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# TRANSFER

Nanking

July 17, 1930

Miss Elsie M. Priest,  
University of Nanking,  
Nanking, China

My dear Miss Priest:

Your letter of June 18th to Mr. Garside has made me turn cold. Here I am, trying to get a young lady to go out as secretary-stenographer for Mr. Reiser, but after reading your comments I felt like turning towards Brooklyn Bridge.

A few minutes after that feeling came over me, I received a call from the Student Volunteer Movement giving the name and splendid recommendation of a young lady applicant for this particular position. One recommendation permitted me to follow up the case immediately by telephone. I found out that the particular individual was a first-class secretary-stenographer and had been on the field for the Y.M.C.A. After getting over to China and looking about for a month or two, she decided that it was not to her taste, whereupon she packed her goods and immediately returned to the good old American soil. The point is that we are not alone in our mistakes.

I wonder if I told you about the machine that Mr. Garside and I are going to invent. It will automatically select those best fitted to go to the foreign field. We haven't decided whether it will be a contraption to fit on a person's head or something that will measure the heart capacity. If you think that we are joking about this problem, you are entirely mistaken. It is the most serious thing that we are up against, and the deeper we delve, the more insufficient we feel. On the other hand it presents a sort of challenge, so we take up each case with new vigor.

The particular one you refer to in your letter of June 18th surely must have possessed a peculiar viewpoint, and while I admire your hopeful attitude, I must admit that I am not so optimistic. If one is not interested in the work from the standpoint of a mission enterprise, it must be a perfectly humdrum existence, and I have not much faith in their ability to carry on for any extended period.

I am saving your letter until Mr. Garside returns from Europe, as you call attention to several items in the employment agreement. In the

0102

Miss Elsie M. Priest

-2-

7/17/30

meantime if we have occasion to present an agreement to anyone going out,  
we shall omit the second sentence of Section 5.

You are to be congratulated that you have not been required  
to pay any hospital bills, but you ought to rap on wood.

Sincerely yours,

CAB:A

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0103

UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER  
NANKING, CHINA

Nanking

August 6, 1930

Mr. C. A. Evans,  
China Union Universities,  
New York.

**TRANSFER**

INDEXED

My dear Mr. Evans:

Thank you for the various letters, minutes etc. received during the past two weeks. We have not received the June statement as yet but I am hoping it will arrive on the next mail.

In your letter commenting on the meeting of the Board of Directors, you "call" us for having three students to one faculty and for having too large a proportion of non-Christians on the staff and in the student body. I know this was brought up because of a letter written by Mr. Illick to Mr. Cartwright, but it is of great importance not to let the Chinese administrators know this point as they would likely lose a good deal of confidence in Mr. Illick and there is too small a margin there as it is. This is the opinion of the two or three of us on the field who know the whole story, - or least the second chapter of it.

*Su Staff 8/6/30*  
Mr. Illick must have written that letter on the impulse of some incident without checking up his facts. It is not true and never has been true. Because it seems to us to be of value to take material from our files to show you that we know exactly the conditions in the University, we are sending a statement made last February based on the autumn semester 1929-1930. This statement was prepared for the special committee appointed by the Executive-finance committee in February (see action DEF319) to make a study of staff problems with a view of making increases and promotions, changes, etc. Information was secured for each individual staff member including a confidential report from the head of the department, the dean and the president with recommendations for future salary from each one. You will readily see that because of the nature of this information, it was impossible to broadcast it and for that reason only one copy was made and kept in the vault. However, you have raised this question of the ratio of students to faculty so I have copied the part that deals with this question. Please note every staff member, with the exception of the middle school and hospital, is listed here with the details as to subject he teaches, hours he teaches, other work, his rank, whether part time or full time, etc. The "x" indicates he is considered a full time member of the staff. From the summary sheet you will note that we had 61 faculty members for instructional purposes or for 563 students this would give a gross ratio of 9.22 students to one faculty. It is commonly the practice to leave out the assistants which in this case means more or less glorified servants so the ratio is 10 to one. There is one other point and that is the fact that we have a large number of our own graduates who are unable to carry full time work and except in one or two exceptional cases they carry only 2/3 work and in reality should be considered 2/3 of a faculty member which makes our ratio 11.7 to one faculty member.

I am sure everyone in New York knows that we have a large extension and research staff in the College of Agriculture and Forestry. For instance Mr. Buck has seventy-five clerks in his department alone. This has no connection with instruction and I am sure nobody would expect to consider

0104

them as teaching faculty. That would be rather unfortunate! There are two points concerning our faculty that we know are weak points but we have been doing our best to correct them. You will readily see we have too many part time people on the staff. It has been almost impossible to secure full time men especially when the government was offering three to four times as much and the part time professor has been our only solution. If you will look over the minutes for the past two years you will know that we were keenly aware of this problem and trying hard to find a solution - and you will know the Hoover Fund is the solution. We are hoping within a year or two to be able to eliminate all of the part time people. The other point is the large number of our own graduates on the staff. Instead of being a strength it has proved a weakness and we are trying to find some way to send the promising ones abroad for further study. They are not able to carry the instructional work in a satisfactory manner. On account of funds and lack of men in the field, there has been no other way than to take them but we are hoping to solve this problem within a short time.

It is perfectly true that we wish we had more Christians on the faculty, but have you the right figures? According to a survey made last autumn, the Christian faculty was 42%, the ones who would not commit themselves 20% and the non-Christians 38%. This is based entirely on their own report in response to a questionnaire sent out from the registrar's office.

For the students - 33% were Christians, 20% were non-committal, and 47% were non-Christian. This may be a small percentage but after all, isn't this the reason we are in China and the reason we have a school here at all? Are we supposed to take only Christian students? I have had the impression all these years that our reason for being in China was because there were so many non-Christians. I believe this is true or I would not stay out here.

There are many opportunities to exert Christian influence both with the faculty and students, and while the opportunities present themselves in a different form than they did twenty years ago, they are here and offer a greater challenge than ever before in the history of mission work in China. Mr. Illick has had a hard time making the adjustment to the new order. He has resented having the official language the Chinese language! has not liked having the notices sent around in Chinese, etc. etc. Little things that are almost petty have worried him tremendously, and I am afraid he has lost sight of the great need for contacts both with faculty and students. There are four people in his division and he seems to feel his influence ends with those four. I am sure he will find his place before long and we must try to find something more for him to do - evidently he is not carrying enough work to keep him busy. Please do not blame him too harshly - things are different and unless one is willing to accept the new challenge and to try to see things from the standpoint of the Chinese, they will have a hard time. It is like coming up against a wall to try to live in the past these days. He is a man of ability and if he can find his place I am sure will have great influence.

I hope the Board of Founders will have a little more patience with us and will realize that we are keenly aware of our shortcomings. Our mission members have been rather a problem as well - Schafer has so securely closed the doors of our Christian organization that we wonder when we can open it again, but do not blame the Chinese for this action! It should be blamed entirely on the missionaries.

It is very easy to criticise in this world but to take one's share of the load and try to bring about a change is another task often thought too arduous to attempt. Will you please send this information to the Founders at once? It is not fair to have misrepresentations and I think everyone who was at that meeting should be informed of the conditions. You will hear from Dr. Chen - he is on his vacation now. This is my personal opinion as well as the opinion of Mr. Bates and Mr. Buck with whom I talked over the matter. Sincerely, Edwin M. Priest

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UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER  
NANKING, CHINA

**TRANSFER**

Nanking

August 8, 1930.

NANKING

Mr. B. A. Garside  
New York.

Dear Mr. Garside;

Your cable of the 8th concerning someone on the staff who is supposed to return to us is received, but we are entirely in the dark as to the person about whom you are cabling. Your office has done very well for about a year in sending all proper names in ordinary form, but you seem to have fallen from grace badly this time. Will you please make another note to the effect that all names cabled to the University of Nanking must be in usual form and no code words are to be used for names. We have no up to date lists - you never sent the ones you promised me - and it causes us a lot of trouble when you send us code words for names. I have written to Shanghai for them to decode the message and in the meantime, it will have to await a reply.

Dr. Chen is away on his vacation but will return within a few days and as I am trying to leave tonight for about two weeks I will leave the cable and various letters for his attention upon his return. I presume the message refers to the Reisners but we shall have to wait both for your letter of the 12th which has not reached us and for the proper message after it is decoded.

The copy of the Five Year Report will be forwarded later if we can secure a copy for you. We have only one copy here but I think the committee in Shanghai has a few copies they are not using - in fact they talked of forwarding one to you in the spring.

I wrote Mr. Evans this morning concerning drafts to cover our financial requirements for this month. I hope the statement for June arrives soon - although it does not matter so much now. I have waited until now for it, and there is only two weeks left for a bit of vacation before the grind for the opening of school. It would be a great help if you would arrange to send the June statement to me earlier than this time - even although you closed by the 25th of June. Your closing would not be particularly effected and it would save me a lot of midnight oil.

Sincerely yours,

*Elmer M. Priest*

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UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER  
NANKING, CHINA



TRANSFER

August 8, 1930.  
#2

Mr. C. A. Evans,  
China Union Universities,  
New York.

My dear Mr. Evans;

We have today drawn two drafts as follows:

No. 177 for 2,500 00 to apply on current funds for 1930-31  
No. 178 for 5,000 00 to apply on Famine Funds for 1930-31

I had thought we would be able to manage this summer without drawing any gold, but two payments we have been anticipating have not been made and while they are promised for next week, I am not at all sure of them. Inasmuch as I am leaving for two weeks tonight, it seemed imperative to leave sufficient funds to meet our obligations while I am away.

Our books are all ready for the New York statement but I have decided not to wait any longer for it although it is a great disappointment not to have it before this time. Now we shall have a grand rush at the end of the month clearing for the year and opening school. Fortunately Mr. Carter sent me the Ginling College statement in good time so we have been able to close these accounts.

You will know that the Yangtze Valley is far from peaceful these days - we are rather apprehensive of conditions after the opening of school for fear we may have communistic representatives among the students, as has happened in the past during unsettled periods. However the only thing to do is to go along expecting the best.

Very sincerely yours,

*Elie M. Priest*

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OFFICE OF THE LIBRARIAN

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TRANSFER

Nanking

INDEXED

University of Nanking

August 21, 1930

Miss Elsie M. Priest,  
University of Nanking,  
Nanking, China.

My dear Miss Priest:

During the last fortnight I have been studying with a great deal of interest the letter you wrote us on June 21 relative to pension and insurance matters. I have also received communications from Miss Hynds, Miss Bauer, Miss Jeffrey and Miss Purcell. The only <sup>one</sup> of the group most particularly interested from whom we have not heard as yet is Miss Van Vliet. Since Dr. Scott is now starting on his trip to the Orient and Mr. Cartwright is away on his summer vacation, it has not as yet been possible to take any further formal steps in working out a plan for pensions and insurance. I will, however, send some informal comments, and will make a few inquiries on which I would like to have your opinion. As soon as Mr. Cartwright returns we will go further into a study of pension and insurance matters. I think, however, that we shall have time to hear from you before a meeting of the Nanking Founders can be held to pass judgment on these questions.

Payment of University's share of pension for members of the Hospital staff. In this connection you have raised an extremely important question. I think you are quite correct in your inference that when the Founders discussed pension and insurance plans they did not make any distinction between the Hospital staff and the other departments of the University in their consideration of how the University might provide funds to meet its share of the expense involved. If we should limit expenditures for these Hospital staff members to funds belonging distinctly to the Hospital itself I do not see just how the necessary funds can be secured. Since the Hospital has no endowment and no income beyond that allocated year by year to the current budget, we seem to be reduced to the necessity of charging such an expense as this against the current budget of the Hospital. This could, of course, be done only with the approval of the field. If the field would not approve such a charge against the current budget, can you suggest any other source whence the necessary funds might be secured? From a technical standpoint there is, I believe, no difficulty involved in using a part of the surplus income from undesignated endowment funds to cover the pension and insurance premiums of the Hospital staff members. But if this is inadvisable for practical reasons then we must find some other solution. Perhaps it will be necessary for us to solve this question before we go much further with our study of the pension and insurance plan, for it seems likely that if we cannot provide for these Hospital staff members who now form a majority of the University supported Western staff, our whole procedure will have to stand in abeyance.

Retention of some staff members in University supported group.  
 The second fundamental question you suggest is whether we might arrange to have some of the members of the University supported group allied with the cooperating Mission Boards, leaving some of this group in their present status of support by the University. So far as I can see, there should be no fundamental difficulty at this point. From the standpoint of the individuals themselves it would appear that the smaller the University supported group became, the less desirable would be the status of the staff members in this group. If, however, any staff member, as Miss Purcell for example, wished to remain in this group, undoubtedly the necessary arrangements could be made.

Relative merits of various plans. I am glad to note that most of you prefer affiliation with the cooperating Mission Boards. I believe that if such an affiliation can be effected it should provide most satisfactorily for the staff members themselves and would give us the simplest and most permanent arrangement. I believe, however, that there are one or two points in connection with the proposed retirement plan administered by such an organization as the Teachers Insurance and Annuity Company or the Sun Life Assurance Company which those of you on the field did not fully understand when you wrote. Apparently all of you fear there may be a serious danger in such a plan, as mentioned in your own comments, that "having deposited funds for a number of years, the holder might be liable to lose it all should they withdraw or be unable to continue the policy". Several of you also indicate your belief that under such a policy there would be no provision for disability.

As we understand the plan proposed by both the Teachers Annuity policy and the Sun Life Assurance policy, there is no possibility whatever of loss of any fund deposited toward an annuity; and there is also provision for at least a limited disability allowance should disaster overtake an individual before he has reached the retiring age. On pages 14 to 25 of the "Hand Book of Life Insurance and Annuity Policies for Teachers", of which I believe you have one or two copies, these points are explained in detail. For example, at the bottom of page 17 it is stated "Should it be desired to discontinue the payment of premiums altogether the contract provides for the further accumulation, without additional premiums, of the premiums and interest already credited. Later, the payment of premium, should this be desired, may be resumed in the manner indicated above. If it is determined to make no further premium payments, the monthly payment of annuity based upon the accumulations may be begun at any time before the age seventy".

Let us say, for example, that a staff member who has been at Nanking for a number of years and has been making payments toward an annuity policy held by one of these life insurance companies resigns from the University, either because of ill health or for other reasons and finds it impossible to make any further payments toward his annuity. He then has a number of options:- First, he may leave the amount already contributed to accumulate with interest until he reaches the normal retirement age, when his annuity will begin. Second, if he is disabled and needs help beginning at once, he may request that his annuity begin immediately. In that case the company would pay him an annuity during the remaining years of his life in such an amount as would exhaust the amount already paid in with accrued interest at the end of his normal period of life expectancy. Third, where the accumulation is quite small (in the Teachers Annuity policies less than \$1,000) the entire amount paid in may be withdrawn in cash.

There can thus be no chance of the loss of money paid in by the staff member himself. There is, of course, the question as to what would become of the annuity paid in by the University in case a staff member withdraws before retirement age. The Teachers Annuity policies will not allow the University to withdraw, or to allocate for any other purpose, payments it has made on behalf of a staff member who withdraws before retirement age. The Sun Life Assurance Company will write a policy either way; that is, will either provide that the entire amount paid in shall go to the staff member who withdraws, or else that the part paid in by the University, or some portion of this amount, will be credited back to the University in case the staff member withdraws before normal retirement age. No decision has been reached by our Nanking Trustees as to what course would be adopted in such a contingency.

If it is found impossible to get any or all our University supported staff members under pension plans now being carried on by the cooperating Mission Boards I am sure that our Nanking Founders will be happy to follow the wishes of the field either in setting up a retirement plan administered by the University itself; or in dealing with some outside company. Personally I have come to the conviction during the last few months, as we have studied pension plans both for Yenching and for Nanking, that a company like the Sun Life Assurance has a far better proposition than any of our Universities can duplicate on its own resources. I believe the staff member is assured of a better income upon retirement, has better provisions for such unforeseen emergencies as early disability, and maintains a more independent status which would not be affected by any disaster which might overtake the University or any severance of relationships between the institution and the individual. This comparison is, of course, based on the assumption that a plan of administration by the University would be built up on a purely businesslike relationship. The University might well go beyond such a businesslike relationship and make added provisions for sickness or disability which would not be covered by the funds administered under the regular retirement plan.

Our next steps. I am very anxious to press forward as rapidly as possible with the completion of some satisfactory plan for all the University supported Western members of staff. I certainly hope that before the present fiscal year is far advanced we may complete arrangements that will give all of you a greater feeling of permanency and stability. We quite appreciate the fact that all of you young women at Nanking have been doing mighty fine service since your return to the field under conditions where you have naturally felt that the future has not been at all bright. All of you should feel perfectly free to make suggestions and criticisms, and to express your own personal judgments and preferences. We folks here in New York have only the one desire of working out a scheme that is the most satisfactory for all of you.

Very cordially yours,

BAG-H

B A GARSIDE

# TRANSFER *over*

Nanking

Nanking

August 29, 1930

My dear Miss Priest,

An informal personal note, chiefly apologies - - -

The last mail brought your letters of August 6th and 8th. I have a mental picture of you typing them - in a hot, humid atmosphere typical of Nanking in August, your vacation already delayed, June statement from New York still not in hand, and something or other wrong with about everything we had sent you for some weeks. In spite of your very successful effort to be patient with our shortcomings you must have wanted to murder the whole bunch of us. We amply deserved all the painful deaths the most ingenious Chinese torturer could have thought up.

Apologies first for my own double shortcoming in using the code words for Reiser and the Reiser family, and for not sending you the personnel code lists of the various boards. For the first blunder the responsibility is wholly mine. For the second it has been a case of "mei yu fa tsu", for the Boards simply haven't had personnel lists available. The Presbyterian Board has been promising me their new list all summer. I have just gotten a copy, and enclose it herewith. You will notice it goes into effect September 1st. The Methodist Board has long been out of a supply of their old code list. Miss Williams in Mr. Wartwright's office says they have been out of them "for years", though this may be a bit exaggerated. Their new list has been in press for about six weeks, and Miss Williams has promised me some copies the minute they arrive. I also have in my application with the Baptist Board and the Disciples, and will send you copies of their list if when and as received. Meantime we'll stick to plain names until we know you have the relevant code lists. Incidentally, the Committee of Reference and Counsel is now working on a supplement to the Mission Code in an effort to bring it up to date. I sent in a long list of phrases and names which I hope will help some, though unfortunately I didn't have time to write to the field for your suggestions. It seems to me that at best a supplement to the Code Book is a poor makeshift - it ought to be thoroughly revised from cover to cover.

Apologies next for the unpardonable delay in getting the June statement to you. Mr. Evans and I passed the word along that the closing statements for June must be in the mails by June 25th regardless of what else was done or left undone. Just what happened to delay them until July 12th is still a mystery to me. I left the office on June 22nd to attend the meetings in London, but at that time I thought the Nanking statement was almost ready to mail and that it would be on

0114

Miss Priest,

-2-

8/29/30

its way within a few days. Both Mr. Evans and Miss Cloud are away this week, so I'll have to await their return before getting the facts. I know in a general way, though, what was the trouble. June was about the most hectic month we ever had here in the office. It is always a busy month, filled with all sorts of Board and Committee meetings that catch the trustees before they begin to scatter for the summer, together with the scramble to unpile all the last minute jobs connected with finishing up the academic and fiscal year's work in all the colleges. This June was made unusually hectic by the fact that I had to be in London by June 30th and had a lot of work to prepare for the meetings there. During June Evans and I were both in the office before the scrub-women got out in the morning and stuck by until the elevator man threw up out at night - then I went home and put in the nights helping the wife nurse the daughter through measles and pneumonia. I waited for the last boat I dared risk, and as a matter of fact the delay of the ship due to turbine trouble caused me to get to London so late as practically to ruin my work with the Cheeloo board. But even so I left poor Evans dreadfully piled up with things I had to unload on him at the last minute. He did all any one human could, and a lot more than most of them would, but it was inevitable that some loose ends would be left fluttering for a bit. Even so, that Nanking statement should have been in the mail by June 28th, and no alibis are worth much. I'll guarantee that if Evans and I are here next year those statements will be on their way before June 25th if we have to put the whole office force on a twenty-four hour shift to do it.

The third thing, on which no apologies will suffice, is the clumsy way the Trustees fumbled that letter from Illick. (I thought up a lot of cuss-word adjectives to put before the word 'letter' but remembered just in time that I am writing to a lady!) I am amazed that the Trustees paid any attention to it, and there too must wait for some explanation from Evans before I'll have any conception of what happened. Early in June Mr. Cartwright showed the letter to me and I glanced over it hastily but did not think it worth wasting one's time or interest. I knew he must be wrong on his facts and absolutely off his bean on the conclusions he drew, but the whole thing struck me as so childish as to deserve no consideration whatever. Mr. Cartwright is so level-headed, and knows both the situation at Nanking and the necessity of dealing tactfully where international susceptibilities are involved, that I was confident he would file the letter away in some dusty corner where nobody would ever see it and would forthwith forget the whole affair. I hoped that anyone else who saw copies of the missive would be equally discreet. Why the Trustees gave any serious attention to it is more than I can understand. The only other case of this sort that came to my attention was a couple of years ago when a certain staff member in one of our institutions sat down at his typewriter to work off a deep-eyed grouch, and concocted what he must have proudly considered a masterpiece of pyrotechnical literature. A copy was sent to me to be transmitted to the University's board of trustees, but I at once wrote him quite bluntly that I would take no notice whatever of the communication and quoted to him the university by-law requiring that all communication to the home boards dealing with university policy should be transmitted through the office of the President of the University. That ended the lad's bolshevistic tendencies.

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TRANSFER

Miss Priest

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There are two general observations that might be made, however, concerning the Trustees' action on this unfortunate letter. In the first place you are quite aware of the fact that a lot of our good friends here in America are very nervous over the whole situation in China, particularly as regards the whole field of the Christian purpose of our institutions. The recent drastic pronouncements of the Ministry of Education have been over-advertised here, and there is a lot of propaganda to the effect that our institutions will have to compromise their Christian ideals at every point in order to keep going at all. This psychological atmosphere makes everybody panicky on the subject, and even though our boards of trustees are pretty level-headed, and always sympathetic, they know that if they ignore entirely such serious charges as our dear colleague brought they will carry catch it on all sides from the Mission Boards and the conservative contributors. So they feel more or less bound to make some kind of a minute in pure self-defence. In the second place, you folks on the field mustn't give too much importance to what is of no importance whatever. All our colleges on the field in recent years have been sending communications to our home boards, along with which they send a private note informing us that many of the things they say and do are required by the situation in which the University finds itself amidst the political and educational authorities, and warning us not to take some particular statements or questionable wordings too seriously. I am sure you will see, and will help Dr. Chen to see, that there is something of this same necessity back of the action of the trustees. Once before the trustees asked me, over my personal objections, to make some inquiry of Dr. Chen relative to a very minor point in connection with one of your commencement programs, and you folks on the field magnified the inquiry far beyond anything we dreamed of. Never forget that we folks back here in always appreciative and sympathetic with the work being done in Nanking. The difficulty with the situation at Nanking, now that Dr. Bowen is away, is that a lot of these incidents must necessarily go direct to Dr. Chen, whereas if Dr. Bowen were there as official advisor to the President we could simply send him a confidential communication and say "Put this in the waste-basket if you want to - we've carried out our orders in communicating it to you".

This started out to be a brief note, but it has wandered from the straight and narrow. We'll really try to do better hereafter.

Cordially,

0116

UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER  
NANKING, CHINA



**TRANSFER**

September 1, 1930

Mr. B. A. Garside,  
New York.

Dear Mr. Garside;

Please note that we have asked the Geo. D. Harter Bank to forward the Hoover Trust fund remittances directly to your office. According to the agreement the payments will be made;

\$3,250 00 on February 1st  
3,250 00 on October 1st

to begin February 1, 1931. We shall draw on you for the full amount, 3,250 00 on or about February 1st and October 1st of each year.

Because of the uncertainty of conditions in China, it seemed wise to have these payments made through the office in New York, but no part of the funds will be required in gold so we shall draw the full amount for use in China.

Very sincerely yours,

*Elmer M. Priest*

0117

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0118

# TRANSFER

September 1, 1930.

The Geo. D. Harter Bank,  
Canton, Ohio.

Gentlemen;

In accordance with advice received from Black, McCuskey, Ruff and Souers we understand that you are willing to forward the semi-annual payments for the University of Nanking trust established by Mr. William H. Hoover to the Board of Founders in New York City.

Will you kindly make a note that the payments should be made payable to the University of Nanking and the check forwarded to

Mr. B. A. Garside, Asst. Treasurer,  
University of Nanking,  
150 Fifth Avenue,  
New York City.

Thanking you for your attention,

Very truly yours,

Treasurer.

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**TRANSFER**

September 1, 1930.

The Geo. D. Harter Bank,  
Canton, Ohio.

Gentlemen:

In accordance with advice received from Mr. McCaskey, Hill and Bowen we understand that you are willing to forward the semi-annual payments for the University of Banking trust established by Mr. William H. Hoover to the Board of Trustees in New York City.

Will you kindly make a note that the payments should be made payable to the University of Banking and the check

forwarded to

Mr. B. A. Garfield, act. Treasurer,  
University of Banking,  
150 Fifth Avenue,  
New York City.

Thanking you for your attention,

Very truly yours,

Enclosure.

UNIVERSITY OF BANKING  
SEP 25 1930  
JOINT OFFICE

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COPY

**TRANSFER**

**BLACK, MCCUSKEY, RUFF & SOUERS**

**1200 Geo D. Harter Bank Bldg.**

**Canton, Ohio.**

**July 15, 1930.**

Mr. Searle Bates,  
c/o Nanking University,  
Nanking, China.

Dear Sir;

Mr. Hoover has referred to me your letter of June 5th and I have given it careful consideration. You first suggest that the payments be made to the Board of Founders in New York City and checks be made to Nanking University. There would be no objection whatever to making payments in this manner under the present wording of the trust agreement. If you will have the University address a letter to The Geo. D. Harter Bank requesting that the payments be made to University of Nanking, China Union Universities Office, 150 Fifth Avenue, New York City, the checks will be forwarded in that manner.

The trustee is not required, under the terms of the trust, to see to the application by the University of the trust funds, so that the proviso therein as to the manner of using the funds is directory only and the fact that the University might see fit to use a part of the half of the funds to secure full time faculty or to replace part time teachers would be no serious objection and it is not sufficient variation to necessitate the re-writing of the trust.

Having these views, I do not believe that a re-writing of the trust is necessary or desirable.

I am returning to you herewith the copy of the trust agreement which I originally mailed to you.

Yours truly,

H. E. Black. Signed

HEB:MW

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**TRANSFER**

BLACK, MCCUSKEY, RUTE & SOUERS  
1200 Geo D. Harter Bank Bldg,  
Canton, Ohio.

July 15, 1930.

Mr. Searle Bates,  
c/o Nanking University,  
Nanking, China.

Dear Sir:

Mr. Hoover has referred to me your letter of June 8th and I have given it careful consideration. You first suggest that the payments be made to the board of trustees in New York City and checks be made to Nanking University. There would be no objection whatever to making payments in this manner under the present wording of the trust agreement. If you will have the University address a letter to The Geo. D. Harter Bank requesting that the payments be made to University of Nanking, China Union Universities Office, 130 Fifth Avenue, New York City, the checks will be forwarded in that manner.

The trustee is not required, under the terms of the trust, to see to the application by the University of the trust funds, so that the provisions therein as to the manner of using the funds in directors only and the fact that the University might see fit to use a part of the half of the funds to secure full time faculty or to replace part time teachers would be no serious objection and it is not sufficient variation to necessitate the re-writing of the trust.

Having these views, I do not believe that a re-writing of the trust is necessary or desirable.

I am returning to you herewith the copy of the trust agreement which I originally mailed to you.

Yours truly,

H. W. Black, Esq.

HBB:MW

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UNIVERSITY OF NANKING

OFFICE OF THE TREASURER

NANKING, CHINA

Nanking

*W. G. ...  
allow us ...  
[Signature]*

September 10, 1930.

Mr. B. A. Garside,  
New York.

**TRANSFER**

*(Ans'd. 10/10/30)*

My dear Mr. Garside:

I should have sent you this word before this date and it may reach you a little late for the remittances for salaries to the field for October.

*See ...  
[Handwritten notes]*

Miss Maude Whipple has returned to the University Middle School to teach English and her salary should begin September 1, 1930. You may recall Miss Whipple was on the staff in 1927. She returned to China to teach in the American School in Hangchow in 1929-30, but because her sister is in Nanking and her interests are in the Middle School, she has decided to join us for five years beginning September 1, 1930. Her salary at Hangchow was very low and was not paid after June 1930, so I have personally advanced her funds for her present needs. The amount advanced is the equivalent of the September salary so if you will kindly deposit 20.00 to my bank account in the Chase National Bank, Keene, New Hampshire, charging it against Miss Whipple's September salary account the matter will be adjusted. She preferred it in this manner instead of having an advance made by the University (we try not to advance salaries for with a staff of 240 it would become a difficult task to control). Beginning with October 1st please send the salary check in gold the same as the others to Miss Maude L. Whipple I hope this letter is in time for the check to be included, but if not please send it as soon as possible. I intended to send you the word before this date but the opening of school has left little margin for letters.

The hospital will use a much larger sum in gold dollars than they ever require during any one given year. Before it was decided to pay salaries in United States currency, they were barely managing to keep their gold account balanced and of course when they have four gold salaries to pay it becomes impossible for them. I am somewhat puzzled to know the best method or procedure in order to have the whole matter entirely fair to general and hospital funds. It has been the custom for years for the Methodist board to pay their hospital appropriation in Chinese currency on the field. Do you believe it would be possible for you to attempt to secure it in U.S. currency payable in New York the same as the other boards? This would add 750.00 gold dollars to our funds in New York for hospital purposes. If you have any suggestions I shall be glad to hear of them. The only fair thing that I can see now is to charge to the hospital such amount of funds as are required for this purpose at the rate we might expect to receive should these funds have been remitted to the field.

In spite of rumors at home, Nanking is very quiet at present. I had not realized how much the home papers had made of the latest "incident" until the home letters were received today. The trouble up river was very discouraging but we have been calm and peaceful all through the summer. We are not venturing to give any forecast for tomorrow!

Sincerely yours,

*Elmer M. Priest*

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**TRANSFER**

Nanking

September 15, 1930

*ack. 10/10/30*

Miss Elsie M. Priest,  
University of Nanking,  
Nanking, China.

INDEXED

My dear Miss Priest,

Herewith that Register of Trust Funds of the University of Nanking, on which you did such fine work in 1926-27, and which has remained in a state of suspended animation ever since.

I hope that the Register is about as complete and accurate as could be hoped for at this stage, and that the long commentary I am enclosing will help you to find with a minimum of study the main points at which further search must be made to complete the undertaking.

Sorry the months have rolled themselves into years before we finished up this job which Dr. Eric bequeathed to us with his blessing when he bade farewell to the Central Office. This is about the last of a list of approximately three score jobs he had in process when his mantle fell on my poor shoulders. We are still in the throes of finishing up another job of a somewhat similar nature - the clearing up of our Fukien plant accounts. During the last few months I have been dividing my time about equally between the Nanking Register, the Fukien Plant Accounts, and the everyday routine that must be gotten through somehow.

Cordially,

BAQ/G

A GARSIDE

Enc:- Register and commentary

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Notes on

## REGISTER OF TRUST FUNDS

### UNIVERSITY OF NANKING

#### I. GENERAL COMMENTS

This Register is based largely on the work you did in 1926-27. I have included descriptions of new funds received since your work<sup>was</sup> done, and have made some minor changes in detail. In some cases I have quoted letters, documents, and minutes rather extensively so the history and designation of each fund will be relatively complete and will not require reference to the material in our files.

I have also noted how each fund is set up on the books of the Treasurer of the Board of Founders, so as to provide a direct tie-up between this Register and the accounts of the University. You will note that we have not as yet been able definitely to tie up with our accounts a number of the plant funds received during the first few years after the organization of the University. This is due to the fact that in the earlier days the University's accounts were kept in very sketchy fashion, and when the books were set up on the new basis December 9, 1922, most of the funds received before that date were grouped under a few general heads without any attempt at detailed enumeration. One of the important tasks still before us is to continue our search both here and on the field which will enable us to tie up these early funds without University accounts, and to revise our accounts wherever necessary to make them reveal the real facts.

This first draft of the Register also omits most of the capital funds received on the field during recent years. The information here in New York concerning these funds is rather inadequate and out-of-date, and in some cases is entirely lacking, so we are depending on you to write up these funds for us as opportunity offers.

We hope also that you will call our attention to any inaccuracies in statements or figures which you may discover as you go through this Register.

All entries in our New York accounts to June 30, 1930, are incorporated in the Register.

#### II. PLANT FUNDS

##### A. Variations between Register and New York Accounts.

In our New York accounts are a number of blanket Plant Funds entries, mostly made when the books were set up December 9, 1922, which we have as yet been unable, either in part or in whole, to reconcile exactly with the individual funds listed in the Register.

The entries in our accounts which have not yet been completely reconciled with individual funds are as follows:-

<u>Date</u>	<u>Acc.No.</u>	<u>Description of Item</u>	<u>Unreconciled Amount</u>
1922			
Dec. 9	121(b)	U.C.M.S. original contribution "In addition", \$16,675.00 less Residences under P-024, \$14,625	\$ 2,050.00
9	121(c)	Methodist Board, original contribution \$40,000 plus "In addition", \$58,432, totalling \$98,432.	

0126

Notes on Register of Trust Funds -2

<u>Date</u>	<u>Acc.No.</u>	<u>Description of Item</u>	<u>Unreconciled Amount</u>
1922		less appraised value of property contributed, P-001, \$56,102.74	<del>2,050.00</del> \$42,329.26
Dec. 9	123	Original contributions for Hospital, \$27,000.00 plus "In addition" \$37,750.00	64,750.00 \$109,129.26

The individual plant funds not distinguishable as distinct entities on our New York accounts are as follows:-

<u>Date or Approx. date rec'd</u>	<u>No. of Fund</u>	<u>Description of Fund</u>	<u>Amount</u>
1910 or 1911	P-001	Original contribution of U.C.M.S. excess of appraised value (\$40,000.26) over New York ledger entry (\$40,000.00) (Note:- No correction of N.Y. records has been made pending check-up on accuracy of figure \$40,000.26)	\$ .26
Feb. 8, 1913	P-004	Cleveland H. Dodge Fund	300.00
Aug. 22, 1913	P-011	L.H. Severance Land Fund (Note:- This may possibly be included in the \$40,000.00 original contribution of the Presbyterian Board, Account No. 121(d); but if this is true we would be incorrect in setting up Fund No. P-003 in the amount of \$40,000.00 as representing a separate contribution of this sum from the Presbyterian Board.)	5,000.00
June 26, 1916	P-012	Richards Land Fund (Note:- This may be included with the original contribution of one of the cooperating mission boards)	400.00
1916-1920	P-013	Methodist Board Land Fund (Note:- Probably included in original contribution of Methodist Board, Account No. 121(c))	12,500.00
1912	P-021	Turner Residence Fund (Note:- May be included in original contribution of one of the Mission Boards.)	4,000.00
1916	P-039	Mr. W.E. Blackstone Fund for Language School Bldg. (Note:- Sent direct to field.)	5,000.00
?	P-051	Bowen Science Laboratory Fund (Note:- May possibly be included with original contribution of Methodist Board.)	5,000.00
May 2, 1922	P-055	Plimpton Fund for Guest Room (Note:- May be incorporated with original contributions of one of Mission Boards)	525.00
Feb. 4, 1921	P-056	Fund for Adding Machine (Note:- No clue for tracing on N.Y. books.)	200.00

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Notes on Register of Trust Funds - 5

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<u>Date or Approx. date rec'd</u>	<u>No. of Fund</u>	<u>Description of Fund</u>	<u>Amount</u>
1914	P-075	Hospital Founding Fund (Note:- Presumably this is included in the original Hospital contributions, Account 123, or else (in part) with the original contributions credited to the major cooperating Mission Boards)	\$27,500.00
1912-1914	P-076	James Medical Equipment Fund	7,500.00
1914-1915	P-077	Harkness Medical Equipment Fund	1,250.00
1915	P-078	Teaghtout Operating Pavilion Fund	5,000.00
1914	P-079	Severance - Allen Fund	6,000.00
1916-1917	P-080	China Medical Board Hospital Fund, 1916	25,000.00
1916	P-081	Edward S. Harkness, Hospital Fund, 1916	5,000.00
1916	P-082	E. A. Brown, Hospital Fund, 1916	5,000.00
(Note:- The above funds, P-076 to P-082, are presumably included with the initial hospital funds, Account No. 123)			
Jan. 27, 1919	P-081	Methodist Fund for Hospital Residences	9,000.00
(Note:- May be included with initial hospital funds, Account No. 123, or original Methodist Board contributions, Account 121(c))			
1920	P-092	U.C.M.S. Fund for Hospital Residences (Note: May be included with initial hospital funds, Account No. 123, or original U.C.M.S. contributions, account No. 121(b))	5,000.00
1918	P-093	Hatcheson Fund for Hospital Residence (Note: Presumably included with initial hospital funds, Account 123)	5,000.00
			<u>\$134,175.26</u>

From the above it would appear that approximately \$25,000.00 more plant funds have been received than have thus far been set up on our books. It may be, however, that there are duplications in our Register; such for example as would exist if the original Presbyterian contribution of \$40,000 in Fund P-003 is made up, in part at least, of individual gifts such as Mr. Severance's Land Fund, No. P-011. If such duplications exist they would reduce or eliminate this difference. On the other hand, gifts may have been received which are incorporated in our New York accounts but are not listed in this Register. Such gifts would increase the difference to be reconciled.

Certain other items under Plant Funds should also be noted:-

P-034 Sage Memorial Chapel Fund. Our New York accounts have set this fund up as \$35,000, and we have used this figure in the Register. However,

## Notes on Register of Trust Funds - 4

your study in 1926-27 indicated that this figure should be \$32,000.00. You indicate that you should be able to check up this item on the field.

P-041 Language School Building Fund, 1923, received in Hanking. None of this fund has as yet been set up on our New York books, and I believe that the amount received on the field has <sup>never</sup> been reported to us. Will you write up a sheet for this fund, and send us a copy? It would be of interest if you would add a brief history of the use of this fund to date.

P-088 Memorial Hospital Fund. In your material you list this among hospital funds, and I have a vague recollection of seeing the sheet on which you describe the fund. But when we came to write up the funds, this sheet had disappeared and I was unable to reproduce it from your source material. Can you restore the missing information without too much trouble, or at least give us the necessary clue? You will note I have listed the fund, but have no sheet for it.

### III. ENDOWMENT FUNDS

We have listed only the endowment funds held by the Founders or held in trust for the University by other incorporated bodies here in the West. I hope that to this list can be added other funds secured and held on the field. I am attaching copies of correspondence you had with the field in 1926-27 relative to the endowment, scholarship, and special capital funds held on the field at that time. I know that further progress has been made since you returned to the field but do not have up-to-date or exact information.

You will note that we have incorporated with endowment funds held in trust by others several funds not actually set up on our books as belonging to the University. These funds are included both because they are among the most important sources of the University's income and also because it is important they everyone related to the financial administration of the University should be thoroughly conversant with their present and future status and with the conditions under which the University derives benefit from them.

### IV. SCHOLARSHIP AND SPECIAL FUNDS

Here to we have listed only the funds held here in New York. We hope you can, without too great difficulty, give us similar facts on the funds of these types held on the field.

### V. NEXT STEPS

Our office will probably let the Register stand in substantially the present form until we hear from you. We hope that your field records will clear up most of the unsolved questions still remaining. When we learn what points you are unable to clear up, we will attempt to dig further into our own archives.

We are enclosing with your copy of the register all the unused sheets we now have of this type of filler. If you find it difficult to secure this paper on the field let us know and we will send a supply for your use in making future additions.

Whenever you make out a new sheet, or make substantial modifications in any of the original sheets, will you send us a carbon copy? We will then have the sheet copies into our copy of the Register, and will have another carbon made for a third copy of the Register which we have had prepared for miscellaneous uses.

UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER  
NANKING, CHINA

TRANSFER



September 22, 1930.

Ans'd. 10/24/30

Mr. J. L. Barnside,  
New York.

Dear Mr. Barnside;

RECEIVED

In arranging for the return tickets for Dr. and Mrs. Wiggins, the request was made for payment in United States currency, which necessitated a draft for the amount of the tickets 2,622.80. Accordingly we drew draft No. 179 payable to the Associated Mission Treasurers for this amount. The usual receipt is enclosed.

Rec'd  
receipt 10/21/30  
Draft not rec'd

In closing our books for last year we have noted that you have not remitted to us for the vacancy guaranteed by the Methodist board for last year. It was mentioned in the statements of income sent me from time to time by Mr. Evans but when I made the final settlement for the year, I found no remittance had been received for the 1,300.00 amount.

We have included this amount in our books as due from the Founders for last year and shall be glad to have you send us a check for 1,300.00 U.S. currency to clear the account.

As a matter of information, the Methodist board had Mr. Illick on the staff last year as a regular member for the colleges and Miss Nixon under the special arrangement as she is supported by friends outside of the board. Dr. Bowen was in China but really gave his services to the Associated Mission Treasurers in lieu of Mr. Main's services. This year the Methodist board have what we suppose is their full quota under present conditions;

- Mr. Illick
- Mr. Jones
- Mr. Steward
- Miss Nixon (special)

Will you please adjust this matter as early as possible? We must have this amount to clear our budget appropriations for last year.

Sincerely yours,

Elmer M. Priest.

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UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER

TRANSFER



September 22, 1930.

Mr. S. A. Garside,  
New York.

My dear Mr. Garside:

I am glad to have your letter of August 21st in relation to the pension and insurance proposition and shall give further comments on the matters you have mentioned. Miss Van Nieuw will send in another letter - she was under the impression it had been sent to you.

Hospital staff payments. Although the question has never been discussed in a formal meeting, it has been informally taken up a number of times and the general feeling has been that all charges for the hospital staff should be considered as current budget items because they had no endowment funds or other funds. I would prefer not to bring it up at our Board meeting of the Directors until something concrete had been worked out. For instance, how much would be involved each year? Every time it has been mentioned Dr. Chen and the other administrators have felt that it was not to be considered as a charge against funds secured for educational purposes. They might change their minds if it was presented in a definite form. The hospital staff are expecting that the charge will be made against current budget items.

That brings up another question. Knowing the condition of the hospital finances I am not sure that they will have sufficient money to meet this extra charge. They do not have sufficient income to meet their needs for next year and I am concerned to know how to manage when the Rockefeller Foundation grant is ended after next year. Perhaps I am borrowing trouble but it seems to me a serious problem that must receive consideration.

To what extent should funds secured for educational work be diverted for the hospital use? I may have told you in a previous letter that there has been a very sharp distinction on the field between the hospital and the "University" funds and property. The property is divided very definitely and if the University uses a square inch of land or a building even for a month or two, they pay rent to the hospital. It is of course equally true if the hospital uses so called University property. This is not true of any other department of the University. The buildings and land are used for the benefit of the whole and are not designated as belonging to any one department, with the exception of the farms which naturally are part of the College of Agriculture and Forestry. This has been true for many years and as long as the hospital has been divided and considered as a special unit quite separate from the rest of the work, it brings up a very definite problem now.

The difficulty for years has been that the major efforts to raise money have been directed for the educational program without much attention being given to the hospital. It has been an open question whether we are justified in attempting to run a hospital which has no relation to educational work. Originally it was a medical school but that is ancient history. However, nobody wants to take it over, and the hospital staff are not willing to be separated from the University, feeling they have a certain status and protection under the University that would be lost if they should become a separate institution. Therefore, if the hospital is one of our definite units, we must take full responsibility for it in every way and I cannot see any other solution than that it bears financial responsibility. I have been trying to impress our group on the field that it is a very serious question as far as the future is concerned. I believe Dr. Chen realizes it and it was partly for this reason that he was

0132

...ing it might be possible to have a separate board in charge of the hospital and to have steps taken to have it become a separate institution. As you know this did not materialize.

Dr. Daniels will arrive sometime this week and we expect I'll take over the work as superintendent of the hospital. As soon as there is opportunity I will talk it over with him and write you more definitely. The present administration of the hospital is expecting to have any pension items charged against current funds -- but what are we to do when the funds are insufficient to meet all the needs?

I agree with you fully that unless some plan can be worked out to provide for the hospital staff as well as the university staff, the whole plan will need to be given up.

Insurance Companies vs. Mission Boards: The literature referred to in your letter did not arrive until after our previous letters had been written. I am not opposed to insurance companies and am sure the policy would carry very advantageous features, but I do not feel it is wise to attempt to insure the western staff members unless definite steps are taken to do something for the Chinese members. There seems to be a strong feeling about this point among certain members of the Chinese staff.

The other reason may not have been very important. We do not feel too secure in China or in the University for that matter these days, and the future is rather uncertain for every one. It was our thought that if we were affiliated with some mission board it might not be difficult to make a definite transfer to other work if the time comes that our services are not needed in Peking. As far as that is concerned, I have an idea it would be possible for anyone to find other work quite independently of the mission boards, but there is a certain amount of security attached to the boards that one does not find under other organizations.

Personally it will not make any difference to me if the Founders decide on some other plan than the mission board affiliation. There are days when I question the wisdom of taking any steps at this particular time. Many times I am quite certain I shall never return to China under any conditions!

Whatever is done must be done rather carefully for this reason. There is a feeling of unfairness among some of the Chinese in mission work because the westerners have been placed on the gold basis while they have remained on the same salary - some slight increases generally - as before. I have heard it among the University staff, the various missions in the city, Ginling College and there are reports of decided dissatisfaction at Peking Union Medical College because of this decision there. There are arguments which we use and we can seek to justify the change in our minds, but it is only fair to you to mention this feeling that seems to be in the minds of many of our Chinese workers today. They feel that the whole adjustment has been unfair. Whether this is a general feeling or not I do not know, but I have been rather dismayed at the number of references that have been made to it during the past few weeks.

With this in mind, I would prefer to see the arrangement made for the mission board affiliation which eliminates the University supported western staff member. It remains to be seen if the mission boards would favor such a plan. If not, there would be no further need of discussing the matter. Could you send us concrete plans and figures so we would know what was involved? It is difficult to talk intelligently in a committee without definite facts.

After the hospital makes a further study I will advise you further.

Sincerely yours,  
Eliu M. Priest

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UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER  
NANKING, CHINA

TRANSFER

October 1, 1930.

Ans'd. 11/1/30



Mr. C. A. Evans,  
China Union Universities,  
New York.



My dear Mr. Evans:

We are trying to clear all items in relation to the closing for last year and I seem to have reached a serious problem in connection with the New York account if your letter of July 18th means what you state. I believe you must be confused for we cannot reconcile any of your figures with your actual statements and reports received from month to month.

For instance, you state for 1929/30:

"Total amount disbursed - Hospital	1,491 16
Agr. and Forestry	5,630 13
Current general	30,272 28"

According to your monthly statements which we have checked over item by item again the total disbursements for the hospital were G\$3,658 64 and for agriculture G\$4,608 34 with G\$6,028 60 charged as drafts or a total of 10,636 94. There were a few errors in each account but even allowing for items charged incorrectly in your office, the totals are far from the figures mentioned. Upon finding the great variation in the first two items, it did not seem possible to take time to check through the long current general account which I presume is based on some similar statements.

Again you state:

"Actual charges carried forward against 1930/31 in "

Hospital	2,630 09
Agr. and For.	605 03
Current general	<u>4,753 18</u> 7,988 30"

What do you mean? Are you implying that we overdrew our account this amount last year? I am sure this is not true. Take the hospital for example; according to our figures and your statement we had just about enough money to meet our needs - your statement shows a balance of 6.74 on hand July 1, 1930. I am sure they are not overspent any such amount as this figure. Please explain, sending us items.

I have not attempted as yet to make a statement showing the money used in New York, drafts drawn, etc. However, we drew only the drafts that were authorized by you. As a matter of fact we did not draw as much as you authorized for we felt you had not figured quite correctly in making reserves for payments in N.Y. If we overdrew according to your estimates would it not be better for you to allow us to draw drafts as we needed the funds in accordance with amounts in New York? I think we could figure it more accurately. I am planning to work this over and see where the account stands - but there are are other questions so that section will be reserved for a further letter.

0135

No. 2.

According to your letter you state the surplus above budget income received was G\$2,979 74 and from the statements we note this was largely due to additional income having been received for the Hall Endowment. You seem to confuse this surplus with gain in exchange which seems to me to be a great mistake. They are two different items with no relation to each other that I can see. As a matter of information will you please send me a statement showing exactly how this surplus is being used. The question has been raised by some of the administrators who have seen your statements and we shall be glad to have the information for files. This is a very different item I suppose than the one proposed to be reserved for all funds over the 5% income. I believe you mentioned in some letter that the estimate was that we would have 7/10 of 1% to be reserved annually. This is a different amount.

It brings to my mind a question that I think needs careful consideration. If the Hall Endowment brings in 19,786 20 annually instead of 17,500 00 as reported to us, should there not be some adjustment and more funds be remitted to the field. In view of the struggle we are having to house our staff, to care adequately for our needs during these days of high cost and low silver, are the Founders justified in reserving such a large amount from one fund in New York each year? After all the money was given to help carry the work in China - not to build up a reserve in New York, and we are facing great difficulties in knowing how to house the staff and furnish funds for all the needs. Please give this careful consideration.

The gain in exchange according to our records was as follows:

Draft No. 162	G\$7,500 00	M\$17,884 75
166	5,000 00	12,430 69
173	4,840 61	15,000 00
Hospital check in lieu of June 1st draft	<u>1,300 00</u>	<u>4,176 15</u>
	18,640 61	49,491 59
18,640 61 at the rate of 2.10		<u>39,145.28</u>

Gain in exchange for 1929-1930.....M\$10,346 31

As you know we have drawn 12,000 00 against this amount or in other words have overdrawn this account M\$1,653 69. The funds have been used for the residence repairs as authorized. Will you adjust the matter in this manner? According to exchange rates at present this would be the equivalent of G\$486 38 - or thereabouts - and if you are willing to accept this amount, please charge this item against 1930-1931 gain in exchange. You have already charged the final draft of 4,000 00 but as we interpret the matter, the charge should be as follows:

Draft for M\$4,000 00 or the equivalent of G\$1,071 52  
 G585 14 should be charged against 1929-1930.  
 G486 38 should be charged against 1930-1931

This will adjust the matter, and as the 12,000 00 was authorized and has been used, it would seem in order to make this difference a first charge against gain in exchange for this year.

OTC 10-1-30

No. 3.

According to your statements you report G\$18,049 52 received for the Harvard-Yenching Funds of which 12,500 00 was drawn, leaving a balance due us of G\$4,549 52. We intend to draw this draft within a few weeks to cover this fund for last year as no part of the fund is needed in New York at present.

May I ask you to send us a simple ordinary financial statement to July 1, 1930? We would like each fund given but you need make no other divisions than Current, Hospital and Famine Funds. We do not ask for a long elaborate statement - but one that our weak minds can follow.

It looks as if it was most important to bring our statements together - and to have it understood clearly what the balance you hold in New York means. It is so mixed up at present I am quite at loss to know how to reconcile the statements for the auditor next week. Mr. Carter sends me very simple but very clear statements for Ginling at the close of each six months. I know exactly what funds he holds - there is nothing hidden in titles that mean little to us - and we are able to check it with our records. Could your office not do the same and give us the information we really need to keep our records clear? Then we would have something to base your monthly detailed statements on and eliminate any errors without so much trouble. I shall appreciate your cooperation in this matter.

There is a very small matter that I mention merely to avoid a repetition in the future. For some reason when you placed the library orders you must have requested that the books should be addressed to me. Unfortunately the Ginling order was placed in the same way with the result that I have had a tangle of books to sort out and it has taken a great deal of time. All books should be sent

University of Nanking Library  
Nanking, China

and they are then delivered directly to the library without having to be sorted over in my office.

Hoping that we may have a reply as early as possible,

Very sincerely yours,

*Elwin M. Priest*

*Becks*  
*MP*

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UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER  
NANKING, CHINA

**TRANSFER**

October 10, 1930.



Mr. B. A. Garside,  
New York.

Dear Mr. Garside:

Thank you very very much for the Register of Funds. It is most attractively arranged and I can well imagine the hours it represents to have put it into this final shape. I am sure it will prove of great value to us all as time goes on.

It was a great temptation to go through it carefully and note the changes indicated in your statement which I have glanced over, but there are so many pressing items these days that I could give only a few moments to it and have put it into the vault until winter vacation - or until my desk is cleared of more immediate things.

Now that the work has reached this stage, I am most anxious to see it completed and to have the records made on our books in China. I shall make a strong effort to have this done during my term, for I am afraid if I bequeath it to someone else, it may be shelved for years again. Once it is started, I feel it will be fairly simple to make the annual adjustments.

This is merely an acknowledgment of the material. I am sure we shall need to exchange figures and facts a little later when we attempt to make the adjustments and bring the books into agreement. I shall hope this may be done this present year.

Thanking you for the many hours of your time it represents,

Very sincerely yours,

*Elwin M. Priest*

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TRANSFER



October 10, 1930

University of Nanking

Miss Elsie M. Priest  
University of Nanking  
Nanking, China

My dear Miss Priest

We have before us your letter of September 10 informing us that Miss Maude Whipple has returned to the University faculty. Accordingly we have noted that salary checks are to be forwarded with the others on the staff and are hastening to mail the enclosed check for October salary. Agreeable to your request we have deposited \$80.00, the equivalent of Miss Whipple's September salary in your account at the Cheshire National Bank, Keene, New Hampshire.

Your second paragraph deals with the gold situation in the hospital account. Mr. Garside will more fully cover the action taken at the Board of Founders meeting which was held this morning, but it is perfectly in order to say that the Methodist Board is agreeable to the change you suggest, that is, the paying of the Methodist appropriation of \$750.00 through the New York office rather than on the field. Apparently this is not the only request of a similar nature that the Methodist Board has received, and they are endeavoring to agree to the request.

The American papers seemingly get plenty of material for printing, but so frequently the reports are punctuated with if's and but's so as to leave one in doubt as to the actual facts. Apparently the powers that be are gaining headway. Whether it means that the cause we represent will be helped or hindered is another question.

The Board meeting this morning was splendidly attended and fairly throbbled with deep sympathetic interest; but of this you will hear more later on.

Very truly yours

Assistant Treasurer

CAE:MS  
Enc.

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*over*

Nanking

TRANSFER

INDEXED

November 24, 1930

ACK 1/13/31

Miss Elsie M. Priest, Treasurer,  
University of Nanking,  
Nanking, China

My dear Miss Priest:

About a fortnight ago we promised you a covering letter explanatory of various items in the financial statements from our office as of October 31st. I have delayed sending you such a statement primarily because I have found it necessary to make a rather thorough study of our Nanking current accounts before attempting too many explanations.

We are attaching hereto a Budget Analysis for the 1930-31 Current Accounts, as of October 31st. This letter will be devoted largely to a review of our general financial policy, as revealed in this Budget Analysis, though I will also make some comments on the financial statements for October.

RESUME OF GENERAL FINANCIAL POLICY

Let me attempt to set forth, as briefly as I can, the general policy now being followed by the Founders as regards the current funds of the University. This is entirely by way of review, rather than a statement of anything new. In its general outlines, this policy has been in existence for a number of years, though a few modifications have been made since you returned to China. I know that you are already thoroughly familiar with this policy, and I trust that at practically every point you are quite in agreement with it. My purpose in summarizing this policy is to put it down in concrete form, both to provide a brief and up-to-date statement, and also to give you an opportunity to check up your understanding with the procedure set forth, and to call our attention to any places where you think any modification should be made.

Currency and Rate of Exchange

We have continued in Nanking our long standing procedure of defining the Board of Founders' contribution to the field budget in local currency rather than in gold. This has been done chiefly because of the fact that the Board of Directors' budget is set up in local currency, and the

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request of the Directors as <sup>made</sup> each year has called for a specific amount of local currency.

Since the income of the Board of Founders is almost wholly in gold, it has been necessary for them to adopt some estimated rate of exchange on which they can compute the probable amount of local currency they will be able to contribute to the field during the coming fiscal year. For example, this year the basis of exchange has been 2.10 to 1. It should be kept clearly in mind, however, that when the Founders appropriate a certain amount in local currency, they are not thereby appropriating the equivalent amount in gold at the accepted rate of exchange. For example, their contribution to the General University Budget is defined as L.C.\$61,342.89, and not as G.\$29,210.90. Where disbursements are made in gold here in America on the appropriation of the Founders, it is charged to the field at the accepted rate of exchange, 2.10 to 1, and therefore no question of gain or loss in exchange on these disbursements is involved. Where funds are transmitted to Nanking, however, either in the form of checks and drafts sent from New York, or as drafts drawn on us by the field treasurer, the field is charged for the amount in local currency which is actually received by you, as the proceeds on these checks and drafts. When the total of the amounts disbursed in New York plus the proceeds of the remittances received on the field amounts to L.C.\$61,342.89, the contribution of the Founders to the General University Budget is completed. If it has cost them less than G.\$29,210.90 to provide this local currency total, the difference belongs to the Board of Founders for such designation as they may wish to make. If on the other hand it has cost the Board more than G.\$29,210.90 to produce the local currency contribution they have guaranteed, the Board of Founders is responsible for the deficit and must seek some method by which it can be met. The above statements, applying to the General University section in the Budget, are applicable also to the "Class A" contributions of the Board of Founders in the other sections of the Budget.

#### "Class A" Funds

Within the Class A contributions of the Board of Founders are included all general funds which are available for the general purposes of the section of the Budget to which they belong, and which the Founders feel can be relied upon as assured sources of income. In defining their contributions to the Budget from year to year, the Founders assume responsibility for contributing to the field the amounts included within Class A.

#### "Class B" Funds

Within Class B are included special funds which by their nature are available for certain limited purposes, and are not subject to any other allocation. The policy of the Board of Founders is to transmit such funds to the field as and when received. If such contributions are received in gold, they are transmitted in that form, and the field is expected to use for the designated object whatever amount they produce in local currency, whether

this amount is more or less than the stated rate of exchange. Where the contributions are received in local currency, they are transmitted in that form. The Board of Founders have not assumed any responsibility for non-receipt, partial receipt, deferred payment or loss on exchange of such special funds, nor do they claim any benefit from gain on exchange or from any over payment on designated funds included within the Budget estimates. If any new designated gifts should become available through the Board of Founders after a fiscal year has begun, the Founders would probably consult with the field authorities of the University as to the best use of such funds.

#### Gain on Exchange

Where any surplus accrues during the fiscal year from gain on exchange, the Founders always look to the field for suggestions as to the most advantageous use of such a surplus. The Board of Founders exists for the sole purpose of assisting the University of Nanking to carry out its work, and all their deliberations and actions are directed toward this end. Since, however, under the new reorganization the Board of Directors becomes the body directly responsible for the budget of the University, and the Board of Founders is expected merely to make a specific contribution to this Budget, the Board of Founders has considered that to it belongs the initiative in allocating any surplus arising from gain on exchange.

#### BUDGET ANALYSIS, 1930-1931

You will note that this analysis is divided into five general heads:- General University, Agriculture and Forestry, Famine Funds, Hospital, and Board of Founders. I have also placed at the end of the analysis a summary which shows at a glance how we stand both as to the cash situation and as to the Budget situation.

This Budget Analysis is based entirely upon actions HF-515 and HF-516 adopted by the Board of Founders at its meeting on May 6, 1930. I have tried to follow exactly the provisions of these two actions, together with the appendix referred to therein. In certain instances I have had to divide up items of receipts and disbursements between two or more sections of the Budget, but I believe you will find that all totals correspond exactly with the figures adopted by the Founders.

The account numbers given in the analysis are those used on our New York books. In some cases items applying to two or more sections on the budget are carried within the same account. This is a point at which I think some modification of our New York records may be desirable.

#### I. General University

Within Class A, the Founders estimate receipts amounting to G.\$31,710.90. I believe that all these sources of income will be quite clear to you without any further explanations. The sum of G.\$2,500.00 is set aside for Home Administration within the Board of Founders' Budget, leaving G.\$29,210.90 available for disbursement to the field. Thus far we have

11/24/30

received G.\$11,380.79 and have disbursed G.\$11,399.39. Of these disbursements, all except G.\$2,500.00 was disbursed in Gold here in New York and are therefore charged to the field at the accepted rate of 2.10 to 1. The balance, G.\$2,500.00, was drawn by you on August 8th by draft #177. This draft was paid in New York on September 11th. Your letter of August 8th reports the drawing of this draft but does not give the local currency proceeds which it yielded. We have made a rather detailed search through our files and financial records without discovering any report from your office which will enable us to ascertain just how much local currency this draft produced. I have therefore had to rely for the present on the procedure usually followed by our office where any of our Universities draw a draft under such conditions without reporting to us the local currency produced. The New York selling rate for Shanghai local currency on September 11th, the date when this draft was paid, was .29-1/8. At this rate the proceeds on the draft would be L.C.\$8,583.89. We have therefore charged this draft against the University Budget at this figure. No doubt the amount actually produced by this draft will be somewhat different from the figure we have used. We would appreciate it if you would give us the correct figure in order that our accounts may reconcile with yours.

We would also appreciate it if, in drawing future drafts either for the General University funds under Class A, or for Class A funds within the other sections of the University Budget, you would let us know as promptly as you can the local currency proceeds which such drafts have netted. Usually you send us your "official receipt" on which you give this local currency figure but apparently in some instances such a receipt does not reach us or does not have the local currency proceeds indicated.

Within the Class B funds under General University, we have included the special mission board grants for quota vacancies, Mr. Dwight H. Day's gift toward the field treasurer's salary, and the income from the Harvard-Yenching Institute for the Department of Chinese Cultural Studies. We have transmitted to you immediately the amounts received from the U.C.M.S. on their staff vacancies. As yet nothing has been received from the Presbyterian Board. To October 31st nothing had been transmitted on the Harvard-Yenching Institute account, but I believe that since the 1st of November we have received a draft from you on this account.

We are still keeping Mr. Day's pledge toward the field treasurer's salary in Class B, and have planned to transmit remittances on this pledge as they are received. Since, however, we are making monthly payments here in New York on your salary account, I am wondering whether it would not be more logical to place Mr. Day's gift in Class A where it will be applied against the disbursements made on the staff salaries account in Sl.1 Will you please give us your view on this point.

We have generally followed the policy of sending you from our office checks or drafts on the mission board grants for vacancies, and also on Mr. Day's special gift, so there will be no occasion for you to report any local currency equivalents on these items. The Harvard-Yenching Institute

0145

funds have, however, been chiefly transmitted through drafts drawn by your office and our only knowledge of the local currency proceeds such drafts produced would necessarily come from reports you might give us. Since the action of the Founders is to transmit these Class B funds in the form they are received, they have no direct interest in the amount of local currency they produce. Occasionally, however, our office may be asked to give this information, particularly in the case of the Harvard-Yenching Institute funds. If you could conveniently send us a notation as to the local currency produced <sup>by</sup> the drafts you draw on this account, it would be of some value to us.

### II. College of Agriculture and Forestry

I believe that this section requires very few comments. I would, however, like to raise the question of how best to account for the disbursements we are making on behalf of Mr. Reiser. Has the field made any allowance for his expenses in the Agriculture and Forestry budget of this year? I note that we are still carrying on our books an item of G.\$669.87 - Agriculture and Forestry surplus for 1929-30. Might this surplus be used, so far as necessary, to meet Mr. Reiser's expenses, thus avoiding a charge against the 1930-31 funds of the College?

You will note that we have placed the sums received and disbursed from the U.C.M.S. for one quota vacancy in the General University section and one in the Agriculture and Forestry section. We have placed the funds for one in the Agriculture and Forestry section because we understand that one of the vacancies in the U.C.M.S. quota is the position formerly occupied by Mr. Ritchey in the College of Agriculture and Forestry. Are we correct in this procedure?

### III. Famine Funds

The only item of receipt and disbursement in this section is the money received from the National Savings and Trust Company in Washington, and disbursed to the field either by payments here in New York or by drafts drawn by yourself. We have never been able to make a very intelligible accounting of these funds here in New York because of the fact that the figure set up in the budget is always a local currency one, and our receipts and disbursements are made in gold, usually without any immediate or exact knowledge as to the local currency proceeds produced. Since the administration of these funds is primarily a field matter, this lack of information is of no practical importance except from the accounting standpoint. One result of this lack of information is that we have difficulty in closing out receipts against disbursements at the close of each fiscal year. You will note on our trial balance sheet that we are still carrying Famine Funds surplus from 1928-29 and 1929-30. I know that you have sent to the National Savings and Trust Company at the close of each fiscal year, a very careful statement showing receipt and expenditure of Famine Funds, and you have always sent us a copy of this information. Possibly within these statements I may be able to obtain the facts we need to close out our Famine Funds accounts for past years. I will try to make a further study of the matter, and may write you again later if we need any further facts. In the meantime if you have any suggestions as to how we can handle our accounting for these Famine Funds in a simpler or more intelligible manner, please let us know.

IV. Hospital Funds

Apparently the only Class A receipts we expect to receive within the Hospital section is the sum of G.\$2,375.00 coming from the four constituent mission boards. As a matter of fact I believe the Methodist Board last year made their payment on the field rather than here in New York so we actually received only G.\$1,575.00. The disbursements we have made to date in the Hospital account already equal G.\$5,335.35, which is considerably in excess of the anticipated receipts for the year. Not all these disbursements have been applied to the 1930-31 expenses of the Hospital, however, since the sum of Gold \$2,630.09 was carried forward on June 30th as disbursements made during 1929-30 in excess of the Founders' appropriation for that year. Also the disbursements here in New York have been unusually large this year due to our adoption of the policy of paying from New York the salaries of the western nurses in the Hospital.

On the face of these figures it seems that we are rolling up a rather sizeable deficit in our Hospital accounts. Is there some explanation of this situation which I should know but have forgotten? If it is true that an accruing deficit is growing in this section, should we be taking any steps here to meet the situation?

Within Class B income for the Hospital we have only the item of L.C.\$4,500.00 from the China Medical Board. As yet nothing has been received or transmitted by our New York office on this account. I find that for last year the China Medical Board made only one payment, which was received and transmitted to you in February. I suppose that a somewhat similar procedure will be followed this year, though I would have to look up our correspondence to be sure.

V. Board of Founders

The only items which have as yet been placed on the Board of Founders' budget are those relating to Nanking's share in our Central Office budget and to other miscellaneous expenses of the Board of Founders. It has been customary to include within the Budget a single item of "Home Administration" which has been intended primarily to meet Nanking's share in the running expenses of our Central Office. As a matter of fact, however, it has been necessary for us from year to year to make substantial inroads on this appropriation to meet expenses which are not directly related to the carrying on of our Central Office. For example, we have had to expend several hundred dollars each year for the annual audit of the Treasurer's books, have had to pay the annual premiums on the bonds of the Treasurer and the two Assistant Treasurers, and have had to meet the cost of supplies, postage, telegrams and cables for the University of Nanking. By the time these expenses have been met, the amount available for the budget of the Central Office (including such items as salaries, rent, and miscellaneous Central Office expenses) is not very large. Within the past two years this situation has been made somewhat more difficult by the Founders' contributions toward the expenses of the Committee for Christian Colleges in China. As a result we carried forward on July 31st substantial deficit balances in the Central Office.

11/24/30

The Trustees were hoping that there would be a sufficient surplus in the fiscal year 1929-30 to enable them to clear off the deficit of \$1,879.95 now standing in account #36.3- "Home Administration Trustees". However, when we balanced up our accounts for last year we found that nothing was available for this purpose so the deficit has been carried forward, with the provision that its clearance will be one of the first claims against any available surplus during 1930-31.

Summary.

I trust this will be self-explanatory. You will notice that the cash balances <sup>and</sup> deficits shown pertain to the 1930-31 Budget only. Therefore these figures do not tie up in all cases with the cash figures given in the Trial Balance for October 31st, since the Trial Balance contains a number of items in practically every section which do not pertain to the current fiscal year.

FINANCIAL STATEMENT AS OF OCTOBER 31st

This letter has already grown to such length that I will not prolong it by any detailed discussion of the financial statements for October which we mailed a fortnight ago. In another week we will be sending you the November statements and at that time I can comment more at length on items which may need explanation.

You will have noted that by Journal Voucher #191 we finally disposed of the anomalous account #23-c "University Residences Undistributed - G. \$1,548.55" by transferring this sum to account #23-a "University Residences".

You will remember that during 1928 we corresponded at some length in regard to this account. In your letter of July 8, 1928 you make the following comments:-

"Do you mean that your records are not sufficiently clear so that you can close out the balances on your property accounts? According to your statement you had \$1548.55 property funds cash on hand - that was on one side of your ledger, but you must have balances in the various property accounts to offset this cash on hand. Balances representing the amount of the various property fund items which have not been remitted to the field. This draft should be distributed among them and should in theory close all property accounts on your books. I cannot recall your ledger clearly enough to remember how you carried these accounts but it seems very simple."

Unfortunately the matter was not quite so simple as it seemed. While it is true that a substantial amount of our Hanking Plant funds were received and disbursed for specific building objectives, a large amount of the funds received were contributed by mission boards and other organizations in an undesignated form. On the other hand much of the cost of the Plant at Hanking was met, not from designated gifts, but from General Plant funds.

0148

11/24/30

There has not been a single instance in the Plant accounts of our various Universities where it has been possible to balance off the receipts and disbursements for building operations with the nicety and exactness which the quotation given above indicates you felt should be possible. I let the matter of our Banking Plant accounts stand in abeyance until I was able to complete the "Register of Trust Funds" which we sent you in September. The facts revealed by this Register show how impossible it would be to make any allocation of this \$1,538.55 as you suggest. I am still convinced of the correctness of the procedure suggested in my letter of June 11, 1928, that this sum should be charged on our books against the building operations account for which these funds were used. You will remember that in this letter of June 11, 1928 I asked you to let us know just how these funds were used so that we could make the proper charge. Your letter of July 6th did not give this information, however, and I believe it has not been contained in any of your subsequent correspondence. From all the information that I have been able to gather I believe that the amount was used largely or wholly for the repair of various University residences. We have therefore made the charge accordingly.

There are a number of titles appearing on our New York accounts which are somewhat misleading or out-of-date. There are also a number of entries authorized by the Founders on October 10th which we were not able to put through in October. We will try to deal with these matters before the end of the present month, and will write further regarding them in commenting on our November reports.

Very cordially yours,

JAG:SA

*Copy for  
Miss Cleveland  
Later mail*

0149

UNIVERSITY OF NANKING

OFFICE OF THE TREASURER

NANKING, CHINA

*Nov 2/14/31*

November 29, 1930.



# 3

Mr. B. A. Garside,  
New York.

**TRANSFER**

My dear Mr. Garside:

INDEXED

There are a number of letters from your office to be acknowledged and I shall try to clear the inquiries that have been made.

The Day Gift. The question was asked whether we preferred to have the funds sent to the field or used in New York to be applied against my salary. While it makes no difference in the end, it seems to me that all special funds should be used for the purpose for which they are given and with this interpretation, the funds should be used in New York.

Will you please make a note to transfer one-fourth of my salary or G\$240. from Famine Funds accounts sometime during the year? In this way we shall avoid any complication of exchange.

*noted on acct.*  
Draft No. 3010. You will note that we have cancelled authorization No. 3010 for four thousand dollars Chinese currency inasmuch as we asked you to pay the invoices to Arthur H. Thomas Co. and B. H. Blackwell Co. This payment would be approximately the equivalent of four thousand dollars. We are drawing four thousand dollars under authorization No. 3011.

*note from staff*  
The Methodist vacancy. The letter of October 24th from Mr. Evans was a great surprise to us. He states: "This money, however was never paid to us, and there is no chance of collecting it." This is the first intimation that has reached us that the Methodist Board did not intend to keep their agreement for this year. In a letter dated January 11th it was listed as one of the outstanding items of anticipated income, and as far as I can find there was no further reference to it. Naturally we supposed it was to be paid or else you would have advised us before the close of the fiscal year. In past years the Methodist board has been somewhat slow in clearing their obligations so I assumed it had been delayed or overlooked. In stating the income for the year, both in the minutes and in correspondence, this item of G\$1,300 00 was listed, without reservation that I can find, as anticipated income. Surely the matter must have been brought to the attention of the Methodist Board during the year.

As the matter stands we shall be forced to carry this item of G\$1,300 00 or as stated in the budget on the field, M\$2,730 00, as a deficit. It does not seem quite fair to the University does it? For 1928-1929, the Methodist Board either supplied or paid for three quota members and for 1930-1931 they are supplying three members on the staff. Why do they consider 1929-1930 an exception? When the other boards are supplying five or the equivalent, it would seem only fair to expect that the Methodist Board should keep their agreement for three members.

In this connection I wonder about an item in the annual report for 1929-1930. On page 4 of the treasurer's report for 1929-1930 is the following:

"Board of F. Missions of the Methodist E. Church	
General appropriation	2,000 00*
Vacancies on staff	nothing **

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TRANSFER

\*\$500 00 less than 192801929.

\*\*According to the budget \$750 00 was appropriated by the Methodist Board. Apparently this has been paid on the field but has not been entered in the New York books."

We have not received g\$750 00 to apply against vacancies on staff. I cannot see why they should send 750 00, but if that amount has been appropriated, we shall be glad to have it to apply against the shortage of 1,300 00. Will you please take this matter up immediately?

Class "B." According to statements in recent letters, your office is acting as forwarding agents only for items of income listed in this group. If I understand the letters clearly, you assume no obligation for these funds, forwarding such amounts as may be received by your office. Do you really mean it in exactly this way? In other words, do you mean that you do not follow up items like board vacancies, or other pledges? Of course a forwarding agent has no responsibility about collection, but our past experience leads me to doubt if you are exactly a "forwarding agent" in that respect. From the past correspondence I believe it is quite clear that you have taken a great deal of time in following up various people and items that have been pledged to us. I am sure that you will do so in the future. We have never taken any question directly to the boards but have always made our reports through your office. Are we incorrect in this method? Do you prefer to have us clear these outstanding items directly with the mission boards?

Will you please make a note to send us a full report before the close of the fiscal period concerning "class B" items in order that we may know which items listed are good assets and which ones cannot be considered? In this way we shall have opportunity to present our case.

U.S. Film laboratories. I am sorry you have been troubled with this shipment. In case it has not been shipped through the Methodist Board, please do not include the films with one of their shipments. Although we know it will cost more we prefer to have a separate shipment made directly to Nanking. If it comes in a separate shipment directly to Nanking, we are able to secure exemption from import duty - which at present is 22 1/2% on films - but if it is part of a shipment for the Methodist Board, we have no recourse except to pay the duty. We can afford to have it shipped directly to us. Also we are informed that a new tariff is to be effective January 1st, when all import duty will be increased. From a letter received from the laboratories, I am afraid the film "Food makes a difference" may be greatly delayed. Perhaps we had better not wait for it any longer if shipment has not been made. Mr. Chow is most anxious to receive these films and had hoped to have them long ago. His extension work is handicapped by the delay so anything that can be done to expedite shipment will be appreciated. There may be opportunity to send one film by somebody coming out later.

In this connection, please do not send us any freight with shipments for the missions. As stated above we can secure duty exemption when billed directly to Nanking, but it is impossible to do so when goods come in a joint shipment. This ruling of the government for registered schools has saved us hundreds of dollars during the past two years.

With greetings of the season,

Sincerely yours,

Elmer M. Priest

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In this connection, please do not  
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to know the government for  
the past two years.

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UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER  
NANKING, CHINA

TRANSFER

Act 2/16/31

December 12, 1930.

# 1



Mr. B. A. Garside,  
New York.

Dear Mr. Garside;

INDEXED

We have been somewhat slow in preparing the annual report for the Harvard-Yenching Institute, but it is now ready to be copied and I believe will be sent to you by the next mail. I am sending you this "advance" word in case you are anxious about it. The enclosed copy will give you the information concerning the financial part of the report, and copies will be presented at the time the full report is sent to you. I am sending this copy as I wish to make a few comments on various items.

This was the first year of the work and it took some time to secure staff, material, etc. Hence, we closed the year with some unused funds. In planning for this work, it has seemed wise to us to proceed slowly and have definite plans before starting any project. It takes time to find the right people to carry on the work! I am sure you will agree with us in the proposal for the use of the balance of the funds allocated for 1929-1930 - or \$10,227 75. I have given the details on the second page of the report, taking the items from the minutes of the meeting of the Board of Directors.

You will see from our report and from our proposed budget that we are keeping all recurring expenditures within the amount needed to bring two for one exchange, feeling it is better to be conservative than to build up a program that may cause us difficulty should silver ever regain its former value. All so called "gain in exchange" (amounts over two for one) have been set aside for the purchase of books. In this manner we shall be able to secure a fairly satisfactory library which is very important in doing research work of this kind. We have been quite fortunate in being able to buy some valuable books lately, and it is very fine to have this fund for this purpose. It does two things; - first, keeps our recurring expenses on a conservative basis that can be maintained for many years to come, and second, enables us to purchase Chinese books that are valuable for our library and most necessary for research work of this type.

You will receive the full report from Dr. Chen, but I recall you cabled for this information last year so I am sending this letter to assure you it has not been forgotten, and I believe will be in your hands in the course of a few weeks.

With best wishes,

Sincerely yours,

*Elmer M. Christ*

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THE UNIVERSITY OF CHICAGO  
LIBRARY

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UNIVERSITY OF NANKING  
INSTITUTE OF CHINESE CULTURAL STUDIES  
NANKING CHINA

**TRANSFER**

Financial statement for the year ending June 30, 1930.

Receipts:

		In Chinese currency
Actual receipts, Gold \$17,049 82 at 2:1	\$34,099 04	
Gain in exchange during the year	<u>17,792 70</u>	51,891 74

Expenditures:

Salaries:

Director of the Institute; I. L. Tsu	675 00
Bibliography and Library Science; Li Siao-yuen	1,040 00
Liu Kwch-chuin	424 00
Chen Chang-wei	210 00
Assistant	68 50
Chinese History; Chen Kung-lih	940 00
Chinese Economic Studies; Hwang Kwch-chang	600 00
Chinese Literature; Hu Tsiang-tong	1,800 00
Kao Chi-hsuen	1,080 00
Chinese Philosophy; Fang Tung-mei	1,000 00
Chinese Social History; Yu Ching-chao	1,230 00
Hu Chen	700 00
Chinese Political Thought & Inst.; Han Lih-wu	480 00
Studies in History of Frontier, etc; Wang Chong-ling	600 00
Chinese Art; Lu Feng-tse	600 00
Fang Tsai-shih	600 00
Yeh Chi-yin	<u>250 00</u>
	12,297 50

Supplies, equipment, expense, etc. 1,573 79

Books and expenses in connection with  
cataloging, storing, etc. 11,858 86 25,730 15

Balance on hand July 1, 1930.....\$ 26,161 59

Note:

In accordance with the action of the Board of Directors all gain in exchange will be used for the purchase of books or expenses in connection with them. Therefore, the following statement indicates the present condition of this fund:

Gain in exchange for 1929-1930	17,792 70
Books purchased -	11,858 86
Per budget	<u>10,000 00</u>
Available for books this year....	<u>1,559 86</u>
	\$15,933 84

- 2 - TRANSFER

Statement concerning balance of funds on hand June 30, 1930;

Surplus from gain in exchange for purchase of books	13,933 84	
*Unused budget items 1929-30	<u>10,227 75</u>	M\$26,161 59

\*1929-1930 was the first year and it took some months to secure the staff and make arrangements for the work. Therefore the entire budget was not required and at the meeting of the Board of Directors, held November 20th 1930, the following action was taken:

"VOTED that we authorize that the surplus funds of the Institute of Chinese Cultural Studies for 1929-1930 be used as follows:

1. \$5,000 00 be reserved for future use.
2. 1,000 00 be allocated to the Library for cataloging, storage, etc. of books of the Institute.
3. 1,000 00 be reserved for special printing items.
4. 3,227 75 be placed with the book fund for the purchase of books."

Respectfully submitted,

*Eliu M. Priest*

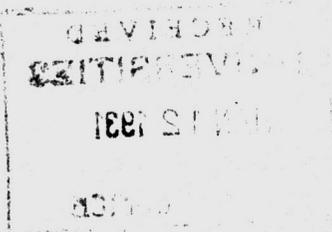
Treasurer.

Auditor's statement:

I hereby certify that I have completed the audit of the University of Nanking accounts for the year ending June 30, 1930. This has included the general accounts (including the Institute of Chinese Cultural Studies section) Finance Prevention Work accounts and University hospital accounts. The audit has included the checking of all receipts from students fees, drafts from New York, etc. etc. I have examined vouchers for all payments. The ledger accounts have all been checked and certified including all bank and cash accounts, fixed deposits, etc. and I do hereby declare them to be in order and correct.

Nanking, China,  
October 24, 1930.

Thomas B. Sogg, Auditor.



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FOR THE DEPARTMENT OF AGRICULTURE

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UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER  
NANKING, CHINA

Ack 2/16/31

TRANSFER

December 12, 1930.



#2

Mr. B. A. Garside,  
New York

INDEXED

Dear Mr. Garside:

There are a few questions in your letter to Dr. Chen dated October 27th that I shall be glad to answer. On page 3 you make inquiries concerning the Language School Building Fund.

It will not be difficult to secure the exact amount given by the American Baptist Foreign Mission Society to the Language School Building Fund. In fact, we have complete records and can give you, if it should be necessary, detailed lists showing each student and the amount paid by the boards concerned during ~~that~~ each year. I hope it may not be required for it would take some time to work it out inasmuch as the items listed were under the individual student names - not by missions. It is quite possible to work it out if required.

Perhaps it would be well to give you a bit of the history of the Language School Building Fund in case your records are not very clear. When Mr. Keen, dean of the Language School, went on furlough in 1921, he secured the cooperation of the mission boards to assess each student attending Language School 200 00 (Chinese currency) per year for the building fund to provide funds for the administration and dormitory buildings. In addition, each student was to be assessed 100 00 per year to cover rent. This latter practice was continued and was adopted by other mission groups in the city as well. For instance, if the Seminary should house a member of the hospital staff, the hospital would pay 100 00 per year to the Seminary to cover rental charges.

In December 1921 the mission boards authorized the University to put this regulation of 200 00 for building fund and 100 00 for rent from each student into effect beginning with the fall term 1922-1923. During the next three years the assessment was made, but in the fall of 1925-1926 the building fund charge of 200 00 was discontinued. The rental charge of 100 00 was continued inasmuch as that was to cover current upkeep of the buildings, especially the dormitories.

The reason for discontinuing the building assessment was due to the fact that the administration building had been completed and the number of students attending Language School did not seem to warrant building an additional dormitory. There were funds on hand amounting to about 18,000 00 for this purpose, but before collecting further funds, it was decided best to see if the students needed additional dormitories. In the year 1924-1925 there were only thirty-seven language school students and from a survey of the missions on the field, it seemed a question

0158

whether there would be a large number of students to attend language school. The enrolment was as follows for the three years involved;

D	1922-1923 - number of students	78
	1923-1924	88
	1924-1925	37

In addition there were some students taking a few hours - mostly local people, but they were treated as "hour basis" students and were not charged the extra fees.

The Language School Building Fund was as follows:

Total amount collected, including some gifts, items of interest, old building material and the assessment of 200 00 per student	60,171 34
Interest items on balances	<u>2,293 42</u>
	62,464 76
Cost of administration building	<u>43,929 95</u>
Reserved for second dormitory.....	\$ 18,534 81 <i>Chinese cy.</i>

The Mission Boards were given their choice to pay one grant of a fixed amount, or to be assessed according to the students in the school. A few preferred the former method - Y.M.C.A. and Evangelical Board for instance.

Now for some statistics concerning the American Baptist Mission. We find they had the following students in Language School during the three years in question, and as they chose to pay according to students attending the school the total was as follows:

<u>1922-1923</u>	Building fund	Rent
Florence A. Webster	200 00	100 00
Mr. Decker (half year only)	100 00	50 00
<u>1923-1924</u>		
Pauline Harris	200 00	100 00
L. Tevor Helfrich	200 00	100 00
Dorothy Lloyd (Helfrich)	200 00	100 00
<u>1924-1925</u>		
Ida M. Bare	200 00	100 00
	<u>1,100 00</u>	<u>550 00</u>

During these three years it was voted by the University to set aside the rental charge to be added to the Building Fund for that period in order to secure the buildings more quickly. Whether the various missions should be given credit for this amount of rental charges needs to be decided. I should think not, inasmuch as after 1925, the rental charge was continued and the income used to cover the cost of upkeep of buildings. If we accept the first items as representing the share of the Baptist Mission in the whole Building fund, it would mean they had an interest of 1,100 00 in the whole fund of 62,464 76 or if my figures are correct, 1-7/10%. If we take the second interpretation, it would mean they had an interest of 1,650 00 in the whole fund of 62,464 76 or 2-6/10%.

Therefore, their equity in the balance on hand of 18,534 81 would amount to (1) 315.09 or (2) 480.91. *Chinese currency*

Now for a little history about the whole Language School Compound. (This is where the registry of trust funds and building funds is most helpful!) "During the spring of 1912 the University was able to secure the "Yu Kung Kwan" property, which adjoined the College campus on the South, through the general gift of Mrs. D. Willis James "which is to be used for the purchase of the land and buildings adjoining the present site of the College". (W.W. Cammen, April 10, 1912 to F. D. Gamewell) This fund is set up on the University's books as account No. 122a"

I have quoted the item as given in the register P-031. This gift of Gold \$20,000 00 was used to purchase the compound, later assigned to the Language School. Originally it was used for a normal school, and for years was known as the James Normal School in recognition of the gift from Mrs. James. The building referred to was the old building on the property when purchased which was used for the administration building of the language school until torn down and replaced in 1924-1925 by the present Keen Hall built with the funds assessed under the authorization of December 1921.

Please also refer to P-039 of the register of Trust funds and note the items under Language School Building fund, campaign of 1916. You will notice that we received Gold \$25,000 00 through the Presbyterian Board and Gold \$5,000 00 from Mr. Blackstone on the field, making a total of gold \$30,000 00 for buildings for the Language School. These funds were used to erect the dormitory for single women, known as Meigs Hall, two small cottages used by married students who wished to live on the campus but at the same time preferred to have their own home, and various gate-houses, servants' quarters, etc.

There ~~were~~ <sup>were</sup> no other buildings in the compound. Today we have Keen Hall, which was the administration building built in 1924-5, Meigs Hall, which was the dormitory building erected 1917-8 or soon after, two small cottages built at the time the dormitory was erected, two gatehouses, etc.

From this survey, you will readily see that the American Baptist Foreign Missionary Society made no contributions to the Language School capital funds, except the items as listed on page 2 of this letter, namely, either \$1,100 00 Chinese currency or \$1,650 00 Chinese currency according to the interpretation of the action. I have given this detailed information in order that you may be able to answer their inquiry concerning the purchase of their equity in the whole plant for the Language School.

We are somewhat puzzled to understand their action inasmuch as a number of members of their mission have been sent to Peking to Language School and the report we have received was a very favorable one. At the last meeting of the Board of Directors, the members of the Baptist mission seemed to have the feeling that the matter would not be pressed further, but that their mission would drop the whole thing.

The other board that is holding up the use of the item of 15,000 00 is the Episcopal Board who have no interest in the University. I do not see why their vote should be given much attention for it must be a minority vote. The pressure for houses is most acute and we wish you would clear this item soon. It would be a great help to us in making our plans.

Sincerely yours,

*Elmer M. Priest*

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## UNIVERSITY OF NANKING

OFFICE OF THE TREASURER

NANKING, CHINA

December 12, 1930.

Mr. B. A. Garside,  
New York.



#3

**TRANSFER**

Dear Mr. Garside;

INDEXED

While I am thinking about the Language School Building Fund, it may be a good plan to send you some information concerning various items connected with the plant.

In the first place, you may be interested to know that the property as a whole is in very good repair. Due to the trouble of 1927, a good deal of repair was necessary and there has been a genuine effort to keep the buildings in good condition, with the feeling that this was one of our obligations to the Board of Founders. Of course there are things we hope to change or repair in the near future, but generally speaking the plant is in good condition.

It may be a good plan to give you a list of some of the things that have been done during the past three years. Naturally there has not been much money to spend on capital items, but by careful planning we have been able to do a number of "small" things on the list of needs.

1. The deep well, pump house, tanks, etc. M\$ 6,779 93

For many years we had a very acute water problem and when we had the drought of 1928, it was brought to our minds very clearly that something must be done. As there were no funds available, it seemed a great problem until Mr. Gee, the architect and engineer, suggested that the funds paid by the mission groups in the city for his services (our practice for years has been to charge outside groups 7% for services rendered by our Construction Department) be set aside for this purpose. Accordingly this was done and with these funds we managed to complete the water system so we have a very adequate and satisfactory supply for the west side dormitories of the college campus.

2. Residences:

(a) Repairs necessary due to damage of 1927 M\$ 34,298 66

You need no details concerning the damage done to our residences in 1927 but you may be interested to know the way in which this expenditure has been covered:

Rent from various tenants in houses	4,731 79
Rent from Tao Yuan compound	11,314 80
Small House fund (per Bd. of Directors)	4,437 53
Grant from gain in exchange 1929-1930	<u>12,000 00</u> 32,484 12

When we made a survey of the needs about a year ago, we anticipated that we should be able to clear the account but there have been additional items that nobody could have foreseen, exchange has almost doubled increasing the cost of building materials very radically and there have been various changes made in plans. By the time everything is finished I presume it will mean a shortage of about four thousand dollars (Chinese currency). Details will be worked out later with definite plans to clear the items.

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12-12-30.

(b) New residences.

You have had a good deal of material from time to time concerning the great need for houses for our Chinese and Mission staff members. When the capital moved to Nanking, the population was doubled (or more) in less than a year and as a result, rents were soon beyond the reach of many of our staff members. I might cite one instance- formerly, we rented a house from a local man for 70 00 per month and today the Hon. Hu Han-min is paying 210 00 per month for the same house. In trying to solve our problem, we have been forced to provide houses for staff members although we have not been 100% successful as yet. We have built or have under construction the following:

3 double houses		12,955 42	
1 " "	estimated	8,203 00	
1 four unit house	"	<u>8,740 00</u>	29,898 42

Covered or proposed to be covered as follows:

Speers house fund (per Bd. of Founders)	10,515 78	
Language School Building Fund	15,000 00	
Temporarily borrowed from Agr. funds	<u>3,500 00</u>	<u>29,015 78</u>
Unsecured		882 65

When we made our plans the whole program was provided for, but there have been increases due to exchange, etc. so we have the item of 882 65 unsecured. We understand perfectly that the entire 15,000 00 has not been finally approved and we are prepared to return to the fund such amount as may be decided. You reserved one-fourth pending the decision of the two boards who were not agreeable to the suggestion. However, their share would not be equal to anything like one-fourth of 15,000 00. Please do not think we are trying to use funds that are not authorized - I am giving you our estimates and plans to provide for these houses merely for your information. We are hoping you will send us word that it is in order to use the full 15,000 00 for this purpose.

In addition to the new residences built we have remodelled a number of our large mission houses both for Chinese and mission staff members. The number of mission staff members on the field or the vacancies did not warrant keeping all the so-called mission staff houses for Westerners. In this connection it is a very important matter to have word on the field just as early as possible concerning any staff member who may be sent out by any mission board. It takes about six or eight months to arrange for a house and if we do not know a family is coming until they arrive in Shanghai it causes a lot of trouble and misunderstanding. I am sure you know this difficulty we are facing and will keep us informed. In case a house is rented to officials it takes from six months to a year to convince them that we need the house and then from three to four months for them to move!

I am somewhat hesitant about saying anything further about houses but you may be interested to know that we spent four hours yesterday afternoon trying to assign six houses to fifteen applicants. It was most discouraging for every one of the fifteen needs a house and if we wish to keep our staff, they should have a house. I do not know of any further funds that could be used for residences but I wish we could find funds from some source immediately. If we had 2,500 00 gold we could build a two family house. Perhaps this is the most acute problem at present - more so than the pension plan which is twenty or thirty years in the future while this is a very present problem.

*Commt*  
*with Dian*  
*Chad*

0163

3.

3. Gas plant.

Total cost M\$ 12,478 56

In 1925 the gas plant was started but due to lack of funds, it was not completed. By the use of current budget funds we completed the main plant in the spring of 1930. As a matter of information the funds were assigned as follows:

Grant from Rockefeller Foundation	6,999 56
Grants from current funds	<u>5,479 00</u>
	12,478 56

The hospital was most anxious to have the use of gas from this plant and at first we thought the capacity was sufficient to furnish the same. However it has proved inadequate so this fall we are adding another tank which will cost approximately three thousand dollars. This is being temporarily borrowed from the hospital without interest, as it is entirely for their benefit, but we hope to replace the funds later feeling it is better not to confuse property between the college plant and the hospital plant inasmuch as the two plants have been kept entirely separate in the past.

4. Sericulture plant.

We received a gift of 15,000 00 from a silk factory in Wusih for the purpose of constructing a refrigeration plant for storage of silkworm eggs. This has been completed with the total cost 14,555 72. There is a small balance of 444.28 reserved for minor items that may seem necessary.

Also we have built the second sericulture building enlarging the capacity of the department. The cost of this building was 15,528 40 and we received a special gift of 2,500 00 from Mr. Chu, making the present shortage 13,028 40. This is to be covered over a period of years in accordance with our agreement with the Meng Feng Silk Works, and has been approved by the Board of Directors. I feel we shall be able to fulfil the conditions of the agreement without difficulty.

5. Main gate house.

It has been an increasing need to have one main entrance for the college campus with a gate house that would provide facilities for students' guests, telephone service and general information. The building has replaced the small gate house near the chapel and is in keeping with the college buildings. Photographs will be sent a little later when it is completed. All other entrances will be closed except for emergencies. The total cost including the cost of various gates, fence, wire, etc. will be 3,700 00. We are proposing to cover this item from the gain in exchange on staff vacancies this year.

6. Changes in East Compound.

Due to a small epidemic of typhoid fever this fall during which time two students died, we have decided to change the kitchen, water supply, etc. in the old East Compound in order to provide more sanitary living conditions for students. This was authorized by the Board of Directors at a cost not to exceed four thousand dollars, to be provided later. Temporarily we shall carry it as a deficit.

The total of these items is not spectacular but it means we have cleared some necessary items from our list of needs. I feel we have made good progress during the last three years when we consider conditions.

Sincerely yours,

*Elmer M. Pruitt*

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**TRANSFER**

University of Nanking

December 20, 1930

Miss Elsie M. Priest,  
University of Nanking,  
Nanking, China.

My dear Miss Priest:

Let me acknowledge receipt of your two letters of November 25, and also the memorandum of outfit needs for candidates for the University of Nanking.

With your first letter you enclose a revised list of the home addresses of all American citizens on the Nanking campus. We are very glad indeed to have this up-to-date information.

Your second letter indicates that Miss Mertsy may be leaving the University during this month, and taking up a position in Shanghai. There have been numerous intimations during the last few months that some such outcome might be expected, but nevertheless we have felt sincerely disappointed at this threatened ending of an appointment for which we had such high hopes. As you know, Mr. Buck took the initiative in our contacts with Miss Mertsy, and the Trustees relied very largely on his judgment in making the appointment.

The percentage of cases in which the appointment of young women to secretarial positions in China which end up in an unsatisfactory manner is an alarmingly high one. There is no type of appointee who receives more careful and painstaking attention at the hands of the committees and individuals responsible for sending out new candidates, but everyone who has any share of responsibility for sending a young woman to China always takes such an action in fear and trembling. Many young women for whom we have the highest hopes prove to be disappointments, and sometimes an appointee concerning whom we have some doubt proves to be an ideal person for the position to which she is sent.

We are very glad indeed to have the memorandum of outfit needs for candidates for the University of Nanking. We have long been in need of a revised statement of this kind. As I glance through the memorandum it appears that this information is intended primarily for young women appointees. No doubt a mere man ought to be expected to get along happily anywhere if he possesses a tooth brush and a Gillette razor, but we should at least tell him whether or not he should bring a full supply of extra blades to carry him through a term of service. As far as I know, there is no immediate prospect

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Miss Priest-2

12-20-30

of appointing any University supported masculine members of the staff,  
but it would be well for us to have such a statement of outfit needs here  
in New York should the occasion for using such a statement arise suddenly.

Very cordially yours,

BAG-H

W A GARSIDE

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UNIVERSITY OF NANKING  
OFFICE OF THE TREASURER  
NANKING, CHINA

*Ack 2/16/31*

*General*

**TRANSFER**



December 23, 1930.

Mr. B. A. Garside,  
China Union Universities,  
New York.

*In Director's Treasurer binder  
Dec 30, 1930*

My dear Mr. Garside;

I have delayed sending you the audited statements for the close of the year 1930, as I have been working on a full detailed statement showing expenditures in each unit. However, it is not completed as yet and for fear it should be delayed for some time I am sending you the financial statements showing the condition of assets and liabilities, etc. at the close of June 30, 1930.

The hospital accounts are given in greater detail. Inasmuch as there was a serious problem in financing the hospital we made the statement to present to the directors, and I am enclosing the same at this time.

The most important item on this statement is the fact that all deficits were cleared with the exception of the Agricultural Experiment station accounts which have been provided for in other ways. As far as I know we have no questionable items of accounts receivable.

In addition to clearing the deficits, you will note we have carried forward various reserve items for 1930 1931, which indicate our surplus funds. I regret to say they have been absorbed completely in planning for this year. As a natural consequence, the price of many supplies has nearly doubled during the past ten months. Exchange is 3.90 today.

With best wishes,

Sincerely yours,

*Edwin M. Christ*

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