest prospects for success, for I believe that it is of the greatest importance that the Institute shall gain the impression from the beginning, that requests coming from the union Universities with the approval of the governing Boards here in the United States are of such a worthy nature, and fit in so well with the purpose of the Institute, that they are fully entitled to approval by the Institute.

In the third place, you should keep in mind that the Trustees of the Institute look largely to the Administrative Committee of the Institute in Yenching for advice on all applications coming to them from the field. If Cheeloo is to have any real hope of securing this special appropriation for work in the School of Theology, it is indispensable that you obtain Dr. J. Leighton Stuart's approval and support of the proposition.

In the fourth place, you should prepare your request in such a way as to avoid the objection on the part of the Institute that Dr. Hall made a specific proviso in his will that the portion of his estate set aside for educational work in the Orient is not to be used for the teaching of Theology. (As you probably know, Dr. Hall was a warm friend of religious work and gave a substantial part of his estate to definitely religious purposes, but it was his desire that this particular portion of his property should be used for secular education). Your request will, therefore, have to be couched in such a way as to convince the Trustees of the Institute that the money will be used for carrying on research and providing materials in the field of cultural studies rather than theology, even though the work may be done in a School of Theology. Perhaps it might even be necessary to set up some organization outside the School of Theology etc administer such a gift if it were received. I believe, however, that the size of the amount asked for would hardly warrant the creation of a separate organization.

In preparing the proposal be sure that all essential details are given. For instance, when figures are used indicate what currency is intended. For example: FBH-902 asks for "\$5,000" but we have no way of knowing whether this is Mex. or gold.

Renewal of Rockefeller Foundation grant. I have already sent you word of this welcome news. Incidentally I am now struggling with the annual problem of preparing a report to the Foundation showing whether or not we covered the conditions of their appropriation for the year 1929-30. I have not gone into the matter deeply enough yet to know just exactly what we have received from the field. It seems to me, however, that earlier in the year I suggested the desirability of having the field send us a complete and detailed statement which we could transmit directly to the Foundation. This is what all the other Universities having similar appropriations from the Foundation are accustomed to do. Our Cheeloo appropriation is held up practically every year because of the fact that we are so late in getting our report in

for the preceding year.

Date of next annual meeting. You will note the tentative action of the Section in regard to the next annual meeting of the Board of Governors. Is there any possibility that one or more Chinese members of the Board will be in the West and available for this meeting? If none of the Chinese members of the Board are to be available, can we secure the attendance of some other outstanding Chinese leader who knows the University and can serve as proxy for the Chinese members? Can we count on the attendance of any members of the administrative staff of the University who may be on furlough during 1931-32.

Method of appointing President and Vice-President, and internal reorganization. The Section gave approval to both these actions of the Board of Managers (I must now get into the habit of referring to them as a Board of Directors) without any very extended study or discussion. So far as I am able to judge, the procedure proposed by the field is the most satisfactory one that could be worked out under the circumstances.

This first Treasurer's report prepared by our office is little more than a skeleton outline. We hope that by the end of another year we can more adequately picture the financial situation of the University. Incidentally I would appreciate it if you would remind Dr. Lair that we are looking to him to send us during the year complete figures covering the receipt and disbursement of funds for the campus and buildings of the University.

Financial Situation. The Section spent the major part of its time discussing the financial situation of the University and seeking means to assist. The Section is genuinely interested, and is deeply concerned, but I do not know just how much they can accomplish in the way of early assistance.

One of the first suggestions considered by the Section was the rather ambitious one of persuading our friends in the Protestant Episcopal Church to consider the union of medical work now being carried on at St. Johns with the medical work at Cheeloo. Some of those who are in close touch with the situation in St. Johns Medical School felt that the present is a psychological time to make such a proposal as this. Dr. Monroe, looking at the matter from an educational rather than a missionary viewpoint, stated that it is inexcusable for the missionary forces in China to carry on two schools of medicine, both very inadequately financed, equipped, and staffed, when they might combine forces and carry on one thoroughly good school with the same resources. It is still too early to report any progress on this proposal.

The Section then turned its attention to the subject of Board contributions in local currency. Appendix B sets forth the situation in tabular form. If the various cooperating Boards can be persuaded to take the action suggested in NAS-239 it would mean a substantial increase of income this year. I am writing to all the Boards urging as strongly as I can that, in spite of the financial problems all these boards are facing, they assist Cheeloo through its present financial crisis by taking the action proposed. It would probably be too much to expect all the Boards to take this action, but I at least hope that some of them will be willing to do so.

The Methodist members of the Section, of whom we had a strong representation, took the lead in proposing that the Methodist Board be approached with regard to its cooperation in the School of Medicine. These mem-

bers of the Board feel very strongly that the Medical School is rendering invaluable service in training physicians, surgeons and nurses for Methodist hospitals and other medical work throughout the greater part of China, so it is only fair that the Methodist Board should share in the expense of training these workers. Dr. Vaughan, who has just returned from China, presented this situation very strongly. There is no question whatever that the University has an admirable case. Whether any plea, no matter how urgent or logical, can secure any new funds from the Methodist Board in these days, however, is a very difficult question. Year by year the income of the Methodist Board is declining and this year it is facing an unusually serious deficit, with the result that work is being cut all along the line. Under the circumstances it is very doubtful whether any new commitments of any kind whatever can be secured. But even if no immediate results can be obtained from such a presentation, should we succeed in convincing the Methodist Board that support of the work at Cheeloo stands at the very top of the list of urgent claims for the Board's support, it will be of material help in securing the Board's cooperation as soon as the financial tide begins to turn the other way.

The Section discussed very seriously the question of whether we should make any emergency appeals to the cooperating Boards for new appropriations to Cheeloo during the current year. Most of the members of the Section felt that in view of the present financial difficulties practically all the Boards such a request would have almost no hope of success. We were reluctant to present requests which we knew would be turned down because it would weaken the position of the University in any future pleas it might make. We do not want the cooperating Boards to get into the habit of saying no.

Appeals to donors. This question was referred to the Committee on Promotion. I am enclosing a copy of the minutes of the meeting of the Promotional Committee held on December 1. These minutes do not require any extended comment. The Committee is asking me to prepare the new issue of Cheeloo Sketches, as well as to draft the letter of appeal which is to go out to the friends of the University. I am woefully lacking both in material and in time for attempting to prepare anything at all satisfactory in the way of an issue of the Cheeloo Sketches. However, we will try to do the best we can under the circumstances. The Section also discussed briefly the question of whether the time has arrived when the University should join with other organizations, or work independently, in securing a promotional secretary whose duty would be primarily to inform the potential constituency here in America of what Cheeloo is doing rather than to make any immediate drive for funds. Everyone recognizes the great importance of such a foundation of educational publicity as a basis on which to complete our appeal in any united financial campaign later on.

The present is no time to ask for any large amount of new gifts, but at least it is a time when it is easier to tell people of work being done if you do not press them for immediate gifts. You will note that the Promotional Committee agreed that nothing can be done at present, though the Committee is still keeping the matter very definitely in mind. The only effective promotional work for any of our Universities must be carried on by men who are home from the field for a short time, rather than by men who are permanently located here in the West. We have long been counting on Dr. Shields to furnish the dynamic for promotional work in this country when the proper moment arrives, but we have not wanted him to waste his energies uselessly when the conditions are such as to make any substantial success impossible.

Mr. Davies, Dr. Shields-5

12-8-30

Question of Chairmanship. For some time Dr. Brown has been asking that he be relieved of the chairmanship. He feels that he is now far enough beyond three score years and ten that he should begin to unload some of his responsibilities. However, the other members of the Section are urging him to continue the chairmanship, and he may possibly consent to do so. Dr. Brown has taken a very warm interest in the affairs of the University and we would all be happy to see him continue in the chairmanship; but if he sincerely feels that he should be relieved and continues only under protest, it might be wiser to accede to his request and seek another Chairman.

It is probable that another meeting of the Section will be held in the near future, for a number of important matters are still pending, as revealed by these minutes.

Very cordially yours,

B. A. Casside

BAG-H

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SHANTUNG

TRANSFER

Shantung Christian University

December 18, 1930

Dr. Randolph T. Shields,
Cheeloo University,
Tsinan, China.

My dear Dr. Shields:

Let me acknowledge receipt of your two letters of November 13.

I have passed on to Dr. Goddard your letter commenting on the possibility of medical service for Miss Goddard in the specialized field of bacteriology and parasitology.

I am passing on to Mr. Hadley your comments on the dentist, Mr. Carrick. I quite agree with you that there seems no likelihood of Dr. Carrick being the man we want, but possibly the raising of the question may stimulate our search elsewhere for a suitable man.

In my joint letter to you and Mr. Davies a few days ago I acknowledged briefly your comments on the suggestions in my letter of October 8 that the field and our New York office should keep in somewhat closer touch, and should have a fuller exchange of information, on matters affecting the personnel and financial contributions of the cooperating Mission Boards. I am afraid you took my suggestions as being more in the nature of criticisms than they were intended. If the suggestions will not help us to serve more effectively the interests of the University, then let us abandon them and turn in some other direction.

We are greatly interested in the renewed negotiations of the University in the direction of registration, and sincerely hope that this process will finally be successful. The experience of some of our other Universities is indicating, however, that the completion of registration does not necessarily mean the final triumph over all an institution's difficulties with the Ministry of Education, the student body, or the Chinese public at large.

I hope that within a few weeks we will have some encouraging word from the field in reply to the request we have sent out to the various cooperating Mission Boards for a restatement of their appropriation this year in terms more advantageous to the field.

With all good wishes for the New Year, I am

Very cordially yours,

B. A. Casside

BAG-H

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SHANTUNG

CHEELOO UNIVERSITY
TSINAN, SHANTUNG
CHINA

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SCHOOL OF MEDICINE
OFFICE OF THE DEAN

December 22nd, 1930.

ack. 1/15/31

Mr. B.A. Garside,
150 Fifth Avenue,
NEW YORK.

TRANSFER

Dear Garside,

No Rockefeller appropriation for this year has arrived. As I understand it, we have an agreement with them that they will pay quarterly, provided the Women's Committee is doing its share, so that all you have to do is to ask the New York office of the Rockefeller Foundation for the money, or ask them to send it out. Mr. Gee tells me that this money is not paid out automatically, but that one must ask for it.

up to \$200

The Canadian United Mission is paying its grants to the University in gold. The Wesleyan Methodist Missionary Society of England are continuing to pay us in sterling. They are very generous as they pay us an annual grant and also the equivalent of Ellis' full salary. The English Baptist Mission say that they cannot give us their grant in gold but they are giving a substitute salary and they will arrange that we can buy supplies in England which will be paid for by them in sterling and charged against us at the old rate, which may be a big saving if we can make purchases in England. I have just heard from Mr. Hawkins, as representing the London Missionary Society, that their China Committee has decided to make the annual grant to Cheeloo in future on a sterling basis. He says: "technically this has to be confirmed at our next board meeting, but I do not anticipate any question being raised". This shows that the English and Canadian Missions are doing what they can for us. America is supposed to have more money than England, so I hope that the American missions will do as well as the British in coming across with, at least, some of their grants in gold.

Mrs. Avann will not be in America until March so I am holding my letter to her until later. The Women's Committee will be saving G.\$2000 or more on their appropriation to us this year. If they are not able to pay the whole in gold, they might, at least, split on a 50/50 basis.

I presume that, by now, you have taken up the matter with the A.P.M. in regard to paying us in gold, as you told they were doing at Yenching and Nanking. I have taken the matter up directly with Dr. Smith, of the Southern Presbyterian Mission,

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Dec. 22nd, 1930.

and he said that he would take it up with the Finance Committee and do what he could for us.

If we do not get substantial help, the hospital is going to run badly in the hole.

Mr. Davies has probably written you of Dr. Butterfield's visit. Mr. Chang Fu Liang came with him. Dr. Butterfield was here for several days, staying with Stanley, and both he and Mr. Chang went to Lungshan. I had a long talk with them about the possibilities of public health work amongst the people, whether in the city or country, and also the hope that we may be able to do something in co-operation with the local authorities. I have written to Dr. Marion Yang, asking for suggestions as to what we can do towards starting midwifery work in the city. There is a possibility that we may get one of the P.U.M.C. graduates to begin our public health work.

Don't forget the Milbank Fund. Remember that I wrote to Sydenstricker about it when he was out here. If we can start some public health work in the country, in connection with rural work, we might get something from them.

Papers are being prepared for registration, as usual. I do not know when they will be completed. Mr. Linn is to go to the local authorities informally before the papers are presented to them formally. There are various opinions expressed in regard to the probable attitude of the local authorities towards registration of the whole university. The medical graduates are getting more and more insistent that we should register, in order to allow them to obtain legal licenses to practice medicine. Some of them are having trouble. I expect to see the Commissioner of Education in a few days and to ask him some pointed questions. I want to know, among other things what is the time limit for registration. The medical faculty is getting rather anxious to have the question decided soon.

I am getting out statistics in regard to the work of our graduates, which will show up even better than those I made out two years ago. The Methodist Mission are using a number of our graduates, and, as you know, they are giving us nothing. I have written to Dr. D. V. Smith, who is now at Long Beach, Cal., asking if he would consider returning to China, if his mission would send him. He was in the Methodist hospital in Peking for many years as head of the Eye department, and, as Dr. Pa has left us, we are looking for an Eye man. Suppose you take this up with the Methodists in New York. I will write to the bishops out here. Bishop Birney personally fully approved of their mission joining in our work. The American Board are the greatest sinners, having used many of our men for years and never having contributed one cent to the School of Medicine. I am rubbing this in as much as I can out here, and have written to the local people and to Dr. Fairfield, urging them to go into the

See HQS-240

11/25/30

Mr. B.A. Garside

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Dec. 22nd, 1930.

Medical School and asking them to take Mr. Wolfe as their first representative. Wolfe's salary is a big one. He is an old member of their mission and they should do this. Of course, they will plead that times are hard, but that is true of every other missionary society, and there are many of the societies which are contributing to our school and not getting nearly as many of our graduates in their hospitals as the American Board are getting. The Brethren Mission are running their three hospitals, and have been for years, with our graduates. They have no foreign doctors. I will keep up the correspondence out here, but I want you to remember these facts. As soon as our statistics are completed, I will send them to you. We are waiting to get two or three letters.

We have had a very mild winter so far. It looks as if it would snow to-day.

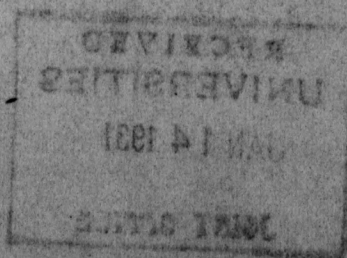
Here's wishing you all a belated Merry Christmas.

Yours sincerely,

P. T. Shields

RTS:MMS.

*P. S. Rec'd a card from your wife from Trudeau. Does this mean that she has had a relapse? Or did she go up just to have them look her over? I hope the latter,
P. T. S.*



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- 2 -

Mr. B. A. Garstide

it would snow to-day. We have had a very mild winter so far. It looks as if them to you. We are waiting to get two or three letters. facts. As soon as our statistics are completed, I will send the correspondence out here, but I want you to remember these graduates. They have no foreign doctors. I will keep up their three hospitals, and have been for years, with our American Board are getting. The Brethren Mission are running nearly as many of our graduates in their hospitals as the societies which are contributing to our school and not getting of every other missionary society, and there are many of the course, they will plead that times are hard, but that is true an old member of their mission and they should do this. Of first representative. Wolfe's salary is a big one. He is Medical School and asking them to take Mr. Wolfe as their

Here's wishing you all a delayed Merry Christmas.

Yours sincerely,

P. T. Williams

RTS:1985.

R. 2. One of a card from your
 wife from London. Does this mean
 that she has a relative? Or
 that she is going to have them
 look her over? I like the latter.
 R. 5.

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JAN 14 1931

JOINT OFFICE