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Priest, Elsie

1931 Jan-Jun

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0170

UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Rec 2/17/31

January 13, 1931.



TRANSFER

Mr. B. A. Garside,
New York.

My dear Mr. Garside;

*ok 6
from
G. B.
1/21/31*

As is so often the case in January we are hard up for current cash, and I have drawn the draft for Gold \$3,250 00 covering the remittance for the Hoover Fund which will be made to you February 1, 1931. This fund is for the use of paying salaries on the field, and as no part will be needed at home in gold, I felt it was in order to clear it. I feel sure the Trust Co. will remit promptly so you will have funds on hand before the draft is presented, but if not, could you not write to them? The agreement was quite clearly stated and the payment was due February 1, 1931 to be paid to your office.

We have not received the report of the rate of exchange for this draft - exchange was 4.36 two days ago, and seems to be falling rapidly. We wish we knew what was wise - some of the administrators feel it would be a good time to draw out all the gold available for this year at this time, even although it might mean borrowing in New York to cover the needs. We may send you a cable concerning this matter - and shall not draw a draft until we hear from you. There is a rumor that silver may go to nearly six - we know everything is very unstable and costly. Duty is very high since January 1st also.

The Moving Picture films arrived by post last week, and we arranged to secure them without duty. You may be interested to know that the duty would have been a little more than three hundred dollars. It was a great relief to be able to make a deposit that we know will be refunded as soon as the hachao arrives from the Ministry of Finance. Mr. Chow is quite delighted to have them and is using them immediately in his work in the country.

I am sure I have furnished you with sufficient literature for one day and will leave the rest until later on. Now I will go over to Ginling and send off a "bunch of letters" to Mr. Carter!

Sincerely yours,

Elmer M. Pruitt

0171

RECEIVED
UNIVERSITIES
FEB 9 - 1931

0172

2

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1

3

7

3

9

UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Act 2/17/31

January 13, 1931.

Nanking

#2

TRANSFER

Mr. B. A. Garside,
New York.

INDEXED

My dear Mr. Garside;

In reply to your letter of December 10th;

ack
Thank you very much for sending us the code supplements. I am not sure that I acknowledged the ones sent us some weeks ago, but we are glad to have them on file, and shall be glad to have the copy of the one being prepared by the Committee of Reference and counsel. As a matter of interest, you might like to know that one of our neighbors was "caught" with a cable they were unable to decode because the new code supplements had been used. It was a great satisfaction to them and to us to be able to help them out without too much delay.

Some weeks ago I wrote asking you to hold the December salary for Miss Grace Mertsy. She left the University on January 1st to take a position with a commercial concern in Shanghai, but she owes us for her travel and outfit, so we are still "holding" payment of the December salary. I may cable you if she makes the necessary refund to us. We are not at all sure about it at this date! and it seemed best to us all to keep the December account until she took steps to settle her indebtedness with us.

1931
Her main reason for leaving was the fact that she had to do too much secretarial work and preferred to spend her time on research. The fact that the whole project they were working on was a research project did not seem to alter the case! She felt her time was being wasted by doing routine work, and preferred to take a "research" position. She has never been happy with us, and has always felt she was not given the true facts about Nanking before leaving home. Had she known it was a "primitive" city she would never have come out! She expected to find the capital of China a replica of Washington or some other capital I believe. We have been awfully sorry it has turned out this way, but we did our best to make her interested in the work. On the other hand, Mr. Buck was quite relieved when she decided of her own accord to break the contract. I will not go into details, but thought you might like to know that side. The greatest difficulty was her entire lack of interest and perhaps we might term it antagonism to everything connected with mission work. It irritated her, and she did her best to keep "out" of that side of our work. It has convinced us that it is impossible to have western staff members who do not have keen sympathy with the mission work we are doing and the interest that goes ~~that~~ the same.

Sincerely yours,

Elise M. Priest

0173

UNIVERSITY OF NANKING

OFFICE OF THE TREASURER

NANKING, CHINA

January 13, 1931.

#3

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

Nanking

TRANSFER

My dear Mr. Garside;

INDEXED

I have been spending some time studying over your letter and statements of November 24th and wish to thank you for sending us such a detailed report. While I was quite familiar with the principle in general, it is worthwhile to have it on file in case the next person has study it out. There were a number of points that I was very glad to have cleared, and I shall attempt to take them up within the next day or two. Today I wish to write particularly concerning the hospital accounts.

On September 10th I wrote you of our concern over the hospital finances, and made the inquiry to approach the Methodist Board to make their remittance in U.S. currency. Under date of October 10th, Mr. Evans acknowledged my letter and advised that the Methodist Board were agreeable, and that we could count on having the change made. However, I note no payment has been received to November 30th. Will you please let us know exactly how the matter stands?

It is true the hospital has a heavy deficit in New York, but we are planning to clear it before the end of the year by the use of Chinese dollars, income from the field. I must say it seems too bad that this has to be done but we have not been able to find any other method of adjustment. In order to make it perfectly fair to general funds, we shall charge to the hospital the equivalent of the overdraft using an average rate of exchange over the year, and advise you to make the transfer toward the close of the year. If you know of any other way of handling it, we shall be glad to hear from you. It will probably mean the hospital will have to take funds from their small reserve (about Mex\$30,000 00) again this year to meet current expenses and we know this is a very unwise basis for the operation of the hospital, but until such time as additional funds are received, we have no other recourse.

According to your detailed monthly statements, the hospital accounts showed a balance of Gold \$6.74 at the close of June 1930. This should have been \$169.13 inasmuch as you charged to the hospital the item of 162.39 on the June statement covering the autoclave ordered from Arthur H. Thomas & Co. under requisition No. 3211. It was ordered for Bacteriology Research under ~~Famine Funds~~, not under the hospital. I should have advised you before this date, but the proper entry was made on our books so if you will transfer the amount of \$162.39 from the hospital to the Famine Funds on your books it will clear the account correctly.

This is the part of your statements that seem very confusing to me and I am quite unable to reconcile the system used. On the November 30th statement you show the expenditures as follows:

Hospital Class A-general funds

General purposes
Salaries

Gold 3,832 35
1,830 00 5,662 35

0174

1-13-31

. 2,

According to your letter and to your monthly statements the actual condition is as follows:

Credit balances: (July 31st trial balance)

165.2 Managers' surplus -	1926/27	3,158 38
165.3 " "	1929/30	<u>1,328 84</u>
		4,487 22

Debit balances:

65.1 Managers' deficit	1927-28	334 31
65.2 " "	1928-29	<u>1,516 08</u>
		1,850 39

2,636 83

Less balance on hand per statements	6 74
Surplus in hospital accounts.....G	<u>2,630 09</u>

On the November 30, 1930 report for the hospital you state:

Expenditures:		5,662 35
("Deficit for 1929-30")	2,630 09)	
(General supplies	<u>1,202 26)</u>	
	3,832 35	
Salaries	<u>1,830 00</u>	5,662 35

According to these two statements - your trial balance and your monthly report - you are showing a credit balance on one side of your books which nets 2,630 09, and at the same time carrying forwarding a deficit amounting to the same amount or 2,630 09. It would seem to me one entry that would cancel these balances from your books and close out the open accounts would be a fine step and would make a very clear statement of actual conditions.

We knew there were funds left over in New York from the year 1926-9, and made our plans last year very carefully with these funds in mind. We needed the money in New York, there was no point in exchanging into silver when we knew we should require even more than was available in gold. Therefore, the cash held in New York, was considered as "cash on hand" carried forward to the following year. It seems to me this is quite correct. It would be perfect folly to sell our balance at the end of June when we knew it would mean a great loss later.

If you agree to the suggestion above, it will mean you will clear the item of 2,630 09 from the report against budget items for 1930-1931, leaving the actual items or 3,032 26 in the report (to Nov. 30, 1930). The money belongs to the hospital and has been expended by the hospital and if our dates of expenditures failed to coincide with your year, that does not alter the case in any way, but the accounts still stand on your records. If you should insist that this item of 2,630 09 belongs against this year, it would be very serious for the hospital. But in that case, what happens to the credit balance of 2,630 09 which stands on your books? Who benefits from that?

I am very glad to have these full statements as it enables me to see just what the charges against us represent. I have been quite puzzled over such items as above, knowing we had not expended any such amount.

0175

No. 3.

The Rockefeller Foundation payment of six thousand is now due, and just as soon as we can complete the annual statement (they request the statement for the calendar year) the application will be forwarded through Mr. Gee at Peiping. As usual they will make payment to you, and we shall be glad to have you forward the check to us. It will be for Chinese currency and we need it for current funds out here.

We feel that something will have to be done to secure more income for the hospital. One thing as you know has been to make the request that each board supports one nurse in addition to a doctor, and if this proves to be possible, we will transfer our present staff to the mission boards, thus releasing the funds used for their salaries. However, it is all very uncertain and so far as I know the Presbyterian Board on the field is the only one that has considered the matter favorably so far. Whether it needs further action or not I do not know, but you will receive the full minute as taken by the Board of Directors and will be able to act accordingly.

Perhaps the time is arriving when we need a campaign for additional funds for the hospital. There is no question in our minds but what we must find further support from some source, and I fear it will not be from China for some time to come. I fear the Boards may not increase their appropriation either and we seem to be in a circle without a solution. Have you any suggestions? The running expenses of the hospital are increasingly greater as so many of the drugs must be imported. As a result it costs a good deal to operate and we do not have any "gain in exchange" to fall back on to clear the account.

You need not be worried over the deficit for this year. We know there will be one as far as gold items are concerned and as stated above, we are planning to clear it with field income before the close of the year. With exchange 4.36 at present, the hospital is having a hard time.

By the way, I have not received the letter about the "retirement plan" you mentioned in a letter some weeks ago. Some of the hospital staff are making inquiries. I had a hint of the decision in a letter from Mr. Reisner which was not at all surprising, but I prefer not to pass it on until I hear from you officially.

I believe this clears any problems connected with the hospital accounts. If not, please let me know. We seem to show the same figures for this current year and when the balances are properly adjusted, the two accounts will be in balance.

Sincerely yours,

Elmer M. Priest

RECEIVED
UNIVERSITIES

FEB 9 - 1931

JOINT OFFICE

0177

2
2
1
3
7
3
9

UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

TRANSFER

Report to the

Nanking

January 13, 1931. #4

ack. 3/10/31

Mr. B. A. Garside,
New York.

Dear Mr. Garside;

There is one matter that has been in my mind for some months, and perhaps you can help to clear it to the satisfaction of everyone.

According to the last regulations passed by the Board for the term of western staff members, supported by the University, the first term is for five years, and each subsequent term is for six years. This seemed quite in order at the time it was passed, and Miss Parcell served six years before going on her furlough in 1928. I believe she is the only member who has served the full second term as yet.

Some of the hospital staff members have raised the question, stating that nothing was said to them about the term being for six years when they returned in 1928 or 1929 as the case may have been, and that they came with the distinct understanding that it was for a term of five years. There is plenty of time to adjust the matter, but I feel it had better be cleared once for all.

If the Board of Founders will take action giving the length of service required for the second term etc. or confirming the old action, I think the matter will be solved. Perhaps this is not necessary. Possibly you may feel that the old rule should stand and if so, that will be quite in order. I would like something definite, however, to pass on to the various members of the staff. It may be best to make a new statement concerning length of service, furlough allowance, etc. Under the present arrangement, the regulations adopted by the old Board of Managers may not be adequate. When it is taken up, would you review the entire regulation concerning western staff members, and make the whole matter quite clear?

Sincerely yours,

Elmer M. Priest

0178

RECEIVED
UNIVERSITIES

FEB 9 - 1931

JOINT OFFICE

0179

UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Ack 2/17/31

January 15, 1931. #2

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

Nanking

TRANSFER

Dear Mr. Garside;

Your letter of December 20th arrived this morning and I am hastening to send a reply. Please do not think anyone in Nanking is blaming your office or Mr. Buck for the apparent failure of the University to measure up to Miss Mertsky's expectations. She had great promise of being valuable and we kept thinking the time would come when the work would interest her - but it never came. It has been hard on Mr. Buck and a great disappointment to him but the quality of her work was such that he was not sorry to see her leave. I am sure this was due entirely to her lack of interest for she was well qualified and perhaps like many men, he expected a bit too much!

I am sure everyone on the field will agree with you most heartily that young women are very risky investments these days. Ginling College had a most unfortunate experience with their secretary last year, the one sent out this fall for the Seminary has been ill practically ever since her arrival, etc. etc. It is not only the University of Nanking that has problems! We hope you will keep on looking for the person that will please the entire staff of three hundred and perhaps the time may come when she is available!

I did not feel qualified to send in a list of outfit needs for a young man but asked Mr. Young to write one out. Likely he has forgotten it, and I shall have to remind him again. Miss Mertsky was so disappointed that she did not know the requirements that I thought a list might prove helpful to the next person -- but what seems the necessary items for one person seems ridiculous to the next one, so it is not of much use.

Sincerely yours,

Elise M. Priest

Jan. 20th

P.S. This morning Miss Prietti who was engaged on the files for secretarial work in Agr. College left on two hours' notice, having received a cable from home. She may cable you to send out a second one - in addition to the woman Mr. Reimer is bringing out.

0180

RECEIVED
UNIVERSITIES
FEB 10 1931
JOINT OFFICE

0181

2

2

1

3

7

3

9

TRANSFER

Nanking

INDEXED

University of Nanking

January 15, 1931

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

My dear Miss Priest:

We are enclosing herewith copy of a letter we are writing
Dr. Myers.

You will note that in the letter we have listed all the
disbursements we have to date made on his account. In accordance with
our customary procedure we are charging these disbursements to the
Famine Fund accounts.

In a letter dated December 20 Professor Myers made the fol-
lowing request:-

"I note that your proposed plan involves advancing one-half
of Mrs. Myers' expenses on the outgoing trip. In view of
the fact that I am leaving Ithaca shortly after the
first of the year, a time when fairly heavy demands are
made upon my funds for interest and payments on indebted-
ness, it would be a great accommodation to me if you could
advance all of Mrs. Myers' expenses for the outgoing trip.
Within a couple of months I would be able to adjust this
with the Field Treasurer, or it could be allowed to stand
until the final accounting was made. In the latter case
I, of course, would request no advance for Mrs. Myers' expenses
on the return trip."

In the light of this request from Professor Myers it seemed
that the only proper course to pursue was to advance the entire amount
of Mrs. Myers' outgoing expenses for later adjustment on the field along
one of the two lines suggested by Professor Myers.

Very cordially yours,

BAG-H

B A GARSIDE

Enc.

0182

UNIVERSITY OF NANKING

OFFICE OF THE TREASURER

NANKING, CHINA

Ask

TRANSFER

January 23, 1931.

Nanking

Mr. B. A. Garside,
New York.

My dear Mr. Garside;

RECEIVED

See "Rockefeller Foundation"
January 23, 1931

We enclose a copy of the letter and detailed statement for the hospital which we have sent to Mr. Gee with the request that he present the matter to his board for settlement with you for the grant of M\$6,000 00 due us for the calendar year 1930. I think it is quite clear and inasmuch as the contribution from mission boards is considerably more than the requirement, I do not believe there will be any further question.

You will note we have anticipated some of the mission board payments in order to show our statement as complete to December 31st. Inasmuch as they have always cleared these items in the past, I do not think there is any doubt about this year!

When the check reaches you, will you please send it to us immediately? We shall need it to clear field items and have other plans for clearing the New York account as stated in a former letter.

Sincerely yours,

Eric M. Rust -

0183

UNITED STATES DEPARTMENT OF THE ARMY
HEADQUARTERS, ARMY
WASHINGTON, D. C.

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RECEIVED

1931

JOINT OFFICE

0184

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Nanking

TRANSFER

INDEXED

See "Retiring Allowances" 2/12/30

University of Nanking

February 4, 1931

President Y. G. Chen,
Miss Elsie M. Priest,
University of Nanking,
Nanking, China.

AIR MAIL

ack. 3/16/31

My dear Dr. Chen and Miss Priest:

We are attaching hereto a copy of an outline of the proposed retirement plan and annuity fund for the University supported staff at Nanking. Under separate cover we are sending ten more copies of this outline.

This plan as now drafted is the result of about six months of study and consultation between committees representing the Founders of the University of Nanking and the Trustees of Yenching University on the one hand, and the Sun Life Assurance Company of Canada on the other. These two Universities have been actively engaged during the last year on the working out of a satisfactory retirement plan, and we have been seeking to secure a plan that would be satisfactory from an actuarial standpoint and would give the maximum benefits to the University supported staff members of the University, both Western and Chinese, at the most advantageous rates we can procure.

We hope that the present plan will be found to combine satisfactorily these various objectives. We have tried to follow out, so far as we can, the wishes of the University supported members of the Nanking staff as revealed in the correspondence we have had with them during the past year, and we hope that we have been reasonably successful.

I trust that the retirement plan as described in the attached outline is so stated as to be fairly easy to understand. All insurance and retirement plans must necessarily be stated in somewhat technical language, and must be complicated by detailed provisions inserted to take care of exceptional cases. But in its essential outlines the enclosed plan is quite simple. It provides in essence that all permanent members of the University supported staff shall be eligible to participate in the retirement plan through taking out a policy with the Sun Life Assurance Company of Canada based on the payment of a premium of ten per cent of their salary, this payment to be divided equally between the staff member and the University. For past service the University will contribute one-half the premium if, and to the extent that, this payment is matched by similar contributions from the staff members.

These premium payments are to continue so long as the staff members remain in the employ of the University, either until they reach retirement age or until the amount of the retirement benefit earned by the

0185

contributions has grown to two-thirds of the salary then being received by the staff member. When this basis of two-thirds of the salary has been reached the University's contributions will cease, but the staff member may continue or discontinue his own payments as he may desire.

The normal retirement age is defined as the July 1st following the staff member's sixty-fifth birthday. The staff member may, however, continue in service beyond sixty-five if mutually agreeable to himself and to the University. Where such continuation in service takes place the value of the annuity after retirement is proportionately increased upon an actuarial basis.

Upon retirement a staff member receives a monthly retirement income in accordance with any one of several options set forth within the plan.

Should the staff member become totally disabled while in the service of the University and before reaching retirement age, he shall be entitled to receive the sum of the combined contributions made by himself and the University, together with interest and dividends. Should the staff member die while in the service of the University and before retirement, his beneficiary shall receive the amount of the member's contributions, together with interest and dividends thereon, and if such beneficiary be a person who is dependent upon the member, he shall also receive the contributions of the University with interest and dividends thereon.

Should a staff member withdraw from service in the University before reaching the age of retirement he is entitled to the following benefits:- (a) If he has served the University less than ten years, he is entitled to receive back from the Assurance Company in cash the amount of retirement income standing to his credit which has been provided by his own contributions, plus the additions by dividends earned by his own contribution. He does not receive in this case any benefit from the contributions made by the University. (b) If he retires after ten or less than twenty years' service he may either receive back his own contributions with interest and dividends thereon, but without receiving benefit from the University's contributions. Or he may elect to leave his own contributions with the Assurance Company as the basis for a retirement fund, and in this case the University will leave fifty per cent of its own contributions with additions thereto in the hands of the Assurance Company to the credit of the staff member. (c) If the staff member has served the University more than twenty years when he retires he may either withdraw his own contributions with additions thereto but without the benefit of the University's contributions; or he may leave his own contributions with the Assurance Company as a basis for a retirement fund, and in this case the entire amount of the University's contributions with all additions thereto will also be left to his credit with the Assurance Company.

These are the main outlines of the retirement plan. You will note that the attached statement elaborates on them, and includes various detailed explanations and safeguards.

The next steps to take in putting such a retirement plan into operation for the University of Nanking are the following:- (1) Ascertain whether the plan is acceptable to the field and to the staff members concerned. (2) Secure final approval from the Board of Founders. If study of the plan on the field makes it clear that modifications in the plan are desired some further delay may be required to allow you to report your suggestions to New York and have us bring the suggestions to the Sun Life Assurance Company and

the Board of Founders. Minor changes might be made without any serious delay, but any major alterations would probably consume more time.

One other factor that enters into the situation is this:- We understand that the Sun Life Assurance Company is likely to modify within a few months some of the provisions of this pension plan which is now offered. As a matter of fact, it is considerably more generous and more flexible than we have been able to obtain from any other source. Any restrictions the company may place upon its plan a few months hence would, of course, not affect in any way policies already in operation. If we are satisfied with the plan as proposed it would, therefore, be to our advantage to conclude our negotiations, and get out policies actually written at the earliest possible date.

We would like to request that the field take two actions after you have had an opportunity to give a thorough study to this plan:- (1) Will you please notify us by cable whether or not you are in general satisfied with the plan, so that we may be in a position to make some statement to the Assurance Company and to the Board of Founders as to whether the field desires to proceed with negotiations along these lines? (2) Will you please give us full details as to how we may proceed with putting this plan into effect if it is acceptable to you? The following are some of the most important questions to be answered:-

1. What members of the present University supported Western group desire to participate in the plan?
2. What is the wish of each of these members as regards payment for previous service?
3. How can we most simply provide from year to year for the payment by the University of the University's half of the premiums? (The Founders have already set aside a reserve fund sufficient to care for all the University's premiums, both for past service and for future service, for some time to come. But the usual policy in such matters is for the University's contributions to be provided from some current source of income. In this same connection the field may wish to raise the question of whether the University's payment on behalf of the hospital personnel shall be handled in some different way than its contribution for general University personnel.)
4. Is it likely that the Chinese staff of the University will also wish to avail itself of this pension plan? And if so, will the Board of Directors be able to find the necessary funds to provide the University's share of the cost? The Sun Life Assurance Company has already indicated its willingness to include the Chinese staffs of our Universities on the same basis as the Western staffs, making only the reservation that it may request the University to certify from time to time that Chinese staff members who have retired and are drawing pensions are still alive. Yenching University is already actively interested in having its Chinese staff brought under this retirement plan.

I understand that the technical procedure of the Sun Life As-

urance Company, once the adoption of such a pension plan has been consummated, will be as follows:-

1. A "Master Contract" will be entered into between the Assurance Company and the organization interested in setting up the plan. Since several of our China colleges will probably participate in such a plan on the same terms it may be that the Master Contract with the Assurance Company will be drawn in the name of our Central Office here in New York rather than each of the individual Universities participating.
2. Once this Master Contract has been entered into the Assurance Company will write individual policies for each staff member sharing in the plan. This policy will be the property of the individual under the conditions set forth in the pension plan.
3. Payments of monthly premiums will be made to the Assurance Company by our office here in New York and we will send to the various Universities the necessary notifications as to subtractions to be made from the salaries of the staff members participating.

We will probably not ask for any formal action by the Nanking Board of Founders or its Executive Committee until we have had some intimation from the field giving at least your general attitude toward this plan.

Very cordially yours,

B A GARSIDE

BAG-H

Enc.

CC: Later mail (1)

Nanking

UNIVERSITY OF NANKING

OFFICE OF THE TREASURER

NANKING, CHINA

Feb. 11, 1931.

Mr. B. A. Garside,
New York.

Dear Mr. Garside;

INDEXED

TRANSFER

Today is the last day of registration for the three schools - colleges, middle school and Ginling. Inasmuch as we have the same staff that has handled it for a number of years, the system is worked out quite effectively and in such a way that the treasurer has much the lightest load. However it is going along very well, with about the usual numbers as far as I have checked so far. Forty-eight students took our entrance examinations to enter freshman class but only two could pass the tests. It begins to look as though the work being done in middle schools today was decidedly below par. The whole situation is a serious one as we do not wish to lower our standards.

Su "Kaiser's Foundation" 2/3/31

You will be interested in the letter Dr. Daniels has sent to Mr. Gee so I am enclosing a copy. It presents the present condition in the hospital rather well and will give you the picture as seen on the field. I have heard informally that the U.C.M.S. has voted on the field to ask that Miss Bauer (hospital technician) be transferred to their board. We have nothing official as yet. I hope you can do some follow up work on these matters from your end.

Sincerely,

Edw. M. Priest

P.S. As we have as few assistants around the plant I have the privilege of using my luncheon, that way - hence the reason why Dr. Daniels asked me to send on the copy of his letter to Mr. Gee.

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UNIVERSITIES.

MAR 9 - 1931

JOINT OFFICE

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TRANSFER

INDEXED

University of Nanking

February 1⁶, 1931

#3

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

My dear Miss Priest:

I find that a number of letters from you have not as yet been formally acknowledged.

Your letter of November 29. The first matter you discuss in this letter is that of the method of accounting to be used this year in connection with Mr. and Mrs. Day's contribution toward the salary of the Field Treasurer. In accordance with your suggestion, we are applying G\$610 received from Mr. and Mrs. Day for 1930-31 against the item of your salary in account 31.1.

We have now received from Mr. and Mrs. Day both the entire sum of G\$610 pledged for this year, and also a remittance of G\$152.50 which was due when we closed our fiscal year 1929-30. This \$152.50 is standing on our books awaiting your wishes. Do you wish to draw a draft on us for this amount or shall we make some other disposition of the item?

In this same letter you ask us to make a note that you have cancelled authorization #3010 for L.C. \$4,000. We have noted this fact on our records.

In this letter you also discuss at some length the unpaid obligation of the Methodist Board in 1929-30 for its quota vacancy. We are still in consultation with the Methodist Board in regard to this obligation of G\$1,300 and trust that the case is not entirely hopeless. We can appreciate the difficulty created in your field accounts through the fact that you are forced to carry this item on your books as a deficit. If no assistance can be secured from the Methodist Board it may be wise for us to report the matter to the Board of Founders to see whether they can find any way to provide relief.

In this same connection you refer to the notation on page 4 of the Annual Report of the Trustees' Treasurer to the effect that "according to the budget \$750 was appropriated by the Methodist Board. Apparently this has been paid on the field but has not been entered on the New York books". I believe that this notation does not refer to any Methodist Board payment on quota vacancies, but to the Methodist Board appropriation of L.C. \$1,500 toward the support of the Hospital. We understand that for last year this \$1,500 was paid on the field. For the year 1930-31 the Methodist Board has promised to pay this appropriation in New York as G\$750.

0191

In this same letter you ask for a clarification as to the attitude here in New York in regard to "Class B Items". I am indeed sorry if any of our correspondence has given you the impression that we are less active in seeking to secure full payment of Class B items than we are in dealing with Class A items. The whole history of our New York office has been that of serving the field in every possible capacity and we certainly have no intention of deviating from that historic policy. As a matter of fact, our office spends far more time during the year in following up Class B items than it does Class A items. The distinction between the two is a technical one which is primarily of an accounting nature.

The Board of Founders makes its general appropriation (Class A) from funds within its own control or received from the cooperating Mission Boards for the general work of the University. Class B items are specific gifts received from year to year from individuals, Mission Boards and non-mission organizations for specific pieces of work. The Founders have not felt that they were justified in asking for any voice in the use of these Class B items, since the designation of all such items is determined by the donor. Therefore, all such gifts are sent out in full, and in the form received, without the Founders asking any credit for overpayment or for gain in exchange, and without the Founders accepting responsibility for any underpayment or loss in exchange. This does not in any sense imply that the Founders and our New York office are any less interested in securing full payment of Class B items.

You will be interested to know that in several of our other Universities there is a gradual drifting away from this policy of dividing income received from the Boards of Trustees and Boards of Founders here in New York into general funds (Class A) and specially designated funds (Class B). For example, our Yenching Trustees have just proposed to the field that for the year 1951-52 the Trustees will assume an equal obligation for all income passing through its hands, specially designated gifts as well as general funds. In assuming this full responsibility for the receipt of all specially designated funds the Yenching Trustees would necessarily reserve for its own protection the right to create from surplus receipts for special purposes a sufficient reserve to guard against the possible shortage of income or loss in exchange at some future date. Needless to say, our Boards of Trustees always try to formulate policies which will be of the greatest benefit to the Universities they are serving. If you in Nanking would prefer some other method of handling these Class B items I hope you will communicate your suggestions to us quite fully and frankly.

I hope that the monthly budget statements we are sending you will give you all the information we ourselves possess as to the status of the various Class B items. If you find yourself in need of further information on any of these items please let us know.

Your letter of November 29 also discusses the method of handling the shipment of films. Fortunately we sent them direct by parcel post in the manner you prefer. One of the latest letters received from you brings the good news that these films have arrived and that you were able to avoid the payment of duty. We will try to adhere in future to the policy of making shipments direct to the University rather than incorporating them with freight shipments of the various Boards.

Your letter of December 10. This is a brief note asking us to charge to the agricultural accounts the cost of reprints Mr. Buck is having

made by the Annals.

Your first letter of December 12. This gives preliminary information on the Annual Report to the Harvard-Yenching Institute. The complete report arrived about ten days ago and has now been transmitted to Cambridge, though as yet I have had no formal acknowledgment of its receipt.

We were very much pleased with the report for last year. Obviously the University has made very excellent progress in building up its Institute of Chinese Cultural Studies, and at the same time has been able to set aside a very substantial reserve for the purchase of books and other related needs.

You will be interested to know that in several of our other Universities there has been a gradual drifting away from the requirement laid down in such categorical terms by the Institute Trustees early in 1929 that all income from these special trust funds should be used for the development and extension of the work in the Chinese cultural studies.

Yenching University has never paid any serious attention to this requirement and has never attempted to render any accounting of its expenditure of income received from the trust fund held for it by the Institute.

Soon after these funds were turned over to the Institute Lingnan University explained to the Institute that the Board of Trustees here in America is responsible only for the support of the American staff and makes no direct contribution toward the employment of Chinese staff for the carrying on of the various departments of the University. It was pointed out that because of this situation the Lingnan Trustees could never use the income from the trust fund held by the Institute without upsetting the entire policy on which the University was organized. The Institute accepted this position and has not asked Lingnan to render any accounting for the expenditure of income, it being considered sufficient that Lingnan maintain high grade work in these departments.

Cheeloo has rendered fairly complete reports showing that the expenditure of income received from the Institute has been almost wholly devoted to the development and extension of the departments of Chinese cultural studies.

West China has heretofore used only a very small portion of the income received from the Institute because they have been rather slow about building up any elaborate program of Chinese cultural studies. As a result, a large surplus from this income has been piling up here in New York. During the last few months Dr. Beech discussed with the Harvard-Yenching Institute Trustees possible uses of this fund, and secured their verbal approval to the use of about \$12,000 for completing the Library-Museum building on the West China campus which is to house the University's research museum in archaeology and other allied fields of Chinese cultural studies.

Fukien has year by year rendered an accounting of all receipts and disbursements of the funds received from the Harvard-Yenching Institute but has charged a substantial portion of these receipts to general administrative and maintenance expenses.

More than a year ago the Institute appointed a sub-committee

consisting of Dean Donham and Dean Chase to consult with the representatives of the various Universities in regard to some satisfactory policy for using the income from the H.-Y.I. trust fund. As yet that sub-committee has never found it possible to meet with the representatives of the various institutions. Meanwhile each University has developed along its own individual lines and there has never been any unanimity of policy. The Institute Trustees have accepted without objection the reports we have made from the various institutions even though most of these reports show that the institutions have not been able to live up to the strict letter of the Institute's requirements that all income should be used for developing and extending the work in Chinese cultural studies. The Institute has also given its approval to the use of this income for other special purposes such, for example, as the completion of the Library-Museum building in Chengtu.

In one of your other letters you emphasize the urgent need at Nanking for further faculty residences and state that if G\$2,500 could be secured for this purpose it would greatly relieve the housing situation. Since you carried forward from last year a substantial gain in exchange in the Chinese Cultural Studies account, and since the gain in exchange for 1930-31 will be still larger, it seems to me that the field would welcome an opportunity to use a portion of these funds to erect at least one double residence for staff members in the Institute of Chinese Cultural Studies. With this thought in mind I am at this time writing to Dean Chase asking whether the Institute would have any objection to the use of G\$2,500 accruing from gain in exchange. Even though the Institute raises no objection, we are not committing the University to such a use of part of this income, but at least it will provide a means of relieving your acute housing situation if the field wishes to avail itself of this opportunity.

Your second letter of December 12. In this letter you give us in very full and careful fashion information with regard to the Language School Building Fund. We are very happy indeed to have these facts in hand should they be required at any time in our negotiations with the Baptist Board. Obviously the amount of the Baptist equity in the Language School Building Fund is a very insignificant one. As a matter of fact, the Baptist secretaries have repeatedly stated that their missionaries on the field are not interested primarily in recovering the small sum they might be able to claim from this Language School Building Fund, but rather are concerned over the proposed possible permanent abandonment of the Language School in Nanking. This same factor has, we understand, influenced the Baptist group in China in their actions relative to the continued participation of the Baptist Board in the work of the University. I have been somewhat surprised at this reaction, because I have had the general impression that a number of the new Baptist missionaries assigned to East China were already going to the Peiping Language School, and that it would not be any serious problem to have all such new recruits go to Peiping.

I suspect that there are other considerations in the minds of the Baptist group besides the purely linguistic one. We hope, however, that the negotiations now going on between the University and the Baptist group will evolve a happy solution of these difficulties. I presume that no further action will be taken by the Baptist Board here in New York until they have some definite word from their group in China.

Your third letter of December 12. In this letter you give us some very valuable information with regard to various items connected with

University Plant. We will be glad to have this information available in our files for use as occasion arises.

One of the most urgent problems revealed by this letter is the need for additional residences. I have referred above to the hope of securing permission from the Harvard-Yenching Institute to use a portion of the gain in exchange from H.-Y.I. income to erect at least one double residence for staff members employed in your Institute of Chinese Cultural Studies. This would probably relieve the residential shortage to some extent. Shall we lay before the Board of Founders, either before or after the end of the present fiscal year, a request that they consider the allocation from gain on exchange or any available surplus of a sufficient amount to erect at least one double residence?

Your letter of December 23. With this letter you enclose financial statements showing the condition of assets and liabilities as of June 30, 1930. I have gone through this statement, and will be glad to have this information available in our files for reference from time to time.

Your letter of December 22. With this you enclose receipts for a number of drafts. We are very glad to have the information contained on some of these receipts. In particular we are glad to get the local currency equivalent of draft #177 for G\$2,500.

This completes the letters from your office written before the close of 1930. In a separate communication I will acknowledge receipt of the various letters written during the first half of January.

Very cordially yours,

BAG-H

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Nanking

TRANSFER

INDEXED

University of Nanking

February 17, 1951

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

ack. 3/21/51

My dear Miss Priest:

I have for acknowledgment a number of your letters written during the first half of January.

Your letter of January 7. In this letter you acknowledge briefly the receipt of our letter of November 24. You deal with this at greater length in one of your letters of January 13.

Your first letter of January 13. In this you report your draft for G\$3,250 to be paid with funds received from the first remittance of the Hoover fund due on February 1. We received the remittance of the Hoover money very promptly and are glad that you have taken this action to make it available on the field at the earliest possible date.

As you know, future remittances in the amount of G\$3,250 each are due semi-annually on October 1 and February 1. We will be glad to have you draw on us about the tenth of September and the tenth of January as a regular procedure. Should there be any delay at any date in the future we could care for such a draft temporarily from other available balances.

In this same letter you comment on the gradual fall in the price of silver and refer to queries on the field as to whether it might not be wise to draw all available gold at the rates then prevailing. In the month since you wrote this letter silver has fallen still lower. What the future trend will be no one dares predict. For several years the greatest benefit has been gained from drawing funds as they are required rather than contracting ahead, or drawing all available funds at any given date in the expectation that silver had reached rock bottom. Of course, there is bound to be a change in the trend sooner or later, and the time will come when we will wish that we had made the most of the maximum rate of exchange.

Your second letter of January 13. I am glad to learn that the Mission Code Supplement arrived on time.

We all deeply regret the unfortunate termination of Miss Mart-sky's relationship to the University. The most comforting way to look at such affairs is to adhere to our orthodox Presbyterian doctrine of predestination, and to comfort ourselves with the fact that about one-third of the appointments of single women to positions on the mission field are bound

0 196

to turn out in an unsatisfactory manner. But such a philosophical viewpoint is likely to yield only the coldest of comfort when one is face to face with the problem created by a specific case of this kind. I sincerely hope that Mr. Buck will be able to readjust his organization with a minimum of difficulty and loss. I also hope that this outcome of Miss Mertskey's relation to the University will not seriously interfere with the proposed cooperation between the University and the Institute for Research in Land Economics and Public Utilities.

Your third letter of January 13. This raises a number of questions as to the present status of our regulations with regard to the University supported Western staff members. This question is one that will require quite a bit of digging around through files and minutes. Also it deserves quite a bit of careful study as to future policies. Therefore, I will deal with the matter in a separate letter.

Your fourth letter of January 13. This letter deals with the budget material as of October 31, 1930, sent you with our letter of November 24, 1930. Some of your figures are also based on our financial statements as of November 30, 1930.

You mention first the anticipated receipt from the Methodist Board of G\$750 on their Hospital appropriation 1930-31. This matter had been before the Methodist Board for some time before the formal action was taken. Within the last fortnight we have received a formal notification from the Methodist Board that on January 22, 1931 their Executive Committee took the following action:

"That the Treasurer of the Board of Foreign Missions be authorized to pay the annual appropriation of the Board to the University Hospital, Nanking, in gold, thru the treasurer of the Board of Founders of the University of Nanking, in New York, rather than in Chinese silver currency in China."

Mr. Cartwright advises us that this appropriation of G\$750 is operative as of January 1, 1931, and that the sum covering the period July 1 to December 31, 1930, L.C.\$750, has already been, or will be paid on the field. As yet we have received no payment on this appropriation but hope that funds will soon be paid over.

You next refer to item G\$162.39 covering autoclave ordered from Arthur H. Thomas Company under requisition No. 3211 which was charged by mistake to the Hospital instead of Famine Fund account. A search through our records to ascertain how this mistaken charge occurred indicates that your requisition No. 3211 sent on June 29, 1929 was either never received by Arthur H. Thomas Company or else was mislaid so the order was not filled until you wrote again on April 24, 1930. Our payment was made on the basis of copies of this correspondence with you sent us by the Arthur H. Thomas Company. There is no reference in this correspondence which would give us a clue to the department for which the autoclave was intended, though one comment in your letter of April 24 led us to the inference that this was intended for the Hospital. We are glad to make this correction by means of the following journal entries:

Debit account 151, Famine Fund Surplus 1929-30	G\$162.39
Credit " 165.3, Hospital Surplus 1929-30	G\$162.39

This letter next takes up the clearance of Hospital surpluses and deficits to June 30, 1930. In accordance with action BF-540 we put through on November 29, 1930, journal voucher #195 which cleared these balances and deficits along the lines you suggest up to June 30, 1930. However, we have continued to retain the charge of G\$2,630.09 which we carried into the year 1930-31, this amount being expenditures during 1929-30 in excess of the approved budget for that year. In accordance with your suggestion we are now putting through the following journal entries:

Debit A/c 165.2, Surplus 1926-27	G\$1,307.99
" " 165.3 " 1929-30	1,322.10
Credit " 61 Current Expenditures 1930-31	2,630.09

Our chief hesitation in asking the Board of Founder before this for authorization to make such entries has been that we wished to be sure that this procedure is in agreement with the desires of the field.

The above adjustments will leave a balance of G\$170.64 in the Hospital surplus for 1929-30. You will note that this is \$1.51 more than the figure given on page 1 of your fourth letter of January 13. This difference is due to the fact that after the close of the fiscal year 1929-30 we received from the U.C.M.S. a payment of G\$1.51 for loss in exchange, 1929-30

Another item somewhat similar to the clearance of Hospital balances and deficits for previous years is found in our Famine Fund section. You will note that we are still carrying under account 151 the surplus receipts for 1928-29, and 1929-30. Shall we dispose of these surpluses at the end of the year by making them a first source for the funds expended during 1930-31, thus leaving a correspondingly larger balance of receipts for 1930-31, and clearing these two previous years from our accounts? Or would you suggest some other procedure?

We note that you will soon be presenting to the Rockefeller Foundation a report for the calendar year 1930 on the basis of which the Foundation will be requested to make payment of the sum of L.C.\$6,000 now due the University. As soon as this payment is received from the Foundation we will at once transmit it to you. As a matter of fact, in most of our other Universities the Rockefeller Foundation has signified its willingness to make advances on each year's appropriation, pending the receipt of a satisfactory final accounting at a later date. They have also made their appropriations on the basis of the fiscal year of the institution benefitted, rather than on the basis of the calendar year which is quite inconvenient for closing their fiscal year on June 30.

We have already commented in our correspondence with Dr. Chen on the proposal that the cooperating Mission Boards be asked to increase their assistance to the Hospital through providing the support of one nurse in addition to a doctor. We would be very happy indeed if the Mission Boards could be persuaded to increase their support of the Hospital to this extent. Certainly such an increase is no more than just and deserved. But, as you know, all our Mission Boards are in such serious financial straits as a result of the accumulated deficits of previous years, as well as the present financial depression, that it is extremely difficult to prevail upon them to continue existing appropriations at the present levels, much less to undertake any new commitments. If relief from this source cannot be secured we

2-17-31

should certainly give serious consideration to the question of whether some special campaign for additional support for the Hospital should be launched whenever conditions make such an appeal possible.

Your letter of January 15. This letter merely comments briefly on certain aspects of Miss Mertsy's case and also on the subject of lists of outfit needs. I know Miss Anderson profited greatly from the list of outfit needs you sent for the use of young women appointees, and I hope that sooner or later Mr. Young will be able to prepare a similar list for young men. In order to have our lists complete we should also have a list suited to the needs of a married couple, and for children of varying ages.

In a postscript to your letter of January 15 you mention that it may be necessary for you to cable for a second secretarial appointee. We have had no word from you so I presume this need has been met on the field.

Very cordially yours,

BAG-H

B A GARSIDE

UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

TRANSFER



February 23, 1931.

Ans'd. 3/24/31

Mr. B. A. Garside,
New York.

My dear Mr. Garside;

Mr. Reisner, the Myers and Miss Anderson arrived in Nanking on Saturday the 21st. I am afraid their welcome was rather wintry in more ways than one! Nanking is under about fifteen inches of snow which is most unusual and consequently to our American friends accustomed to warm houses our feeble attempts at heating remind them of refrigerators. Then the wire informing us they were arriving on a certain train failed to reach its destination so there was nobody to meet them at the station. Everybody was very sorry that it happened as about all the college of Agr. and For. were planning to go down! However I hope we have convinced them all that we are glad to have them here!

✓ I should have sent you the enclosed receipts on the last mail but it was overlooked. As silver is usually very low around Chinese New Year, we decided it was wise to draw as much as was available, and you will note from the receipts that we received fairly good exchange - 4.81. Please note that we drew draft No. 191 to cover one-half of the special grant from gain in exchange for 1930-1931 granted by the Board of Founders for non-recurring items. I think there will be no question about this fund and a few of the departments needed to have the orders in hand for this semester if possible.

We are very busy planning for our new budget and salary increases, etc. It is always rather nerve wrecking business and a great relief when the final decisions are made, and the budget is finally passed.

^{Just} Mr. Fairfield of the American Board Mission is visiting us today and we expect Dr. Butterfield in a few days for his second visit.

Sincerely yours,

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INDEXED

TRANSFER

University of Nanking

February 26, 1931

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

ack. 3/28/31

My dear Miss Priest:

Let me acknowledge receipt of your letters of January 23 and February 4.

With your letter of January 23 you enclose a copy of your letter to Mr. Gee. As yet we have not received any word from the Rockefeller Foundation with regard to the payment of their grant of Mex.\$6,000 for the year 1930. I presume that this remittance will be coming through soon, but if there is any prolonged delay I will get in touch with the Foundation. As soon as the remittance has reached us we will at once transmit it to you.

In one of my previous letters I raised the question of whether it would not be of material assistance to the University Hospital if the Rockefeller Foundation would adopt the policy of making advance payments from time to time during each year, rather than waiting until after the year had closed and a final financial statement had been presented before any payment of its own appropriation is made. In all our other Universities the Foundation has been very generous in making advance payments, usually on a quarterly basis, subject to the rendition of a satisfactory financial statement within a reasonable time after the close of the period covered by the appropriation. Should this final financial statement show that the conditions of the appropriation have not been fully met, and that some return should be made, the Foundation is usually willing to make the adjustment in its appropriation for the succeeding year. As a matter of fact, the Foundation has rarely asked for any adjustment of its appropriation for a given year even though adverse conditions have caused an institution to fall slightly below the level defined by the Foundation in making its appropriation.

Your letter of February 4 requests that we send Miss Bauer's mother a remittance of G\$40 to be deducted from her March salary. Our March salary checks were mailed to the field a few days before your letter reached us so we made only the usual deduction of G\$10. We are, however, sending Mrs. Bauer the remittance of G\$40, and will make the deduction from Miss Bauer's April salary.

Your letter contains the additional request that beginning with the April salary we send Mrs. Bauer a remittance of G\$20 each month, instead

0202

2-26-51

of \$10 as heretofore. We are making the necessary notation and will see that this increased remittance is transmitted promptly.

For us to deduct both the additional \$30 not charged against Miss Bauer's March salary, plus the usual monthly remittance of G\$20 would mean a deduction of G\$50 from Miss Bauer's April salary. This would leave her only a very small balance on her April salary check. Perhaps she has made the necessary arrangements in anticipation of this situation; but in order to spread out the charge somewhat, we are making a deduction of \$40 from her April salary and carrying over the remaining \$10 to be deducted, along with the usual monthly deduction of \$20, from her May salary.

Your letter of February 4 also makes a further inquiry as to the status of the Pension Plan. I hope that within a few days now you will be receiving the material on this subject which we mailed you some weeks ago. The Sun Life Assurance Company has sent us a supply of application blanks to be filled out by employees who are to participate in this Pension Plan. I am enclosing herewith a dozen of these forms so you will have them available in Nanking if and when the University supported staff there agree to the Plan proposed by our Founders Committee on Pensions.

Very cordially yours,

BAG-H

B A GARSIDE

CC: Miss Cloud

Enc.

0203

學大子女陵金
GINLING COLLEGE
NANKING, CHINA

處計會
OFFICE OF THE TREASURER

University of Nanking

March 4, 1931.

ack. 3/26/31

TRANSFER

Mr. B. A. Garside,
New York.

Dear Mr. Garside:

INDEXED

It has just occurred to me that today is the last day before the mail closes on this weeks boat, and I am most anxious to send you word of one matter - hence, please overlook the stationery this time. I am at Ginling at present, and shall not have time to return to the other office before the mail is collected.

I presume you are familiar with the arrangements that have been made between the government, the University and Dr. Love of Cornell to have Dr. Love return to China as an adviser to the government, especially in Chekiang and Kiangsu provinces. A few days ago the governemtn asked us to assist them in remitting the funds for travel expenses for Dr. Love and his family, and accordingly we cabled to you:

Pay Love Cornell twenty-four hundred dollars. Priest.

The government has given us the equivalent in silver. It seems to me that the best way to adjust the transaction will be through Famine Funds, so if you will transfer twenty-four hundred dollars from Famine Funds, treating it as a draft if you wish, we shall make the same adjustment on the field and make our plans accordingly.

There is another item in connection with the arrangements to be made with Mr. Stanley Warren, who is coming out next summer as a statistician for the Land Utilization Project, but I will only mention at this time that the Institute of Pacific Relations sent us five thousand dollars in United States currency for this man. In case he writes to you for information, you may wish to have this information. It was suggested that he secure his ticket through your office, and make such arrangements as he may desire. Owing to the uncertain exchange we are keeping the funds in gold and not exchanging into silver, for fear silver may be lower when we have to pay for his passage and salary. I shall send you full particulars later - no payment is to be made before July anyway.

Our annual meeting is the 13th of the month - as usual we are in the midst of budgets.

Sincerely yours,

Ellie M. Priest

0204

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3
9

WEEK

Nanking

INDEXED

TRANSFER

University of Nanking

March 10, 1931

AIR MAIL

#2

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

My dear Miss Priest:

This is written in reply to your letter of January 13 in which you raised various questions with regard to salaries and allowances of, and regulations applying to, the University supported Western staff at Nanking. We are enclosing herewith three copies of a draft of a schedule of salaries and allowances for University supported Western staff revised to date, so far as I am able to collect accurate and up-to-date information. At a number of points the regulations applying are either obsolete or unofficial; and at some places no definite regulations have ever been worked out.

See "Salary - Allowance Schedule" 3/10/31
The enclosed draft of the schedule is, therefore, merely a basis for our study of the present situation and of any changes that may be made. Let me comment briefly on some of the points which, it seems to me, need further study:-

Types of appointment. We have not heretofore set forth these three types of appointment in quite this way. Do you consider that it is advisable to include this material, and if so, have you any suggestions as to changes in form or content?

Children's allowances. This schedule of children's allowances is in accordance with the old regulations which are now badly out of date. The topic has not been of any immediate importance for a number of years because there have been no recent members of the University supported Western staff with families. However, we should have this item brought up to date with the requirements, so that if we ever consider the appointment of a married couple with children we would not be handicapped by the embarrassment of obsolete regulations at this point. Is this schedule of children's allowances at all adequate, and reasonably well in accord with the schedules of the various Mission Boards operating in and about Nanking, or should this schedule be radically revised?

Furloughs. I spent some time searching through our records in an effort to find what has been decided in the past with regard to the length of each subsequent term of service on the field after the first term. The records at this point seem to be most incomplete. I presume that the former provision that each term of service after the first should be six years is still in effect. We should, however, have this point clarified, and should be sure that we are in agreement, both on the field and here at home, in re-

0206

gard to the matter.

No formal regulation has yet been adopted as to the length of furlough or retirement allowance to be given a staff member returning home after completing his contract, with no expectation of subsequent return to the field. Such cases have usually been settled "on their merits", and while this usually works out satisfactorily, sometimes misunderstandings arise which could be avoided if a definite policy were adopted. I raised this question with members of our Committee on Instruction last year when we were writing a contract for Mr. Young. The views of the various members were rather widely divergent, and we did not have sufficient time in which to reach any uniform agreement. What is the judgment of the field? Is a three months continuation of salaries and allowances sufficient, or should this be extended to perhaps six months.

In this same connection no recent study has been made of the subject of furlough salaries and allowances. The old regulations provide that the furlough salaries of married couples should be G\$1,800 a year, and of single workers, G\$900 a year. Since these figures are almost the same as our field salaries at the present time it seems logical to state that furlough salaries are the same as field salaries. However, this schedule is extremely low for furlough salaries, particularly in the case of a married couple. What would the field recommend?

The old regulations provide for a rent allowance of "not to exceed U.S.\$25 per month if required". It is not specified whether or not this rent allowance is made alike to single members and married members, or is given only to married couples (as is the custom of some boards), or is intended to mean G\$25 for each individual, making \$50 allowance for a married couple. These points should be clarified, and if the present figures for rent allowance are not satisfactory they should be revised.

I have always been dissatisfied with our Nanking provision of only "one-half medical and one-half dental expense" for staff members on furlough. The furlough period is the normal time for a complete physical check-up, and for carrying on any medical treatment that may be necessary. If the University assumes only one-half such necessary medical expenses while a staff member is on furlough it not only throws an additional financial burden upon him during a period when funds are already far too inadequate, but it also tends to encourage staff members to neglect any necessary medical attention until they return to the field and can benefit by the regulation which provides that, while on the field, the University will meet the entire amount of their medical expenses. What recommendation have you for any change at this point.

Travel expense. Our regulations as to the University's responsibility for the travel expense of a short term appointee have always given more or less trouble. A great many young people who are earnest and sincere in their desire to render Christian service at an institution like Nanking are reluctant to go out for a three year term under an arrangement whereby they will have to provide two-fifths of their home coming expenses, for they fear that even without such a financial responsibility, it would be difficult for them to make both ends meet on the very modest salary they will receive on the field, and that with this necessity for spending about G\$200 on their return travel, they are almost sure to come back to the States after three

3-10-51

years a great deal poorer in purse than when they left. On the other hand, a three year contract is at best a very expensive arrangement for the University, and for the University to handle the entire amount of a round-trip journey means a substantial increase in the burden. It also gives the three year appointee a far more liberal financial arrangement than is allowed the regular appointees of the University staff. From time to time we have hedged somewhat on this regulation in order to meet individual cases. It seems to me, however, that we should have a clear-cut policy and should adhere to it as rigidly as we can.

Our regulations governing freight allowances apply only to freight carried on the outbound journey. Most of the Mission Boards have corresponding regulations with regard to the amount of freight which can be brought home at the expense of the employing organization upon the completion of the individual's term of employment. In the case of the University appointees this expression, "completion of term of employment" would probably apply to the termination of a three year contract or a five year contract, where these are not renewed, as well as to resignation or retirement of a life appointee at the end of some period of service. What amount of freight should staff members be allowed to bring home at the expense of the University under these conditions? Should any freight allowance be made to staff members returning to the States on a regular furlough?

You will probably note other points in the ^{enclosed} draft where corrections or additions should be made. I hope you will call our attention quite freely to all such items.

See "forms" 3/1/51

We are also enclosing specimen copies of the employment agreement we are using, both for short term and for regular term appointees. Will you go over these forms and make suggestions as to any changes?

Heretofore we have not had any regular form for the use of staff members serving under a life agreement, as distinct from a regular term appointment. What type of agreement would you suggest for this purpose? We would appreciate it if you on the field would draft something along these lines for adoption by our Board of Founders.

Very cordially yours,

BAG-II

Enc.

P.S. Two copies of the draft of schedule of salaries and allowances were enclosed with the financial statements which went out last night inasmuch this letter could not be finished in time to catch the mail closing yesterday except by sending it air mail today.

0208

UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Hck

March 16, 1931.

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

NANKING

TRANSFER

INDEXED

My dear Mr. Garside;

This will acknowledge your letters of February 4th and 6th enclosing the material covering the Pension-retirement plan for staff members. Inasmuch as the material arrived four days before the annual meeting there was not time to send you a reply until after that was over. Copies have been sent to each member of the Western staff supported by the Founders and we are planning to call the group together for final discussion and decisions one day this week. We appreciate the very careful and clear manner you have used in presenting the material to us.

While I shall defer sending you reactions from the group as a whole until after they have met together, I would like to say that as far as I am concerned personally this seems to me entirely fair and satisfactory. It compares very favorably with the Presbyterian Board plan, etc. and carries various privileges that other boards would not be able to grant if carried by them instead of being a policy of this type. I shall endorse it most heartily when we meet together.

In your letter of the 6th you raise the question concerning your action No. S-558 taken November 12th, 1930 concerning the status of the Western staff members supported by the Board of Founders. We read the letter very carefully to see if it required further action from the Board of Directors, but inasmuch as they made this request in their action taken November 1, 1929 - D-296, we could not see that further action was required from the field. Your action is exactly what we had expected and hoped would be the result of the recommendation. Under present conditions it is much wiser to have such an arrangement.

In this connection I have raised a few questions with you from time to time concerning the allowances, etc. to be granted staff members. There is considerable confusion over hospital and medical bills. Although I called to your attention the apparent error on both Mr. Young's contract and Miss Mertsy's concerning hospital bills, you made the same statement on Miss Anderson's contract. It causes misunderstanding and trouble on the field to have some of the staff eligible to receive all hospital bills should they require the aid while others receive no part of their bill. We had a heavy bill for one of our hospital staff supported by the Founders last September which was paid by the University. Under Mr. Youngs or Miss Anderson's contract they would be obliged to pay such a bill themselves. It is such matters that need to be clarified and re-stated clearly and I hope you will send us a report as early as possible.

Sincerely yours,

Elmer M. Priest

0209

RECEIVED
UNIVERSITIES

APR 7 - 1931

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UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

TRANSFER

March 17, 1931.

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

Nanking

INDEXED

My dear Mr. Garside:

The annual meeting of the Board of Directors was held last Friday, the 13th. We had a very unusually full attendance and also had the pleasure of having Dr. Scott, Mr. Warnshuis and Dr. Butterfield present as guests. It was one of the best meetings we have had for some time, and I am sure will be a help in carrying on the work this spring.

Perhaps the most important item on the agenda for the annual meeting is the budget for the new year and it has taken a great deal of time for all the colleges and departments to have their needs presented at this meeting. You may be interested to know that we have followed the plan inaugurated two years ago as far as salary increases and staff recommendations were concerned. In the first place individual blanks are sent to every staff member who fills them in and returns to us, thus giving each person a chance to state the type of work he has been doing during the year. It was interesting to find that 98% of these personal blanks were returned to us. The next step was to send the personal blanks to each dean or head together with a confidential blank which he either filled in himself for each member of his college or else asked the department head to fill out. I am enclosing sample blanks to give you an idea of the work involved for our large staff as it covers research and extension staffs as well as the teaching faculty. Naturally the value of the system is the help it gives the deans in evaluating the work being done in their colleges. While we did not have a large number of people who were graded as "5" there were some and a fairly large proportion of grade "4". There were six men who were ranked as "1" which indicated that great care was taken to grade the staff honestly. Naturally we do not have a large number of extraordinary people. After the deans and heads had finished their report, the blanks were checked by the president and then went to the Salary Committee appointed by the Board of Directors together with the recommendations from the administration. The committee gave careful attention to the problems involved and decided to recommend that increases be granted this year on the merit system based on the grades given each member as indicated above. In addition they voted to grant a special allowance of 5% of present salary to be given to the whole staff, payable this year only in two payments - thus making it quite separate from the monthly salary payments. The increases in the cost of living in Nanking seemed to make this step necessary this year. It is very difficult for some of our staff members to live on the salaries we are able to pay them - especially the men who receive less than one hundred dollars a month.

The next problem was to find the required funds. The increases decided upon by the committee together with the special grant of 5% were equal to about sixteen thousand for general funds and about 10,000 00 for special funds. It was decided to make this item a first charge on the gain in exchange item and you will note, when you receive the minutes, that this has been done. We are sorry to use the gain in exchange for this purpose but could see no other solution. We shall hope to secure either from China or from America additional funds during the next few years to replace this amount. The special grant is approximately 4,000 00 leaving the salary increases about 12,000 00.

0211

B. A. Garside, - 2

On page 20 of the budget which I am enclosing you will note there are ten items listed as preferred items for the gain in exchange this next year. This is not the order in which the items are to be paid - you will note the preference list in the minutes with the salary item as the first charge. In this gain in exchange we have indicated that 17,000 00 represents gain received in China and controlled by the Board of Directors while 40,000 00 comes from the Board of Founders. It is based on silver remaining at about 4:1 during the next year. We shall appreciate having your support in presenting the request to the Board of Founders.

You may be interested to know that we are hoping to clear all of the residence repair account due to the damage done in 1927 with this request of 6,500 00. I would like to have our books cleared of this account. The Board of Directors authorized us to repair East Side Compound and carry the funds required as a deficit - which we propose to clear this year if possible. We built the four unit house with funds borrowed from the College of Agriculture and Forestry who now need the money to carry their own work. The change in the Bates' residence is necessary on account of the health of the family, and we shall require additional funds for Dr. Chen's expenses in U.S.A. next fall. You may know that we have been trying for three years to send one professor abroad for study and it seems almost imperative that this should be done this year if possible. In case the Founders fills every vacancy we may require 2,730 00 to replace funds we are planning to use from staff vacancies for professor's salary. Even if the Mission member comes this year, he will not give much time the first year to instruction so we must have this additional man. I think the chances that every vacancy in the College of Arts will be filled are rather slim but we did not wish to "take the chance" without adequate provision. We need the item for printing although it has been placed as the last claim on the funds, and must have some contingent. The budget is not quite balanced - there is one item of 5,484 68 in as anticipated receipts. If necessary we are planning to cover this item from this gain in exchange account.

Although the staff presented requests for various changes and items of equipment, we realize there are no funds to carry out the plans. We listed them for the sake of having the requests on record.

*no
alter
yet* There has been no change in the action concerning the Cultural Studies gain in exchange. I note with interest your suggestion for a residence and shall await your reply from the Trustees of the fund. After we know their reaction we shall be glad to take it up and see if something can be done to help out our serious problem in housing the staff.

This year we are presenting the budget in a slightly different form - that is, no names appear in the budget. In order to give you the information we are enclosing a complete list of all salaries. On page six there is a summary showing that \$469,425 03 of the total budget is used for the salaries of our staff. This is just about 60% of the total budget - or slightly less than the "ideal" percentage suggested by various people who have published statistics on institutions of this type.

I feel that this is fairly conservative as budgets go. It is based on 2.10 exchange except for the Hoover fund and the salary increases as indicated above. The hospital budget is given in detail and will show you that they have a serious problem on account of the small amount of gold available. I have written at such length on this subject recently that it

3-17-31

Mr Garside - 3

does not seem necessary to go into further detail at this time.

The minutes will be sent as soon as possible but I am sending you this material to be sure that the budget reaches you in time for the meeting of the Board of Founders. If you do not receive the minutes will you be kind enough to take up this recommendation for the use of the gain in exchange for next year. I think the first draft of the minutes will be ready in a few days and by the next mail I will send you the exact minute as passed by the Directors.

I presume there are other items that I should mention and will do so when the minutes are ready. At this moment I do not think of anything else.

With best wishes,

Sincerely yours,

Elmer M. Twist

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APR 7 - 1931

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UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Ack 4/23/31

TRANSFER

March 21, 1931.

Mr. B. A. Garside,
New York.

My dear Mr. Garside:

INDEXED

See "Salary + Allowances Schedule"
3/21/31

From your letter of February 17th I have an idea that the enclosed schedule of allowances for Western staff members has become submerged in your files, and evidently we are not using the same thing in dealing with our staff.

This is a copy of the schedule which was adopted by the Board of Managers and the Board of Trustees some few years ago. With the exception of the salary item which was revised last year, there has been no change in the regulations and the staff has been following this list. I would suppose that this schedule would be in force until the Board of Founders took specific action changing it.

With this before me you will understand why we have been puzzled at changes you have made in contracts of people recently sent to China. The contract for Miss Mertsy, Mr. Young and Miss Anderson indicate quite different regulations in a few places. For instance:

- Item 1. Salary begins on date of departure from home - whereas it should begin on date of sailing. In the case of Miss Mertsy and Mr. Young, I corrected the statement when we made the adjustment with them, but of course in the case of Miss Anderson, it has to stand inasmuch as you adjusted her salary from New York.
- Item 4. Residential quarters (unfurnished) ~~is~~ Nanking would be more correct and eliminate misunderstandings.
- Item 5. You state clearly that hospital expenses are not included but in the regulations, all treatment including travel to and from the hospital, etc. is to be paid by the University. This is the most serious item and one that needs to be cleared immediately. So far neither Miss Anderson or Mr. Young have been ill so the question has not been raised, but we can never tell what may happen in the near future.

May I make a suggestion about a revision of this hospital item? From experience in the University and in other institutions, I believe it is customary for the school to pay for the hospital bills with the exception of an amount which is equivalent to living expenses which any person would be obliged to pay personally if ~~well~~. Some missions have fixed this amount at two dollars some at two-fifty, etc. Formerly it was one-fifty per day. Perhaps the amount should not be stated but worded in such a manner as to make it clear that the

02 15

3-21-31

treasurer or committee could fix the current rate for the cost of living at the time the bill was incurred. Everything is changing so rapidly these days, it is difficult to fix any amount. Last summer two of our hospital Western staff were ill, one in the P.U.M.C. at Peiping and one in Nanking. Their accounts were rather heavy but were paid in full by the University. Therefore in order to give the new members of the staff fair treatment, the item on their contract should be changed. As far as I know it is customary for missions and institutions to pay for hospital expenses in this part of China. All the cooperating missions in the University do so.

Originally the plan was proposed to have a sliding scale of years for the first three terms, that is, 1st term, five years, 2d term, six years and 3d term seven years with that the term thereafter. This was changed later so that the term was to be six years after the first one, which was to be five years. I am mentioning this in case you found the original statement in your minutes and wondered why we indicated six years instead of seven.

There is no reason why these regulations cannot be changed and it may be wise to do so - only I hope there may be no very radical changes as these were worked out after very careful thought and consultation with mission boards cooperating in the University. There are a number of "privilege" clauses that mission boards grant but the University has never been able to follow, for instance, the vacation allowances, summer cottages, etc. etc.

I am sending this to you as an aid in clearing the matter. I am sorry I did not send it before but took it for granted that you were using the authorized schedule in dealing with the new staff members.

Sincerely yours,

Elmer M. Priest

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APR 20 1931
JOINT OFFICE

02 17

UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Recd 4/23/31

TRANSFER

March 23, 1931.



Mr. B. A. Garside,
New York.

Dear Mr. Garside:

INDEXED

I looked up the actions concerning the salary scale adopted by the Board of Managers and Board of Founders and found it was scattered over a number of meetings. The scale was adopted by the Board of Trustees on November 21st, 1921 - their action No. 18. It was mentioned again in the Board of Managers meeting of Jan. 12, 1921.

The action that deals with allowances etc. was Board of Managers M143 of ~~March~~ 18, 19 1924 and Board of Trustees T-201 and under T-226 of the February 25, 1925 meeting.

Then the Trustees took action on Jan. 10, 1923 - E134 - dealing with the travel item and action No. T-179 of December 10, 1923 deals with the salary items.

I am sure you have all these minutes but this may be of help in checking them over. You may be interested to note the salary schedule attached to the first budget presented by the Famine Funds attached to the annual March meeting of 1924. This was worked out very carefully and is the schedule now in force with one or two minor changes that I have noted. You will find this filed with the budget for that period.

Sincerely yours,

Elmer M. Priest

P.S. Last night the group of Western staff discussed the retirement plan with six voting for its adoption. I am sending a cable tomorrow, and full details by post.

02 18

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APR 20 1931
JOINT OFFICE

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UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Ack 4/2/31

March 28, 1931.

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

Nanking

TRANSFER

Dear Mr. Garside:

INDEXED

Your letters of February 4th and 6th together with the more recent one of the 26th have been carefully considered by all the Western staff who were interested in the proposed pension scheme.

We have discussed the matter formally and informally and finally had a meeting of the Western staff for decisions. In order to have something concrete, I made out a blank which I trust included all the questions listed in your letter, and each member has signed it. I am enclosing these blanks for your information and files. The following day the application blank cards arrived and I shall return them to you in a few days. Two members are out of the city this weekend. *See "Pension Allowances" 3/28/31*

From the blanks you will note, six members have elected to join the plan as follows:

Miss Minnie H. Purcell
Miss Grace Bauer
Miss Helena G. VanVliet

Mr. John G. Young,
Miss Hilda M. Anderson
Miss Elsie M. Priest

and everyone has decided to have the policy cover the amount due for previous service. We understand this scheme is to be dated from July 1, 1930 and that will mean one payment for past premium for the year 1930-1931. Perhaps you had better take it from the salaries over two or three months instead of all at one time unless the individual so directs.

Accordingly we cabled you:

Western staff accepts the proposal (for) retirement. Proceed as arranged. Chinese staff under consideration.

I hope this was sufficient for you to take the first steps as indicated in your letter.

A At the Board meeting the question of pension for Chinese staff was discussed and it was decided to have a committee to study the question. One of the first questions is the currency of the policy. For instance would the policies for Chinese staff be in gold or silver? I know the Sun Life Insurance Co. of Canada has agents here and carries policies in silver. I do not know whether it would be possible for you to arrange for this from your office. That seems to be rather important as the Chinese staff would hesitate to consider a policy in gold and one on which the premiums were payable in gold. The future of the value of silver vs. gold is very uncertain but after all until changed the currency of China is silver, and it would be better to have all our relations with Chinese staff payable in that currency. //

0220

B, A. Garside - 2

You asked about the payment of the University's share of the premiums. It has been the understanding on the field that the Board of Founders was setting aside each year all income that accrued on endowments over the 5% rate as a sinking fund for this purpose. In all our discussions this has been the report given and I hope there is no question about it. If the reserve funds held by the Founders are not to be used for this purpose and we must provide an item in the current budget, I am not sure that it will be wise or possible to consider the matter at all. Certainly not until the same thing is done for the Chinese staff. Therefore, we are assuming that you will provide for the annual premiums for the University staff now in the colleges from this reserve fund. //

There is still the problem of the hospital payments. It is the plan of the hospital group to provide for their share from annual income inasmuch as they have no share of the endowments given for educational purposes. You will note that only two of the hospital staff decided to join the plan so the total amount for the hospital to arrange to pay annually is not prohibitive and they are prepared to do so. //

I think we need to mention the other two hospital staff members in a very special way. As you know Miss Hynds came to Nanking about 1913 and was connected with the Memorial Hospital (for westerners largely) until it was amalgamated with the University hospital in 1924, at which time she became a member of the University staff. Because of her age and the correspondingly high premium as well as the very small annuity that would be due her at the age of 65, she has decided it is not wise to consider the matter. I am enclosing her letter on the subject as I am sure you will wish to have it on file in New York. Frankly, I am not very happy to have Miss Hynds simply "dropped" from any further consideration. While I do not know definitely, I feel she will require some assistance in the years to come. I wish you would write to Dr. Bowen and ask his opinion on the matter and then take some action that leaves the door open to consider Miss Hynds as a special case. She has served the community for these many years and is deeply loved by everyone in this part of China because of her service and spirit. I know that the "letter of the law" would relieve the University or the hospital from further consideration, but after all, we are dealing with individuals and it is a poor rule that has no exceptions. *See "Hynds, Ira" 3/10/31*

At the same time, I hope the action will leave the matter of Miss Jeffrey open also. Her case is somewhat different. She joined the staff as a regular member in the fall of 1929 and as she is now 48 years of age, it would be impossible for her to serve twenty years before retirement under any circumstances. Her choice would be to have the University assist her in paying her present insurance premiums. At present she is carrying a policy that will provide a small annuity at the age of retirement (I believe it is £120-0-0). However if we understand your letter correctly, a person must serve twenty years before the part paid by the University becomes their property, and inasmuch as that is impossible in the case of Miss Jeffrey even if she remained with us until sixty-five she feels the matter had better not be considered. I am referring it to you as I am not at all certain of the proper step to be taken at this time. Possibly some action that leaves the way open for future consideration is about all that can be done and then to have her case taken up as a special one when the time arrives. //

3-28-31

The other member of the staff who has not joined the plan is Miss Whipple, now teaching in the Middle School. She was unable to join the group the other night and wrote me she "feared the plan was not intended to include her." I have not had any opportunity to talk it over, but shall do so within the next few days sending you the details of her case later.

For a matter of clarifying our interpretation of the plan, I wish to state the "method" as we understand it and if we are not correct, will you let me know. The policy provides that if a member wishes to withdraw at any time from the University, they may receive in cash the amount of their payments together with interest. This is regardless of having served one year or fifteen. If a person withdraws after ten years service, he may elect to continue the policy and receive the benefit of one-half of the past contributions made by the University, refunding in cash to the University the equivalent of their other one-half. If a person withdraws after having served for twenty years and elects to continue the policy, he is entitled to receive the full amount paid by the University. This section received the most careful attention from the staff members. In these days of changes and uncertainty, naturally nobody is very sure they will be in China until they reach sixty-five! This is especially true of the members who have from thirty to forty years to serve. However, if we are correct they feel the provision is made and are very happy to have the same.

I believe this covers the matter. It seems very fair and reasonable to me and I think all the members have now had a chance to give it very careful consideration. Of course if the mission boards ^{each} decide to take the support of one of the nurses, it will change this plan, but I am not very hopeful. The last word that came to my attention was that the Presbyterian Board had tabled the matter in their China Council office.

I wish you could see our campus this morning. We had the opportunity to secure some valuable evergreens left over from the Sun Memorial Park, and are feeling quite proud of them. With Nanking being built over so rapidly, it is refreshing to have our beautiful grounds.

Very sincerely yours,

Elaine M. Priest

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APR 21 1931
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UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Acc 4/23/31

TRANSFER

April 1, 1931. #1

Nanking

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

INDEXED

My dear Mr. Garside:

About a week ago I mailed you order No. 2760 covering 5,000 BICCO index cards to be shipped with some other order if possible. The enclosed order No. 4070 has been placed by Mr. Steward for a fairly large shipment of paper that will come by freight and we are wondering if it will be possible for you to arrange to have the index cards delivered to this firm to be included with the paper. If so, it will save us handling and clearance on two lots and save freight as well. This firm is located at

Alling and Cory Co.,
313-324 West 37th St.
New York City.

Miss Anderson has requested that you arrange to send her ~~her~~ full salary - that is 80 00 - for the three months May, June and July. Beginning with August, please continue the previous arrangement to reserve 40 00 in New York, sending her only one-half. She has to make arrangements for her summer vacation, and it is impossible to do so on one-half her salary. Of course if the pension scheme is in force, it is understood that you will deduct her share as usual.

Your letter of March 10th crossed with mine of March 21st. Evidently we are thinking along the same lines and I shall gladly check over the statement and reply a little later. As you state there are a few instances where our regulations must be clarified and perhaps changed. I shall go over it carefully in a day or two.

In the matter of Mr. Stanley Warren who is coming to the University for one year as a specialist in the department of Rural Economics, will you please make a note to advance him funds to cover his travel expenses from New York to Nanking and two months' salary. The arrangements were made through the Institute of Pacific Relations directly with Mr. Warren who was advised that he would receive five thousand dollars gold for the year including all travel expenses. We feel this is rather high considering his training and experience but as we had nothing to do with the arrangements, we can not change it at this date. Therefore we leave it to you to arrange on what seems to be the proper amount to advance for travel and for two months salary. We have the funds in U.S. currency and will arrange all payments to him in gold. Mr. Buck requests that this advance be made during the month of July - not before that date. There needs to be some very careful checking in sending these so-called "specialists" or the margin between them and the rest of the staff, especially the Chinese staff, will be so great that it will injure the service they are able to render. We do not expect them to come out with the missionary motive but there is a happy medium.

Sincerely yours, *Elmer M. Priest*

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APR 21 1931

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UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Ack 5/1/31

TRANSFER



April 9, 1931.

Mr. B. A. Garside,
New York.

La Mth. Bd. 3/4/31

My dear Mr. Garside;

INDEXED

The enclosed letter from Mr. De-
Vesty addressed to you was sent to China by error. I
note the information it contains and will arrange to
write to Mr. Main for the remittance to June 1st, 1931.
From that date I understand that the money will be paid
directly to your office and treated the same as all other
board remittances.

We are sorry that the Baptist Board decided to withdraw
their contribution of \$75 00. Of course if they send
a representative to China for our College of Agriculture
and Forestry this autumn, it will be quite in order to
request that this or other contributions be made. It is
true that the arrangement was made to provide for the
professional care of their mission members. Before the
question is brought up in the future, we should give it
careful consideration - \$75 00 per year is rather a small
amount even for this purpose. I shall keep it in mind and
talk the matter over with Dr. Daniels, advising you later.

Sincerely yours,

Elmer M. Priest

0226

OFFICE OF THE
DIRECTOR
OF THE
BUREAU OF
THE
UNIVERSITY OF
THE
STATE OF
NEW YORK

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UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

ack
TRANSFER

Nanking

April 14, 1931.

ack 5/15/31

Mr. B. A. Garside,
New York.

My dear Mr. Garside;

INDEXED

I neglected to send a letter to the Washington Savings and Trust Co. regarding the May 1st remittance in time to prevent them from sending the funds to you. Therefore I cabled you this morning:

"Famine Funds. Cancel all seven thousand (gold dollars) payable May 1st of this year."

ack 5/15/31
and am sure it is clear to you that we would like you to write the National Savings and Trust Co. advising them we shall not require the last remittance of seven thousand to be made this year. As a matter of fact, we shall not require all the funds now held by you, but that will be adjusted next year.

Thank you very much for attending to this for me. I am writing the National Savings and Trust Co. today and enclose a copy of the letter for your files.

Sincerely yours,

Elsie M. Priest

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TRANSFER

Confirmation

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NewyorkCity

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Famine Funds. Cancel all seven thousand (gold) payable May
1st of this year.

E.M. Pringle
April 14, 1931.

Un. of Nanking

0230

TRANSFER

Confirmation

NEW YORK CITY
NEW YORK CITY
NEW YORK CITY

Examine Funds. Cancel all seven thousand (gold) payable May
1st of this year.

Un. of Banking

RECEIVED
UNIVERSITY OF
MAY 11 1931
OFFICE

APR 14 1931
F.M.P.

1 E20

TRANSFER

April 14, 1931.

National Savings and Trust Co.,
Washington, D. C.

Gentlemen:

In accordance with our letter of July 9th and your acknowledgment of August 1st, the final remittance due us for this year will be seven thousand dollars due May 1st 1931.

We enclose a copy of the statement as audited last year, and wish to call your attention to the item:

"Balance due to gain in exchange, to apply
on 1930-1931 accounts M\$27,299 34"

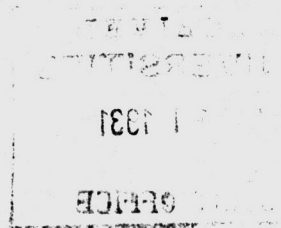
Following our usual custom this balance will be adjusted through the final payment due May 1st. Using the rate today this would amount to about ~~Hold~~ \$6,348 68, and as we shall not require all the funds already received so that an adjustment will need to be made next year, we have today cabled to our treasurer in New York asking him to advise you to cancel the entire amount due May 1st, or seven thousand dollars. We shall report to you later in the year concerning the exact amount to be cancelled next year, and at that time will take into consideration this small balance now cancelled, or the difference between 6,348 68 and 7,000 00. We do not wish to take from the trust funds any more than is required to carry on the work.

Trusting this will be entirely satisfactory to you,

Very truly yours,

Treasurer.

Copy to Mr. Garside.



0232

TRANSFER

April 14, 1931.

National Savings and Trust Co.,
Washington, D. C.

Gentlemen:

In accordance with our letter of July 28th and
your acknowledgment of August 1st, the final balance
due us for this year will be seven thousand dollars due
May 1st 1931.

We enclose a copy of the statement as audited last year,
and wish to call your attention to the item:

"Balance due to us in exchange, to wit:
on 1930-1931 accounts \$7,000.00"

Following our usual custom this balance will be adjusted
through the final payment due May 1st. In the rate
today this would amount to about \$7,348.68, and as
we shall not require all the funds already received so
that an adjustment will need to be made next year, we have
today called to our treasurer in New York asking him to
advise you to cancel the entire amount due May 1st, or
seven thousand dollars. We shall report to you later in
the year concerning the exact amount to be cancelled next
year, and at that time will take into consideration this
small balance now cancelled, or the difference between
\$7,348.68 and \$7,000.00. We do not wish to take from the
first funds any more than is required to carry on the work.

Trusting this will be entirely satisfactory to you,

Very truly yours,

Respectfully,
President.

Copy to Mr. Garfield.

RECEIVED
UNIVERSITIES
MAY 11 1931
JOINT OFFICE

EE20

TRANSFER

Nanking

INDEXED

University of Nanking

April 20, 1951

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

ack. 5/29/51

My dear Miss Priest:

Let me acknowledge receipt of your letters of March 16 and March 17.

Your letter of March 16

This letter deals chiefly with the subject of the pension-retirement plan. We are indeed happy to know that the staff's first reaction toward the plan was in general satisfactory. We will be interested to receive further word, and I hope that within a few weeks we may be receiving the applications of at least the Western members of the University supported staff. It would also be a pleasure to receive similar applications from the Chinese staff if they decide to participate in the plan.

We are glad to know that the action of the November 12 meeting of the Committee on Salaries with regard to the status of the University supported members of the Board of Founders is in line with the thinking of the field.

The last paragraph of your letter raises a number of important questions with regard to the allowances of the University supported staff members. Before this you will have received my letter of March 10 in which I discuss these questions at great length. I hope that on the basis of my letter, together with the attached documents, it will be possible for you on the field to make detailed suggestions as to how we should revise and clarify this schedule of salaries and allowances so as to bring it up to date. Until we have had some reply to my letter of March 10 we will not attempt a more detailed discussion of these matters.

Your letter of March 17

This letter deals with certain actions of the meeting of the Board of Directors held on Friday, March 13 (I am glad to see that the Board of Directors is not superstitious!).

It was indeed gratifying that you were able to have in attendance such a distinguished group of friends, Dr. Scott, Dr. Wainman and Dr. Butterfield. I trust that their presence at the meeting was not only of immediate bene-

0234

fit, but that it will help these three gentlemen to understand and to promote the interests of the University after they return.

I have been very much interested in your description of the merit system you used in determining the relative value of members of the University staff. It certainly appears that it should be possible for the University to build up a very fair and judicious system of salaries on the basis of information provided by such a careful grading on staff members.

I am sure that everyone will agree as to the desirability of a five per cent increase in salary during the fiscal year 1931-32. With the marked depreciation in the value of local currency dollar, even a five per cent increase in salary leaves the staff members receiving substantially less than they did a few years ago.

We will be happy to bring to the attention of the next meeting of the Board of Founders the proposals of the field as to the use of the anticipated gain in exchange under the 1931-32 budget. We will plan to hold this meeting early in May. Heretofore we have not made any effort to fix a definite date for this meeting, for we have been waiting to learn when President Chen could be with the Board. Now that his journey to the States is postponed until the autumn we should proceed without further delay in fixing a satisfactory date for this meeting.

As yet I have not had time to make a careful study of the budget as submitted by the field, but I will try to do this within the next few days so as to have the material in shape for presentation to the cooperating Mission Boards and the Board of Founders. Since you have adhered to last year's arbitrary rate of 2.10 to 1 there certainly should be a substantial gain in exchange. In several of our other Universities there is a marked trend just now in the direction of having the home boards make their contribution to the current budgets on a gold basis rather than a local currency basis. When the home boards of the Universities make their contributions in gold it transfers to the field full responsibility for the allocation of all gains in exchange; and would also make the field responsible for finding ways in which to cover any losses in exchange should the value of silver take an upward trend. Are we correct in assuming that the University of Nanking prefers to continue as before to have the Founders make their appropriations in terms of local currency rather than gold?

I had hoped to have some word before this from Dean Chase of the Harvard-Yenching Institute in response to my inquiry as to whether the Institute would object to the use of a portion of the gain in exchange from the income of the Harvard-Yenching Institute trust fund for the construction of a residence for staff members in the Department of Chinese Cultural Studies. Since no word has come as yet, I presume that the matter is being held open until the next meeting of the Trustees of the Institute, which takes place on September 22. As soon as we have any definite word we will communicate it to you.

We will await with interest the complete minutes of the March 13 meeting of the Board of Directors.

With all good wishes, I am

Very cordially yours,

BAG-H

0235

TRANSFER

mk



INDEXED

University of Nanking

April 23, 1931
#2

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

My dear Mrs Priest:

Let me acknowledge receipt of the following letters:- March 21,
March 23, March 28, and April 1.

YOUR LETTER OF MARCH 21

This letter deals in general with the schedule of salary allowances for Western members of the University staff. Since your letter of April 1 indicates that you have received our letter of March 10 dealing with this same subject, and will be replying to that letter a little later, we will not go into any detailed discussion of these matters at this time.

YOUR LETTER OF MARCH 23

This deals also with the subject of salaries and allowances for the Western staff, and will be held for further study when we receive your reply to my letter of March 10.

YOUR LETTER OF MARCH 28

This deals with the subject of the University pension plan. We are glad to learn that the reaction of the field has been so favorable, and that six members of the Western staff have elected to join the plan and will probably be sending us the application cards within a few days. Unless these cards are delayed they will probably arrive in time for us to have these policies in operation by May 1, though they will be effective from July 1, 1930, except in the case of Miss Anderson where the effective date will be January 1, 1931.

We will follow out your suggestions to spread out over two or three months the charge against the staff members for their share of the premiums for the period since July 1, 1930. Since the end of the current fiscal year is so near we might find it necessary to carry some of these checkages over into the fiscal year 1931-32.

You raise several questions as to the details of the arrangement of such a plan for the Chinese staff. The two most important questions you mention are:- first, whether such policies could be written in silver rather than gold; and second, whether the Sun Life Assurance Com-

0236

pany's agents in China, rather than the home office here in the West, might write the policies for the Chinese members of staff. I believe that we should be able to make satisfactory arrangements at both these points. In the conversation we have had with Mr. French, the representative of the company with whom we have had most of our dealings, he has suggested at various times that the company's agencies in China should be able to assist in presenting and explaining such a plan to the Chinese members of staff, and perhaps also in actually writing and administering the policies of the Chinese staff. I am quoting to Mr. French your inquiries on this subject and will ask for his opinion.

You will be interested to know that at Yenching University the Chinese members of staff have expressed the desire that their policies be written on a gold basis rather than a silver basis. I understand that their reason for this is that gold is considered a more stable currency than silver. They feel that no matter what may be the vagaries of the silver market during the coming years, and no matter what changes in its currency system the Republic of China may make, the setting up of their policies on a gold basis will give them the assurance of a stable and adequate income at the time of their retirement.

With regard to the method of payment of the University's share of the premium, you state that "it has been the understanding on the field that the Board of Founders was setting aside each year all income that accrued on endowments over the 5% rate as a sinking fund for this purpose.....If the reserve funds held by the Founders are not to be used for this purpose and we must provide an item in the current budget, I am not sure that it will be wise or possible to consider the matter at all. Certainly not until the same thing is done for the Chinese staff. Therefore, we are assuming that you will provide for the annual premiums of the University staff now in the colleges from this reserve fund".

You are quite correct in assuming that the Founders, in their plan for the creation of this pension plan, have set aside a substantial fund of the surplus income to provide a sinking fund for this purpose. The two actions taken by the Founders on May 6, 1930, (BF-512 and BF-519) have set aside for this pension reserve fund all the available surplus accruing in 1929-30, and have directed that a similar allocation be made of all available surplus in 1930-31. As a matter of fact, when these two actions were taken the Founders thought that it would probably be necessary for the University to have a substantial fund immediately available before such a pension plan could be put in operation and did not know that we could establish such a plan simply by paying a moderate amount in premiums from year to year. I believe that the Founders have not given any very careful study to the specific question of the source whence the University's share of the annual premium for the Western staff members is to be met. This is a question to which they should give further study. Since the University's share of the premium of the six members who have now elected to join the plan is only G\$363.68 per year, the pension reserve fund already set aside amounting to G\$2,077.25, will be sufficient to take care of these premiums for almost six years. Probably the available surplus in 1930-31 from excess income above 5%, together with other sources, would provide an amount sufficient to carry these premiums for a still longer period. We might even invest these funds in such a way as to produce enough current income to care for at least the major portion of the University's premium. This question is, however, complicated somewhat by the problem of whether the Founders should make some special arrangements to care for Miss Hynds when she retires a few years hence. We will bring these questions before the

0237

Founders for consideration at the next meeting which will be held within a few weeks.

We note that the University's share of the premiums of the members of the Hospital staff will probably be met from the income of the Hospital.

I am sure that everyone will appreciate the fact that Miss Hynds case is one deserving of special consideration. I will write to Dr. Bowen and will ask him to make some suggestion as to the best way in which the University could discharge its obligation to her.

The case of Miss Jeffrey is somewhat more difficult. Since she was forty-six at the time she became a regular member of the University staff in 1929, she would have nineteen years of service to her credit at the time of her retirement at the age sixty-five. This would not give her a very substantial retirement allowance though, with the aid of the other annuity policy she already has, she would be fairly well provided for. The fact that she had not been in the service of the University quite twenty years at the time of her retirement at sixty-five could probably not be interpreted as depriving her of any share of the benefits accruing under her policy at the time of retirement. The provision in Section IV, subsection 3, that the University may ask for the return of its contributions, with dividends thereon, where a staff member withdraws before completing twenty years of service, is applicable to cases of the "withdrawal of a member from the service of the University prior to his retirement date", rather than to those who retire at the age sixty-five. Of course, provision is made for the continuation in service of a staff member after reaching the age of sixty-five, provided such continuation is acceptable both to the staff member and to the University; so it would only be necessary for Miss Jeffrey to continue in service until she reaches the age of sixty-six or sixty-seven in order to complete her full twenty years of service, and at the same time to provide a greatly increased retirement benefit after discontinuing active service.

The question of having the University allow the use of its 5% contribution toward retirement, for the purpose of paying premiums on Miss Jeffrey's present insurance policies, at once raises some very serious questions of policy. Whenever such a pension plan as this is set up in an organization it invariably happens that members already serving in the organization, particularly those of maturer years, ask whether, instead of their participation in the proposed plan, the organization will contribute its share toward the maintenance of insurance policies already in force. Such staff members undoubtedly have, in most instances, a rather strong case. On the other hand, for the University to make such exceptions is apt to produce rather serious complications in the operation of such a retirement plan and in some instances may militate against the accomplishment of the results contemplated by such a plan. The usual rule is that an organization's contribution is available only when applied to the regular pension policy of the staff member, and is not available for application on the premiums of other insurance policies that may be held by a staff member. Perhaps an exception to this rule should be made in Miss Jeffrey's case. We will ask the Board of Founders to give the matter careful study, either as a Board or through its special Committee on Salaries and Pensions.

I am sorry that Miss Whipple feels that "the plan was not in-

tended to include her". I am afraid that she reached this conclusion because we failed to include her name on the list of individual members of staff concerning whom detailed information is shown on the last page of the material we sent relative to the outline of the proposed retirement plan. I am not sure just why Miss Whipple's name did not get on this list, but she is considered one of the University supported Western staff members of the University she is certainly entitled to participate in the plan. No doubt you will be able to arrive at an approximate figure as to the status of her retirement fund when she reaches the age of sixty-five. So far as the Board of Founders and the Sun Life Assurance Company are concerned, there would be no objection whatever to the inclusion of Miss Whipple if the field authorities consider her eligible for participation. We will await further word from you in regard to her case.

On page 3 of your letter you summarize your understanding of the modus operandi of the pension plan. Our understanding is quite in agreement with yours with the possible exception of a slight difference of interpretation at one or two points:-

(1) We are agreed that "if a member wishes to withdraw at any time from the University, they may receive in cash the amount of their payments, together with interest. This is regardless of having served one year or fifteen." It should be noted, however, that if such a retiring staff member withdraws in cash the amount of his payment, together with interest, the University would likewise withdraw the amount of its own contributions to which the staff member would be entitled if he had allowed his own contributions, with interest, to remain in the hands of the Sun Life Assurance Company. That is to say, the staff member is not entitled to receive benefit for one-half the University's contributions after ten years of service and the full amount of the University's contributions after twenty years of service, unless the staff member leaves his own contributions in the hands of the Sun Life Assurance Company until he reaches retirement age; except in a case where a staff member dies or becomes disabled subsequent to his withdrawal but prior to his attainment of retirement age.

(2) It is agreed that "if a person withdraws after ten years of service he may elect to continue the policy and receive the benefit of one-half of the past contributions made by the University". However, the remaining one half of the University's contributions would normally be refunded direct to the University by the Sun Life Assurance Company. Your statement on this point continues in such a way that you may have in mind that the staff member himself would be responsible for refunding to the University the half of the University's contributions for which he is not entitled to credit. Perhaps it would be possible to effect some arrangement whereby the entire amount of the University's contribution would remain in the hands of the Sun Life Assurance Company and the adjustment of the University's right to receive back one-half of these contributions might be made between the withdrawing staff member and the University, rather than between the Sun Life Assurance Company and the University, though I believe such a contingency was not considered when the plan was drawn up.

(3) We are in agreement that "if a person withdraws after

0239

having served for twenty years and elects to continue the policy he is entitled to receive the full amount paid by the University". Here again it is understood that the contributions of the staff member and of the University would remain in the hands of the Sun Life Assurance Company until the ex-staff member has reached retirement age, or has died or become permanently disabled.

We can quite appreciate the fact that the staff members would study with the greatest care and interest these provisions for withdrawal before reaching the age of sixty-five. Under present conditions in China today it takes a great deal of faith or courage, or perhaps both, to go ahead on the calm assumption that one will be continuing in his or her same position some twenty or thirty years from now.

We will await with interest the arrival of the application cards, and of any further information you may give from time to time on this subject of pensions. Please let us know if there are any further items of information we should give and call our attention to any points on which our understanding and that of the field may be at variance.

YOUR LETTER OF APRIL 1

This deals with various financial items.

We are calling Mr. Evans' attention to your first paragraph with regard to the shipment of the 5000 BIGCO Index Cards. He will at once see whether arrangements can be made to include these cards with the shipment of paper.

I am calling the accounting office's attention to Miss Anderson's request that we send direct to her her full salary of \$80 per month for the three months of May, June and July. We have already mailed her a check for \$40 on account of her May salary, but since we have not as yet deposited the remaining \$40 due her for May we are sending her a second check for this amount. For June and July checks will be sent for the full amount due her. However, we will deduct from the June and July remittances the checkages necessary to cover Miss Anderson's contributions toward her pension plan from January 1, 1931, to June 30, 1931.

We note the information you give with regard to the arrangements with Mr. Stanley Warren. Since you do not give Mr. Warren's address I presume he will take the initiative in getting in touch with us when he needs the advance of funds to cover his travel expenses from New York to Nanking, together with two months salary. I presume that this advance is to be made from Famine Funds.

We note Mr. Buck's request that the advance be made during the month of July and not before that date.

Very cordially yours,

B A GARSIDE

BAG-H

0240

UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Arch 6/11/31

TRANSFER

Nanking April 30, 1931.

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

Dear Mr. Garside:

INDEXED

On April 1st I wrote you concerning the money to be advanced to Mr. Stanley Warren, who is coming to the Rural Economics Department as statistician. Since that date Mr. Buck has received a letter from Mr. Warren asking for an advance on the contract of one thousand dollars, and as we feel one thousand dollars would be approximately correct, we shall be pleased to have you send him this money after he has signed the contract and arrangements are made.

In accordance with our usual policy, we have made up a contract which covers the special conditions of this case and wish you would be kind enough to have it completed, and the copies filed; one in your office, one for Mr. Warren and the third one sent to us.

In our previous letter we asked that the advance be made after July 1st, but if Mr. Warren decides to start from home earlier than was then anticipated, it is quite agreeable to us for you to give him the advance of one thousand dollars at such time as he may need it. It is understood that the contract will be signed first.

As stated before the funds are in China and are being held in U.S. currency.

Sincerely yours,

Ellen M. Smith

cc Mr. Buck

0241

RECEIVED
UNIVERSITIES

MAY 25 1931

OFFICE

0242

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UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

TRANSFER

Ack 6/17/31

May 8, 1931.

NANKING

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

Dear Mr. Garside:

INDEXED

On the 2d we sent you a cable as follows:

"SECURE GEORGE WARREN. ALTERNATE BOYLE. CABLE
DECISION IMMEDIATELY. DEPOSIT SIX HUNDRED
(DOLLARS) LOVE THOMPINS COUNTY BANK ITHACA."

The first part of the cable was for Mr. Buck and referred to the experts we hope to have with us next year in his department. I believe Mr. Reisner has written to you also about them and trust it was quite clear that we referred to Dr. G. F. Warren. On account of the pending negotiations with his son, Stanley Warren, we decided to use the first name as well to avoid confusion.

The second part of the cable was a request from Professor H. H. Love, asking us to cable six hundred dollars to be deposited to his account at the Tompkins County National Bank, Ithaca, N. Y. He has given us the check for this amount and we shall adjust it through one of the current drafts we are authorized to draw. I have not looked them up as yet but will send you definite word in a day or two.

Dr. Love has made another request, asking if we will have deposited five hundred dollars (gold) (G\$500 00) on June 1st and the same amount (G\$500 00) on July 1st to his account in the Tompkins County National Bank, Ithaca. Will you please do so, charging against our current account? We shall make the proper adjustment when we draw the drafts authorized for June 1st, and presume you are willing to allow us to draw for July 1st in accordance with the usual custom. Would it not be a good plan for you to send us definite authorization starting with July 1st instead of waiting until December or so as you usually do. The summer is the time we may need the funds. *to 3257 noted July deposit S.C.*

Thanking you for carrying out these requests for Dr. Love,

Very sincerely yours,

Elmer M. Priest

0243

2
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7
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9

0244

TRANSFER

Nanking

INDEXED

May 9, 1931

ack 6/11

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

My dear Miss Priest,

I am enclosing a copy of the Budget Analysis as of April 30th. Had hoped to get this into the air mail last week, but was delayed by various things.

Hope you will find the analysis accurate and intelligible.

Just one point on which a comment occurs to me. By action B.F. 530 on June 25, 1930, the Board of Founders authorized the field to draw gain in exchange on the current funds for 1930-31 up to L.C. \$17,900.00. To April 30th L.C. \$8,950.00 had been drawn on this account. You will note that to April 30th the gain in exchange shown on our records is L.C. \$11,112.59. This is obtained by multiplying by 2.10 the amount of Gold transmitted to the field under account 31 - L.C. \$5,344.14 - giving a quotient of L.C. \$11,222.29, and subtracting this from the proceeds of these remittances, L.C. \$24,899.79, leaving a remainder of L.C. \$11,112.59 gain on exchange.

Just how much more gain on exchange will accrue on this year's budget we cannot estimate but the amount will not be large, for only \$9,756.74 local currency remains undisbursed on this year's budget and a substantial part of that will be spent in gold for salaries, library, and other items and will not yield any gain on exchange. So apparently we will not be able to count on more than twelve or thirteen thousand dollars L.C. on gain on exchange this year.

If you are drawing a substantial part of the balance of L.C. \$9,756.74 through drafts from the field, you will be able to estimate the increased gain on exchange. Since there is a surplus of L.C. \$2,162.59 in this gain on exchange account, you are authorized to draw this amount plus any other gain which you know will be added before the close of the year. Then when we close our books we can send you a remittance for the balance, as soon as that balance is known accurately.

Cordially,
B A GARSIDE

BAG/G
Enc.

0245

over

Nanking

TRANSFER

INDEXED

University of Nanking

May 25, 1931

President Y. G. Chen
Miss Elsie M. Priest
University of Nanking
Nanking, China

My dear Doctor Chen and Miss Priest

This letter will report on matters in connection with the pension plan.

You will notice that the Boarders by action 87-667 voted to refer to the Committee on Salaries and Pensions inquiries by the field as to the source of funds for the University share of the pension premiums for University-supported members of the staff, and also the question of special consideration in the cases of Miss Lynda and Miss Jeffrey. As yet we have not been able to secure a meeting of the Pension Committee, but I hope this can be accomplished during the next few weeks.

We have now received from the Sun Life Assurance Company index cards for the six staff members who have applied for policies under the pension plan. The Company assures us that they will issue a master contract and individual policies within about a fortnight.

About May 1 we sent a check to the Sun Life Assurance Company in payment of the monthly premiums for the first ten months of the fiscal year 1930-31, including a slight amount of interest for the premiums that were overdue. We are today sending a check to cover monthly premium for the month of May. Hereafter we will send remittances about the 25th of each month.

I am attaching to Miss Priest's copy of this letter a tabulation showing the disbursements which we have thus far made for the various staff members, or will be making during the next few months, and indicating the deductions we plan to make from month to month until these back premium payments have all been refunded to the University. In this connection we have noted that we are sending \$20.00 per month to Miss Bauer's mother, and \$25.00 per month to Mr. Young's brother. This reduces quite substantially the amount that will be available in cash for these two staff members during the next few months. So far as I have been able to check up we have not had any directions from the field to deduct the premium payments from the remittances being sent these two relatives of staff members, so for the time being we are deducting such payments from the monthly remittances to the two staff members themselves. If this is not what these staff members desire, will you please send us instructions.

0246

President Y. C. Chen and Miss Elsie M. Priest

May 26, 1951

-2-

I have been in correspondence with the Sun Life Assurance Company as to the best procedure to follow in securing similar policies for the Chinese members of staff. Miss Priest has written that these Chinese staff members will probably prefer that their pensions be written on a silver basis rather than a gold basis. From the enclosed copies of correspondence as had with the Sun Life Assurance Company you will note that they find it impossible to write such policies on a silver basis, but will be happy to write them on a gold basis on exactly the same terms as the policies which are now being written for the Western members of staff. The policies for the Chinese members of staff can be handled by the agents of the Sun Life Assurance Company in Hanking, and monthly premium payments can likewise be made in Hanking.

We sincerely hope that these arrangements will prove satisfactory to the Chinese members of staff. As a matter of fact they are exactly the arrangements which the Chinese members of the Yenching staff preferred above the various other possibilities. I believe it was the feeling of the Chinese staff members at Yenching that the use of the gold basis in writing their policies gave greater stability for the future, and gave a much more definite assurance that upon retirement at 65 they would have a substantial retirement allowance, no matter what the vagaries of the silver market may be in the meantime.

We will await your further instructions as to the procedure to take in behalf of the Chinese members of the staff.

Very cordially yours

B A GARSIDE

BAG:MS

0247

University of Mankato

	<u>Accumulated Premiums</u>	<u>Monthly Payments</u>	<u>Total to Collect</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>
Grace Bauer	59.26	5 mos. @ 5.29 May to Sep. inc. 26.45	85.71 (over 4 mo)		21.43	21.43	21.43	21.43	
Minnie H. Purcell	82.12	6 mos. @ 7.33 May to Oct. inc. 43.98	126.10 (over 5 mo)		25.22	25.22	25.22	25.22	25.22
John G. Young	44.81	4 mos. @ 4.00 May to Aug. inc. 16.00	60.81 (over 3 mo)		20.27	20.27	20.27		
Hilda M. Anderson	20.18	3 mos. @ 4.00 May to Jul. inc. 12.00	32.18 (over 2 mo)		16.09	16.09			
Elsie M. Priest	58.25	3 mos. @ 5.20 May to Jul. inc. 15.60	73.85 (over 3 mo)	24.62	24.62	24.61			
Helena G. VanVliet	52.76	3 mos. @ 4.71 May to Jul. inc. 14.13	66.89 (over 3 mo)	22.30	22.30	22.29			

TRANSPORT

UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

TRANSFER

Nanking

May 24, 1931.

ack. 6/19/31

Mr. B. A. Garside,
New York.

Dear Mr. Garside:

INDEXED

Evidently the March statement with supporting vouchers and invoices has been lost in the mail. We received the duplicate a few weeks ago, and have waited three mails to see if the original would appear, but I have just about given up hope that it will reach us as the date it was written was April 13th.

I am sorry to trouble you about it, but we would like to have duplicates of some of the invoices and the journal vouchers referred to as 204 and 205. In case it is too much trouble to send us duplicates of all the invoices, please send the details of the library invoices and we can manage without the rest of the accounts - merely using totals, although the departments are asking for the details. You occasionally enclose letters with the statement, and if it was done this time, I am notifying you now of their non-receipt!

The information concerning the revised salary adjustments and allowances should have been sent to you long ago and I am hoping to clear it this month. We have been unusually busy lately - especially at Ginling. I am hoping that the new secretary for Ginling this year will have knowledge of accounts also, so I shall be able to turn over that part of the work. The three year period is completed this summer, and I think that is long enough.

We held a meeting of the Executive-finance committee on Friday and discussed in detail the pension plan for Chinese staff members. It has its problems and I think I had better take the matter up in a separate letter.

As usual we are trying to find money to build residences. We are planning on the ten thousand grant from exchange gain for Cultural Studies group, and hope it will be approved, but in addition we need something more. Perhaps you have not heard that we were given five thousand dollars for a house but due to the very high cost of building materials these days, it is difficult to manage construction on this amount. I am wondering what the final decision has been concerning the balance of the Language School Fund. You will recall the Founders authorized only 11,000 00 which was used. Are you ready to authorize the balance of the fifteen thousand which is between three and four thousand dollars? If so, we would add it to the gift of 5,000 00 and build a two family house. The housing problem is increasingly perplexing. If we have houses for four more families it will be a great help.

It is with keen regret that we say farewell to Mr. Reisner - both officially and unofficially. He leaves us in about ten days, and we see another one leave the organization that has depended so greatly on him and others like him. We feel rather discouraged in facing the future.

Sincerely yours,

Elmer D. Hunt

0249

RECEIVED
UNIVERSITIES
JUN 15 1931
JOINT OFFICE

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Nanking

TRANSFER

INDEXED

University of Nanking

May 25, 1931

#2

President Y. G. Chen
Miss Elsie M. Priest
University of Nanking
Nanking, China

My dear Doctor Chen and Miss Priest

We are enclosing herewith a copy of the minutes of the meeting of the Board of Founders held on the afternoon of May 12. Under separate cover we have sent you 40 copies of these minutes.

In this letter I will comment on most of the matters discussed by the Founders at this meeting. I am also writing separate letters on several topics requiring more detailed discussion.

Attendance at Meeting. The attendance at the meeting was not large, in view of the fact that an unusually large proportion of the Board members were absent from the city. However, we were privileged to have Dr. Cressy with us, and he brought a great deal of valuable first-hand information direct from the field. Dr. Scott also had just returned from China and was able to give us some interesting comments on his visit to the campus.

Pension Plan, Financial Items, 1931-32 Budget. I am writing separate letters on these topics.

Minutes of Meeting of Board of Directors. A fairly large proportion of the time of the meeting was devoted to a discussion of matters growing out of the minutes of the meetings of the Board of Directors held on November 21, 1930 and March 13, 1931. The minutes of the earlier meeting had been distributed well in advance of the meeting. The minutes of the March 13 meeting arrived only on the morning of May 12, so we were not able to get them in the hands of the members in advance, though copies were available at the meeting for all those present. Fortunately we had sent to the members of the Board as a part of the docket President Chen's report and comments on the most important matters in the minutes of the March 13 meeting, so we were able to deal with these minutes as well as with the ones for the November 21st meeting.

The question of the Baptist share in the Language School Building fund was discussed informally, but it was the judgment of the Board that the status of this question at the present time is such as not to call for any formal action.

The Board expressed itself as warmly in support of the cooperation between Yenching and Nanking in the field of agriculture. A great deal of inter-

0251

est was manifested in the last paragraph of the Report of the College of Agriculture and Forestry which mentions a "bitter attack" by some of our Yenching friends who seem to oppose this cooperation. This was the first intimation we had had of any rift in the cordial relationships between the two institutions. We would appreciate receiving further facts as to the working out of this proposed correlation.

The Board gave very sympathetic study to the financial needs of the University Hospital. They discussed at some length the proposal that the cooperating mission boards be asked to assume the support of one nurse each. The representatives of practically all the mission boards, while expressing their warmest sympathy for the financial problems of the Hospital, stated quite definitely that they felt sure the mission boards they represented would find it utterly impossible at this time of severe financial crisis to add another member to the quotas they are already supporting at Hanking. Also some fear was expressed lest the presentation of such an appeal for increased personnel just at this time of severe depression, might injure rather than advance the sympathetic interest and support of the cooperating boards. However, the earnest hope was expressed that we might be able to persuade the Rockefeller Foundation to assist in the present emergency along the lines proposed by the Board of Directors in minute D-482. Therefore by action B-575 the Board voted to endorse this action of the Directors and to appoint Dr. Scott to make the report and present the request to the Rockefeller Foundation.

Dr. Cressy reported on the progress being made in the Correlated Program. Attention was also called to the fact that the Founders had not as yet endorsed action D-458 whereby the Directors "accept in general the correlated program as a whole and in so far as it affects directly the University of Hanking." Therefore the Board adopted action D-476 with a great deal of heartiness.

I reported the steps we have taken in the direction of trying to secure diplomas and degrees from the Board of Regents for the two Theological Seminary graduates. It appeared that no formal action by the Founders was necessary, so this matter was simply recorded in the minutes as having been noted.

Communication from Methodist Board. I believe you are already familiar with the action of the Methodist Board stating formally that it had been necessary to reduce their quota on the general university staff from five to four. As a matter of fact, they have reduced their representation by two members rather than one, for formerly they had five representatives on the general university staff without counting Miss Wilson, and now they have only four, including Miss Wilson. However, our Methodist friends say that the support of Mr. Miller, Mr. Jones, Mr. Stewart, and Miss Wilson is the maximum they can provide at the present time, so it seems to be quite useless for us to press them to do anything more at present.

Problem of Missionary Housing. This question came up from the general standpoint, rather than from any specific questions affecting missionary personnel at Hanking. Representatives of the Presbyterian Board stated that throughout China certain problems of housing their missionary personnel had grown out of the gradual shift in the center of responsibility away from direct mission control, and they raised the question of whether this general problem had been encountered at the University of Hanking. You will notice that a special committee was appointed to make a study of the question.

President Y. C. Chen and Miss Elsie M. Priest

May 25, 1951

-5-

I believe that the matters discussed above, together with those on which I am writing separate letters, cover all the important actions of this meeting of the Board of Founders. The next meeting will probably be held some time in the autumn.

Very cordially yours

RAG:MS

0253

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Nanking

TRANSFER

INDEXED

University of Nanking

May 25, 1931

#4

AIR MAIL

ack 6/22

President Y.G.Chen,
Miss Elsie M. Priest,
University of Nanking,
Nanking, China.

My dear Dr. Chen and Miss Priest:

This letter will deal with some of the financial items taken up by the Nanking Founders at the meeting on May 12, and more particularly with the budget for 1931-32.

Financial Items. Mr. Evans presented to the meeting of the Founders a brief analysis and forecast showing the probable status of our current funds here in New York at the close of the present fiscal year on June 30. This analysis seems to indicate that we will come out fairly near to the estimates we made at the beginning of the fiscal year. As a matter of fact, it appears that we may show a deficit of around \$500 at the end of this year due to the fact that we will probably not receive from bank interest and other sources more than half the \$9719.90 which the Founders guaranteed from unknown sources of income in order to balance the 1930-31 budget, and also due to the fact that one or two other sources of income have been slightly less than we counted on. This estimated deficit does not take into account any income on endowment funds above 5%, for we have already allocated any surplus endowment income above 5% to retirement reserve fund. We estimate that this surplus endowment income during 1930-31 will amount to approximately \$91,000.

There is one other point at which the Founders expressed some surprise and disappointment. By act on BF-330 adopted on June 25, 1930, the Founders made a special appropriation of L.C.\$17,900 from anticipated gain on exchange to meet a list of special items outside the regular budget, which were recommended by the Directors in act on D-352. At the time the Founders took this action it was thought that the gain in exchange would probably be well in excess of L.C.\$17,900. However, the gain in exchange, so far as we are able to ascertain the figures on our New York books, has to date been much less than we anticipated, due to the fact that most of the current appropriation of the Founders has been expended in gold rather than transferred to the field at the prevailing favorable rates of exchange.

A glance at our budget analysis as of April 30, 1931, will show that the only funds on which any available gain in exchange is shown to date are the funds transmitted to the field under account 31, amounting to \$36,565.43, or L.C.\$24,800.73. At the rate of 2.10 to 1 \$36,565.43 would have produced L.C.\$15,787.40. Since these funds actually produced

0254

5/25/31

L.C.\$4,633.73 the gain in exchange to date is L.C.\$11,112.33. Since on April 30 only about L.C.\$10,000 still remained to be disbursed to the field under the general appropriation of the Founders, and since a substantial part of this will undoubtedly be expended in gold, the prospect for any large increase in the gain on exchange is quite remote. I hope, however, that Miss Priest's accounts will also show a further gain on exchange on items concerning which we have no record here in New York. For example, we have disbursed here in New York under account 31 C\$8,115.36, all of which we have charged to the field at the arbitrary rate of 2.10 to 1. Some of these items may be of such ²⁴⁵⁷ ~~2457~~ that Miss Priest has charged the individual or account affected at the prevailing rate of exchange rather than the fixed rate of 2.10 to 1, thus showing a gain in exchange on her field records.

Unless some substantial gain in exchange has accrued, or does accrue on the field we will probably be unable to complete the special appropriation of L.C.\$17,900 made by the Trustees on June 25, 1930. Moreover, there are a number of items pending in our Founders' accounts here in New York which have for some time been carried as increasing deficits, and which we had hoped would be cared for this year from the unusual ²⁴⁵⁷ ~~2457~~ favorable rate of exchange. There has never been any appropriation to cover the miscellaneous expenses of the Board of Founders such as premium on the bonds of the financial officers, miscellaneous expenses in connection with the meetings and other activities of the Founders, or such special appropriations as the Founders have made for the work of the Committee for Christian Colleges in China. The Trustees have ²⁴⁵⁷ ~~2457~~ occasionally been able to close the year with a small surplus either from anticipated additions to income or from gain in exchange which ~~can~~ be utilized to take care of such non-budget items of expenditure. However, for several years we have been appropriating practically all our surpluses and gains on exchange for such items requested by the field, and have set aside all surplus income above 5% to provide for the retirement reserve fund, so there has been no source from which the Trustees could care for deficits of this kind, and as a result they have been growing steadily. I hope that before the close of the fiscal year some source of income will develop which will permit us to clear the slate of these items.

Budget for 1931-32. You will note the actions of the Founders with regard to the budget for the coming year.

In action BF-568(a) we have set forth in great detail all the anticipated income from designated funds (Class B) which the Founders will transmit to the field as and when received. Some of these items, such as the support of Mission Board personnel, do not actually pass through our hands, but are merely a record of what the supporting Boards are contributing. Since most of the Class B money is appropriated in local currency the University neither profits nor loses by variations in exchange. However, C\$1,120.00 is appropriated on a gold basis and the field is expected to make use of any gain in exchange along the same lines as those for which these funds are originally designated.

In action BF-568(b) are itemized the general sources of income (Class A) from which the Board of Founders undertake to contribute the sum of L.C.\$70,343.00. Practically all of this income is in gold and the local currency equivalent is figured at 2.10 to 1. At first glance it would appear that, with exchange running around 4.50 to 1, there should be a very substantial gain in exchange which the University would have available for other uses. As a matter of fact, however, it seems likely that the gain on exchange

0255

for next year, as for this year, may be very small. During 1930-31 a substantial amount of these general funds were expended on a gold basis and it was immaterial from the standpoint of gain on exchange, whether the budget was drawn up at 2 to 1 or 5 to 1, since any increased receipts due to favorable gain on exchange were at once counterbalanced by the fact that the local currency cost of meeting items in the budget was likewise increased by exactly the same amount. That is to say, if the University expends C\$100 for equipment purchased here in the West it matters little whether this item appears in the budget as L.C.\$210, based on the arbitrary rate of exchange, or L.C.\$450, based on the prevailing rate of exchange. This fact seems so obvious that one feels like apologizing for presenting it, but as a matter of fact, in several of our Universities during the past year there have been serious blunders in estimating anticipated gains on exchange at this point. One of our Universities is now talking in terms of L.C.\$180,000 in gain on exchange from general funds during 1931-32, whereas we believe they will be extremely fortunate if their gain is as much as twenty-five per cent of this amount.

From the information we have available here it would appear that somewhat the same mistake has been made in preparing the estimates in connection with the 1931-32 budget, that gains on exchange will amount to at least L.C.\$87,000, and that there is hope for meeting still further conditional requests amounting to L.C.\$32,140. As for the income from the special funds for the Chinese cultural studies of the Institute, it is quite possible that gain on exchange amounting to L.C.\$30,000 will actually accrue since practically all these expenditures are made in China. However, when we seek to find some source whence we can get a gain in exchange of L.C.\$57,000 from general sources of income, the problem at once becomes far more difficult. In fact, in our experience thus far nothing has given us any grounds for hoping that so large a gain can be secured. The Founders express their judgment on this point in action BF-570. This year's experience would indicate that if we are fortunate enough to secure L.C.\$16,000 actually included within the budget to provide for salary increases, etc., that is about as much as we dare hope for. I would be very happy if the field could show us any way by which we can be assured of a larger amount of gain on exchange.

By action BF-563 the Founders again raise the question of whether the field would prefer that the Board of Founders define their contribution of current general income in gold rather than local currency at some fixed rate of exchange. If such a change in our procedure were acceptable to the field it would mean that hereafter the Founders will appropriate certain definite sums in gold, from their Class A funds, then will leave to the field all questions involving gain or loss in exchange. Most of our other Universities have all shifted to this gold basis for trustees' appropriations, and some others are giving serious consideration to the proposal. We would be very happy to have your opinion.

Very cordially yours,

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TRANSFER

Nanking

INDEXED

University of Nanking

May 27, 1931

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

My dear Miss Priest:

This will supplement the letter we sent you on May 25 with regard to pensions.

Attached to the letter of May 25 was a tabulation showing the deductions we will be making during the next few months to cover the accumulated premiums from July 1, 1930, to date. (In the case of Miss Anderson the premiums cover a period from January 1, 1931, to date).

In my letter I stated that the accumulated premiums were for the first ten months of the fiscal year 1930-31. However, in checking this item over with the Sun Life Assurance Company, we have now ascertained that the accumulation covered the first eleven months of this fiscal year. The payment we have sent the Sun Life Assurance Company this week, covering premiums for one month, therefore completes our payments for the fiscal year 1930-31. Our next remittance will be sent to the company about the middle of July.

Therefore, the deductions to be made from your salaries as shown in the tabulations attached to our letter of May 25 should be reduced by the amount of premium for one month. For the sake of uniformity we are making this deduction on the last month when this deduction for accumulated premiums is required. Below we show the amount of the monthly premium in each case, and the revised figure for the last monthly deduction:-

<u>Member</u>	<u>Deduct</u> <u>1 monthly prem.</u>	<u>From payment</u> <u>for month of</u>	<u>Amount of</u> <u>last payment</u>
Grace Bauer	\$ 5.29	September	\$16.13
Minnie H. Purcell	7.33	October	17.89
John G. Young	4.00	August	16.27
Hilda M. Anderson	4.00	July	12.09
Elsie M. Priest	5.20	July	19.41
Helena V. Van Vliet	4.71	July	17.58
	<u>\$30.53</u>		

The Sun Life Assurance Company has informed us that within about a fortnight they will be sending us the individual policies for each staff member. I have failed to inquire whether or not you wish these policies sent to the field, or desire that our office keep them here in our safe. Since you will no doubt wish to examine the policies and see

0257

Miss Priest-2

5-27-31

just exactly what the details of the arrangements include, we will forward these policies to you by registered mail. After you have examined the policies, if you care to return them to us for safe keeping, we will be glad to hold them in the safe here in New York. As a matter of fact, our office safe is not entirely fire-proof so there would still be some risk of loss.

Very cordially yours,

BAG-H

B A GARSIDE

CC: Miss Cloud

0258

UNIVERSITY OF NANKING

OFFICE OF THE TREASURER

NANKING, CHINA

TRANSFER

Nanking

May 29, 1931. #1

Mr. B. A. Garside,
New York.

My dear Mr. Garside:

INDEXED

In your letter of April 20th you have raised the question as to whether the University of Nanking prefers to have the Board of Founders continue to make their appropriations in local currency rather than gold - that is continue to use the arbitrary rate of 2.10 to 1.

As we were having a meeting of the Executive-finance committee on the 22d, I asked Dr. Chen to give the matter his careful consideration. After having time to think it over independently we discussed the whole question rather thoroughly and found we had come to the conclusion that we would prefer to have the present method of handling funds continued. Therefore we did not bring the matter up for further discussion, and we felt the committee would be glad to abide by the wishes of the administration in this matter.

It seems to both of us that it is a more conservative method until such time as the national currency is stabilized. There are such radical differences in even one month at present that we prefer to keep our work on the basis fixed at 2.10 exchange, and use the gain in exchange for extraordinary needs or non-recurring items. I am quite certain that once we start to figure our budget on current rates or anything that approaches current rates, it will be most difficult to make cuts if currency suddenly becomes stronger and we have something like the old value for silver. Therefore, although the University of Nanking may be the only school left on this present basis, we would like to remain this way for at least another year.

Of course, we understand that the Board of Founders will continue to allow us to make requests for the use of the gain in exchange, and we have every hope of doing so for purposes that will meet with their approval.

Sincerely yours,

Elise M. Priest

0259

RECEIVED
UNIVERSITIES

JUN 23 1931

JOINT OFFICE

0260

2
2
1
3
7
3
9

TRANSFER
UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

Act 6/24

May 29, 1931. #3

Nanking

Mr. B. A. Garside,
New York.

Dear Mr. Garside:

INDEXED

Thank you for your letter of May 2d with the check of 62.50 for the Methodist grant covering June 1931 to the hospital. Please do not send any further checks for gold on the hospital account but credit them against our heavy overdraft in New York. This one will be adjusted out here.

This is one of the mornings when I wish I could drop into your office for ten minutes and not have to put on paper inadequately what could be easily disposed of in a few minutes conversation. However, there is no choice and I shall try to cover this matter in a few words, although I hesitate to write at all.

For a number of years the Methodist Board has made their grant to the hospital in the field, in terms of Mexican \$1,500 00. When the hospital was finally returned to us in 1928 and we were checking over the funds, we found that the Methodist Board was in arrears Mexican \$ 3,196 34 to bring their account to the date June 30, 1928. Through the efforts of Dr. Bowen, the Finance Committee of the Methodist Board paid 3,000 00 and in order to bring the account to date, Dr. Bowen personally made up the difference of 196 34, thus clearing the account, according to our records, to June 30, 1928. Since that date we have received in May or June of each year a check for 1,500 00 which we considered the payment for the grant for our fiscal year in accordance with the settlement made to June 30, 1928. Therefore, when the Methodist Board took action authorizing that the remittance to the hospital be made in gold effective from January 1, 1931, it left us with one-half year still unpaid. We understood this period would be on the basis of the old arrangement - two for one or M\$750.00

As you know we received the Methodist Board's letter of March 13th, and I wrote to Mr. Hale immediately about the matter. He replied in due time, and on the 15th of April I wrote him as enclosed letter will indicate requesting that the money for the first five months be sent to us in gold. I also asked him to send us the 750 00 silver for the six months of 1930 due us. On May 23d he sent me a check for 1,687 50 in accordance with his letter enclosed, and in acknowledging it, I called to his attention that we felt we were entitled to the rate to purchase gold rather than a fixed rate of 3 to 1. At the same time I suggested that perhaps it would make the matter easier for him to handle if we referred it to you and wrote a letter to you sending him a copy. On May 26th he replied according to the copy enclosed. This sounds quite complicated, but if you will run through the copies in the order as numbered I think it will be clear to you what has happened.

There were two positions to take - (1) to accept his statement and let the matter stand where it is, or (2) to report to you asking your help and advice although we know it means the displeasure of Mr. Hale. Dr. Daniels and I talked it over very carefully and we decided on the latter course with the understanding that we were seeking your help and if in your judgment you felt it was not wise or politic to push the matter further, we are happy to abide by that judgment. It looks as if we were "passing the buck" to you but you are familiar with the internal organization of the Methodist Board and the complications involved. We are quite sorrowful to accept the payment at the rate of 3. to 1 instead of in gold when we are carrying about four thousand dollars gold in an overdraft. It does not seem quite fair or honest.

0261

5-29-31

No. 2.

There is one point that I think needs to be cleared. I did not intend to indicate the amount that we should have secured for the gold except to show the difference between three to one rate and present rates. We prefer the money for the first five months in gold - G\$312 50. If it is impossible to grant it, we would not object to accepting the rate they secured for the money - although I feel it would be unfair to say it was less than 4.20, as exchange has been over that ~~period~~ amount for a period of four months or more.

According to your report the Methodist Board remitted to the field G\$750. to cover this hospital grant last year. They paid us \$1,500 00 to June 1930, and even although there was a difference in their year and ours, the gain in exchange for last year would have more than covered the additional amount due for the last six months. I am mentioning this only in passing as it seems rather a strange method of figuring used by Mr. Hale.

We do not wish to take the matter up further with Mr. Hale or to go to any other member of the Methodist Mission. We know Mr. Hale and feel he is quite sincere in taking his stand which in his opinion is the only adjustment he can make out of fairness to other work. I appreciate that matter and do not wish to cause him any embarrassment in any way.

Will you give this your attention and if in your judgment it needs to be taken up further, either give me advice as to what I should do, or take it up at home? If the hospital was not so desperately in need of funds, I would not mention it, but we are struggling to make both ends meet and even with the most careful work, will close with a deficit this year. It is with this in mind that we make this plea. I do not think the Methodist Board had any intention of having us receive less than G\$750 00 this year. When we consider the large contributions made to their other hospitals, this is exceedingly small - barely covering the care given to members of their own mission.

I think you will readily see why we hesitate to bring the matter up at all, and hope you will give it your careful attention.

With many thanks,

Sincerely yours,

Elmer M. Priest

0262

RECEIVED
UNIVERSITIES
JUN 23 1931
JOINT OFFICE

0263

over 1
TRANSFER

Nanking

INDEXED

University of Nanking

June 9, 1931

AIR MAIL

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

My dear Miss Priest:

Yesterday we sent you the financial reports as of May 31 but did not have time to prepare this covering letter to accompany them.

In going over the Budget Analysis as of May 31 I note several points to which I wish to call attention:-

General Funds. On May 31 we had transmitted L.C.\$65,845.69 out of a total appropriation of L.C.\$70,292.89. This leaves a balance of L.C.\$4,447.20 to be disbursed before we close our books at the end of the fiscal year. Of course, some disbursements will be made this month but unless one or more rather substantial drafts arrive from the field we shall probably not disburse the entire balance standing to your credit. We plan to close our books about June 15 so as to get the closing statements to you at the earliest possible date. When we close our books, if any balance still remains on this appropriation, we will purchase a draft on Shanghai for the exact amount of the balance in local currency, and will transmit this to you, along with our closing statement. Any further disbursement made on the current account will be charged as an advance payment on the fiscal year 1931-32.

Special Funds. As I glance through the accounts covering the various special funds I note two items:-

(a) We received from Mr. D.H. Day during the year 1930-31 not only the G\$610 to cover this year, but also a back payment of G\$152.50 which should have been paid during 1929-30. On February 16 we wrote asking you for instructions as to what should be done with this back payment of G\$152.50. At that time we suggested that you might wish to draw the amount, or might prefer to give us some other instruction. Thus far we have not received your draft, or any instructions from you with regard to this sum. If no word has been received when our books are being closed about June 15 we will send you a check for G\$152.50 to clear this balance from our accounts.

(b) In account 171.2, Harvard-Yenching Trust Fund, we have received a total of \$15,783.47. At the time the budget was set up we estimated the income at G\$15,000, and we have authorized you to draw that amount. To date we have paid drafts for G\$10,000 on this account and there is one further authorization for G\$5,000 outstanding. Since this fund is

0264

in Class B, and the Trustees in defining their contribution toward the 1930-31 budget stated that they would transmit these funds as received, it seems obvious that we should transmit to you the balance of G\$789.47 standing in this account. We, therefore, enclose herewith a check to your order for that amount. Will you please give us an accounting to the Harvard-Yenching Institute at the close of this fiscal year covering the full amount of G\$15,789.47? Since this final payment on the account will not reach you until after the close of the fiscal year, you will no doubt carry this amount forward into next year as an unexpended balance.

Hospital Fund. In a fit of mental aberration we sent you a check for G\$62.50 covering the first remittance from the Methodist Board on account of their Hospital appropriation. Heretofore this appropriation has been paid on the field and, I believe, in local currency. Your earlier instructions were to keep on hand here in New York all Hospital funds received in gold, to be applied against the rather substantial deficit already standing in our Hospital account on the New York records. I regret the oversight in sending forward this small remittance of Hospital funds. Hereafter we will keep the Methodist Board's appropriation, along with the Presbyterians' and Disciples' grants, on our books here in New York unless you instruct us to the contrary.

I sincerely hope that we will be able to close out the Nanking books in time to get the final reports to you not later than the fifteenth of July. I trust, moreover, that we will be able to close them up in such form as to render unnecessary any large number of adjustments later on.

Very cordially yours,

B A GARSIDE

BAG-H

Enc.

CC: later mail.

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處計會學大陵金
UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

TRANSFER

June 10, 1931. *ack 7/13*

Dear Mr. Garside:

INDEXED

The March statement reached us from West China - evidently the trip through the Gorges has done it no harm and I hope this may reach you in time to prevent copies being made of the material.

I hope the enclosed letter concerning the secretary for Dr. Love is clear to you. In order to save time I wrote it for Dr. Chen and believe all the points are covered. We shall appreciate anything you do about the appointment. Although the University is not involved financially there is a moral obligation and in case the government changes and the present arrangement is broken (this is not for publication or to be given to Miss Gleichauf) the University could probably take her over and carry her support. The present storm may not prove serious and the government will probably be able to carry out its full agreement. It has been a difficult matter to secure the grant from the government as they feel the payment is too high, and for this reason the matter has been delayed. I am quite anxious that whoever comes may have at least heard of a church and know that we are a mission institution. Will you please guard this point?

Sincerely yours,

E. L. M. Christ

my typewriter is on a strike!

0266

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UNIVERSITIES

JUL 6 - 1931

JOINT OFFICE

0267

UNIVERSITY OF NANKING
NANKING, CHINA

TRANSFER

June 10, 1931.

*Cabled and
with James B.*

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

My dear Mr. Garside:

As you know Dr. Love is in Nanking acting as adviser to the Government with his headquarters at the University of Nanking. He needs a secretary and we have tried to find someone in China. So far our efforts have not been very successful and yesterday we cabled you as follows:

"Love secretary urgently needed. Consult Wiggins, Cornell. Contract is for three years - must arrive by beginning of September. You may use our name (to) make appointment. Cannot allow outfit allowance. Please telegraph definite answer immediately."

A short time before Dr. Love left home he was in touch with Miss Eleanor Gleichauf who was anxious to come to China, and since his arrival here, he has written to Dr. Wiggins asking him to interview her and to give his opinion concerning her ability etc. It was because of this letter that we cabled you to consult with Dr. Wiggins.

The situation is that the government will pay one hundred dollars gold to the University each month to cover this secretary. This will not be quite enough to pay her salary, outfit and travel. In talking it over we feel that it is better to have the contract for three years as that is the period that Dr. Love will be in China, and in view of this contract we have felt that no outfit allowance need be allowed and suggest that the travel be arranged for one of the Empress boats second class. Many people travel this way and as the accommodations are quite satisfactory we believe it would be satisfactory to Miss Gleichauf. If she wished to travel first class and wished to pay the difference, there would be no objections. I have the impression that she intends to come to China under any circumstances this fall, and may not wish to enter into a regular contract.

We are very anxious that she should have the proper medical examination, and meet with the approval of your committee in New York. Although the University is not to be under financial obligation, the appointment is to be made in the name of the University in accordance with the request from the Ministry of Industry. Therefore it is important that consideration be given to the usual conditions. The salary will be on the same basis as anyone else in the University - \$80 00 per month. Also a room will be provided in one of the faculty residences on the campus.

After you have a chance to consult Dr. Wiggins you will be able to decide on the next step. In case Miss Gleichauf is unable to come, we have in mind trying to locate someone in China, but if you have a person available who would be qualified for the position I wish you would let me know.

Sincerely yours,

Y. G. Chen
Y. G. Chen.

0268

RECEIVED
UNIVERSITIES

JUL 6 - 1931

JOINT OFFICE

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TRANSFER

CONFIRMATION

NANFUSHAN

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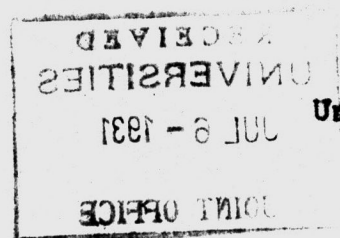
GACLSRHOPZ

ARPIJALOHX

ALYJJKIVOM

(LOVE SECRETARY URGENTLY NEEDED. CONSULT WIGGANS, CORNELL. CONTRACT IS FOR THREE YEARS - MUST ARRIVE BY BEGINNING OF SEPTEMBER. YOU MAY USE OUR NAME (TO) MAKE APPOINTMENT. CANNOT ALLOW OUTFIT ALLOWANCE. PLEASE TELEGRAPH DEFINITE ANSWER IMMEDIATELY.)

H.H.Love
June 9, 1931



Un of Nanking

0270

TRANSLET

CONFIRMATION

MANUSCRIPT	UNIVERSITY	WIGGANS	CONFIRMED
EMUNANUVA	GACIARHOP	APPLICABLE	MOIXLYA

TELEGRAPH DEFINITE ANSWER IMMEDIATELY.)
OUR NAME (TO) MAKE APPOINTMENT. CANNOT ALLOW OUTLET ALLOWANCE. PLEASE
IS FOR THREE YEARS - MUST ARRIVE BY BEGINNING OF SEPTEMBER. YOU MAY USE
(LOVE SECRETARY URGENTLY NEEDED. CONSULT WIGGANS, CONFIRMED. CONTACT

of Making

RECEIVED
UNIVERSITIES
JUL 6 - 1931
JOINT OFFICE

H.H. Love
June 9, 1931

1720

TRANSFER

UNIVERSITY OF NANKING

OFFICE OF THE TREASURER

NANKING, CHINA

Nanking

June 18, 1931.

Mr. B. A. Garside,
New York.

My dear Mr. Garside:

INDEXED

I am sending you copies of the minutes of the two meetings of the China Famine Fund Committee held this spring.

Annual meeting of April 24th You will note that the committee authorized our budget of M\$152,600 which was estimated to be the equivalent of about G\$40,000 in action 181. We are changing the method this year and using the gain in exchange. Under date of May 20th Mr. Rawlinson authorized the trustee to pay us this money, and following our usual custom we have sent the dates for payment to the National Savings and Trust Co. together with a copy of the authorization from Mr. Rawlinson. We are following the usual dates and amounts as they seem to have been satisfactory during the past few years.

This budget as passed by the committee was somewhat changed from the one presented to the Board of Directors and to the Board of Founders. The main changes were for special items that we had intended to ask as special requests and then decided to include with the regular budget. I am enclosing a copy for your files.

The Yata binder
Special meeting of May 22d The minutes are enclosed and you will note the meeting was called to take action on the request for Gold \$10,000 to be granted for the purchase of land. I presume you have seen in various reports or letters reference to the fact that the new proposed railway station will probably take our T.P.M. farm and it seemed rather poor planning to wait until the land was actually taken before we made provision for the experiment work. Therefore, through the efforts of Mr. Reisner, this grant of 10,000 was made to enable us to purchase necessary land beyond the demands of the growth of the city. You will note the copy of the letter I have written to the trustee. We shall need the money in part during the summer and it is our plan to draw on it either in whole or in part by July 10th to 15th. These dates would enable the Trustee to make remittance before the draft was presented to you so it would not tax your funds in any way.

In addition to the item of gold \$10,000 there is an item of M\$15,000 in the budget for land. We intend to use both items. Land is much more expensive than formerly, but it is the opinion of everyone that we must buy now or pay a great more for the same land within a few years.

Very sincerely yours,

Elmer M. Priest

*must put with 181
disburse with 181*

0272

UNIVERSITIES
JUL 13 1931
JOINT OFFICE

0273

UNIVERSITY OF NANKING
OFFICE OF THE TREASURER
NANKING, CHINA

TRANSFER

June 22, 1931. #2

ack. 9/14

Nanking

Mr. B. A. Garside,
New York.

My dear Mr. Garside:

INDEXED

In this letter I wish to take up the question concerning the gain in exchange estimated for the year 1931-1932. According to your report we may count on receiving from the Board of Founders the following gold items at the rate of 2.10:

Mission Board Grants:		
Methodist	2,000 00	4,200 00
Presbyterian	4,000 00	8,400 00
U.C.M.S.	3,000 00	6,300 00
Baptist	1,500 00	3,150 00
Endowment:		
Swasey	2,500 00	5,250 00
U.C.M.S.	2,000 00	4,200 00
Hall Estate	17,500 00	36,750 00
Methodist	5,000 00	10,500 00
Gifts:		
Day	610 00	1,281 00
Trans. from F.F.	240 00	504 00
	G\$ 38,350 00	2.10--L.C. 80,538 00

Disbursements to be paid in Gold: (Estimated)

New York office	2,500 00
Salaries:	
M.H. Purcell	960 00
John Young	960 00
Maude Whipple	960 00
Hilda Anderson	960 00
E.M. Priest	960 00
Administration	
Operation & Maintenance	100 00
Arts (books)	1,000 00
Science:	
Chemistry	2,500 00
Physics	2,000 00
Zool. & Ent.	500 00
Other	200 00
Agriculture:	
Equipment	1,000 00
Supplies	500 00
Other	500 00

0274

Library;
Books and periodicals 2,000 00

Total expenditures est. Gold\$17,600 00

Total amount of receipts as listed G\$38,350 00
Less expenditures in gold 17,600 00

Balance estimated as available to be used in China G\$20,750 00

Let us suppose that exchange will average 4.10 next year, in which case the gain in exchange on 20,750 00, over the 2.10 rate, would be 41,500. I do not think this is a wild guess or an extravagant estimate. Of course exchange may not average anything like 4.10 but judging from all reports, it is a most conservative figure. The chances are that it will average much more than this amount.

In every case we have made very liberal estimates in figuring our needs in gold. I do not think we shall use anything like 5,200 00 for science this next year, but there is a possibility and therefore we have included the figure.

We estimate that we shall receive gain in exchange on items in class "B" that will be equal to 17,000 00. I do not think this is wild guessing either judging from the experience of this past year and inasmuch as all of these items are sent directly to the field. There are seven vacancies in the board quotas or 9,100 00. We hope some of these will be filled but to date have no such promise. therefore, if we estimate that the gain in exchange on 9,100 00 should equal 17,000 00 we are not making a wild estimate at all, but it is quite within reason to expect this will be the case. We propose to use this money for the increases in salaries.

The two amounts stated - 40,000 00 plus 17,000 00 make up the 57,000 00 requested. Although the additional requests were sent in and therefore listed, no action was taken authorizing them or any part of them. We did not anticipate that we should be able to grant the requests, but it is our policy to present to the board all such requests.

There is little question about the Harvard-Yenching item as far as I can see.

If I understand your action, you have approved the 16,000 00 for increase in salary items conditionally, but have refused to grant anything else from gain in exchange. You further state that you may not even guarantee the items listed as income "if the Founders should find it necessary to accept during 1931-32 a sub-normally low income on the University's invested funds." I have difficulty in reconciling this viewpoint with a statement sent me from Mr. Carter concerning Ginling items to the effect that it was quite reasonable to expect a slightly better return this next year. Why is it necessary for the Board of Founders to take such an action?

A few weeks ago we sent you a letter stating that we felt it would be better to continue to have income stated at the rate of 2.10. I am not changing my mind on that point and feel it is much better and creates a much healthier situation, but it looks to me today as if the Founders were forcing us to change our policy. I am not sending a reply to action 569 today, but will do so within a short time. I wish to talk it over

A. Garside - 3

and see what is best to do about the matter. I am exceedingly sorry if we have to make the change, but judging from your letters and the actions, I am afraid there is no choice left for us.

Personally, I feel greatly discouraged over the actions and letters, because they do not seem to indicate that you have even the remotest idea of our plans. Evidently our letters have been badly written and you have not had the proper information to deal with the matter intelligently. Perhaps it is better for us to handle all items in gold and worry over the gain in exchange out here where it is our daily and constant problem.

You have our sympathy in regard to the deficits you are carrying in administration accounts. However, by your own choice these have no relation to the field any longer and how or when they are cleared remains your problem and we are quite happy to have it so decided. Whether we should help to reduce the amount of service required is another matter. If we are demanding too much from your office I wish you would let me know. I have thought for a long time that it would be worthwhile to have an independent gold account and to clear most of our accounts directly instead of depending on your office - this may be one solution, and as it is possible to carry gold accounts in China these days, we may be able to put it into practice.

Your action leaves us in doubt as to what we may plan on or what steps we should take in making our plans. We had planned very carefully and were not undertaking any new projects. It does not seem quite fair to the field in view of present conditions. Gain in exchange does not mean much gain for prices are extremely high due to the depreciated value of silver. Is it not our duty in keeping faith with the donors to see that the money given for work in China is used for the purpose for which it was given?

I wish you would let me know immediately concerning these points.

Sincerely yours,

Elmer M. Priest

RECEIVED
UNIVERSITIES
JUL 18 1931
JOINT OFFICE

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UNIVERSITY OF NANKING
OFFICE OF THE TREASURER

TRANSFER

Arch 8/11

NANKING, CHINA

June 22, 1931. #3

Mr. B. A. Garside,
New York.

Dear Mr. Garside:

INDEXED

Your letter of May 9th was received and while I agreed absolutely with the paragraph concerning the total drafts drawn, etc. I did not understand the last two paragraphs until I received your letters of May 25th giving us the minutes, etc. I think you are quite mistaken in making your statements and your conclusions about our finances. I can only believe that the matter has not been studied very carefully by you or you would have seen the actual condition.

However as long as we have to depend upon the mails to clear our matters, I hope I can make this clear to you. In the first place, we may as well eliminate all reference to Chinese currency in this analysis. We all know the basis is at 2.10, and as the amounts and expenditures are in gold it will be much easier to talk about gold in reconciling the accounts.

We were delayed in making our analysis because you sent one of the statements to West China but it has now arrived and we have the figures complete to April 30, 1931. That is the date we are using in making these analyses. Another item to be considered is the elimination of the separate account for the College of Agriculture & Forestry. As I have told you many times we do not make the division, so in reporting these figures we have combined the accounts referred to as "General funds" and "College of Agriculture and Forestry, General funds."

Class A. Including General and Agr. General

Please refer to page 1 of the attached analysis: We have taken the receipts from your budget analysis 1930-31 as of April 30, 1931. You will note the total income received has been 33,937 98 with 3,821 14 to be collected or a total of 37,759 12 representing actual income to June 30 according to your report to us.

On page 2 we have listed the disbursements, and have given the items that are to be charged against the general accounts for the year 1930-31. Perhaps they need a word of explanation. Under salaries we have listed the total amount you have paid out for salaries including one small item of 15.89 which you deducted from Mr. Young's salary but did not include in the statement. We have included it to have the total amount for salaries appear on our statement but have made allowance for this small item in the reconciliation. Also under salaries we have deducted 960 00 to cover the amount due on my salary. This is made up of the following:

Day gift	610 00	
F.F.	240 00	850 00
Bal. on Day gift 29/30	110 00	960 00

which still leaves 42.50 in your hands to apply against the salary item for the year 1931-1932. This item of 152.50 was reported as in your hands and we asked you to apply against my salary for this year.

The library items are merely a total of your statement figures. The New York

0278

Office item is listed as 2,500 00 as this is the authorized amount. As a matter of fact the total amount spent to April 30th for home administration of various kinds is 921.58 more than this authorized item. However the field has no responsibility for this deficit and we have merely listed it in order to make our reconciliation. The expenses for Mr. Reisner and for Miss Anderson's travel are given and then all the equipment for instructional accounts is included under one item. In total this makes 12,425 75 that has been expended in gold for the items authorized to be charged at 2.10 exchange. The small account of 38.80 should be added to this amount. This covers some books that should have been charged to the library - they were medical books, but were not ordered by the hospital.

In addition we have asked you to pay certain items for us but these were for accommodation only and in every case we received the payment in gold or the equivalent at the current rate of exchange. These items were as follows:

4/ Insurance for J.L. Buck	60.50 (have you received the gold?)
4/ Books for Land Util.	18.49
3/1 Salary for G. Mertsy	400.00
Book for C. Studies	6.35
Items for Botany special	107.98
4/ Reprints-Lowdermilk article	53.50
42.3 Buck's book account	381.50 (have you received sales?)
4/ Gardens bills	373 26
Misc. books for faculty	124 60
	<u>1,526 18</u>

When a department receives special funds in gold and secures the gain in exchange for their use, we charge up all expenditures at the rate of that month. This seems to me only fair to general funds and all the departments agree to the method. In fact I have never heard any complaint of this procedure. For instance, the Land Utilization Project money is paid at prevailing rate of exchange - and as the department receives the benefit we charge them at the rate we would have received if we had drawn the gold during that partial ar month.

Mr. Buck sent you a gold check to clear his insurance item, and I believe we have written you concerning the book account. The Chicago Press reports they have more than enough money on hand to clear this bill and it is only a matter of adjustment. We expect you to cancel this amount in due time. Other items are adjusted out here, and we shall credit to the gain in exchange account whatever is realized. I should judge it would be around two thousand although I have not looked up each month as yet to see the rate that was charged.

Therefore, according to your statements you have expended G\$13,990 73 for our account in New York. In addition there have been the drafts drawn to date of April 30th, which total 8,423 23 (including the one for the gain in exchange). This makes a grand total of G\$21,413 96.

Then the next step would be the subtraction of actual expenditures from actual receipts which we find leaves the following balance:

Total receipts (rec. and est.)	37,759 12
Less expenditures	<u>21,413 96</u>
Balance due the field for this year	G\$ 16,345 16

In order to show in Chinese currency we should multiply by 2.10 or have a balance of 34,324 84 due the field to clear the accounts for the year according to actual income received - this does not take into account the amount guaranteed by the Founders but now reported as not available. That is another question and we are talking about your actual figures as reported on your statements. In your letter of the 9th you indicate that we are entitled to draw L.C.\$2,162 59 on the exchange account - which agrees with our figures - so this should be taken into consideration as part of the whole. But in your letter of the 9th you state that we have only L.C.\$9,756 74 available. Where do you find this figure? It is vastly different from the amount we find available.

To clear our own thinking and to show you how we arrived at these figures we have given you on page 3 a reconciliation of your statements and our analysis. If you will take the trouble to run up the totals for current and agriculture I believe you will find they agree with this report. We have indicated the special items that should be deducted, and find the total agrees absolutely with our books as entered from your monthly statements.

Where is the difference? We are carrying low balances and I am planning to draw the funds that are due us before the end of this month - in accordance with authorizations received from your office and not used to date. I rather prefer to let the accounts stand unless we need the money until the close of the year and then make a final adjustment. Perhaps this confuses you but it is much easier for us!

Tentatively let us make a supposition as to the use of this 16,345 16;

Physics invoices (letter 4/18)	718 78	
Balance due on salaries	345 00	
Books and misc. (estimated)	500 00	
Two payments for Dr. Love	<u>1,100 00</u>	<u>2,663 78</u>
		13,681 38
Hospital deficit 3,758 60 plus est.		<u>5,000 00</u>
		8,681 38
Amount due on gain in exch. est. L.C.\$2,162 59		<u>500 00</u>
Balance due the field.....GOLD\$		8,181 38

Of course we shall not draw anything except the amount authorized but we shall draw the total amount because it seems perfectly clear to me that we should have more than enough to clear all accounts.

I have listed the class "B" items and you will see quite quickly that they balance against each other except for the Harvard-Yenching account and we are drawing the 5,000 00 due today. The hospital items are given but as they agree except for the 38.80 reported to be transferred to library, they need no further comment.

As to gain in exchange; according to your report the gain so far has been ~~11,112 39~~. To this should be added:

11,112 39	Gain on drafts	11,112 39	11,112 39
	About - on items listed above		2,000 00
	On exchange checks for Dr. Love		2,707 29
	On hospital (estimated)	<u>10,000 00</u>	25,819 68

On a number of these items it is merely an estimate as yet ~~but it is quite~~

In other words, the gain in exchange has been considerably more than we estimated.

The only explanation I can make for your figures is the fact that you are carrying old balances in your statement somewhere. I tried to find out what your balances stood for last autumn but it was not very clear even after a good deal of time for all of us. Surely you can look up your accounts as of July 1, 1930 and see what the amounts you carried stood for. The only draft in question is the one of 1071 52 which represented gain in exchange authorized by you. I feel very much worried over these accounts for it seems ridiculous that we cannot have statements that agree.

You are authorized to clear the hospital deficit by the balance in current funds. That has been our plan all the year and I have written you many times concerning it.

This deals entirely with reconciliation of the accounts for 1930-1931 to April 30th. Other letters will take up the other questions raised in your letters.

Sincerely yours,

Elmer M. Priest

ANALYSIS OF NEW YORK STATEMENTS

July 1930 through April 1931

RECEIPTS: (using figures reported on budget analysis 1930-1931 to Apr.30)

Class A - General Funds

Current

	Received	Due
Cash grants from Boards:		
U.C.M.S.	3,000 00	
Methodist	1,500 00	500 00
Presbyterian	3,000 00	1,000 00

Agriculture

Baptist	<u>1,500 00</u>	<u>1,500 00</u>
	9,000 00	

Endowments:

U.C.M.S.	1,242 46	757 54
Hall Estate	17,219 51	280 49
Swasey (and general)	2,466 89	33 11
Methodist	3,750 00	1,250 00
Bank interest account	<u>259 12</u>	<u>2,321 14</u>
	24,937 98	

Grand total current and Agr.	33,937 98	3,821 14
------------------------------	-----------	----------

SPECIAL ACCOUNTS: Class B

Hoover Fund	3,250 00	
Harvard Yenching Trust	11,842.11 ? 15,000 00	
Mission Board vacancies		
Presbyterian	1,516 67	
Baptist	2,600 00	
U.S.M.S.	2,166 66	433 33
	2,044 26	
Cornell-in-china-club	200 00	
Day gift	610 00	
" balance from last year	152 50	
From F.F. for treas. salary	240 00	

HOSPITAL:

From Mission Boards:		
Presbyterian	850 00	
special	50 00	200 00
U.C.M.S.	<u>750 00</u>	
	1,350 00	

DISBURSEMENTS: (using figures as reported each month on statements)

Salaries (including 295. for May)	3,603 39	
Less special gift, etc. H.M.P.	<u>*960 00</u>	2,643 39
Library expenditures to Apr. 30		1,787 68
New York office - as authorized		2,500 00
Expenses including travel for J.H. Reiser (inc. some Agr. candidate expenses also)		1,366 40
Travel and outfit for H.M. Anderson		802 00
Other instructional items including Science	<u>3,326 26</u>	12,425 75
Other expenses on which general funds receives the gain in exchange - merely advanced for convenience		<u>1,526 18</u>
		13,951 93
Add items charged to hospital in error		<u>38 80</u>
Total expenditures made in New York for gen. and agr. a/c..G\$		13,990 73

Drafts drawn during the year: *ch*

No. 177	2,500 00	
No. 180	1,140 60	
No. 183	1,108 87	
No. 185	985 66	
No. 188	830 30	
No. 191	<u>1,857 80</u>	<u>8,423 23</u>

Grand total all expenditures to Apr. 30.....G\$ 21,413 96

SPECIAL FUNDS DRAFTS DRAWN: (or checks sent the field)

Baptist vacancies (1)	1,300 00 ✓	
Presbyterian "	1,516 67 ✓	
Baptist " (2)	1,300 00 ✓	
U.C.M.S. "	2,044 26	+ 122.41 net
Hoover fund	3,250 00 ✓	in net exp
Harvard-Yenching - to date	10,000 00 ✓	
Cornell-in-China-Club	200 00 ✓	433.33

HOSPITAL:

For salaries	3,420 00 ✓	
For other expenses	<u>1,859 24</u> ✓	5,279 24
	36.88	

Statement to reconcile this report with totals on N.Y. report

Current and Agriculture (*Figures on your monthly statements*)

Total expenditures of two columns stated 35,246 39

Add adjustment of hospital accounts 38 80

Add adjustment of bal. of Mr. Young's salary 15.89
 (account paid but not recorded-listed to
 show the actual amount paid for salary)

35,301 08

Less special items:

Salary provided from special funds for E.M.P.
 and deducted from expenditures 960 00

Draft drawn in June - paid in July
 but should have been in previous yr. 1,071 52 *does not enter in acct.*

Payments made by Ginling College
 but gross bill charged up in the
 expenditures (1) 144 75 (2) 178 34 323 09

Items charged as home administration
 trustees accounts, etc. in excess of
 2,500 00 authorized 921 58

3,276 19 32,024 89

Summary of page 2

Total expenditures made in New York 13,990 73

Total drafts drawn during the year 8,423 23

Special funds sent to the field ;

Baptist 2,600 00

Presbyterian 1,516 67

U.C.M.S. 2,044 26

Hoover 3,250 00

114.1 Cornell-in-China Club 200 00

32,024 89

HOSPITAL SUMMARY

Salaries 3,420 00

Other invoices 1,859 24

Less receipts to date 5,279 24

Less balance on hand July 1, 1930 1,350 00

3,929 24

170 64

3,758 60

.....

According to statement, deficit is 3,797 40

Less correction above stated 38 80

3,758 60

Less correction above stated 38 80
According to statement, deficit is 3,757 40
.....

Less balance on hand July 1, 1930 170 64
Less receipts to date 1,350 00
Other invoices 1,858 24
Salaries 3,450 00

Hospital Summary

Cornell-in-China Club 500 00
Hoover 3,350 00
U.C.M.S. 5,044 26
Presbyterian 1,516 67
Hospital 5,600 00
Special funds sent to the field;
Total drafts drawn during the year 8,453 23
Total expenditures made in New York 13,950 73

Summary of Page 2

2,500 00 authorized
trustee accounts, etc. in excess of
Items charged as home administration
351 28 3,376 18
35,054 88

expenditures (1) 144 75 (2) 178 34 353 09
but gross bill charged up in the
Payments made by Gilling College

but should have been in previous yr. 1,071 25
Draft drawn in June - paid in July

and deducted from expenditures 980 00
Salary provided from special funds for E.M.P.

Less special items:

show the actual amount paid for salary)
(account paid but not recorded-listed to
Add adjustment of bal. of Mr. Young's salary
Add adjustment of hospital accounts
38 80
15.88

Total expenditures of two columns stated 35,246 38

Current and Anticipation (begin on your monthly statement)

Statement to reconcile this report with totals on N.Y. report

note



TRANSMITTED

INDEXED

University of Nanking

June 22, 1931 #2

ack. 8/19

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

My dear Miss Priest:

We enclose herewith the following:-

1. Closing financial statements for June -

Trial balance
Cash statement,
Statement disbursements Directors current budget
Budget analysis
Copies of invoices
Copies journal vouchers

2. Checks and drafts as follows -

Draft to complete budget appropriation	L.C. \$8,758.94
Check, special gift, Mr. D. H. Day 1929-30	Gold 152.50
" appropriation U.C.M.S. staff vacancies June	216.66
" scholarships	391.10

3. Duplicates of invoices and journal vouchers March statements

In connection with the statements which close out the fiscal year 1930-31, the following comments are in order:-

General University Funds Class A. The enclosed draft for L.C. \$8,758.94 is to close out the balances due on the general University Class A funds as follows:-

To complete the general budget remittances	L.C. \$4,252.76
Balance of accrued gain on exchange	4,506.18

You will note that the balances transmitted by this draft bring the disbursements of general University funds Class A to G\$24,774.18, or L.C. \$75,014.07. Adding to this the G\$850.00, or L.C. \$1,785.00 charged to account 31.1 under Class B for the Treasurer's salary, brings the disbursements of the general University funds to G\$25,624.18, or L.C. \$74,799.07, the amount guaranteed by the Founders at the beginning of the year. In including this

0286

item of G\$850.00 for the Treasurer's salary received from Mr. Day and the Famine Funds, as a part of the disbursements under general funds Class A, have we proceeded in accordance with the understanding of the field? If you feel that for any reason this \$850.00 should not be considered a part of the payment of University funds, please let us hear from you in regard to the matter and we will take the question up further.

Special funds, Class B. In connection with special funds, Class B for the general University accounts, we are enclosing herewith two checks. The first is for \$216.66 and is the amount we have today received from the United Christian Missionary Society on account of their vacancies on the general University staff and the College of Agriculture and Forestry staff. This check was received too late to be credited in our closing entries for June. It will appear on the July statements. You will note that adding one-half of this check, \$108.33, to the receipts for vacancies on the general University staff will bring the amount credited to the U.C.M.S. up to the estimated figure of G\$1,300. However, a similar addition under staff vacancies in the College of Agriculture and Forestry will bring the U.C.M.S. credit ~~thereby~~ to only G\$1,299.99, which is one cent less than we estimated would be received this year. I am not sure just how the U.C.M.S. happens to be one cent short in its payments for the past fiscal year, but the difference is not worth the correspondence that would be involved in a settlement unless for reasons connected with your field accounting it is necessary that we secure the exact amount we have been counting on.

The second check in connection with the special University funds is the remittance of G\$152.50 received from Mr. Day during 1930-31 to complete his pledge for the year 1929-30. I wrote you at some length on this item in my letter of June 9 so I need not add any further comments here.

The third check enclosed is not really a budget item at all. It represents payments on account of Sherwin, Williams, and Wood scholarships.

Funds for College of Agriculture and Forestry. You will ^{note} that under the College of Agriculture and Forestry general funds, in closing our books for 1930-31 we closed out the expenditure of G\$331.50 made on behalf of the publication of "Farm Economy". I understand that Mr. Buck hoped to recover this from royalties on the sale of this book, but it appeared that the simplest procedure was to close this out. Please let us know if we should have followed some other procedure.

Famine Funds Under Famine Funds no special comment appears to be necessary except to mention the rather large surplus with which we are closing this year. I would appreciate it if you would let us know at your convenience the procedure you would like to have us follow in closing out the surpluses for the year 1928-29, 29-30, and 1930-31 which are still standing in our Famine Fund account No. 151.

Hospital accounts. Our Hospital account shows a substantial deficit. No doubt you will let us know in due course what procedure you wish us to follow in clearing this from our books.

Board of Founders. We have been very much distressed at the growing deficit in the Board of Founders Home Administration accounts. You will note that we closed these out at the amount appropriated, G\$2,500, and carried forward the accrued deficit amounting to G\$4,136.72. This is the accumulation of several years, and is made up largely of expenditures by the Board of Founders

for which no appropriations have ever been formally made. I hope that in some way we can clear all, or at least most, of this deficit from our books.

I know that a number of other questions and comments will occur to you as you go through these closing statements but I hope that the answer to all such queries will be easily discovered from the material itself.

We are hurrying this material off in the China mail closing this afternoon in the hope that you will be able to close up your books by the middle of July.

Yours very cordially,

BAG-H

Enc.

CC: Later mail

0288

TRANSFER

Notes on "Analysis of New York Statements" July, 1930 - April, 1931

Attached to Miss Priest's letter of June 22nd, 1931

Page 1

Receipts, Class A - entire agreement.

Receipts, Class B - substantial agreement, though following minor points should be noted to avoid possible difference in records:-

- (a) Miss Priest's statement shows \$15,000 as received from H.Y. Institute to April 30th, whereas only \$11,842.11 had actually received to that date, the rest being anticipated.
- (b) Miss Priest's statement shows only G.\$2,044.26 as received from the U.C.M.S. on account of vacancies, whereas New York records show \$2,166.67. This difference of G.\$122.41 is the draft for M.\$435.33 which the U.C.M.S. sent as a part of their payment for July, 1931, and which we recorded by journal entry and then transmitted to field. No doubt Miss Priest has recorded this correctly under some other heading not appearing on analysis.

Receipts, Hospital - entire agreement.

Page 2

Disbursements - A number of differences exist, as indicated in the following comparison of the two sets of accounts:-

	<u>New York Records</u>	<u>Miss Priest's Analysis</u>
Salaries (including \$295 for May)		
General	\$3,655.00	
Agri. & Forestry	348.39	
	<u>\$4,003.39</u>	
Less Mertsy salary	400.00	
	<u>\$3,603.39</u>	
Less special receipts		
field treas. salary	<u>850.00</u>	<u>\$2,753.39</u>
		\$2,643.39

This difference of \$110. is due to the fact that Miss Priest's figures takes from Mr. Day's late payment for 1929-30 enough to complete field treasurer's salary, whereas New York had already mailed this remittance to the field and cannot therefore make the adjustment suggested.

Library	1,787.43	1,787.68
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Difference of 25¢ is the amount credited by New York as per journal voucher #203. See February, 1931 statement of disbursements.

Home Administration	-----	2,500.00
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New York accounting does not include with field accounts

0289

TRANSFER

Notes on "Analysis", page 2

New York Records Miss Priest's Analysis

either appropriations or disbursements for home administration.

Expenses, including travel, for J. H. Reiser (including some agricultural candidate expenses also)

J. H. Reiser, Special	894.77		
" " Travel	425.83		
Physical Exam, Bentley	5.00		
Medical Papers, Misses			
Pettus, Anderson	20.63		
Med. papers, Mr. and			
Mrs. Clark	<u>27.00</u>	1,373.23	1,366.40

Not having details showing how Miss Priest arrives at her figure, difficult to reconcile this difference of \$6.83

Travel and Outfit, Miss Anderson	802.00	802.00
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Other instructional items, including Science

Acct. 31, 1930-31, 4/30	\$16,538.59
Less bal. 29/30	4,753.18
disbursed to	
field	8,423.23 <u>13,176.41</u>
	3,362.18

Acct. 41	2,871.91
Less	
bal. 29/30	605.03
salaries	348.37
Reiser,	
travel	425.83
Anderson,	
travel	802.00
Cand. exp.	52.63 <u>2,233.88</u>
	638.03
	<u>4,000.21</u>

Less "Other Expenses advanced for convenience, totalling 1,526.18

Minus Merts sky sal. 400.00

Buck book

acct.	381.50	781.50	744.68	5,255.53	5,326.28
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Not having the details showing how Miss Priest arrives at figure, difficult to ascertain just how this difference of \$70.75 arises.

Other expenses on which general funds receives the gain in exchange - merely advanced for convenience	1,526.18	1,526.18
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0290

TRANSFER

Notes on "Analysis", page 3

New York Records Miss Priest's Analysis

Balance from 1929-30 charged forward to 1930-31 accounts as of July 1, 1930

Current General	\$4,753.18		
Agric. & Forestry	<u>605.03</u>	<u>5,358.21</u>	<u>-----</u>
		\$16,855.97	\$13,951.93
Add item charged to hospital in error		38.80	38.80
New York is charging this on August accounts:- Credit 65.3, Hospital Deficit, 1930/31; debit Acct. 31, Current General, 1931/32.			
		<u>\$16,894.77</u>	<u>\$13,990.73</u>
Drafts drawn during year		<u>8,423.23</u>	<u>8,423.23</u>
Grand Total, Class A Funds, Current General and Agriculture and Forestry		<u>\$25,318.00</u>	<u>\$22,413.96</u>
Special Funds, Drafts Drawn			
Baptist Vacancies	2,600.00		2,600.00
Presbyterian Vacancies	1,516.67		1,516.67
U.C.M.S.	2,166.67		2,044.28*
Hoover Fund	3,250.00		3,250.00
Harvard-Yenching Institute	10,000.00		10,000.00
Cornell-in-China Club	<u>200.00</u>		<u>200.00</u>
	\$45,051.34		\$42,024.89
Plus disbursements, field treas. salary	<u>850.00</u>		<u>-----</u>
	\$45,901.34		\$42,024.89
Hospital, \$5,318.04, less \$38.80	<u>5,279.24</u>		<u>5,279.24</u>
Grand Total of Disbursements to April 30th, excluding Famine Funds	<u>\$51,180.58</u>		<u>\$47,304.13</u>

Reconciliation of New York Accounts with Miss Priest's Analysis:-

Subtract Balances 29/30	5,358.21		
Treas. salary	850.00		
U.C.M.S. Max draft	122.41		
Net differences set forth items p.2,2	<u>45.83</u>		
	6,376.45		
Add Home Administration	<u>2,500.00</u>	<u>8,876.45</u>	
		<u>\$47,304.13</u>	<u>\$47,304.13</u>

*See explanation on page 1.

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Nanking

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University of Nanking

June 24, 1931

ack 7/22

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

My dear Miss Priest:

Let me acknowledge receipt of your note of May 26, and also your three letters of May 29.

In accordance with your note of May 26, I am sending a note to the Irving Trust Company asking them to pay check No. 5125 upon presentation, and to send it along to our office in due course for the addition of the second signature.

Your first letter of May 29 is a note asking us to send the June statements as early as possible. All this material was in the China mail which closed yesterday. I hope that it will reach you without delay and that you will find it in fairly satisfactory condition.

I am concerned, however, at your comment that it does not seem as if vacation is coming your way this year. You have had an extremely difficult and trying year, and I know that you must be in real need of a couple of months quiet and leisure. One cannot work under full pressure for twelve months in the year and keep it up indefinitely, you know. We are going to continue to need you at Nanking for many years to come, and earnestly hope that you will not allow any pressure of duties this summer, even though they seem very urgent and important just now, to prevent your getting the rest that is absolutely necessary for your well being.

Your second letter of May 29 reaffirms the position of the field that they desire the Founders to continue making their appropriations in local currency on the basis of 2.10 to 1, rather than on the gold basis. This is the policy followed by the Founders in defining their contribution toward the 1931-32 budget. They did, however, raise in a somewhat formal way the question whether the field desires the continuation of their use of the local currency rather than the gold basis. I know the Founders will be happy to carry on with either the basis the field prefers. The main consideration they have had in mind is that there has been a tendency during recent years in all of our Universities for the institutions on the field to feel that the governing boards here in the West have not been as liberal as they might in the appropriation of gains on exchange. I think that most of the misunderstandings at this point have arisen because the field has a tendency to exaggerate the amount which is available from year to year from this source, even under the abnormally favorable rates now prevailing. So

0292

large a proportion of the funds coming from America are expended in gold, that surprisingly little remains to be converted into silver at rates yielding a substantial profit on exchange. Of course, the other important factor in the minds of the governing boards here in the West is that, under the new regime, the controlling boards in China have a much larger share of responsibility in administering the funds of the institutions.

Your third letter of May 29 discusses in detail the problem of collecting from the Methodist Board the G\$312.50 for the first five months of 1931 which they undertook to pay toward the budget of the Hospital on a gold basis. Mr. Hale's letters of May 23 and May 26 take rather frankly the position that we are "mighty lucky and should be grateful" to get anything at all on this appropriation. He does not attempt to justify the basis on which he sent you considerably less than the G\$312.50 to which the University is entitled, but merely intimates that the present financial situation in the Methodist Board is so acute that we are lucky to get anything. Unfortunately this is the same attitude I have encountered again and again in going to our Methodist friends down stairs on items connected with the accounts of all the colleges in China in which the Methodist Board is participating. Under such conditions it is extremely difficult to accomplish anything and, as you point out, there is always a possibility that too great pressure in attempting to collect a relatively small item may prove far too expensive in the end through causing the Board to make substantial reductions in other directions.

However, I will take up in an informal way with some of the Methodist secretaries who are most familiar with the work at Nanking, the question of whether we should continue to press the Board for the balance of this G\$312.50 to which the Hospital is clearly entitled. Unless they think that any further steps in the matter would do more harm than good, I will continue to request that this adjustment be made.

Very cordially yours,

BAG-H