George G. Barber

CHRYSLER BUILDING
NEW YORK

January 12, 1931.

Mr. B. A. Garside, Secretary
Yenching Unversity
150 Fifth Ave., N. Y. City.

Dear Mr. Garside:

Enclosed find letter received from Dean Chase of Harvard-Yenching Institute, also copy of letter sent to Dean Chase by Professor Porter.

The interests of Yenching University are involved and I would like to request that you study the letter of Professor Porter and the minutes of the Administrative Committee meeting in Peiping, in order that you might pass on to me any suggestions or recommendations looking to the protect of the interests of Yenching University.

Dean Chase would like to have my reply promptly so I would appreciate your giving the matter your earliest attention.

Sincerely yours,

George G. Barber

GGB:DN

Yenching University

January 15, 1951

#1

Mr. George C.Barber,
5714 Chrysler Building,
New York, N.Y.

My dear Mr.Barber:

We are returning to you herewith the material you sent us relative to the reorganization of the Administrative Committee of the Harvard-Yenching Institute; and are sending you also a rather detailed letter of comment thereon.

It seems to me that the principles involved in this proposed reorganization are so important as to deserve the most careful study. So far as the interests of Yenching University are concerned, I do not believe that the reorganization will make much difference one way or the other. However, it has been my very earnest hope from the time the Institute was first created that ultimately the Institute would take the lead in developing the field in Chinese cultural studies among all the centers of Christian higher education in China rather than only at Yenching. If the Institute is to enlist the cooperation and support of the other Universities in China it will be absolutely necessary that these institutions be given a fair amount of representation in the Advisory Committee in China. Such a broadening of the representation of the Committee seems to be implied in the proposed reorganization but it would not necessarily follow the adoption of the proposals. It seems to me that both the Trustees of the Institute and the Administrative Committee on the field ought to face very frankly the question of their attitude toward this broadening of this representation on the Advisory Committee.

From my contacts with the other Universities in China I know that there is a very wide-spread and rapidly growing feeling that the policies of the Institute, and the decisions on the various proposals being made from year to year are being handled in a way that does not recognise the work and potentialities of the other centers outside Peiping. If the present situation continues the Institute will probably never be able to enlist the cooperation and support of these institutions; and there is almost certain to be a growing feeling of antagonism among these institutions because of the absence of any representation from these institutions either in Peiping or in Cambridge.

In our other specialised fields of educational work in China there has been a rapid development in the direction of setting up a nation-wide program with one or more institutions as the center, but with all institutions concerned having some voice in the adoption of policies and

the working out of details. It would be a great set-back to the whole program of cooperation among our Christian Universities in China if the Harvard-Yenching Institute should adopt a policy which would give only one educational center any voice in matters of policy, and would reduce all the other Universities to the position of suppliants.

Very cordially yours,

BAG-H

Enc.

P.S. I am enclosing two extra copies of my letter in case you may wish to send it along to Dean Chase or elsewhere.

Yenching University

January 15, 1951

#2

Mr. George G.Barber,
3714 Chrysler Building,
New York, N.Y.

My dear Mr.Barber:

I am grateful to you for your letter of January 12. With this letter you enclose the minutes of the November 10th meeting of the Harvard-Yenching Institute Administrative Committee and invite me to comment on the proposed reorganisation of that Committee.

Under the provisions of the proposed reorganisation, the Advisory Committee is recognised as having a considerable amount of responsibility. It seems, therefore, that the proposals are deserving of careful study, both as to personnel and as to responsibilities.

1. Personnel. The plan of reorganisation proposes that the Advisory Committee

> "consist of not less than seven nor more than eleven members, to be hereafter appointed by the Trustees of the Harvard-Yenching Institute from among any persons in China whom the said Trustees shall consider qualified."

At once there arises the question of how this proposal accords with the existing by-laws of the Institute and with the present composition of the Administrative Committee which it is designed to succeed. In Article III of the By-laws of the Institute we find the following provisions:-

> "The Board of Trustees may appoint an Administrative Committee in Peking, China, a majority of which shall be members of the Board of Managers, or faculty, of Yenching University, or members of similar boards or faculties of one or more other educational institutions in China."

On January 4, 1928, the Board of Trustees of Harvard-Yenching Institute voted

> "That until this Board shall otherwise vote, a majority of the Administrative Committee in Peking shall be members of the Board of Managers of Yenching University."

I presume that the adoption of the proposed reorganization would supersede the action passed by the Institute Trustees on January 4, 1928, but could not be considered as amending the By-laws unless the Trustees took distinct action to that effect in line with the defined procedure for making such amendments. That is to say, action by the Institute Trustees simply approving the proposed reorganization would mean that the Advisory Committee in China would thereafter

> "consist of not less than seven nor more than eleven members, to be hereafter appointed by the Trustees of the Harvard-Yenching Institute from among any persons in China whom the Trustees shall consider qualified, a majority of whom shall be members of the Board of Managers or faculty, of Yenching University, or members of similar boards or faculties of one or more other educational institutions in China."

That is to say, the reorganization would simply remove the present restriction that a majority of the Advisory Committee (or Administrative Committee as it has heretofore been known) must be members of the Board of Managers of Yenching University, and enlarges the eligibility to membership to permit the inclusion of members of the governing boards and the faculties of other educational institutions in China.

My own judgment is that such a step would be of the greatest significance and value to the work of the Institute in China. Perhaps it was wise for the Institute in the initial stages of its work, to keep the personnel of the Administrative Committee rather closely limited to men directly associated with Yenching University, so as to permit the more adequate development of certain initial phases of its program. But if the program of the Institute is to become more than a purely local undertaking, and is to draw upon the actual and potential resources available for furthering its program throughout China, it seems indispensable that the personnel of the Advisory Committee be so broadened as to include adequate representation of the various centers cooperating in the work.

The suggested reorganization further proposes

> "That the Board of Trustees adopt the policy of referring to the Advisory Committee for recommendation and report all projects for expenditure of funds in China."

Two interpretations of this proposal are at once apparent: (a) That it applies to all funds disbursed by the Institute for work in China, including the income paid to the various Universities from the funds held in trust for them by the Institute; (b) That it applies to all other funds disbursed by the Institute in China except the income of these special funds held in trust.

If the first interpretation be the correct one, and the present personnel requirements of the Advisory Committee are maintained, we would have a most unsatisfactory situation wherein the representatives of one institution would dictate to five other institutions which are coordinate with it and are doing thoroughly high-grade work in their own fields, the ways in which these institutions shall spend their funds. Even though approval of the expenditure of the income from these special trust funds is not formally included within the responsibilities of the

Advisory Committee, it would appear of great value to have the use of such income coordinated with any research projects or other special undertakings supported from the general funds of the Institute.

If the second interpretation is accepted, it still seems highly desirable that the personnel of the Advisory Committee should represent a national, rather than a purely local, viewpoint. The whole trend of Christian higher education in China during the last decade has been in the direction of working out nation-wide programs for each of the specialized fields of educational work. One or more institutions are made the primary center for such work but all institutions participating in the work have some share in planning the work in such a way as to be productive of the largest results with a minimum of duplication, friction, and institutional jealousy. Great progress has already been made along these lines in the fields of Agriculture and Medicine and similar movements are under way in theological education and several other fields.

It is most earnestly to be hoped that in the field of Chinese cultural studies a similar development may take place. There is universal agreement that Yenching University should be the primary center for such a program. But if this program is ever to have more than a local scope, the Advisory Committee must be so constituted as to give it direct contact with the other institutions which should cooperate in the work and at the same time to give these other institutions the due share in planning the work through which alone their cooperation and loyal support can be gained and kept.

All the desirable objectives set forth above can be attained under the reorganization of the Advisory Committee proposed by the field. The attainment of these objectives would not, however, automatically follow the adoption of this reorganization, but would require great care and extensive research on the part of the Trustees and the groups on the field in choosing the personnel of the Advisory Committee.

2. Responsibilities. The proposed reorganization places in the hands of the Advisory Committee very broad powers in administering the Institute's affairs in China, subject, however, to approval or review by the Board of Trustees.

This is in accordance with the trend now apparent in all the Christian higher educational institutions in China. It is inevitable that the major responsibility for initiating policies and making decisions shall be placed in the hands of individuals and groups in China. Boards of Trustees in the West cannot have the first-hand knowledge of conditions to deal intelligently with anything more than general questions of policy and resources.

Yet the placing of such large requirements in the hands of a Committee in China makes it all the more imperative that this group shall be composed of men of high ability, broad experience, and impartial viewpoint. They must also be men (and here often lies the greatest difficulty) who are able to give a substantial amount of time and concentrated attention to the business of the Committee.

I will be greatly interested in the actions taken on these

proposals; and even more interested in the results attained from such a reorganization if it is effected.

Very sincerely yours,

BAG-H

George G. Barber
CHRYSLER BUILDING
NEW YORK

YENCHING

January 18, 1932.

Mr. B. A. Garside, Secy.-Treas.
Yenching University
150 Fifth Ave., N. Y. City.

Dear Mr. Garside:

As a member of the Executive Committee of Yenching University I would vote in favor of Dr. Stuart making a trip to the U.S. in the near future, providing the Harvard-Yenching Institute pays at least one-half of his expense; providing Yenching University has funds to meet its share of the expense and providing the situation in China can be safely left in the hands of others by Dr. Stuart. I understood that the situation as regards the students was very tense on account of the war propaganda and that Dr. Stuart's presence in China was absolutely needed to keep the situation in hand.

Very truly yours,

G. G. Barber

GGB:DN

YENCHING

Yenching University

February 25, 1932.

TRANSFER

Mr. George G. Barber,
Chrysler Building,
405 Lexington Avenue,
New York City.

My dear Mr. Barber:

I have your note of February 20th.

Our meeting with the officials of the Rockefeller Foundation seemed to offer grounds for encouragement that the Foundation may be willing to extend the time limit on their first conditional gift, though no formal action will be taken until the meeting of the Foundation's Executive Committee during the last week in March.

Of course the officers of the Foundation were careful not to commit themselves in any way, or to offer any encouragement; but their attitude was quite cordial and they showed sincere appreciation of the work Yenching is doing and of the particularly difficult problems it is facing at the present time.

I am sorry you were not able to attend the two-day meeting we have just completed at the Prince George for the discussion of the Correlated Program. While such meetings are apt to become wearisome because of "much speaking" I believe we made a rather encouraging progress in our efforts to secure some serious thinking and some carefully thought of decisions by those here in the West who are responsible for the home base administration of our China colleges.

Very cordially yours,

BAG:PC

COPY

March 4, 1932.

Mr. George G. Barber
Chrysler Building
New York.

TRANSFER

Dear Mr. Barber:

I have yours of the 3d, and enclose statements showing the present investments of the General and Restricted accounts and the income for one year based on dividend and interest disbursements at current rates.

134

General fund income receipts were estimated at the beginning of the year at about $180,000. and Restricted funds receipts at about $100,000. You will observe that the cut in the dividend on Aluminum preferred will reduce our General funds receipts at the rate of $45,000. a year and our restricted funds receipts at the rate of $27,600. a year.

70000

We have distributed to the universities from the Restricted fund during the current fiscal year beginning July 1, 1931, three quarterly payments totalling $74,000. The actual income has fallen short of this figure by $1,353.89. Beginning with the April quarter I believe that we should reduce the quarterly payments to $17,500., or at the rate of $70,000. a year, unless the Institute decides to make a grant from General funds to supplement the income of the Restricted fund.

The General fund budget for 1930-31 amounted to $244,726,66 and was based in part upon using some of the accumulated income of prior years. There will be some saving in exchange and I understand that the publication and library committees have been asked to go slowly on new commitments. There will also doubtless be some saving on other items, such as the Treasurer's Contingent, which amounted to $15,000., and against which $4,459.59 had been drawn up to March 1st. How much these savings will amount to I do not know as I am not informed concerning the commitments which have been made.

The final payment toward the cost of the Stein expedition amounting to $16,666.66, will be made next month, and this item will not appear in next year's budget. There are also undoubtedly a number of other items which may be either reduced or omitted in the preparation of the budget for next year. As it is quite within the realm of possibility that the Aluminum dividend may be omitted for a time, I believe that the utmost conservatism should be observed.

Fortunately we are strong in cash. By reason of the large balance carried forward by the Bursar from payments for previous years it has only been necessary for me so far this year to furnish $10,000. to the Bursar for the payments through Harvard University, so that as of February 29th

I had an unexpended income balance of the current year and of previous years amounting to $168,188.06. I have invested $100,062.50 in Treasury Notes payable August 1, 1932, and the balance is on deposit subject to check. In addition I have the net proceeds of the Aluminum stocks received from Mr. Davis amounting (after paying legal expenses) to $100,000. I am carrying this in a suspense account. $95,000. is in certificates of deposit and the balance is subject to check.

I am sending copies of this letter and enclosures to Dean Donham and to Miss Bayley, the secretary of the Institute for their information.

Yours very truly,

(Sgd.) Henry L. Shattuck

Treasurer.

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72,000.

I had an unexpended income balance of the current year and of previous years amounting to $168,188.06. I have invested $100,082.50 in Treasury Notes payable August 1, 1932, and the balance is on deposit subject to check. In addition I have the net proceeds of the Aluminum stocks received from Mr. Davis amounting (after paying legal expenses) to $100,000. I am carrying this in a suspense account. $95,000. is in certificates of deposit and the balance is subject to check.

I am sending copies of this letter and enclosures to Dean Donham and to Miss Bayley, the secretary of the Institute for their information.

Yours very truly,

(Sgd.) Henry L. Shattuck

Treasurer.

George G. Barber
CHRYSLER BUILDING
NEW YORK

March 7, 1932.

Mr. C. A. Evans
Yenching University
150 Fifth Ave., N. Y. City.

Dear Mr. Evans:

I am sending to you in confidence (for the information of yourself and Mr. Garside only) a copy of a letter dated March 4th received from Mr. Henry L. Shattuck, Treasurer of Harvard-Yenching Institute. After you have ready this I should like to talk with you.

Very truly yours,

George G. Barber

GGB:DN

YENCHING

Yenching University

TRANSFER

March 9, 1932

Mr. George G. Barber
Chrysler Building
405 Lexington Avenue
New York, New York

My dear Mr. Barber

The following represents the thought of Mr. Garside and myself regarding the payments of income from the Harvard-Yenching Institute, but I am phrasing it as if you were dictating it yourself.

I notice that the total reduction of income on all our Harvard-Yenching Institute funds, due principally to the reduction of Aluminum Preferred dividends, amounts to about $72,000 per year, of which $27,000 is in our restricted funds account. While this dividend is cumulative and we trust that it will sooner or later be paid in full, I certainly agree with your opinion that wherever possible expenditures must be pared.

However, from my general knowledge of the financial problems of the Colleges receiving income from these restricted funds, and from my more specific acquaintance with the financial problems of Yenching University, I fear that too sudden and too radical a reduction of the income received from the Institute will cause many, if not all, these institutions some extremely grave financial problems. All of them hold substantial amounts of Aluminum Preferred Stock in their endowment portfolios, and will have to make adjustments to this direct loss of income. Most of them are being notified by their cooperating Mission Boards that these Mission Boards must make serious reductions in their contributions for the coming year. While the other endowment securities of these institutions are, on the whole, in a satisfactory position there will be undoubtedly some losses of income here and there.

I am wondering therefore, if there is not some way in which our Harvard-Yenching Institute can help tide these institutions over their present crisis by continuing our payments of income on restricted funds at some figure more nearly equal to what we have heretofore maintained. We now have an unexpended income balance of $168,188.06, and there will be a number of reductions in the budget for next year. It should be possible for us, therefore, without embarrassment, to advance to the universities on our restricted income account either the entire amount of the reduction of the Aluminum dividends, or whatever portion of this reduction we may consider to be most desirable. Any such advance might be made with the understanding that these

funds would be restored to our reserve whenever the Aluminum Company is able to pay these deferred dividends. Of course we could not continue such a practice indefinitely, but I believe we could follow it for the last quarter of the fiscal year 1931-32, and also for the fiscal year 1932-33.

Very sincerely yours

Assistant Treasurer

CAE:MS

COPY

HARVARD-YENCHING INSTITUTE

March 11, 1932.

Mr. George G. Barber
Chrysler Bldg.,
New York.

TRANSFER

Dear Mr. Barber:

I have your letter of the 10th.

If the Institute adopts a conservative policy in its budget appropriations for next year, I believe that it could safely advance money to the restricted account for the purpose of supplementing the distributive shares of the participating institutions if it deems it advisable to do so. The next quarterly payment is due on May 1st, and if this payment is to be supplemented, action should be taken by the Trustees or by the Executive Committee before that date.

I am sending a copy of this letter to Dean Donham.

Yours very truly,

(Sgd.) Henry L. Shattuck

Treasurer.

COPY

HARVARD-YENCHING INSTITUTE

March 11, 1932.

Mr. George C. Barber
Chrysler Bldg.,
New York.

Dear Mr. Barber:

I have your letter of the 10th.

If the Institute adopts a conservative policy in its budget appropriations for next year, I believe that it could safely advance money to the restricted account for the purpose of supplementing the distributive shares of the participating institutions if it seems it advisable to do so. The next distributive payment is due on May 1st, and it this payment is to be supplemented, action should be taken by the Trustees or by the Executive Committee before that date.

I am sending a copy of this letter to Dean Donham.

Yours very truly,

(Sgd.) Henry L. Shattuck

Treasurer.

George G. Barber
CHRYSLER BUILDING
NEW YORK

YENCHING

March 14, 1932.

TRANSFER

Mr. C. A. Evans, Asst. Treas.
Yenching University
150 Fifth Ave., N. Y. City.

Dear Mr. Evans:

I wrote Mr. Henry L. Shattuck, Treasurer of Harvard-Yenching Institute on March 10th and sent you a copy of the letter. I have just received a letter in reply from Mr. Shattuck. It is dated March 11th and I am enclosing a copy of it for your personal information.

Very truly yours,

George G. Barber

GGB:DN

April 9, 1932

Mr. George G. Barber
Chrysler Building
405 Lexington Avenue
New York, New York

See folder of Dr. J. Leighton Stuart 4/6/32

My dear Mr. Barber

I am attaching hereto a copy of the memorandum regarding our efforts to match the Rockefeller Foundation first conditional grant, which we discussed informally and unofficially with Dr. Warren Weaver yesterday.

As you will remember, Dr. Weaver's tentative and unofficial judgment was that about $125,000.00 of the items listed under the first three heads of this memorandum would probably be acceptable to the Foundation as applicable to the conditions of their grant. He also indicated that there might be a probability that the Rockefeller Foundation would so modify the conditions of their appropriation as to permit the inclusion of valid pledges received after the date this grant was made, and before June 30, 1932. This would enable us to include approximately $50,000.00 in outstanding pledges as shown under item 6. Thus as matters now stand we have about $175,000.00 in cash and pledges which we may reasonably hope the Rockefeller Foundation will recognize as meeting the conditions of their gift if we can before June 30, 1932 obtain from some other source the remaining $75,000.00 necessary to fulfill the conditions of the Foundation's grant.

While the Trustees of Yenching University will undoubtedly continue to do everything possible to secure new cash or valid pledges toward this $75,000.00 before June 30, 1932, the very disappointing results of the efforts we have already been making during the past eighteen months indicate that the probability of securing any substantial amount of new gifts in this very limited time are not at all bright. If we are to have any real hope of matching the Foundation's grant before June 30, it is necessary that we secure very quickly approximately $75,000.00 in new money. If this gift is not matched by June 30, it means not only a very serious immediate reduction of University income and a consequent deficit in the 1932-33 budget, but also the reduction of potential support for Natural Science by 50%.

All our plans for the future of Natural Science at Yenching University are based on the hope of securing an endowment of $1,000,000.00. If we fail to meet the Foundation's condition before June 30, our potential resources will be only $500,000.00, and even this will be quite uncertain. The problem is not merely a Yenching one, but affects our whole program of Christian higher education in China, since we are looking to Yenching University to carry on a strong program in Natural Science, in the graduate as well as the undergraduate field.

I speak for the Yenching Board of Trustees in expressing the most earnest hope that at the meeting of the Harvard-Yenching Institute Board of Trustees on April 11 it will be possible for you to bring to the attention of the Board this very critical financial problem which now confronts the University.

Very cordially yours

Secretary

SAG:MS
Enc.

George G. Barber
Chrysler BUILDING
NEW YORK

YENCHING

April 12, 1932.

Mr. B. A. Garside, Secretary
Yenching University
150 Fifth Ave., N. Y. City.

TRANSFER

Dear Mr. Garside:

As per our understanding, I presented the matter of the Rockefeller challenge fund to the Trustees of Harvard-Yenching Institute yesterday. Dr. Stuart has no doubt told you what happened and of course I told you something of what happened when I saw you today.

One of the important things to be attended to at once is a proper action as regards the Woman's College Endowment. I understand that the Trustees of the Woman's College meet this week and they should take action. Will you be kind enough to see that the matter is taken care of.

In order to get proper support from Harvard-Yenching Institute it will be necessary for Yenching University to put forth a maximum effort to raise additional funds between now and June 1st. The Trustees of Harvard-Yenching Institute have asked us to advise them about June 1st as to the then status of the matter and they will call a special meeting of the Trustees to take action if $75,000. be not raised in the meantime.

I spoke to Dr. Stuart about the new gift of $50,000. I understood you to say that this was not earmarked but Dr. Stuart says that it is earmarked for theological studies. He did speak of the possibility of having this changed so that it could be used in connection with the Natural Science Department Endowment in order that it might be used in connection with the Rockefeller challenge. Please speak to Dr. Stuart about this matter quickly so that he can take care of the matter if he deems it wise before he leaves New York.

Jenny

Very truly yours,

George G. Barber

GGB:DN

YENCHING

September 20, 1932

TRANSFER

Mr. George G. Barber
2910 Lincoln Building
60 East 42nd St., City

President Columbia Baking Company
Member of General Council and Chairman of Budget & Finance Committee
Presbyterian Church U.S.A.
Trustee of Milligan College, Tenn., College of Ozarks, Clarksville,
ark., Union Theological Seminary, N. Y. C., H.-Y. Institute

Jan. 17, 1933: Elected President of Colorado Gold Refineries, Inc. (no longer connected with Continental Baking Company)

Yenching University

December 13, 1932

Mr. George G. Barber
2910 Lincoln Building
60 East 42 Street
New York, New York

Mr. E. M. McBrier
150 Fifth Avenue
New York, New York

Gentlemen

Under date of September 21 the Finance Committee placed in the hands of the President and the Treasurer the authorization to act on questions pertaining to the sale of lots held in the Wallace Property account.

It will be recalled that our office was requested to write Housemann-Spitzley relative to a number of delinquent accounts. Under date of October 19 the company reported in detail on all of the questions raised, and since that time some discrepancies in figures have been adjusted through correspondence. We are now ready to report on several accounts which call for special attention.

"On Lot #27 the balance as shown of $832.52 is correct. We have added the taxes to the balance amounting to $11.96 for the 1927 and $12.15 for the 1928 and 80¢ interest, making a new balance of $857.52. The interest date should be June 27th, 1931. The purchaser of this lot is a student in a college and has been very hard pressed for cash. We are, however, doing everything in our power to make collections.

"We might suggest that you offer him a special payment plan of waiving the interest now due, providing he will resume and pay about $9.00 a month for twelve months. In the event he does this we might also waive the interest for the next twelve months. We are doing this in cases where we feel that the balances are large and it would be to our advantage to waive the interest in order to keep our clients interested in the property for, as you no doubt realize, the lot is not worth the unpaid balance on account of present conditions."

Interest is paid on this lot to June 27, 1931, and at 5% the accumulation to date totals approximately $70.78. The suggestion is that this interest be waived and a new agreement arranged wherein the purchaser will pay $9.00 a month.

The report on Lot 75 is as follows:-

"On Lot #75 the interest date should be April 15th, 1930. We have been trying in every way possible to get the purchaser of this lot to go on with the interest without success. We have gone as far as we can and if you wish to have foreclosure proceedings started we will be very glad to do this charging you whatever it will cost us. We have not asked the man to turn the contract back but will be glad to do so if you suggest it, or if you wish to offer him a special reduction on the balance or on the monthly payments, we will be glad to submit this also."

The balance on this lot is $883.79, nothing having been paid on account since May 1930.

The contract on Lot 123 is cancelled, and the property is in the open market.

On Lots 237 and 238 the report is as follows:-

"On Lots Nos. 237 and 238, the purchaser has gone into bankruptcy. Our attorneys are checking to see whether these two lots are mentioned in the proceedings. If they are we will take such steps as are necessary and presume it will be agreeable to you.

"We have added the taxes as shown on your list to the balance showing that he now owes on the lots $1,218.00. This includes $38.18 interest to June 5th, 1931 when the taxes were added on."

I will communicate with the members of this committee within the next day or two and ascertain what is to be done in these particular instances. It is possible that it will be desirable to have a committee meeting, and if so, it can be arranged.

Very sincerely yours

Assistant Treasurer

CAB:MS

February 17, 1933.

Mr. George G. Barber
2910 Lincoln Building
60 East 42nd Street
New York City

See "Rockefeller Foundation" 2/16/33

My dear Mr. Barber:

You will be interested in a memorandum we have just prepared for our Yenching Promotional Committee showing how our Natural Science Endowment Fund stands at the present time.

On February 16th the status of our Natural Science Endowment Fund was as follows:-

Received From -	Rockefeller Foundation		$186,771.75
	General Contributions		112,270.25
	Yenching Women's College		66,741.58
	Mary Huggins Gamble Fund		18,750.00
			$384,533.58
Still Due From-	Rockefeller Foundation	$63,228.25	
	Individual Donors	91,078.00	154,306.25
	Total if all pledges collected:-		$538,839.83

I am attaching a list of pledges still outstanding, amounting to $91,078.00. Just at this time our Yenching Promotional Office is making a special effort to collect all pledges now due, and to encourage donors whose pledges still have some time to run to make payment as promptly as convenient. We are all anxious to be able to report to the Rockefeller Foundation at as early a date as possible, that we have made collections sufficient to obtain their ~~amount~~ payment of the $63,228.25 still due on their endowment fund.

We are honored to have your distinguished name at the head of our list of outstanding pledges, but whenever you find it convenient to let us have this $200, we will be able to obtain the same amount from the Rockefeller Foundation, and put the entire $400 to work toward helping Yenching find its way out of the present financial problems.

Very cordially yours,

BAG:PW
Enc.
CC: Promotional Office

Prest. Bd

file

George G. Barber
Chamin BUILDING
NEW YORK

May 11, 1933.

Mr. B. A. Garside, Asst. Treas.
Yenching University
150 Fifth Ave., N. Y. City.

Dear Mr. Garside:

I must be in Philadelphia at 9:30 tomorrow morning and I expect that it will be impossible for me to get back by 3:30 to attend the meeting of the Executive, Finance & Promotional Committees of Yenching University.

I talked with you today about the docket and you know my feelings as regards the different items on the docket.

I want to write particularly about Item #4 which involves the memorandum of proposed arrangements with Dr. Gee as distributed to all members on the Board of Trustees. I hope that the discussion as to Dr. Gee's connection with the University will be carried on in a most sympathetic way. Dr. Gee's present situation is not happy either from his own point of view or ours. He came to America from China with a very unsatisfactory definition as to his duties and responsibilities and for almost a year he has been carrying on in a fine Christian spirit and in such a way as to command the respect of every trustee. Every trustee is under obligation to him for the way in which he has carried on.

The time has arrived when there must be a very definite understanding with Dr. Gee. Most of us feel that he does not have the experience nor the contacts to enable him to carry on the promotional work as it must be conducted this next year. We feel that we need such a man as Dr. Gee in the promotional work but we feel that Pierce & Hedrick should continue to carry on full promotional responsibilities under the Promotional Committee. I agree that the plans should be as outlined in the memorandum as sent to each trustee and I am sure Dr. Gee will be perfectly happy in working under the plans as outlined even although the salary named be less than he needs. I feel personally that we should pay Dr. Gee $4500. for year beginning July 1st, but the majority of those with whom I discussed the matter feel that the figure should be $4,000. and the majority opinion must prevail. I would urge however that the Trustees consider very seriously making the figure $4200. so as to include an item of $200. which Dr. Gee must pay in connection with an annuity which he is building up. Of course the final decision must be reached on the basis of "ability of the University to pay" and certainly $4,000. during

the prevailing economic situation and considering salaries paid to Mission Board secretaries, would seem to be about right, but if Dr. Gee must pay the annuity premium out of the $4,000. it will leave only $3800. salary for year beginning July 1st against $6,000. actually paid him during year ending June 30, 1933 - quite a cut. I would again urge $4200. as the figure for year beginning July 1st, but the judgment of the Trustees must prevail.

Very truly yours,

George G. Barber

GGB:DN

Presbyterian Bd.

Yenching University

June 6, 1933.

Mr. George G. Barber
Mr. E. M. McBrier
Dr. George T. Scott

Gentlemen:

You are acquainted with the action of our Yenching Executive Committee on May 26th, regarding the Wheeler Chapel Funds, reading as follows:-

"Voted, to reaffirm Action EFP-3168, but because of the unusual conditions involved, that a special committee consisting of the Chairman, Treasurer, and Dr. Scott be appointed to devise some plan for sharing income from the funds with the Wheeler family."

The Wheeler Chapel Funds Account to date stands as follows:-

Receipts		
Mrs. Rachel Wheeler	$25,000.00	
Mr. W. R. Wheeler	5,000.00	
Mr. and Mrs. J. A. Farley	5,000.00	
		$35,000.00
L.S.R. Foundation		6,250.00
		$41,250.00
Interest, Received in Field	$ 1,685.11	
" " in New York	1,784.38	3,469.49
		$44,719.49

Disbursements		
Architectural Fees	$ 844.08	
Cash Remitted to China	32,500.00	
Investment - Amer. Power and Light	9,738.00	
		$43,082.08
Cash on Hand		1,637.41
		$44,719.49

During the period since these funds were set aside for separate investment with income accruing to the credit of the funds, the average annual income received has been U.S.$1,985.71. However, the income for the past twelve months has amounted to only $1,287.17.

Since the Wheeler family gave approximately 85% of the principal of the fund, and the Laura Spelman Rockefeller Memorial gave approximately 15%, any return to the Wheeler family of income being received on these funds would probably be on the basis of 85%. Mrs. Wheeler would be entitled to receive five-sevenths of such a refund, and Mr. Wheeler and Mr. and Mrs. Farley would be entitled to receive one-seventh each.

One further important complication of this problem is Mr. Wheeler's loan of $5,000, for which he gave his note secured by the deposit of the Hammond and Little River Redwood Company stock as collateral. This note was given on November 17, 1931 and was to mature in one year, with interest payable at 6%. Mr. Wheeler is now in China, no interest has been paid, and the one-year period ended long ago. We have written in regard to the matter several times, but have had no reply. The interest due from Mr. Wheeler is substantially in excess of his one-seventh share of any refund of the interest now being received on this money.

We should have a meeting of this special committee at the earliest possible date to reach decisions on these matters. I will get in touch with each of you within the next day or two.

Very sincerely yours,

BAG:PW

Prob. Bd.

Yenching University

June 8, 1953.

Mr. George G. Barber
Mr. E. M. McBrier
Dr. George T. Scott

Gentlemen:

As we have already informed you verbally, a meeting of the special Sub-committee on Wheeler Chapel Funds will be held at 9:30 A. M. on Friday, June 16th in Room 300, 150 Fifth Avenue, New York City. This will be a brief meeting adjourning in time for the meeting of our Associated Boards' Executive Committee at 10:00, so each of you is urged to arrive promptly.

Since I wrote you on June 6th, I have consulted with Mr. McBrier, and at his suggestion am making some concrete proposals as to actions we might take.

Mr. Farley's first request for the return of funds contributed by Mrs. Wheeler, and by Mrs. Farley and himself, was sent August 10, 1952. The Yenching Finance and Executive Committees have not favored any return of the principal of these contributions, but have indicated that it might be possible to return some of the interest received over a limited period.

As yet we have not had time to receive word from Peiping as to the amount of interest that has accrued there during 1952-53 on the Wheeler Chapel Funds they are keeping on deposit. I would suggest, therefore, that we use, tentatively, the figures for the income received during 1951-52 in order to have a basis for comparison. The correct figures for 1952-53 would, of course, be substituted as soon as they are known. Using these tentative figures we arrive at the following results:-

1 year's income on Field (1951-52)	U.S.$895.29
1 year's income in New York (1952-53)	391.88
	US$1,287.17

Based on the share of each contributor in the Wheeler Chapel Funds, this income would be apportioned as follows:-

Name of Donor	Amount of Gift	Percentage of whole	Share in Interest
Laura Spelman Rock.Fnd.	U.S.$ 6,250.00	16%	$205.95
Mrs. Rachel Wheeler	25,000.00	60%	772.30
Mr. W. R. Wheeler	5,000.00	12%	154.46
Mr.& Mrs.J.A. Farley	5,000.00	12%	154.46
	U.S.$41,250.00	100%	$1,287.17

However, not all of this $1,287.17 has actually been received. No interest has been paid on Mr. Wheeler's note for $5,000 given on November 17, 1931. At the agreed rate of 6% per year, payable semi-annually, $150 was due May 15, 1932, $150, November 17, 1932, and $150, May 17, 1933, a total of $450. Since Mr. Wheeler's pro rata share of the interest is only $154.46, he would still owe $295.54, after he was given credit for his share in this distribution. It is suggested that Mr. Wheeler be requested to adjust this matter directly with his mother and his sister. If this were done, Yenching would pay Mrs. Wheeler $526.76, and Mr. W. R. Wheeler would send her the balance due her of $245.54, likewise Yenching would pay Mr. and Mrs. Farley $104.46, and Mr. Wheeler would send them the balance due them, $50.

If the above proposals meet with the approval of the Sub-committee, resolutions might be adopted as follows:-

Resolved, that in view of the special conditions in connection with the Wheeler Memorial Chapel Funds, the Trustees of Yenching University agree to return to the members of the Wheeler family contributing to these funds their pro rata share of the interest accruing on the Wheeler Chapel Funds for the fiscal year beginning July 1, 1932. These shares being as follows:-

Mrs. Rachel Wheeler	60%
Mr. W. R. Wheeler	12%
Mr. and Mrs. J. A. Farley	12%

Resolved, that approval be given to the distribution of this same income for the fiscal year 1933-34.

Resolved, that in view of the fact that the interest outstanding on Mr. Wheeler's note of November 17, 1931 is in excess of his pro rata share of the distribution authorized above, he be requested to pay this excess interest direct to Mrs. Wheeler and Mr. and Mrs. Farley in the proportion of five parts for Mrs. Wheeler and one part to Mr. and Mrs. Farley.

We hope that you will be able to study over these suggestions in advance of the meeting, so as to avoid unnecessary delays when the Sub-committee assembles.

Very cordially yours,

BAG:PW

Prest. Bd.

Yenching University

July 6, 1933.

Dr. Eric M. North
Bible House
Astor Place, N. Y. C.

Mr. George G. Barber
1910 Chanin Building
122 E. 42nd Street, N. Y. C.

My dear Dr. North and Mr. Barber:

We are at this time reporting to the Rockefeller Foundation collections during the last quarter. These collections completes the $250,000.00 required by the Rockefeller Foundation to match their appropriation for the endowment of Natural Science at Yenching University, and leave a surplus of $2,629.67 above the amount required.

I am attaching hereto a statement showing the status of Natural Science pledges still outstanding as of July 6, 1933. You will note that this statement shows $41,350.41 still to be collected. While there may be some losses on a few pledges, due to the death of the donor or other causes, we hope that during the next year or two we will be able to collect close to $40,000.00 on these pledges.

This brings concretely before us the question which has been pending for some time:- What arrangement shall we have with the Harvard-Yenching Institute as to the return of the $25,000 conditional gift they gave us for the endowment of Natural Science? This gift was received with the understanding that we would return to the Institute any amount not required to complete the conditions of the Rockefeller Foundation appropriation.

In this connection we must keep in mind, however, that a number of other gifts were received with somewhat similar conditions. Mr. Henry R. Luce gave his contribution of $5,000.00 with the understanding that it could for the present be applied toward the Natural Science endowment, but that later he hoped to make it the nucleus of a larger fund to be devoted to some special objective in honor of his father. Miss Munger's gift of $50,000.00 was originally given with the expressed wish that it be used for the definitely religious work of the University, though Miss Munger approved our using the money as might be required for Natural Science. Some of the smaller gifts also were made with the provision that they be allocated to some other objective if not required for Natural Science.

There is another matter in connection with our Natural Science Endowment which is of great importance. While the Rockefeller Foundation tacitly ~~expected~~ accepted the endowment turned over by the Woman's College as amounting to $75,000.00, as a matter of fact the book value of the securities turned over, plus all subsequent payments on outstanding pledges, amounts to date to only $66,816.58. Many pledges are still outstanding, but when they are collected, this figure will not be increased much above $67,500.00. Thus our Natural Science Endowment Fund will be approximately $7,500 below the goal of $500,000.00 unless we apply a sufficient amount of collections on pledges to make up this deficit.

Do you consider that in fairness to the Harvard-Yenching Institute, it will be necessary, or at least politic, to restore all collections above $250,000.00 until the full $25,000.00 is refunded? Or would it be in order to suggest some agreement with the Institute whereby we would refund to it one-half of these excess collections, applying the other half to the restoration of these other designated pledges toward their original objectives?

I presume that this is a question which might well be discussed at the next meeting of the Trustees or of the Executive Committee of the Institute. But since the issue is an immediate and practical one, I would like your comments and suggestions.

Very cordially yours,

GGB:PW
Enc.

Prest. Bd

August 30, 1933.

Dr. George H. Chase
17 Boylston Hall
Cambridge, Mass.

My dear Dr. Chase:

It commences to look as if I cannot get to Boston to attend a meeting of the Executive Committee of Harvard-Yenching Institute on September 1st at 9:30 a.m. I am therefore writing you about the question raised in Mr. Garside's letter of August 8th.

As I understand the matter Yenching University has collected $2629.67 over the amount needed to complete the conditions of the Rockefeller Foundation grant and there is still $41,350.41 in pledges to collect. This makes a total of $43,980.08. Mr. Garside suggests that half of this be returned to Harvard-Yenching Institute and the other half distributed between items mentioned in paragraphs 1, 3 & 4 of his letter.

My suggestion would be that the amount named in paragraph 1 in Mr. Garside's letter, namely, $7500. be deducted from the total, thus leaving a possible amount for distribution of $36,480.08. (Mr. Garside is on a vacation so I do not have the privilege of a conference with him now, but I think he overlooked the moral responsible of the Trustees of Yenching University to make good the Yenching Women's College deficit of $7500.). I would suggest that the amount of $36,480.08 be divided one-half to Harvard Yenching Institute and the other half proportioned to the items mentioned in paragraphs 3 & 4 in Mr. Garside's letter.

Of course we must keep in mind that distribution can be made only as payments are made on the unpaid pledges and I would suggest that an accounting be made by Yenching University quarterly.

I regret that it seems impossible for me to attend the meeting.

Sincerely yours,

(Sgd.) George G. Barber

GGB:DN

YENCHING

Denver, Colorado.
December 7th, 1933.

TRANSFER noted MHG

Mr. B. A. Garside, Secretary,
Yenching University,
150 Fifth Avenue,
New York City, New York.

Dear Mr. Garside:

I received the Docket of the meeting to be held on December 7th at 1:30 P.M. only last night at 6:00 P.M. I regret exceeding that I cannot attend the meeting. Miss Nielson has, no doubt, told you that I have been in Denver for several weeks and probably cannot leave for another week.

Some of the items on the Docket interest me very much.

1. Item No. 5. Common Stock Holdings.
   I would strongly urge that Central Hanover Bank & Trust Company be used. It is my recollection that we have some sort of an arrangement with them already.

2. I shall anticipate receipt of "A Study of Available Funds and Prospective Income for the Ensuing Year". I should like to see, in connection with this, a statement of our anticipated disbursements.

3. I have never heretofore heard about a $25,000 raised check. On first thought, it would seem that a check would have to be very carelessly written and protected before it could be raised from $6.08 to $25,000. Has this ever been brought to the attention of the University by the Board of Trustees? Have those who perpetuated this felony been apprehended and punished? I appreciate that we are not so much interested in the latter as we are in getting our money. The National City Bank must carry insurance against such losses and I think that both the University on the field and the Board of Trustees in New York should protect themselves with insurance.

4. Investment of Funds in China.
   I have read Dr. Stuart's letter and all the Docket has to say on the subject. I am still against investing any of the

Dec. 7, 1933.

Mr. Garside, Sec'y.
Yenching University,
New York City.

TRANSFER

New York funds in silver securities in China. There should be more stability in Chinese affairs before we should risk investment in China. I certainly don't like the suggested "make-up" of the Investment Committee in China and am sure the National City Bank and the Chase Bank would be inclined to put the University into such securities as they are most interested in - whether they be good or bad. After all, they are interested in the profit they can make out of handling the University's business more than they are in enlarged income. Another thing I have in mind is, that if it should be as difficult to obtain in investment matters the full co-operation we need as it has been for the Board of Trustees to obtain, from our own people on the field, in other matters, we would find ourselves in a difficult situation, and why risk it.

5. Financial Objectives in Promotional Work.
Am I to understand that Item "B" of Appendix "A" covers the items which we will include in the program of the associated boards? Item "A" must be raised through our own promotional efforts.

I hope the meeting at 1:30 today will be highly successful and I regret exceedingly that I cannot be with you.

Yours very truly,

George G. Barber

GGB/MM

George G. Barber.

YENCHING

Mr Mulberry

YENCHING

TRANCTER

Denver, Colorado,
December 7th, 1933.

Mr. C. A. Evans, Assistant Treasurer,
Yenching University,
150 Fifth Avenue,
New York City, New York.

My dear Mr. Evans:

I have read Mr. Clark's memorandum with much interest. I think he is sincere in his desire to serve and I do not have any objection as he is a friend, and without pay, he review our securities and offer his suggestions and advice.

As a matter of fact, if he is eligible in other respects, suggest that he be made a member of the Board of Trustees and a member of the Investment Committee of the institution.

I am really convinced that he has more than a "dollar and cents" interest in Yenching University and we should capitalize on that, if there is a way to do so.

Yours very truly,

George G. Barber

George G. Barber.

GGB/MM

February 15, 1954

Mr. George G. Barber
Channin Building
122 East 42nd Street
New York, New York

My dear Mr. Barber:

The following cablegram has been received from President Stuart:-

"EXTENDED ABSENCE HAS PREVENTED MY EARLIER REPLY. URGE DR. GEE CONTINUE VICE PRESIDENT DESCRIBED BY US WHEN WAS LAST IN NEW YORK CITY. WRITING BY NEXT MAIL. ACTION REGARDING RELATED PROGRAMME REMAINS UNCHANGED BY COUNCIL MEETING.

J. LEIGHTON STUART

Of course, the first part of the cablegram refers to your letters of January 3rd and 4th. The last sentence refers to the discussion in the last paragraph of Dr. Stuart's letter of December 30th, 1953 and the statement attached to that letter. Copies of this material were mailed to you yesterday.

I enclose herewith a paragraph from Dr. Stuart's letter of December 29th which we did not include in the mimeographed statement sent to all of the Trustees. Dr. Gee is naturally desirous to give as little publicity as possible to these matters. It is his judgment after reading the cablegram quoted above, that we should await the arrival of the letter which Dr. Stuart is mailing to us.

As soon as you arrive in New York we must begin to make plans as to meetings of the Executive Committee and the Finance Committee to deal with these problems.

Very sincerely yours,

BAG:MP

George G. Barber

CHANIN BUILDING
NEW YORK

YENCHING

Oamha, Neb.
February 19, 1934.

ack 2/26/34.

Mr. B. A. Garside
Yenching University
150 Fifth Ave., N. Y. City.

Dear Mr. Garside:

I have just finished reading Dr. Stewart's letter of December 1933 addressed to you.

Will you please tell me all about the effort to raise in China $1,000,000. for endowment. Will this effort compromise Yenching in connection with the Associated Boards' effort which is in prospect?

I will appreciate all the facts.

Sincerely yours,

G. G. Barber.

George G. Barber
CHANIN BUILDING
NEW YORK

Omaha, Neb.
February 19, 1934.

Mr. C. A. Evans
Yenching University
150 Fifth Ave., N. Y. City.

Dear Mr. Evans:

I have just seen the minutes of the meeting of the Investment Committee held February 9th. I think the Committee acted wisely in the decisions as recorded and if I had been at the meeting I should have been inclined to join with Mr. Rounds and Mr. McBrier.

The present situation seems to make it necessary for us to watch our portfolio very very carefully and I know Mr. McBrier and yourself are doing that.

General business conditions in the west seem to be improving. The railroads have lowered their passenger rates to a very low point and this is encouraging a larger volume of traveling. The railroads are carrying more freight. Banks are increasing their deposits by large sums, but of course they are not any more liberal in loaning funds. One bank president had the nerve to tell me last week that one of the reasons banks could not loan more money was because business did not want to borrow for fear of not being able to pay back when due. This sounds "fishy" to me of course.

I had expected to get home last week but this was impossible. It will probably be March 1st before I get back.

Sincerely yours,

G. G. Barber

2/23/34
Ack 2/26/34

Dear Mr. Garside:—

Have just seen your letter of 2/15/34 - re cablegram from Dr. Stuart & etc.

Dr. Stuart does not answer my letters by his cable. I think we should cable to effect that Dr. Gee service will terminate June 30-'34 unless Dr. Stuart and field agree plan outlined by me in letters. We cannot hear by letter from Dr. Stuart until after March 15.—

I expect to get home soon after March 1 - anytime after Mar. 7 will be O.K. for meetings of Executive and Finance Committees.

Yours Sincerely—

George G. Barber

February 26, 1934.

Mr. George G. Barber,
Hotel Fontenelle,
Omaha, Nebraska.

My dear Mr. Barber:

Let me acknowledge the receipt of your letters of February 19th and February 23rd.

The campaign being conducted in China for a $1,000,000 endowment fund for Yenching University seems to be only in its initial stage. The staff and student body of the University have agreed to cooperate to the fullest possible extent, but we have not as yet heard of any substantial gifts outside of the University itself. There is no essential reason why this campaign in China should in any way embarrass Yenching's relationship with the Associated Boards, or interfere with the financial plans we are making, although it is possible that the affair could be handled in such a way as to cause difficulties. We hope that all of our universities will secure more and more of their support from Chinese sources, and welcome every move on their part to do this.

So many important matters are now pending that it has been necessary for us to call a meeting of our Yenching and Executive Finance Committees on the afternoon of March 1st. We will not be able to dispose of all the business in hand at one session, and will have to call a second meeting about the middle of March. We had hoped that you could be with us at both meetings, but at least will count on having you at the second one. We will ask the judgment of the Executive Committee as to whether we should send a cablegram to Dr. Stuart with regard to Dr. Gee, along the lines you suggest. It has been Dr. Gee's feeling that we should await Dr. Stuart's letter before taking up the matter officially.

We have been sorry that it has been necessary for you to be away from New York so long. But at least you have missed the coldest and most disagreeable February in history. As I am writing this note the snow is whirling down with great enthusiasm.

Very cordially yours,

BAG/OP

YENCHING

Yenching University

March 19, 1934

Mr. George Barber
Hotel Fontenelle
Omaha, Nebraska

My dear Mr. Barber:

I telegraphed to you today as follows:- "COMMITTEE ASKED GEE REMAIN ANOTHER YEAR FOUND NO REASON FOR STUART RETURNING." In writing you further, I have decided to enclose an extra copy of the minutes of the meeting, although a copy has gone to your office. One reason for the urgency of the meeting was because of the necessity of taking some action upon the application to the Rockefeller Foundation for funds to carry on the College of Public Affairs and to give consideration to the request for an initial grant for setting up an Institute of Rural Administration at the University. As regards to these motions, the minutes are self-explanatory. I believe that you would have agreed with the decision which has been rendered.

The whole promotional plan came up for serious consideration, and a very complete study of the progress made and future prospects was presented to the Committee. It was pretty much agreed that sufficient progress under the present organization has not been made to warrant the continued outlay in promotional work. There seems to be a general agreement that promotional work for the next year will be the maintaining of present ground and the further dissemination of information - all of which does not require an expensive organization, especially in view of the fact that the Associated Boards will develop its program during next year. With these facts in mind, it seems as though Dr. Gee's contacts made him a desirable person to retain for the next year at least, and that his position and responsibilities should be very definitely outlined which you will note in EP-3891(1). In connection with settling this problem, the Committee can see no reason for bringing Dr. Stuart to America.

The Committee did some very constructive thinking and was unreservedly frank in its discussion of the various problems presented, including a rather pointed discussion of the field's attitude toward the Associated Boards program. The Trustees are committed to this venture, and apparently there is no hesitancy in continuing the program regardless of the continued pressure from Yenching to go slow. I might say that the actions as taken practically coincide with Mr. McBrier's views as contained in a telegram received on the morning of the meeting; and I am sure that had you been present, and been with us prior to the meeting, that you would have seen the justice of the actions which were taken.

We are daily looking forward to your return when we can discuss these problems more in detail in person.

Very cordially yours,

GAE:RC

YENCHING

file

OMAHA'S WELCOME TO THE WORLD

HOTEL FONTENELLE - OMAHA

OPERATED BY EPPLEY HOTELS CO.

3/21/34

Dear Mr. Evans:—

Thanks for letter of 3/19/34 and information contained therein.

I concur in decisions reached - they have my approval. Was very sorry I could not get to meeting and am particularly disappointed because Mr. McBrier was absent too.

Did not know of the Institute of Rural Administration matter. It is O.K. with me providing Associated Boards approve. The field must be watched as to the Associated Board's program to which we as Trustees are committed. —

Hope to get home soon.

Bond prices look better. How do we stand? —

Yours sincerely —

George G. Barber

3/23/34

MKG.

George G. Barber

551-5 Ave
NYC

ack
10/20

YENCHING

October 17, 1934.

Mr. C. A. Evans, Asst. Secy.
Yenching University
150 Fifth Avenue, N.Y. City.

Dear Mr. Evans:

I shall do my utmost to get to the meeting of the Finance Committee on Friday, October 19th at 2:45 p.m. As I told you during phone conversation this morning, I simply must leave New York early tomorrow morning for a very necessary business trip to Washington, D.C. I expect to get back to New York by 3 p.m. on Friday. If I should reach New York at a later hour I will phone you to ascertain whether or not the committee is still in session.

May I take this opportunity of again urging that in connection with any new investment management contract we insist on having a thirty day cancellation clause included. I am most anxious that the work in connection with our Endowment Funds be handled in our own office and that a minimum service be used to check or supplement that work. I wish it were possible to get started on such a program now but I recognize the difficulties involved, but I want to be sure it will not be necessary for us to wait a year before we can undertake such a program.

I have been studying over the docket for the meeting.

Item 3 needs some action as regards exchange for 1933-34 and exchange for 1932-33. My judgment would be that any exchange for 1933-34 should be held intact to make same available in case it is needed in connection with the 1934-35 budget. I think the same action might be taken as regards the saving in exchange for 1932-33.

I think the Finance Committee should pass a resolution of appreciation and thanks as regards No. 4.

In connection with item 5, I should say that since Dean Chase wrote off $518.81 against the Library Account after consultation with your office and with the knowledge of some of the rest of us that the action should stand pending possible consultation with Dean Chase and Miss Bayley, when Dr. North and I will be in Boston to attend the next meeting of the Harvard-Yenching Board meeting which will be held on either November 12th or November 19th.

Item 6 represents a real problem. Do we have available the sum of $100. which must be paid to protect Lot 27? If we let the

property go I assume it will show a loss of abour $1,000. on our Endowment book figure.

As regards item 7, I would suggest that U.S.$2272.75 be held and not used for the purpose indicated at this time. I would not object for the use of the money for the purpose indicated but I think we should wait awhile in order to see more clearly as to what the future has in store.

Item 8 - Wheeler Memorial. You say the suggestion of Mr. N. P. Wheeler cannot be adopted because New York funds are invested in such a way as to prohibit any further cash payments. You suggest that the suggestion could be carried out by using funds on the field and as I see the matter it is necessary for us to communicate with the field to determine their wish in the matter.

Item 9 - I think the Committee should reaffirm its position or policy heretofore adopted in connection with item 1 under 9. As regards item 2 under 9, Wallace property funds, I think the Committee should reaffirm its previous decision.

I have written you at this length regarding the docket so that if I get back to New York too late on Friday to attend the meeting you will have my judgment as to the various items of the docket.

Very truly yours,

George G. Barber

GGB:DN

George G. Barber
551 FIFTH AVENUE
NEW YORK.

file

November 7, 1934.

Mr. B. A. Garside
Yenching University
150 Fifth Ave., N. Y. City.

My dear Mr. Garside:

I hope sincerely you will attend the meeting of Harvard-Yenching Institute Trustees in Boston next Monday, November 12th, at 4:30 p.m. The meeting will be held at the Faculty Club of Harvard Business School. Dean Chase is writing you today to invite you to attend in my place and stead because it will be impossible for me to be there.

I talked with Dr. North this morning and he tells me that he will be at the meeting. I told him that I had asked you to go in my stead and he thought it was a very fine suggestion. Incidentally, Dean Chase was enthusiastic about the suggestion.

I am enclosing a letter dated November 6th received from Florence T. Bayley, Secretary of the Institute with a copy of the aggenda for the meeting. I shall appreciate your returning the aggenda to me after you have returned from the meeting.

I told Dr. North this morning that I questioned the amount of the budget of $6,000. for the publication suggested by Dr. Elisseeff. There will be about 600 books of 500 pages each and the cost of $10. per book does seem excessive. They fail to consider any income from the sale of the books which I understand should bring about $3,000.

With all good wishes, I remain,

Sincerely yours,

George G. Barber

GGB:DN

Yenching

December 20, 1934

Mr. George G. Barber
Fred F. French Building
551 Fifth Avenue
New York City

My dear Mr. Barber:

In accordance with our conversation of yesterday I quote below the paragraph from Dr. Stuart's letter of October 1st with reference to redesignation of the Harvard-Yenching Institute grant to Yenching University for Natural Science work, 1934-35.

"I am writing to ask that our Board of Trustees make a request to the Harvard-Yenching Trustees that the US$12,500 granted for our natural science work be given this year without restriction. The reason for this is that the Government subsidy of LC$60,000 specifies that $44,000 be used for natural science. We need the whole amount to balance the total University budget and must present to the Ministry a detailed report of expenditures. It would therefore be of very real assistance to us in making the necessary internal adjustments if this request can be acceded to. The Ministry further specified that the larger part of its natural science allotment be for equipment, and even with the change requested herewith we shall find it very difficult to comply. Since our good friends on the Harvard-Yenching Board took this generous action in order to help Yenching as a whole, I venture to hope that if this unexpected development is explained to them they will give further evidence of their readiness to help. Since this is the last year of the grant the issue is simplified."

We hope that you will have an opportunity to discuss this matter with Dean Chase and Dean Donham during the next few weeks. We will await word from you as to the outcome.

With all good wishes for a pleasant holiday season, I am

Very cordially yours,

BAG:MP

YENCHING UNIVERSITY
150 Fifth Avenue
New York, N.Y.

February 25, 1935

President J. Leighton Stuart
Yenching University
Peiping, China

My dear Dr. Stuart:

At its meeting on January 31st our Yenching Executive Committee asked me, as Chairman of the Committee, to write you a summary of the Committee's discussion concerning the reorganization of the Board of Managers.

We all appreciate the difficulties you encounter in your efforts to secure approval from the Board of Trustees on matters where conditions on the field require you to act promptly. Often, without anyone being to blame, the Trustees find themselves in the position of having to ratify some proposal long after it has become an accomplished fact. We realize that in the present instance the Trustees have been unusually slow in taking action on the reorganization of the Managers proposed at the Annual Meeting of that Board on June 23rd, 1934, and described to us first in your letter of June 25th. Normally, a meeting of the Yenching Trustees is held during the autumn, but this year it was impracticable for various reasons to hold such a meeting, and the matter has therefore had to be held over.

The Executive Committee, did, however, express its regret that the field has found it necessary to carry out certain features of the reorganization of the Board of Managers without first securing an expression of judgment from the Board of Trustees, formulated after we had had time to consult with the Mission Boards cooperating in the University. The reduction from eight to four of the representation from the participating missionary bodies on our Yenching Board of Managers is a fundamental change in the general plan upon which the University has been founded and maintained, and we should not make it without giving all the participating groups an opportunity to express their frank and unhurried views. This necessarily takes time. The Yenching Trustees cannot amend the Section of our Constitution defining the composition of the Board of Managers without obtaining the approval of a majority of the cooperating Boards. This is a slow process even when everyone is agreed as to the desirability of a proposed amendment, and when there is any marked difference of opinion, still more time is required. The Executive Committee pointed out that it would apparently have been possible to carry out the instructions of the Chinese Ministry of Education reducing the membership of the Board of Managers from twenty-one to fifteen by the comparatively simple process of discontinuing the five University representatives (which are dropped in the proposed reorganization anyway), and leaving one of the coopted positions unfilled, thus not disturbing the representations from missionary bodies until we had had time to consult with our participating Mission Boards.

We recognize that under the present process it is sometimes difficult to secure as representatives of the various Mission bodies outstanding Chinese man and women. We do fear, however, that the other alternative of reducing missionary representation to four members - all of whom are to be appointed only after consultation with the University authorities - and having all the remaining eleven coopted members, will create more numerous and more perplexing problems than it will solve. The Executive Committee would have preferred that our Board of Managers adopt one or the other of the following alternatives: -

First, that the representation of the participating missionary groups on the Board of Managers be defined somewhat as follows:-

"The bodies which founded the University shall appoint eight members, at least four of whom shall be Chinese, and all of whom shall be appointed according to a process to be mutually agreed upon"; or

Second, that the representation of the cooperating missionary bodies remain at four as the Managers proposed, but that four other members be appointed by the Chinese Christian Churches which are now growing up to carry forward the work originally begun by the four cooperating Mission bodies. These four representatives from the Chinese Churches could, of course, be selected after consultation between the University and the bodies concerned, in the same way as the representatives of the Missionary group.

Under either of these two alternatives a majority of the Board of Managers would still be representatives of the Christian forces carrying on the University. This, we believe, would be a much more wholesome arrangement than that of having a Board where seventy per cent of the members are coopted, and where the representation of the supporting Christian groups is so small that there is danger of their losing their interest and their sense of responsibility for maintaining and supporting Yenching.

The Annual Meeting of the Yenching Trustees will be held about May 16th. This will give you time to send us the views and recommendations of the field on these important questions. The Yenching Trustees are, as always, anxious to cooperate with the field to the best of their ability, and do not wish to obstruct developments which you on the field having a greater familiarity with all the circumstances involved find to be necessary. On the other hand, the Trustees are responsible to the Mission Boards which have created the institution to guard against any major change in policy which not only would be contrary to the principles upon which the University has been carried on, but also would jeopardize much of the support the institution is now receiving.

With warmest personal regards, I am

Very cordially yours,

/s/ George G. Barber

(Excerpt from Minutes of Annual Meeting,
Yenching Trustees, - May 16, 1935)

PROPOSED REORGANIZATION OF THE BOARD OF MANAGERS

The Committee reviewed the action taken by the Executive Committee on January 31st, 1935 with reference to the proposed reorganization of the Board of Managers. This proposed reorganization reduces the membership of the Board of Managers from twenty-one to fifteen and reduces representation from the cooperating Missions from eight to four. These proposals were submitted by the Executive Committee to the four Mission Boards cooperating in the University with the request for their approval or disapproval. Up to the date of the meeting of the Trustees, replies had been received from three of these Boards as follows:-

On March 15th Miss Eleanor Wilson reported the following action of the Prudential Committee of the American Board:-

"Voted, that the American Board approve the proposed amendment of sections 1 and 2 of Article VII of the Constitution of Yenching University defining the composition of the Board of Managers."

On March 22 Dr. Courtenay H. Fenn reported the following action by the Executive Council and the Presbyterian Board:-

"Having been consulted by the Executive Committee of the Board of Trustees of Yenching University as to a proposed amendment to Article VII of the Constitution of the University, which would reduce from eight to four the representation on its Board of Managers from the four participating Missions, the Presbyterian Board expressed strong unwillingness to accept such reduction of Mission influence and the increased cooption which would render the Board of Managers of the University almost self-perpetuating. To insure sufficient Chinese membership to meet Government requirements, each Mission might elect a Chinese as one of its two representatives."

On April 1st, Mr. T. Cocker Brown wrote that he had submitted the proposal concerning the reorganization of the Yenching Board of Managers to the China Committee of the London Missionary Society, and that the Committee had approved of the proposed amendment.

On April 24th Mr. J. F. Peat wrote that at its meeting on April 18th the Executive Committee of the Board of Foreign Missions of the Methodist Episcopal Church had approved the proposed reorganization of the Yenching Board of Managers.

In accordance with the instructions of the Executive Committee, Mr. Barber wrote to President Stuart on February 25th, informing him of the discussion and suggestions of the Executive Committee with regard to this proposed reorganization of the Board of Managers and asking Dr. Stuart's views on these matters. On April 26th Dr. Stuart cabled as follows:-

"ABSENCE PREVENTED REPLY TO MR. BARBER'S LETTER OF FEBRUARY 25 IN TIME FOR ANNUAL MEETING. REFER PREVIOUS CORRESPONDENCE."

After extended discussion, it was

T-3398 VOTED to approve the amendment of Section 1 and 2 of Article VII of the Constitution of Yenching University, defining the composition of the Board of Managers, in the form recommended by the field authorities of the University, except that the Trustees favor the appointment of eight members of the Board of Managers by the bodies which founded the University, instead of four members as proposed by the field.

The amended form of these sections, as approved by the Trustees, is as follows:-

1. There shall be a Board of Managers in North China to be composed of not to exceed fifteen members.

2. The Board of Managers shall be constituted in accordance with the following provisions:-

(a) The bodies which founded the University shall appoint, according to a process mutually agreed upon, eight members.

(b) The above constituted members shall elect from the country at large seven additional members.

(c) Of the fifteen members composing the Board, the foreign members shall not exceed one-third, and at least one-fifth shall be women.

(d) The Chancellor and the President of the University and the Dean of the College for Women may attend the meetings of the Board, but without vote.

(e) An essential and the sole religious qualification for membership shall be profession of evangelical faith in and loyalty to Jesus Christ.

(f) The term of office of the members of the Board of Managers shall be for such periods as shall be provided in the By-laws of the said Board and approved by the Board of Trustees."

The Board requested that the Secretary, when communicating with the field authorities, should inform them that the Trustees would be very happy to see the growing Chinese Churches given official recognition on the Board of Managers, and would favor the appointment of four of the eight representative members on the Board of Managers from these Chinese Churches, rather than from the Missions themselves, if this is found to be a feasible procedure.

COPY

September 9, 1935

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

My dear Mr. Garside:

Your letter of February 25* to President Stuart expresses a certain uneasiness, on the part of the Trustees, regarding the decrease of Mission representatives from eight to four.

Rather than bring this matter before the entire Board, Dr. Stuart, early in July, called together the Mission representatives on the Board to review their action in the light of your letter. I wish to say at the very outset that we are all very sympathetic with your statement of the problem. As the discussion proceeded, it was remarked more than once that we all agreed in principle.

The points you raised were discussed quite thoroughly. There are certain aspects of these problems which we who live and work in China will inevitably see in a different light from those who do not have this intimate contact with the actual situation. It is rather interesting that the representatives of the Missions, together with Mr. Dwight Edwards and Dr. Stuart, all agreed that the original proposal to have only one member from each Mission was based on sound judgment and insight. It was their conviction that the decrease would not jeopardize the vital interests of the Missions, but on the contrary would conserve their spiritual influence in this cooperative undertaking. It is unfortunate to think of Mission representation quantitatively. In any case, there is adequate representation to safeguard any and every legitimate interest. There is no cleavage in the Board between Mission and non-Mission interests and groups, nor has there been.

We desire most respectfully and earnestly to submit for the consideration of the Trustees the following:-

1. The question of Mission representation was fully discussed at the first meeting in June, 1934, and the representatives of all four of the Missions heartily approved of the change from eight members to four. This action was approved by the local Missions and by the China Council of the Presbyterian Church.

2. For the participating Missionary bodies to retain eight members, on a Board of fifteen, would be untactful, and we think, unreasonable. It would be untactful for it might suggest a lack of confidence, making it appear that cooperation is possible only when there is the comfortable assurance of majority control. The contribution of the Mission Boards to the University has been enormous and continues to be so, but there are other factors to be considered in determining representation on a Board of Managers. The situation is different from what it was when Yenching University was first organized. There is, for example, the fact of the Million Dollar Endowment Campaign in China. It is hoped that in the future, increasing sums will be contributed by Chinese. Undue Mission representation might easily militate against Chinese cooperation.

3. The suggestion that four of the members be representatives from the Church sounds most reasonable. But at present, there is no Chinese Presbyterian

(*Editorial Note:- The letter referred to was written by Mr. Barber instead of Mr. Garside.)

Church, neither is there an L.M.S. Church. The Kung Li Hui (American Board) is partly inside the Church of Christ in China and partly outside. It would be difficult, if not impossible, to effect such representation. Besides, the Church itself, in this broad and national sense, has not developed a consciousness of these large educational problems and their bearing on religion. Her representatives might not always be an asset to the University. However, it should be pointed out that in all probability the coopted members would be "from the Church" even if not appointed by the Church, because of the provision in the constitution, namely their "Profession of evangelical faith in and loyalty to Jesus Christ."

4. Provision is being made in the School of Religion for an Advisory Council to cooperate with the School. In this, the Church would naturally have a direct representation. It is to this department of the University that the Church is most vitally related.

Respectfully yours,

Signed: Wm. H. Gleysteen
A. Baxter
Rowland Cross
O. J. Krause
D. W. Edwards
Earle H. Ballou

Letters to Dr. Stuart attached to September 9th
Communication from Mission Representatives:-

From Mr. Earle H. Ballou — September 13, 1935

"I have your letter of the 11th inclosing the letter written by Mr. Gleysteen to Mr. Garside. I am returning it with my signature. At the time, I wondered a bit at my having been included in that conference, inasmuch as I am not a member of the Board of Managers of the University. I shall not feel offended if on that account you do not include my name when you send the letter on to New York. I was sure at the time that your secretary asked me personally, and so I went along.

I have no criticism or alteration to suggest, beyond saying that it seems to me that on the day of our conference we took a somewhat stronger position in support of the original action of the Board out here than Mr. Gleysteen presents in his letter. I should be glad to have the attention of the people in New York brought as forcibly as possible to the position which you and your colleagues in the University administration feel to be the wisest for the future."

From Mr. Alex. Baxter — September 18, 1935

"Thanks for your letters received recently with enclosures regarding the Yenching School of Religion, and also a letter addressed to Mr. Garside. I am returning the letter to you signed, and I am fully in agreement with it. Moreover, both our L.M.S. China Council and our home Board have agreed to the change in representation, so that there is really no issue so far as the L.M.S. is concerned. We have just been carrying out a similar reduction in Cheeloo.

I take it you have sent a copy of the documents concerning Yenching to Mr. Cocker Brown in London. If not, I shall be glad if you will do so, as they strengthen materially the recommendation we are sending home from our China Council, which has just concluded. What we have proposed has still to be considered by our North China Synod and District Committee, and of course has to receive the sanction of the Board at home, so that at present it cannot be taken as official. We have very strongly recommended the appointment of Mr. Jowett Murray to the Yenching School of Religion for New Testament work, and I sincerely hope this recommendation may be carried through before he returns from furlough next year.

I trust Mr. Tayler's appointment is now confirmed, and that he is settling down happily to work at Yenching. I saw him and Mrs. Tayler on their way through, and I thought he looked very much more cheerful and assured. I trust this is proving to be the case."

Seen by E. B. M.

October 29, 1935

Mr. George G. Barber
551 Fifth Avenue
New York City

My dear Mr. Barber:

In accordance with your request, I am giving comments and information on various matters dealt with by President Stuart in his letter he wrote you on August 9th, 1935.

It seems to me that such a letter as Dr. Stuart has written can be very valuable both to the Yenching Trustees and to the field authorities of the University. Obviously, the group on the field have not always had full information as to what the Trustees are doing and planning, and have lacked adequate opportunity to familiarize themselves with situations and considerations which have made it wise for the Trustees to do certain things and to refrain from others. No doubt the Trustees have been equally lacking in information and perspective for understanding the actions and the viewpoints of the field. Only by frank and friendly interchange of information and views, and by constant and earnest efforts of each group to understand the other, is it possible to secure and to maintain our sense of unity in a common task. Sometimes it is desirable to remind ourselves that all of us are equally intent upon serving the truest interests of Yenching, even though we may approach this common objective from different directions.

<u>The Investment of Natural Science Endowment in a Chinese Bank.</u> Dr. Stuart sincerely believes that had the Trustees immediately accepted the proposal of Mr. Chou Tso-min and placed in Dr. Stuart's hands for deposit in the Kincheng Bank the US$250,000 received from the Rockefeller Foundation, Yenching would now have US$1,000,000 in endowment for Natural Science, instead of $500,000. He also points out that if Mr. Chou's proposal had been successfully carried through it would probably have encouraged other substantial gifts from Chinese sources.

As you know, the Trustees are at one with Dr. Stuart in their warm appreciation of the generosity and sincere interest in Yenching which prompted Mr. Chou to make his proposal, and in their regret that it was not possible to meet all the conditions of his offer. They regret that they could not go quite the whole way toward carrying out Dr. Stuart's recommendations. But I believe the Trustees are also convinced that they could not go further than they did, for the following reasons:-

1. As trustees, they had neither the legal nor the moral right to turn over trust funds without thorough investigation and without requiring adequate safeguards. Even though they might be entirely confident of Mr. Chou's integrity and business ability, they could not turn $250,000 over to him in a way which not only took it completely out of the hands of the Yenching board's legally responsible for it, but which left little or no protection against such contingencies as Mr. Chou's death, alienation of interest, or failure in business, or to other losses and misfortunes which might be incurred while administering the fund.

2. The Yenching Trustees were never quite sure that the terms of Mr. Chou's proposal met the conditions of the Rockefeller Foundation's gift, and later developments seemed to confirm their fears. The Committee which consulted with representatives of the Foundation in September, 1930, came away convinced that the officers of the Foundation were strongly of the opinion that at no time did the proposals of Mr. Chou meet the conditions of their gift. While the Foundation paid over their $250,000 in good faith on representations from China, they might well have asked for the return of this money as soon as they became better acquainted with the exact nature of Mr. Chou's proposal. Had the money been sent to China, this would have created a most embarrassing situation from every angle. Even if the Rockefeller Foundation had not demanded the return of this $250,000, we would probably have lost their confidence and good-will, and with these all hope of any further support for Yenching University.

3. Certain aspects of Mr. Chou's proposal were so contrary to established practices of administering trust funds in North America and Great Britain that for our Yenching Trustees to have accepted them would at best have subjected us to criticism and perhaps loss of some of our supporters and Trustees. And had any serious trouble arisen as a result of this gift, it might easily have wrecked the whole structure we have built up here in America for securing future support for Yenching.

Looking at the matter from this standpoint, it may be a fair conclusion that the Yenching Trustees handled in the wisest way they could an extremely difficult problem. They managed to preserve the confidence and good-will of the Rockefeller Foundation. They rallied the friends of Yenching for a remarkably successful drive which met the conditions of the revised conditional grant of the Foundation for $250,000.

An endowment of $500,000 is now actually in hand and earning a steadily increasing income. In contrast with Dr. Stuart's conviction that had the Trustees followed a different policy the University might now have $1,000,000 Natural Science endowment, is the belief of the Trustees themselves had they followed that policy they might have lost not only the $500,000 now in hand but also the even greater asset of the confidence of Yenching's American friends. Where the truth actually lies is a question which both sides should study carefully and dispassionately.

Dr. Gee. The Trustees are in the fullest agreement with Dr. Stuart that Dr. Gee is a thorough Christian gentleman who for the last three years has served Yenching with the highest loyalty and devotion. No one could possibly have been more faithful, more earnest, or more unsparing of himself. Dr. Gee won the respect and affection not only of the Yenching Trustees but of all our American constituency with whom he came in contact.

Dr. Gee exerted himself to the utmost to master the difficult technique of publicity and promotion, to make the radical changes involved in transferring his activities from a position of authority in the executive field to one which involved many of the unpleasant aspects of soliciting funds, to overcome the innate courtesy and reticence which made it extremely difficult for him to exert the pressure which must often be applied to secure gifts. He worked also under the psychological handicap revealed by Dr. Stuart's statements that Dr. Gee "wrote frequently complaining of the treatment he received from Pierce and Hedrick, the Associated Boards," and even the Yenching Trustees themselves, "and of the way he has been hampered" by having to work in cooperation with these groups - all of whom were likewise endeavoring to serve Yenching, were eager for the success of the Yenching promotional work, and were sincerely trying to cooperate at every point with Dr. Gee.

The Yenching Trustees have given cordial recognition to the fact that Dr. Gee rendered excellent service in a period of great difficulty. In deciding that the time has arrived for the next step in closer cooperation with the other Christian Colleges of China, the Trustees had only praise for Dr. Gee and his work.

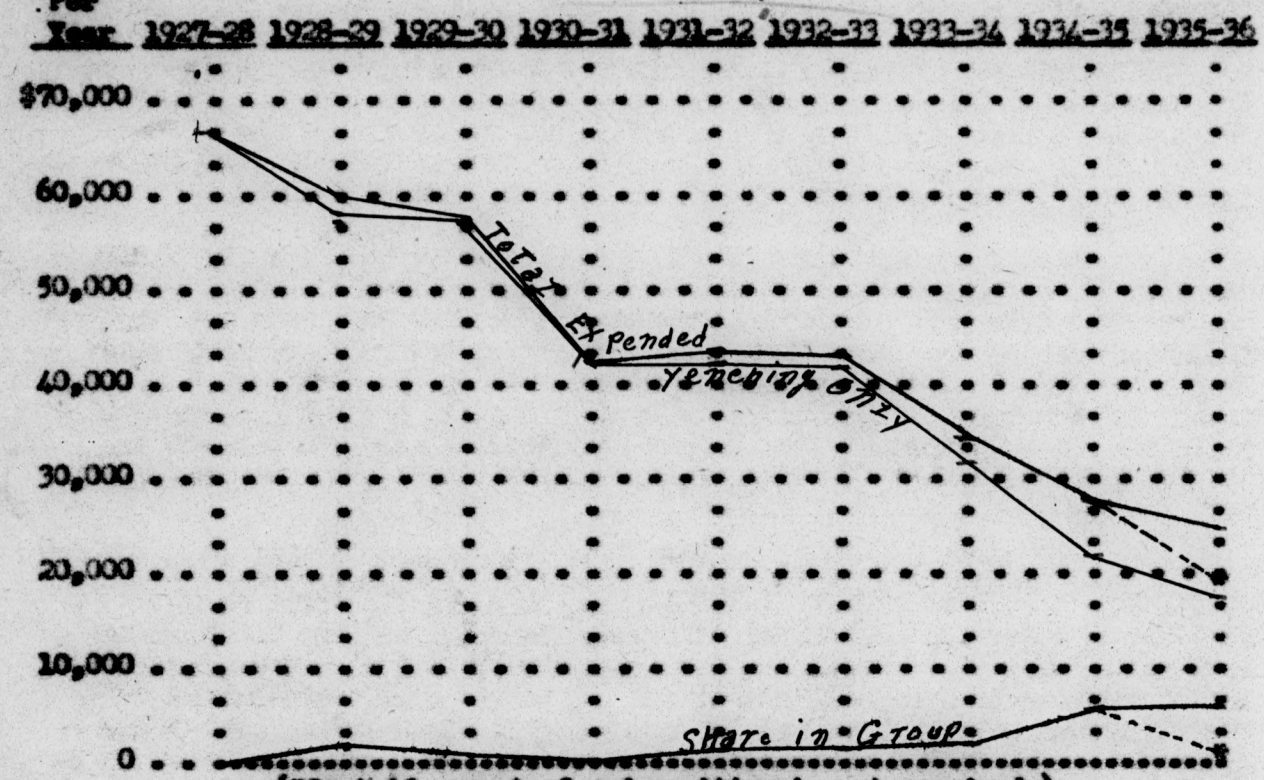
The Associated Boards. As Dr. Stuart points out, the field and the Trustees are in complete agreement as to the objectives of cooperation and concentration in our Christian higher educational work in China, but do not always agree as to the most practical methods of attaining these aims. The matter has been discussed at such length that it would be unwise to go into these questions again at this time.

But we should examine more closely Dr. Stuart's belief that Yenching's share of the cost of this joint enterprise is disproportionate to the benefits it is receiving. Since this is a question of dollars and cents, it can be settled only by a careful study of actual expenditures of a period of years, both for distinctively Yenching work and for our share in the cooperative enterprise.

I attach hereto an analysis of all expenditures for the administration and promotion of Yenching in North America during the nine fiscal years since I first became related to the work of the Yenching Trustees in 1927. The trend in our expenditures at the home base, both for distinctively Yenching work and for our share in the group of China Colleges, during this period of nine years is revealed by the following chart:-

Yenching University

EXPENDITURES AT HOME BASE
1927-1935



(*Cost if amount of underwriting is not required.)

This radical reduction of expenditures has been effected despite the fact that in many ways the responsibilities and activities of the Trustees have been increasing during this period. A part of this reduction has been made possible by greater concentration of the various divisions of our Yenching groups - the work of the Princeton-Yenching Foundation and the Yenching College Committee having been brought into closer relationship with that of the Trustees. But the major part of this saving could never have been brought about except through the growing cooperation of the whole group of China Colleges.

The entire amount Yenching has appropriated during these nine years toward these group activities is $20,533, or 5% of our total home base expenses (and we hope for the return of $5,488 of this before the end of this year). Much of the activity paid for by the group's joint budget consisted of necessary work which the Yenching trustees would otherwise have had to perform alone at a cost greater than our contributions of $20,533 to the joint effort, so on this basis alone our participation has meant a net saving to Yenching.

Yet far more has been saved for Yenching by virtue of the fact that we have been carrying on these home base activities to an increasing degree as a member of a well-organized group which has been steadily growing in size, scope, and efficiency. If during this single year of 1935-36 the Yenching Trustees should attempt to carry on entirely alone all the

activities now being performed for them as a member of the united group, the cost would be at least $25,000 greater than our present budget. And in many respects it would be quite impossible for any group of administrative and promotional executives, related only to the Yenching Trustees, to serve the interests of Yenching as effectively as they are now being served within the unified group. Looked at purely from the standpoint of its narrower institutional interests, Yenching is profiting tremendously by its participation with the other China Colleges in its home base activities.

Yet I doubt whether our Yenching Trustees would wish to decide these questions on the basis of institutional interests alone. All of our Yenching Trustees have a general interest, and most of them have very definite interests, in the other Christian universities and colleges of China. They have from the beginning taken the leadership in the development of the Associated Boards and are largely responsible for its present organization, policies, and activities. They deserve large credit for the progress made thus far, and are being counted upon to continue their leadership as this work goes on.

The Yenching Trustees can exert their influence toward the attainment of any one of three goals for the future. The first is for Yenching to sever its connection with the other colleges, and to encounter both on the field and at the home base the rivalries, jealousies and mutual losses which would inevitably follow so long as any substantial number of the other colleges continue to be vigorous and active, hoping that ultimately Yenching will emerge triumphant in such a struggle. The second is for Yenching to go its own independent way in the hope that enough of the other Christian Colleges in China will close up or deteriorate into ineffectiveness until most of the problems of rivalry and duplication are automatically eliminated. The third is for Yenching to continue as the leader of these China Colleges both on the field and at the home base, working patiently and untiringly in the interests of closer cooperation until sooner or later that goal is achieved. We all recognize the difficulties, delays, and discouragements which have been encountered - and may still be met - along that third course. But I sincerely believe that it offers a greater future and a wider scope of service for Yenching than could either of the other two alternatives.

I will not in this letter enter into a discussion of the specific questions raised by Dr. Stuart concerning arrangements with Mr. K. A. Wee, relation between the Yenching and the Associated Boards promotional budgets, and the like. These are dealt with in a letter I wrote Dr. Stuart on September 16th, a copy of which I attach hereto.

Very sincerely yours,

BAG/G

Enc. 3

Summary of Discussions and Actions
Concerning Investment of Natural Science Endowment in a Chinese Bank

On May 22, 1929, the Rockefeller Foundation made its first provisional grant for the endowment of work in Natural Science at Yenching University by appropriating $250,000 on condition that payments would be made "pro rata with collections made by the University and only after the University shall have secured cash and-or legally valid pledges for the supplemental sum of $250,000 for the same purpose."

On October 15, 1929, Dr. Stuart wrote Dr. Gee, at the Rockefeller Foundation office in Peiping, stating that "there has been deposited to my credit for Yenching University at the Kincheng Bank the sum of LC$625,000 to meet the conditional grant of Gold $250,000 from the Rockefeller Foundation for the maintenance of our pre-medical sciences - -".

At about the same time Dr. Stuart wrote our New York office, informing us that "there are certain conditions attached to the pledge of our Chinese friend which I would like to take up with the Trustees promptly after my arrival in New York", and suggesting that if the Rockefeller Foundation paid over the $250,000, "the money be invested on some short term basis not to exceed six months." On November 29, 1929, the $250,000 was received from the Foundation, and was at once placed on special deposit in the National City Bank of New Rochelle at 4% interest.

Dr. Stuart arrived in America in December, 1929, and at once reported verbally on the proposal of Mr. Chou Tso-min and asked the Trustees' acceptance of it. About four months of meetings and discussions followed, during which the matter was studied from every angle. Dr. Stuart preferred to present the matter in person rather than to make a written statement of Mr. Chou's proposition, and for some time many of the Trustees felt they did not clearly understand all the details of the offer. To the best of our understanding the essential elements in the proposal were as follows:-

1. Mr. Chou offered to place LC$625,000 to the credit of Dr. J. Leighton Stuart in the Kincheng Bank, of which Mr. Chou was the president, on condition that

2. Yenching University would likewise place in the Kincheng Bank under the direction of Mr. Chou, an equal amount of LC$625,000 (considered as equivalent to US$250,000);

3. Mr. Chou would then administer this combined fund of LC$1,250,000 in whatever ways would, in his judgment, be safest and most productive of profit;

4. From the profit thus derived, Mr. Chou would pay over to Yenching each year for Natural Science, income on this fund of LC$1,250,000 at some agreed rate - probably 5%;

5. The remainder of the profits would be added to the principal and reinvested;

6. As soon as the principal had been increased by this means to LC$1,875,000, Mr. Chou would reimburse himself (or the Kincheng Bank) the sum of LC$625,000 originally advanced and would turn over to Yenching University the remaining LC$1,250,000 as an endowment fund for Natural Science.

Some points not entirely clear to the Trustees were these:- Was the LC$625,000 to be a personal gift from Mr. Chou himself, or was it to be, in part at least, a loan of Kincheng Bank funds? Had the LC$625,000 actually been deposited in the Kincheng Bank to the credit of Dr. Stuart, or was Mr. Chou awaiting the receipt of an equivalent amount from Yenching before making this deposit? Was not the arrangement primarily a personal agreement between Mr. Chou and Dr. Stuart, in which Yenching University as a corporate body had no formal share? If at any time before the fund had been finally turned over to the University it should happen that either Mr. Chou or Dr. Stuart should die, or if Mr. Chou's interest should become alienated, or if either Mr. Chou or the Kincheng Bank should become involved in financial difficulties, what safeguards would Yenching have against the loss not only of Mr. Chou's LC$625,000 but also of the US$250,000 put in his hands?

The Trustees also felt that even if these points could be satisfactorily cleared up, they still were confronted by two serious problems:-

1. They doubted whether even under its most favorable interpretation Mr. Chou's proposal fully met the conditions of the Rockefeller Foundation grant, which obviously required that the University have actually in its permanent possession US$250,000 of bona fide contributions for Natural Science.

2. They questioned whether as trustees they had either the legal or the moral right to permit $250,000 of the trust funds for which they were responsible to pass entirely beyond their supervision and control in such a way as seemed involved in this proposal.

They also felt that from a practical standpoint there were a number of features of this proposal which might cause serious criticism of the Trustees' financial policy and so result in the loss of the confidence and support of many of the Western friends of Yenching.

Yet the Trustees were eager to support Dr. Stuart, to take advantage of Mr. Chou's proposal if at all possible, to stimulate other substantial gifts from Chinese sources. After many meetings of various kinds and much inconclusive discussion, the Board of Trustees, voted during April 1930, that

1. Mr. Chou's proposal be accepted, if an agreement could be reached as to terms.

2. That there be created in China a special committee on investment to consist of Dr. Stuart and three others, these three being (as suggested by Dr. Stuart) Mr. G. R. Bennett, Dr. Dwight Edwards, and Mr. Roger S. Greene; and that this Committee be authorized to negotiate detailed arrangements with Mr. Chou.

3. That permission be sought from the Rockefeller Foundation to place its $250,000 in the hands of this Special Committee on Investment, and that if and when such permission was received, the Treasurer of the Trustees be authorized to put this $250,000 at the disposal of this Committee.

At about this same time (April 16, 1930) the Rockefeller Foundation made a second conditional grant of $250,000 for the endowment of Natural Science at Yenching, allowing five years for this to be matched, and appropriating at the same time an annual grant for Natural Science of $12,500 per year for a maximum of five years on condition that this grant be matched by the same amount from other sources. In anticipation of this second grant from the Foundation the Harvard-Yenching Institute had already agreed (January 20, 1930) to appropriate up to $12,500 per year for five years for Natural Science to match this grant of the Foundation.

The Foundation stated that it had no objection to the investment in China of the endowment funds it had given. When Dr. Stuart returned to China in June, 1930, he carried with him an authorization from the Treasurer of the Board of Trustees to the Special Committee on Investment to draw on the Trustees for the $250,000 of Natural Science endowment funds as soon as the Committee should reach an agreement with Mr. Chou.

But when Dr. Stuart reached Peiping a number of difficulties arose. Mr. Chou had become impatient at the long delay and at the hesitancy of the Trustees to accept his proposal, and was further annoyed by the cautious attitude of at least one member of the Special Committee on Investment. Mr. Bennett and Mr. Edwards were absent from Peiping, and while the Trustees' Finance Committee had already appointed Mr. W. H. Gleysteen and Mr. Lennig Sweet as their alternates, there was some difficulties in reconstituting the Committee on this basis.

In the end, not only did the Special Committee on Investment fail to reach an agreement with Mr. Chou, but Mr. Greene sent to the Rockefeller Foundation a most unfavorable statement concerning the whole matter. Dr. Stuart stated that Mr. Greene's unfavorable impression was due to the fact that the way in which the matter had been handled had caused Mr. Chou first to modify the terms of his original offer and then to withdraw it altogether.

The Rockefeller Foundation informed the Yenching Trustees of their receipt of this communication from Mr. Greene and requested a conference with representatives of the Trustees. A Committee of four, consisting of Mr. Warner, Mr. Barber, Mr. Wannamaker, and Mr. Garside, met with Dr. Mason and other officers of the Foundation near the end of September, 1930.

The position taken by the Foundation was that in view of the information contained in Mr. Green's letter they could only conclude that the conditions of the Foundation's first conditional gift had not been met by Mr. Chou's offer, and that therefore they had been in error in turning over their $250,000 to the Yenching Trustees. They also stated that inasmuch as the Foundation's second conditional grant of $250,000 had been voted under the mistaken impression that the first grant had already been provided for, this second grant would have to be considered as subject to withdrawal. The representatives of the Yenching Trustees agreed to return to the Foundation the $250,000 received from it ten months previously, together with interest on the

amount at the rate of 4% per annum. They requested, however, that the Foundation allow them further time to match the conditions of both conditional grants.

The representatives of the Foundation expressed their judgment that the Foundation would not agree to have two unmet conditional grants outstanding at the same time, but stated that they would recommend a new action to replace the second conditional grant. A little later the Foundation replaced the second grant by a new offer to provide $250,000 for Natural Science on condition that the Yenching Trustees matched this with other gifts before July 1, 1932, the Foundation meantime providing an annual appropriation of $12,500 for the same period.

With the failure of the initial negotiations with Mr. Chou, Dr. Stuart requested that the Trustees transmit to China $250,000 of other endowment funds, and expressed the hope that if this were done, Mr. Chou might still be persuaded to carry out his original proposal. The Trustees discussed this suggestion in several meetings. At one time they had a conference with Mr. G. R. Bennett (originally one of the members on the Special Committee on Investment in China) who, while very friendly to Yenching and to Dr. Stuart, seemed to feel that it would not be wise to accede to this proposal. After viewing the matter from all angles, and recognizing particularly the legal and practical difficulties of finding $250,000 of other endowment funds which could be taken for this purpose, the Trustees decided that it would not be possible to carry out this latest recommendation.

By the end of 1931 the Trustees had made some progress toward meeting the conditions of the revised Rockefeller grant, but in view of the extreme difficulty of securing large gifts in the midst of depression conditions they requested the Rockefeller Foundation to extend for a year or more the time limit of June 30, 1932. On March 28, 1932, the Foundation informed the Trustees that this time limit could not be extended. Thereupon the Trustees launched an intensive campaign and within a period of three months succeeded in matching the conditions of the Rockefeller grant. Payments were made by the Foundation pari passu with the collections of outstanding pledges, and the fund of $500,000 was completed on July 17, 1933.

[illegible] OF HOME BASE ADMINISTRATION AND PROMOTION
YENCHING UNIVERSITY

July 1st, 1927 to June 30th, 1936

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36 (Estimated)	Total
A. Trustees of Yenching University										
1. Administration										
a. Services Central Office	6,436	5,779	7,634	7,857	4,904	4,877	4,972	3,795	4,500	50,754
b. Postage, cables, supplies	564	1,221	866	843	332	370	422	505	425	5,348
c. Trustees-travel, audit, bonds, etc	2,112	1,267	3,053	1,177	1,224	466	738	418	425	10,880
d. Share PEF Administration	-	-	-	-	-	1,633	1,335	954	500	4,422
e. Share ABCFM "	-	1,954	551	-	965	834	1,112	1,112	1,112	7,640
2. Promotion										
a. Yenching promotional office	47,885	38,019	31,233	21,631	23,209	26,711	17,730	9,447	7,405	223,270
b. Share in ABCFM Promotion	-	-	-	-	-	565	1,435	5,405	(2)5,488	12,893
Total Trustees	56,997	48,240	43,337	31,308	30,634	35,456	27,744	21,636	19,855	315,207
B. Yenching College Committee										
1. Administration										
a. Committee's Office	597	202	-	-	-	-	-	-	-	799
b. Services Central Office	-	-	625	-	825	701	700	675	675	4,201
c. Travel, etc.	514	1,433	830	994	966	624	738	144	200	6,443
2. Promotion										
a. Committee's activities	598	202	-	-	-	-	-	-	-	800
b. Share in Yenching Promotion	-	-	-	-	975	829	800	775	775	4,154
Total Y. C. C.	1,709	1,837	1,455	994	2,766	2,154	2,238	1,594	1,650	16,397
C. Princeton-Yenching Foundation										
1 & 2. Admin. and Promotion	(1) 8,325	(1) 9,825	(1) 12,800	10,500	10,531	5,565	4,136	4,860	3,730	70,472
Grand Total	67,031	59,902	57,592	42,802	43,931	43,175	34,318	28,090	25,235	402,076
						Returnable underwriting			5,488	
						Net if underwriting is returned			19,747	
Summary										
1. Total for Yenching Alone	67,031	57,948	57,041	42,802	42,966	41,776	31,771	21,573	18,635	381,943
2. Share in Group of Colleges	-	1,954	551	-	965	1,399	2,547	6,517	(6,600	(20,533
									(or 1,112	(or 15,045

(1) [illegible] charged includes only Yenching's pro rata share in total PEF Field Budget.
(2) [illegible] underwriting only, and is to be returned if ABCFM promotional budget is secured from undesignated gifts.

George G. Barber
551 FIFTH AVENUE
NEW YORK

January 27, 1936.

Ack 2/5/36

Mr. B. A. Garside,
Executive Secretary,
Yenching University
150 Fifth Ave., N. Y. City.

Dear Mr. Garside:

I acknowledge receipt of your letter of January 24th enclosing form of questionnaire and a copy of a memorandum dated January 23, 1936 addressed to "To My Fellow Members of the Board of Trustees."

I have given some thought to this matter over the week-end and I want to say first of all that this seems to me to be something which needs serious consideration. Some Trustees are useful for purposes other than money considerations - some Trustees are the direct representatives of the cooperating boards and I think they could reasonably expect that their Boards should undertake any financial responsibility which might be expected of them as individuals - some Trustees are able to give largely, whereas others could be expected to give very little - some Trustees might reasonably question why Mr. & Mrs. Price should be the beneficiaries and such might have some other suggestion. In view of these sidelines and with the definite understanding that I personally feel kindly disposed toward the suggestion that the Trustees cooperate in the definite undertaking for the benefit of the University, I think my idea of procedure would be as follows;

A letter be sent to each Trustee over the signature of the Promotional Committee to suggest that if the Board of Trustees could cooperate in some definite objective for the benefit of the University, it might help in the raising of funds from the wide circle of friends of the University. Go on to state that the suggestion has been made that the Board of Trustees undertake the sopport of Mr. & Mrs. Harry B. Price at an estimated cost of $2500. per annum - make it clear that this is only a suggestion and if any Trustee has any other objective to suggest we would like to have same. Each Trustee should then be asked to name the extent to which he or she would like to contribute annually to such a Board of Trustees' cooperative commitment. I am afraid it would cause embarrassment and perhaps resignations if each Trustee were asked to contribute $100. per annum. Let's not forget that some Trustees who cannot contribute very much are very useful to the University in other directions and we must not put such in an embarrassing position.

As one Trustee who has had much experience in raising funds for different institutions, may I say that I would be very careful about using the second sentence in the second paragraph of the memorandum addressed "To My Fellow Members of the Board of Trustess." Let's be careful to say nothing that may discount our appeal in the eyes of those able to give largely. If one was asked what the Trustees were doing and the answer was $2500. per annum, I am afraid it would not add much to the efforts of our people in asking for large amounts.

Another thing I should like to say at this time is that as Trustees we must not at this time show any outstanding interest in Mr. & Mrs. Price for fear of causing jealousies within the staff. At some time and some place I heard that Dr. Stuart was thinking in terms of Mr. Price succeeding him, but the Board of Trustees as such is in no position to make any perliminary commitment in that direction at this time.

In closing may I say that I hope no one will think of me as throwing cold water on what seems to be a constructive suggestion. There is great need of giving serious thought to such a proposal because unless the matter is put up to the Trustees in the proper way there is the possibility of destructiveness rather than constructiveness.

Very truly yours,

George G. Barber

GGB:DN

May 25, 1936

Dr. Eric M. North
Mr. George G. Barber

Dear Dr. North and Mr. Barber:

I have read with interest the minutes of the April 27th meeting of the Harvard-Yenching Institute. I have noted with appreciation the excellent way in which you presented a number of items related to the Colleges, individually and collectively.

I have noted with interest the two paragraphs at the bottom of page eleven dealing with the matter of returning to the Institute some or all of the balance of the $25,000 which the Institute gave conditionally to help us complete the Natural Science Endowment Fund in 1932. There are two sentences in these paragraphs in which I need a little further information-

First, the last sentence of the first paragraph states that in due course the Yenching Trustees will make the adjustments necessitated by the shift of Mrs. Henry Pfeiffer's first gift and will report the situation that then results to the Trustees of the Institute. In the letter I wrote you on April 7th, I set forth in some detail, giving exact figures, the situation created by this shift in Mrs. Pfeiffer's gift. Is it your thought that our report should follow somewhat this same form, or should the matter be presented in some different way? To whom should such a report be addressed?

In the second place, Miss Bayley credits Mr. Barber with adding, "that Yenching University is anxious to give back all of the $25,000 payments made to it for its science departments and that he and Dr. North were simply reporting the circumstances so that the Trustees would understand any slight delay there might be in refunding to the Institute part of the $25,000 it advanced to Yenching." I suspect that Mr. Barber did not put the matter in quite that way, for one of the major purposes back of my letter of April 7th was to have you sound out the sentiment of the Trustees of the Institute as to the necessity of any further repayments by the Yenching Trustees toward this $25,000 grant.

To date, we have returned $15,050.08 leaving $9,949.92 not yet returned. With the transfer of $20,000 of Mrs. Pfeiffer's first gift from the Natural Science Endowment to the Pfeiffer Memorial Endowment, we face the necessity of securing $20,000 from other sources to restore the Natural Science Endowment to its normal level of $500,000. All the unpaid pledges outstanding on this Natural Science Endowment total only a few thousand dollars, so when collections are completed (even if there are no losses through unpaid pledges) we will still have a deficit in the Natural Science Endowment of $15,000 or

more which must be made up in some way by securing new gifts. I have been frankly hoping therefore that the Institute Trustees would take the position that they are satisfied with the amount already returned by the Yenching Trustees, and would not expect us to make any further repayments.

I am sending this letter merely to check with you as to your own views on the subject and also the general attitude of the other Trustees of the Institute. Of course, our Yenching Trustees are anxious to follow whatever course the Institute Trustees feel is the proper one.

Very cordially yours,

BAG:MP