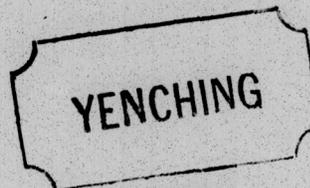


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UBCHEA ARCHIVES  
COLLEGE FILES  
RG 11

Yenching  
Corres  
Galt, H.S.  
1930 Aug

學大京燕  
YENCHING UNIVERSITY  
Peping China



**TRANSFER**

Office of the Treasurer

*file*

August 1, 1930,  
T30-46.

Mr. C. A. Evans,  
Yenching University,  
150 Fifth Avenue,  
New York, N. Y., U. S. A.

Dear Mr. Evans:

We wish to report that we have drawn on you the following drafts:

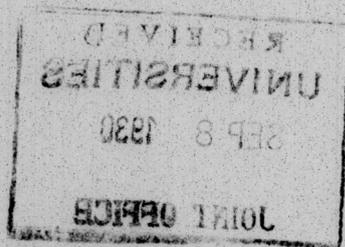
<u>Draft No.</u>	<u>H.S.Amount</u>	<u>Rate</u>	<u>L. C.Equiv.</u>	<u>Account</u>	<u>Auth.</u>
T1080	\$500.00	No.	<i>paid in gold.</i>	Yen Ching- Yueh Travel	Cable July 10
T1081	1000.00	3652	\$3652.00	Campus Improvement	3045 <i>re</i>
T1082	5000.00	3652	18260.00	New Residences 1930	3041 <i>re</i>
T1082	5000.00	3652	18260.00	Boyed Gym-nasium	3003 <i>re</i>

We wish also to report that we have drawn on you the following drafts (see attached list) for our July foreign staff salary. You will note that no rates are given on these drafts. We suggest that all drafts for foreign staff salary to be fixed at the rate of 215, in as much as this was the basis we calculated on in Item I in the Preferential List of the Extra Budget Items. If you think we must use the current rate, then we will have to ask you to increase Item I of the Preferential List accordingly. For the convenience of accounting, we feel it is simpler to fix the rate at 215 than to ask you to reconsider Item I. In both cases it will amount the same to you in gold. We are ready, however, to follow any other proposal you may have in mind.

Yours very sincerely,

*Stephen Tsai*  
Stephen Tsai,  
Associate Treasurer.

<u>Draft No.</u>	<u>Payee</u>	<u>Amount</u>
T 1101	Samuel D. Groff	U.S.\$79.17
T 1102	D. M. L. Bent	156.22
T 1103	Lula Conover	156.22
T 1104	J. L. Stuart	79.17
T 1105	H. L. Hague	79.17
T 1106	B. L. L. Learmonth	150.00
T 1107	L. W. Faucett	66.66
T 1108	J. V. Martin	150.00
T 1109	G. R. Leehr	83.33
T 1110	H. E. Shadick	166.66
T 1111	E. K. Smith	233.33
T 1112	A. M. Boring	79.17
T 1113	B. O. Wilson	217.75
T 1114	E. L. Konantz	79.17
T 1115	William Band	79.17
T 1116	T. M. Barker	150.00
T 1117	Vernon Nash	200.00
T 1118	Myrtle M. Borgeson	79.17
T 1119	Nita Cherry	79.17



237653

<u>Amount</u>	<u>Payer</u>	<u>Draft No.</u>
U.S.\$29.17	Samuel D. Groff	T 1101
156.22	D. M. I. Bent	T 1102
156.22	Lila Conover	T 1103
79.17	J. L. Stuart	T 1104
79.17	H. L. Hague	T 1105
150.00	B. L. I. Beirmonth	T 1106
66.66	L. W. Eggett	T 1107
150.00	J. V. Martin	T 1108
83.33	G. R. Loeber	T 1109
166.66	H. E. Shadick	T 1110
233.33	E. K. Smith	T 1111
79.17	A. M. Boring	T 1112
217.75	E. O. Wilson	T 1113
79.17	E. I. Konantz	T 1114
79.17	William Band	T 1115
150.00	T. M. Parker	T 1116
200.00	Vernon Nash	T 1117
79.17	Myrtle M. Borgeson	T 1118
79.17	Nita Cherry	T 1119

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 SEP 8 1930  
 JOINT OFFICE

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YENCHING UNIVERSITY  
Peping China

Office of the Treasurer

August 1, 1930,  
NO. T30-47.

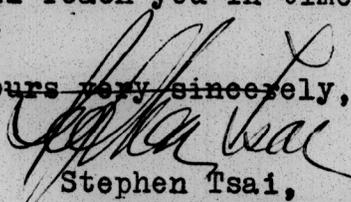
Mr. B. A. Garside,  
Yenching University,  
150 Fifth Avenue,  
New York, N. Y., U. S. A.

Dear Mr. Garside:

As requested by the Trustees' Finance Committee, we are enclosing herewith a certificate from the Auditors regarding to the status of Jane Field Bashford Endowment Fund now held in the books of the University. We are very sorry that through our ignorance, this has caused so much trouble, we hope that the statement of the Auditors will clarify things.

We are also sending you herewith statements for the College of Applied Social Sciences and Pre-medical Departments for the year ending June 30, 1930. These statements are self explanatory. I believe no comments are necessary. We also enclose the the Auditor's statement of the Harvard Yenching Institute for the year ending June 30, 1930. We have specially rushed this through, because you wrote in one of your letters to send them as early as possible. We hope that this will reach you in time for the meeting of the Institute.

Yours very sincerely,

  
Stephen Tsai,  
Associate Treasurer.

ST:w

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YENCHING

Expenses of the Departments of Biology,  
Chemistry & Physics.  
1929 — 1930

I. Cost of Staff

1. Biology Salary	\$13,749.58	\$	
"    Rent	<u>2,749.92</u>		16,499.50
2. Chemistry Salary	18,516.79		
"    Rent	<u>3,703.36</u>		22,220.15
3. Physics Salary	12,647.49		
"    Rent	<u>2,529.50</u>	<u>15,176.99</u>	53,896.64

II. Departal Expenses

1. Biology Supplies	\$ 4,314.39		
"    Equipments	<u>2,350.22</u>		6,664.61
2. Chemistry Supplies	2,277.98		
"    Equipments	<u>4,668.13</u>		6,946.11
3. Physics Supplies	2,308.06		
"    Equipments	<u>5,694.62</u>	<u>8,002.68</u>	21,613.40

III. Gas Plant Operation

3,973.83

\$79,483.87

YENCHING UNIVERSITY  
*Associate Treasurer*  
Associate Treasurer

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YENCHING

Expenses of the Department of Biology,  
 Chemistry & Physics.  
1930 - 1930

I. Cost of Staff

\$13,749.88	\$13,749.88	18,499.50	1. Biology Salary
			" "
18,818.79	3,705.32	22,524.11	2. Chemistry Salary
			" "
15,847.49	2,529.50	18,376.99	3. Physics Salary
			" "
33,898.64			

II. Deprecial Expenses

4,314.39	2,380.25	6,694.64	1. Biology Supplies
			" "
6,277.93	4,888.13	11,166.06	2. Chemistry Supplies
			" "
5,208.00	2,694.82	7,902.82	3. Physics Supplies
			" "
15,799.32			

III. Gas Plant Operation

3,972.83  
 270,482.87

YENCHING UNIVERSITY  
 President

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13

College of Applied Social Sciences  
1929 - 1930

YENCHING

I. Income

1. Princeton in Peking	G\$10,125.00	LC 25,990.26
2. L. S. R. Fund	25,000.00	65,079.89
3. L. M. S. for Tayler		4,200.00
4. University		<u>8,300.00</u>
	Total	103,570.15
Less Joint Office Expenses		<u>2,971.62</u>
Balance to be divided equally among 3 depts.		LC100,598.53
Per departmental share		LC 33,532.84

II. Departmental Expenses

<u>1. Economics</u>		
a. Salaries & rentals	LC25,130.00	
b. Books & equipments	2,377.29	
c. Office supplies & expenses	1,638.27	
d. Research & extension	2,942.28	
f. Scholarship	<u>350.00</u>	
Total expenses	32,437.84	
Surplus	<u>1,095.00</u>	33,532.84
<u>2. Political Sciences</u>		
a. Salaries & rentals	LC22,075.00	
b. Books & equipments	4,223.29	
c. Office supplies & expenses	2,246.06	
d. Lecturer's fund	963.50	
f. Scholarship	<u>1,350.00</u>	
Total expenses	30,857.85	
Less balance from Special Fund	<u>99.00</u>	
Surplus	<u>30,758.85</u>	
	<u>2,773.99</u>	33,532.84
<u>3. Sociology</u>		
a. Salaries & rentals	LC19,823.58	
b. Books & equipments	6,573.24	
c. Office supplies & expenses	2,978.15	
d. Research & extension	3,693.51	
f. Scholarship	<u>600.00</u>	
Total expenses	33,668.48	
Deficit carried forward	<u>135.64</u>	33,532.84

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YENCHING

YENCHING UNIVERSITY

*12/18/30*

Associate Treasurer

YENCHING

College of Applied Social Sciences  
1929 - 1930

I. Income

1. Princeton in Peking	10,150.00	10,150.00
2. I. S. R. Fund	25,000.00	25,000.00
3. I. M. S. for Taylor	4,500.00	4,500.00
4. University	3,300.00	3,300.00
	<u>103,950.13</u>	
	2,971.62	
	<u>101,000,988.51</u>	
Per departmental share		10,33,532.84

II. Departmental Expenses

<u>Economics</u>		
1. Scholarship	350.00	
2. Research & extension	2,942.22	
3. Office supplies & expenses	1,038.27	
4. Books & equipments	2,377.29	
5. Salaries & rentals	102,130.00	
	<u>1,095.00</u>	
	32,437.84	
	<u>1,095.00</u>	32,532.84
<u>Political Sciences</u>		
1. Scholarship	1,350.00	
2. Lecturer's fund	962.50	
3. Office supplies & expenses	2,246.00	
4. Books & equipments	4,223.22	
5. Salaries & rentals	102,075.00	
	<u>30,857.62</u>	
	20,728.82	
	<u>2,773.99</u>	32,532.84
<u>Sociology</u>		
1. Scholarship	600.00	
2. Research & extension	3,692.21	
3. Office supplies & expenses	2,978.16	
4. Books & equipments	6,873.84	
5. Salaries & rentals	101,922.58	
	<u>138.04</u>	
	32,668.48	
	<u>138.04</u>	32,532.84

YENCHING UNIVERSITY  
Associate Treasurer

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YENCHING

**TRANSFER**

Yenching University

August 1, 1950

*aud'd 9/26/30*

Mr. Stephen Tsai,  
Yenching University  
Peiping, China

My dear Mr. Tsai:

In paying the bills which the Central Scientific Company presented we find that the orders for the Department of Physics amount to \$1,653.47 which is greatly in excess of the amount indicated in your letter of June 5. Although we have received no authorization, we are also paying bill for chemistry supplies in the amount of \$347.45.

We trust that our action in taking care of these invoices will meet with your approval.

Very sincerely yours,

CAE-H

YENCHING

學大京燕  
YENCHING UNIVERSITY  
Peping China

INDEXED

Office of the Treasurer

August 5, 1930,  
No. T30-48.

**TRANSFER**

Mr. C. A. Evans,  
Yenching University,  
150 Fifth Avenue, New York,  
N. Y., U. S. A.

Dear Mr. Evans:

Your letter of May 27, 1930 to Miss Cookingham was referred to us. Mr. Beddow has placed in my hands the following memo. to be transmitted to you:

"With reference to New York letter of May 27th addressed to Miss Cookingham and dealing with Houses 30, 57, and 58.

I regret very much the confusion caused in this matter.

Dr. Galt's letter was written from information supplied by me. At that time I had no knowledge of the transactions between the Men's & Women's Colleges regarding these residences.

Later, when in the Women's College, carrying out their audit, the full position was explained, and I found it necessary to eliminate all reference to Houses 57 and 58 from the Men's College books. Therefore a letter should have been drafted by me at the time cancelling Dr. Galt's letter of April 8.

I then instructed Miss Cookingham to write her letter of April 26. The figures in this are correct. Will you therefore ask New York Office to correct their Women's College Journal Entry No. 32 as follows:-

Dr. Building Operations Residences G\$3926.85 L.\$11134.24

Cr. Fund for Residences G\$3926.85 L.\$11134.24

The differences in the figures between Dr. Galt's letter and Miss Cookingham's are caused by

(1) After Dr. Galt's letter was written and Residences 57 and 58 were handed over to the Women's College, the latter carried out certain additions and alterations to them which

*cancelled  
by G.A. #40  
9/1/30*

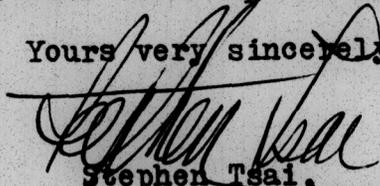
*J.V.H. #41  
9/1/30*

they charged to Surplus Funds. These cost L\$1353.50

(2) The G\$ figures used in Dr. Galt's letter were fixed equivalents while the Women's College G\$ figures were made up to coincide with figures previously in their books. The Women's College paid for the extra cost of Houses 57 & 58 over House 30 out of surplus funds which already had G\$ equivalents allotted to them."

I hope that this will clear up matters with you.

Yours very sincerely,



Stephen Tsai,  
Associate Treasurer.

ST:w

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YENCHING UNIVERSITY  
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YENCHING

Office of the Treasurer

August 5, 1930,  
No. T30-49.

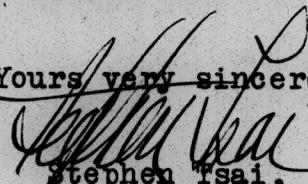
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TRANSFER

Mr. C. A. Evans,  
Yenching University,  
150 Fifth Avenue, New York,  
N. Y., U. S. A.

Dear Mr. Evans:

We have received a copy of the minutes of your Finance Committee of June 11 and also Mr. McBrier's letter of June 18 with reference to the relation of the Women's College to the Treasurer's Office. We are glad that this delicate question is at last settled. We will try every effort to make the Women's College feel that their entity is not affected by the amalgamation of the treasurer's offices.

Yours very sincerely,



Stephen Tsai,  
Associate Treasurer.

ST:w

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YENCHING

file  
②

Office of the Treasurer

August 5, 1930,  
No. T30-50.

TRANSFER

Mr. B. A. Garside,  
Yenching University,  
150 Fifth Avenue, New York,  
N. Y., U. S. A.

Dear Mr. Garside:

I am writing to acknowledge receipt of the following letters:

G30-6-20-1:- No comments necessary.

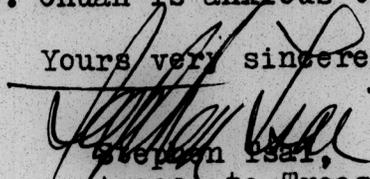
G30-6-21-1:- We are glad to have these authorizations on hand on the Boyd Gymnasium. We had sent a memorandum to Mr. Chuan, our Comptroller, to give us information as to when the balance of this fund is needed. As to the plan for purchase of equipment in America, I believe Dr. Galt had already communicated with you.

G30-6-21-2:- No comments necessary.

G30-6-21-3:- We are glad that the amount for C. F. Chou's salary is G\$1000.00. We are also glad to have on hand the authorizations on the New residence fund.

G30-21-6-4:- We are looking forward to the approval of our request for further expenditure on Bashford Hall by the Finance Committee. We hope that your authorization will come in the near future, as Mr. Chuan is anxious to have the work completed.

Yours very sincerely,

  
Stephen Tsai,  
Associate Treasurer.

ST:w

John's  
hand the

approval of our  
by the Finance  
in the  
work completed.

UNIVERSITIES

SEP 4 1930

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學大京燕  
YENCHING UNIVERSITY  
Peping China

file



Office of the Treasurer

ack 8/30

August 5, 1930,  
No. T30-51.

**TRANSFER**

Mr. C. A. Evans,  
Yenching University,  
150 Fifth Avenue, New York,  
N. Y., U. S. A.

Dear Mr. Evans:

We wish to acknowledge receipt of the following letters:

L30-6-23-1:- We wish to acknowledge receipt of this and its enclosed draft for \$7188.25 l.c. on account of C. M. B. grant.

E306-23-1:- We are glad to have the authorizations to draw on the Campus Improvement Fund and we also noted that you have dealt with Dr. Stuart's travel expenses.

E306-24-1:- I think further information on Fairbanks & Morse engine has come. You will hear from the field later on this matter.

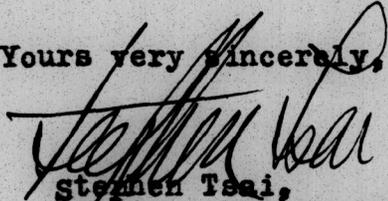
E30-6-25-1:- We have noted the contents and will take care of the charges in our books.

E30-6-25-2:- We are glad you have increased your Authorization 3021 by L.C. \$225.74 and we will see that adjustments are properly made.

E30-6-25-4:- I do not think we have reported to you we have invested the balance of Bashford Endowment in the Chinese Government 7th year 6% bonds at 82. These bonds are secured by the Maritime Custom receipts. It is the best bond available according to expert financial advice. They are drawn twice a year, June & December. The total issue will be retired by 1938. The yield is about 12%. The present investment of the fund is therefore composed of \$9852.53 in Chinese Gov's 14th year 8% and \$5293.97 in 7th yr. 6%.

Page No. 2 ,  
No. T30-51.

E30-6-27-1:- I will leave this for Dr. Galt to deal with  
later.

Yours very sincerely,  
  
Stephen Tsai,  
Associate Treasurer.

1930

Office of the Secretary of War

Department of War

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YENCHING UNIVERSITY  
Peping China



Office of the Treasurer

August 5, 1930,  
No. T30-52.

TRANSFER

Mr. B. A. Garside,  
Yenching University,  
150 Fifth Avenue, New York,  
N. Y., U. S. A.

Dear Mr. Garside,

On July 22 we received your cable relative to our request for opening account with a New York bank. We still feel that in having a bank account in New York will facilitate our financial administration. It is not only because of the payment of foreign staff salary which prompted our request, but also because we have other calls for gold checks. Our present system, in either asking you to pay our gold bills or purchasing drafts from banks locally, is not very satisfactory, besides it gives you a lot of trouble. As the American custom of using paid checks as receipts, we have difficulty in checking up whether a party to whom we have sent a bank's draft has received payment or not. If we have our own bank account, all checks will be returned to us as receipts. We hope that your Committee will give our request your favorable consideration.

Yours very sincerely,

A handwritten signature in cursive script, appearing to read "Stephen Tsai".  
Stephen Tsai,  
Associate Treasurer.

ST:w

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學大京燕  
YENCHING UNIVERSITY  
Peping China

INDEXED

Office of the Treasurer

August 5, 1930  
No. T30-53.

YENCHING

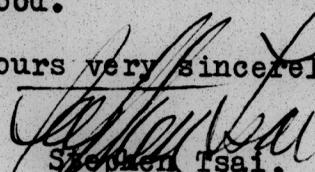
Mr. B. A. Garside,  
Yenching University,  
150 Fifth Avenue, New York,  
N. Y., U. S. A.

TRANSFER

Dear Mr. Garside:

// I am writing to supplement Dr. Galt's letter G332 with reference to the Shadicks, Mr. Loehr, and <sup>the</sup> Stewarts. Before Mr. + Mrs. Shandick and Mr. Loehr left we had agreed with them that we would take care of their financial matters from the field. Dr. Galt did not know this arrangement when he wrote to you. So please consider the paragraphs of this letter dealing with the Shadicks and Mr. Loehr cancelled. // With reference to the insurance on freight mentioned in Dr. Galt's letter in the paragraph dealing with <sup>the</sup> Stewarts, it still holds good.

Yours very sincerely,

  
Stephen Tsai,  
Associate Treasurer.

ST:w

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*file*

Office of the Treasurer

August 5, 1930,  
No. T30-54.

YENCHING

TRANSFER

Mr. C. A. Evans,  
Yenching University,  
150 Fifth Avenue, New York,  
N. Y., U. S. A.

Dear Mr. Evans:

I am writing to acknowledge receipt of  
the following letters:

E30-7-7-1: - No comments necessary.

E30-7-7-2: - In replying to your cable of July 22 we have  
already dealt with this in my letter to Mr. Garside.

E30-7-7-3: - No comments necessary.

E30-7-7-4: - No Comments necessary.

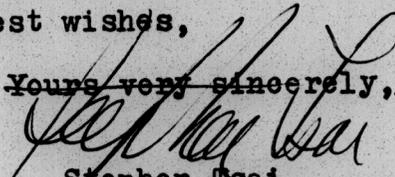
E30-7-7-5: - We have noted the financial arrangement you have  
made with Duncan. We will make necessary adjustment in our  
books.

E30-7-7-6: - Dr. Galt has already replied you concerning Mr.  
B. H. Li.

I have gone over the above letters and I will have  
Dr. Galt look them over again, when he returns. If he has any  
further comments to make, he will write to you later.

With best wishes,

~~Yours very sincerely,~~



Stephen Tsai,  
Associate Treasurer.

ST:w

8310

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YENCHING

TRANSFER

Yenching University

August 6, 1930

Dr. H. S. Galt,  
Yenching University,  
Peiping, China.

*ack. 10/14/30*

My dear Dr. Galt:

We are in receipt of your letter of July 5, G-332, wherein you refer to the return of certain members of the staff. We have noted the details regarding travel and salary for the different ones and as you do not state the time at which Mr. Loehr's furlough salary begins, we are assuming that it is to begin with July the same as that of Mr. and Mrs. Shadick.

The matter of insurance on Maxwell Stewart's freight has not been decided but will be taken care of before he arrives. At the same time we will notify you regarding the decision.

Very sincerely yours,

CAE-H

學大京燕  
YENCHING UNIVERSITY  
Peping China

YENCHING

INDEXED

TRANSFER

Office of the Treasurer

August 8, 1930.  
No. T 30-55

Mr. B. A. Garside,  
150 Fifth Avenue,  
New York City, U. S. A.

My dear Mr. Garside:

With reference to your letter G 30-6-21-1 relative to the schedule for further remittances on the Boyd Gymnasium, Mr. V. Lethmuller, engineer and architect, has submitted to us the following:

"In reply to your letter of 29th ult., re Boyd's Gymnasium we herewith give you the following information:

Building expected complete Sept. 20th

The following payments are still to be made:

General Contract	\$32080.00
Roof Trusses	1560.00
Hardware (G\$118.00 & Transpt)about	500.00
Heating " Plumbing	7452.59
Electrical Installation, (estim)	1500.00
Connection "	1050.00
Painting & Decoration	2500.00
Architects' Fee	2076.00
	<hr/>
	\$48718.59

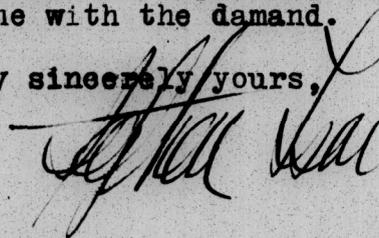
General Overhead, and Furniture not included in above, also swimming pool not provided for."

Mr. S. J. Chuan adds to above information the following:

"\$28000.00 L.C. will be needed in August and \$22000.00 L.C. before September 20."

In view of the above data we are expecting further authorizations from you in line with the demand.

Very sincerely yours,



1312

SEP 8 1921

UNITED STATES

YENCHING

Yenching University, Peiping,  
9 Aug., 1930.

Mr. B. A. Garside,  
Secretary Yenching University;  
150 Fifth Ave., New York.

**TRANSFER**

Yenc 3420  
INDEXED

My Dear Mr. Garside:-

At the last regular meeting of the Grounds and Buildings Committee, it was voted to send to the New York office all the data we could collect regarding the new machinery required for the power plant, ask the Committee of the Trustees to consult carefully with unbiased experts, make the decision regarding which engine should be purchased, and place the order for us.

After considerable delay we now have data regarding six different Diesel engines, recorded on the enclosed sheet in tabular form. Three are recorded on the upper half of the sheet, and three on the lower. I will mention them briefly in order.

*CAD*  
The first is by Burmeister & Wain, Ltd., Copenhagen, large North-of-Europe manufacturers, and makers of the Diesel engine we now possess, which is giving excellent satisfaction. Our engineer, Mr. Holm, is thoroughly familiar with this type, says he could install it himself, and is inclined to recommend an engine by this company.

The second is by the Siemens Co., a very large German company with extensive interests in China. At the time our Committee met, we were inclined to favor this engine, the price being attractive.

The third is a British engine, the quotation being furnished by Andersen Meyer & Co.

The fourth is a second tender by Burmeister & Wain, just received by cable and reported to me by Mr. Holm this morning. This engine is smaller and lighter, with price the lowest of all. I think it is worth while to report to you the cable in full:

"We offer alternative type 428 MT, as specified our catalog, 230 brake horsepower, 350 revolutions, including 150 kilowatt compound dynamo and normal accessories, price c.i.f. Tientsin, packed, G\$13,700. If including 155 kilowatt 125 volts shunt dynamo, total price G\$14,100. Dynamo Titan maker. Shipment about six months. Our original tender 236 of course superior machinery on account of lower revolutions, larger cylinders, better economy. Burmeister".

The "original tender" refers of course to the machine listed first above.

The fifth tender is by a German firm with a Peiping agency. I have not the full name before me but I believe it is Allgemeine Electriche Gesellschaft (?). The firm is very highly spoken of by our auditor, Mr. Beddow, and is I believe connected in some way with the General Electric Co.

The sixth tender you will recognize as that sent to us by your office. The data is not entirely complete. And in order to compare with the other tenders, there must be an estimate of freight and insurance to Tongku, the port of Tientsin.

As to the cost of duty, installation, and some further accessories Mr. Holm, in connection with the first tender some weeks ago had prepared the following:

Switchboard accessories		G \$800:
Main cables		625.
Import duty, 16% (est.) (on G\$18,800)		3000.
Transportation from Tongku		150.
Foundation		<u>120.</u>
	<b>Total</b>	<b>G\$4695.</b>
Titan dynamo extra	G\$630.	

We hope that after securing reliable expert advice your office will deal with this matter as soon as possible. If for any reason you decide that the responsibility for placing the order should be ours, please cable us promptly.

I am writing this from Peitaiho, sending it to Yenching for the approval of our Comptroller, Mr. Chuan, who I trust will forward it to you. I am handing a copy to Mr. Holm, and suggest that he write you as an expert any suggestions he has to make.

Very sincerely yours,

*Howard S. Galt*  
Howard S. Galt,  
Acting Treasurer.

*Approved:*

*S. J. Chuan*  
Comptroller

UNIVERSITY OF  
SEP 11 1939  
JOINT OFFICE

Yenching University  
Comparative data for tenders for a new Diesel generating set

Manufacturer Data	Burmeister & Wain Copenhagen	M.A.N., Siemens China Co,	Worthington-Simp- son (Anderson Meyer & Co.)
Generator	Seimens 150 K.W. 3 wire 110/220 Volt	Seimens 150 K.W. 110/220 Volt	General Electric 150 K.W. 3 wire 110/220 Volt
Diesel Engine	225/260 H.P.	250 H.P.	240 H.P.
" "	Enclosed 3 cyl. vertical	Enclosed 3 cyl. vertical	2 cycle enclosed 4 cyl. vertical
" "	Solid injection	Solid injection	Solid injection
" "	Forced lubrication	Forced lubrication	Forced lubrication
" "Rev.	235 per min.	300 per min.	325 per min.
Consumption of fuel oil	0.4 pr B.H.P.-w.l.	F.L.-155 gr.B.H.P. /hr	0.45 pr.B.H.P.-w.l
	0.41 " " 3/4 "	3/4 -180 " " "	0.47 " " 3/4 "
	0.45 " " 1/2 "	1/2 -195 " " "	0.57 " " 1/2 "
Weight engine	19,000 kg.		)
" flywheel	5,500 kg. 1/100	4,100 kg. 1.85	) Total 20,000 kg
" dynamo	5,000 kg.	5,000 kg.	)
Delivered	c.i.f. Tongku, in- clusive packing	c.i.f. Tongku, in- clusive packing	c.i.f. Tongku, in- clusive packing
Terms of payment	1/3 to be paid with order, 2/3 against shipping documents	1/3 to be paid with order, 2/3 on arrival Tongku	1/3 to be paid <del>2/3</del> with order 2/3 against ship.doc.
Total price	G\$18,800	G\$16,700	G\$18,430
Manufacturer Data--	Burmeister & Wain Copenhagen	A.E.G., Peking Electric Co.	Fairbanks Morse Co New York
Generator	Siemens 155 K.W. 110/220 v.	A.E.G., 150 K.W. 3 wire, 110/220 volt	175 K.W.
Diesel Engine	230 H.P.	250 H.P.	265 H.P.
" "	Enclosed, 4 cyl. vertical	Enclosed, 3 cyl. vertical	4 Cyl. vertical
" "	Solid injection	Solid injection	Solid injection
" "	Forced lubrication	Forced lubrication	Forced lubrication
" " Rev.	350 per min.	375 per min.	257 per min.
Consumption of fuel oil	Not stated	175 pr B.H.P.-w.l 180 " " 3/4 195 " " 1/2 plus 10% margin	Not stated
Weight engine	15,700 kg.	) 20 tons	Not stated
" flywheel			
" dynamo			3.95 tons
Delivered	c.i.f. Tongku	c.i.f. Tongku	F.o.b. New York
Terms of payment	1/3 to be paid with order, 2/3 against shipping documents	30% with order 70% against ship- ping documents	Not stated
Total price	G\$13,700	G\$16,150	G\$15,056.50

(Aug., 1930)

REC'D  
UNIV  
SEP 11 1930  
JOINT OFFICE

YENCHING

TRANSFER

August 11, 1930  
G30-8-11-1

rec'd. 9/24/30

Dr. Howard S. Galt,  
Yenching University,  
Peiping, China.

My dear Dr. Galt,

We have just received from Dr. Stuart a pledge card for Mr. Ho Ti Yuen, Maunakea, Honolulu for an amount of \$25.00. Dr. Stuart has written the following note on this card:-

"This amount (\$25.00) was taken by me as there was risk in remitting bills by mail. It will be turned in to the Treasurer at Yenching. Please acknowledge receipt to Mr. Ho and make the proper entries."

We are according sending Mr. Ho a receipt for \$25.00 gold, and in line with our usual custom of debiting to the general budget account miscellaneous amounts received by the Field Treasurer as agent for us we are putting through our books the following journal voucher entries:-

Debit Acct. 31 Mgrs. Current General G.\$25.00  
Credit Acct. 177.4 1929-30 Campaign Undesignated G.\$25.00

I trust this will prove to be in accordance with the entries you will already have made on your books.

Cordially,

BAG/G

Copy for Miss Lane

Aug. 5. 1930  
P. 20 #635

INDEXED

## TRANSFER

Yenching University

August 13, 1930

Dr. H. S. Galt,  
Yenching University  
Peiping, China.

G30-8-13-1

ack. 10/14/30

My dear Dr. Galt:

Let me acknowledge receipt of your letter of July 16, G-335.

Mr. Evans has already written in a preliminary way concerning the suggestion that we open for you a bank account here in New York. Until we have further word it is not necessary for me to comment on the matter at any length. I wish to add my assurance, however, that our office will be happy to cooperate in whatever arrangement seems to the field will be most satisfactory.

I have understood that you already carry at one of the banks in Peiping an account in gold. We have assumed that for any payments you may make in Peiping in gold rather than in local currency it would only be necessary for you to draw checks on your gold account there. If this assumption is correct your present arrangements will probably take care of the payment of ~~that~~ of the salaries for University supported Western staff. The only payments you would wish to make through New York would then be for such salaries or portions of salaries as the staff members might want disbursed or deposited for them here in the States. For such disbursements as these our office could either accept such drafts as you may have occasion to draw, or could make such deposits or disbursements as you might from time to time instruct. If you had occasion to draw quite a large number of drafts for this purpose, and if for any reason the staff members preferred sight drafts rather than three day drafts, we could probably effect an arrangement whereby our office could accept sight drafts drawn on this salary account.

On the other hand, if you feel that it would be more satisfactory for you to have a bank account in New York on which you could draw direct either for the entire salary payroll of the University supported Western staff, or even for a part of the salaries, I believe there would be no serious objection to such an arrangement. The chief difficulty is that of keeping such an account in operation at a distance of 12,000 miles. Sometimes it might happen that a request you would send us for a deposit to such an account might be delayed en route so that the checks you drew meantime might exceed the balance you had on hand. This difficulty could probably be obviated by adopting some plan of making deposits for specified amounts on a pre-arranged schedule. There is, of course, the further consideration that each new account requires that we maintain a substantial

minimum balance on which little or no interest is received.

In Mr. Evans' letter of July 21 (E30-7-21-2) he mentioned briefly the plans we are using in the payment of salaries for University supported Western staff in some of our other Universities. Our policy as to procedure in each individual institution raises a very fundamental question as to the principle we are following in relation to our University supported Western staff. When Lingnan began its new organization several years ago it quite frankly took the stand that the Western members of staff are appointees of a Western Board of Trustees and look to that Board rather than to the Chinese Board of Directors or University administrators, for their support, and for all such personal matters as pension, insurance, furlough expenses, medical expenses, and children's allowances, even though in all matters affecting their services to the University they are expected to work happily with their Chinese colleagues and under the direction of Chinese administrators. Briefly stated, the Western members of staff at Lingnan hold the same relationship to the Board of Trustees as the missionary representatives on the staffs of our various Universities hold to the missionary bodies under which they are serving. The University supported staff members at Nanking and Fukien have not had such a clearly defined status during the period of re-organization. But during the last year Nanking has taken very definite steps in the direction of defining the status of the University supported members as that of "missionaries of the Board of Trustees", holding the same relationship to that board as do the missionaries of other boards to their supporting group. Fukien is gradually moving in this same direction.

In Yenching you have thus far maintained the opposite alternative of considering the University supported Western staff as serving under the same conditions and under the same methods of support and control as do the Chinese members of staff, rather than being on a parity with the missionary appointees of the University. When we analyze the situation, we see that this is a very important and very fundamental difference. The method by which salaries are paid to University supported Western group has an important bearing at this point. It may not matter particularly whether salaries are paid in gold or in local currency, but it is of greater significance whether such salaries are paid by the field on a basis adopted by the field rather than by the Board of Trustees on a basis approved by them. This question has not formally been raised in Yenching, so far as I know, and I have no intention of raising it in any formal way at this time. I simply mention the matter, however, because it has an important bearing on the policies we adopt during the coming months.

We note the information you give concerning drafts T-1101,02-03 and will accept these drafts as usual when they are presented.

Very cordially yours

BAG-II

YENCHING

Yenching University

INDEXED

August 13, 1930  
G-30-8-13-2

Dr. Howard S. Galt,  
Yenching University,  
Peking, China

My dear Dr. Galt:

TRANSFER

Let me acknowledge receipt of your letters Nos. G-333 and G-334.

Your letter No. G-333 of July 9, 1930. With this letter you enclosed duplicate sets of the minutes of meetings of the Grounds and Buildings Committee and its Executive Committee on May 21, May 29, June 4, June 11, June 18, June 24, and also blueprints and an explanatory statement descriptive of the lay-out of the Department of Education Practice Schools.

I have gone through these minutes, and your explanatory notes, but will not attempt to comment extensively on this material at this time. We will bring the material before the Finance Committee at its first meeting in the fall for whatever actions may be called for. Probably such a meeting of the Committee will be held about the middle of September.

There are, however, two items occurring in these minutes on which I would like to comment briefly at this time.

Additional building operations of the Practice Schools. These building operations are referred to quite frequently in the various sets of minutes. In several places it is stated that "a further sum of \$5,000 for these buildings has been authorized in a cable from New York". My letter of May 28th (G-30-5-28-1) states clearly the situation in which the matter stands at this end. Your letter No. G-331 of July 1st (which of course was written after all these Grounds and Buildings Committee minutes were drafted) indicates that you understand the situation that confronts us. I can only report that there have been no new developments here since I wrote on May 28th. To the best of my knowledge there is as yet nothing in writing to show that Mr. Eldridge or Mrs. McLean have formally pledged this amount for the Practice School buildings, and there is nothing to indicate when we may expect definite word from them. I will report the situation to the next meeting of the Finance Committee, and will try to present it in as sympathetic a way as I can. I am afraid, however, that the Committee may find it impossible to take any favorable action under the present circumstances.

8/13/30

My own personal sympathies are at war with my financial judgment in regard to this matter. Personally I am hopeful that money may soon be forthcoming so that you can complete the urgently needed work on the Practice School plant. But from the standpoint of finance, the situation is far from attractive. The Finance Committee definitely requested that no expenditure be made beyond the G\$5,000 originally authorized unless and until additional funds were secured for this object. As yet, neither the Board of Trustees nor any of its committees or its executive officers have committed themselves in any way to any revision of this earlier action. So far as I can see there has as yet been no assurance which would justify any further steps than the Committee has already authorized.

Investment of G\$5,000 of Campus Improvement Fund. The question of transmitting G\$5,000 to the field for investment there raises so many questions of principle that I doubt whether the Finance Committee will wish to take action without very careful study; and probably they will be unwilling to take any action without referring the matter to the Trustees for final decision. All the predictions that have been made during the past year that Chinese currency has reached the lowest possible level and should soon begin to recover its lost value have proven false, and there is now a growing conviction here in New York that the trend during the next year or two is more likely to be downward rather than upward. Perhaps this judgment is as inaccurate as have been our previous conclusions, but at least its prevalence will make the Trustees very hesitant to transfer funds to the field simply on the plea of an unusually favorable exchange.

Your letter No. G-334 of July 10th. I have transmitted to Mr. Stock and Mr. Warner the two extra copies of this letter which you kindly sent me. Thus far I have not had a reply from either in regard to their unpaid pledges. I hope that I shall hear from them in the near future. I will communicate with you at once when I have any word.

Very cordially yours,

BAG:A

August 18, 1930

Rev. Howard S. Galt, D.D.  
Yenching University  
Peping West  
Peping, China

Dear Dr. Galt:

Your letter of June 9 has lain long unanswered as it reached the office while I was away on vacation.

You will remember that the letter dealt with the vote taken by the Yenching College Committee and the Yenching Trustees last April in regard to appointment of all women members of the Yenching staff only after their papers had been approved by the Yenching College Committee and with the question of housing women members of the staff. You have very likely talked with President Stuart about this matter by this time, and he has doubtless told you that the second part of the vote was included on his specific recommendation.

None of us had any thought that the Women's College should be financially responsible for the housing of women staff members belonging to other departments of the university. We assumed that the department having the services of a stenographer or bookkeeper or teacher would be responsible for meeting the cost of suitable housing arrangements for that worker. Our impression gained from Dr. Stuart was that questions of compatibility and happy social relations would be more easily settled if there were a recognized central executive to decide as to where the different women should live. We assumed that such decision would be reached through conferences with the departments involved as well as with the individual concerned.

Mrs. Frame has been inclined to protest our vote, and I am interested that you also feel that the plan suggested would be putting a very heavy burden upon the Women's College Executive staff. This question like so many others that arise, seems to me to be one that must be settled on the field. It may be that the action taken by the Women's College Committee and endorsed by the Trustees was not a wise action. If you and Dr. Stuart and the Executive Staff of the Women's College feel

Rev. H.S.G.--2

that this vote should be rescinded, it can be taken up again at this end. Perhaps we have in this instance made the mistake of being too "paternal" in our dealing with the management of matters that should pertain to the field. I have written at some length to Mrs. Frame on this matter, and you will of course, talk with her. I am hoping too, before many weeks, to have an opportunity for personal interviews with Miss Speer and Miss Stahl.

We yesterday had a very pleasant visit from the Stanley Wilsons who had just made the first lap of their long journey by automobile from Maine to Omaha. The day before I also had a call from Dr. Lucius Porter. We certainly do value every opportunity for personal conference with those most immediately in touch with the conditions on the field.

Wishing for Yenching in all its departments a very happy and successful year of work, and with kindest personal greetings to yourself and Mrs. Galt, I am

Sincerely yours,

(Mrs. Lucius O. Lee)

L:BB

INDEXED

YENCHING

TRANSFER

Yenching University

August 20, 1930

G50-8-20-1

Dr. Howard S. Galt,  
Yenching University,  
Peiping, China.

My dear Dr. Galt:

*ack. 10/14/30*  
*See also letter of 11/3/30*

We now have on hand the sum of C\$1,200 in special gifts toward the salary of Mr. C. F. Chou. Of this amount C\$1,000 was received from the Hattie M. Strong Foundation and the remaining \$200 came from a donor who wishes to remain anonymous. We have heard reports of Mr. Chou's resignation, and I have no exact knowledge as to the arrangements you may have made for carrying on his work. Instead of sending you a check or a draft for this amount I am, therefore, writing to authorize you to draw on us for the entire amount or any part of it that you may require for paying Mr. Chou's salary or else paying the salary of the successor carrying on the work which he has been doing:-

Authorization #3051. You are authorized to draw on us at three days for C\$1,200, being the amount available for meeting the salary of Professor C. F. Chou or his successor. This will be charged on our books to account #175.1.

You will notice that we will charge your draft to our special non-budget account rather than to "Special Gifts for the Current Budget" I find, however, that the 1930-31 budget of the University contains Mr. C. F. Chou's salary in the amount of L.C. \$3,000. Since his salary is included within the budget the Trustees, in approving the budget and assuming responsibility for the funds necessary to carry it into operation, have assumed responsibility for Mr. Chou's salary as a part of their contribution to the budget. From this standpoint we should perhaps transfer the receipt and disbursement of this \$1,200 to account 136, "Special Gifts for the Current Budget". What is your judgment?

Very cordially yours,

BAG-H

CC: Miss Lane

YENCHING

INDEXED

TRANSFER

Unofficial and confidential

August 23, 1930

My dear Dr. Galt,

I have been taking such a lively personal interest in the working out of a satisfactory retirement plan for Yenching that I am venturing to send a personal letter in addition to the more formal communications which it is my duty as Secretary to transmit. This is written only for your private consumption so I will write with a freedom I could not use if my remarks were subject to quotation or general reading.

Let me assure you first of all that the Committee on Pensions has absolutely no pet ideas of its own to put over, and no object for its existence except to help create a retirement plan which will best combine safety, adequacy and permanency. Mr. Rounds, the Chairman, is one of the leading men (I believe is the most outstanding leader) in working out a pension plan for all the employees of the U.S. Federal Reserve Banking System. In this capacity he has made an earnest study during a number of years of retirement plans of all kinds, in use by widely different types of organizations and institutions. He also has the wide practical knowledge of finance and investments which enables him to form a shrewd judgment of the financial soundness of a plan. While he makes no pretence of knowing the intimate details of the situation existing on the Yenching campus I believe that his judgment as to the adequacy and soundness of a pension plan for the Yenching group is perhaps even sounder than if he saw the problem at very close range.

For several years all our China colleges have been working on retirement plans for our University-supported staffs. I am impressed by the conviction that the plan for Yenching as proposed by the Committee is the most satisfactory and the most generous plan thus far suggested by any of our colleges. Also, it is more satisfactory and more generous than the retirement plans I have studied which have been adopted by the various mission boards. Some of these Boards have plans in which they contribute 7½% of salary and their missionaries only 2½%, which gives them the advantage at that point, but elsewhere the plan for Yenching is decidedly better.

There is no point in dwelling upon the phases of the plan where the Committee and the field are already in agreement. My comments may therefore be confined to three points where, it seems to me, the essential differences between the Committee and the field lie:

Method of Administration. The Committee proposes that the pension plan be operated under one of the leading insurance companies, the field proposes that the plan be operated on the field, with possibly

a portion of the plan carried on by the Trustees. Usually in these arguments of home-base versus field my sympathies are with the field. But in this instance I am convinced that we would be courting a grave danger of serious disaster if we attempted to have such a fund as this administered on the field, largely or wholly by the staff members directly interested. I am not reflecting on the fine group of staff members at Yenching when I say quite frankly that I seriously doubt whether they could successfully administer such a plan year after year, decade after decade, as such a fund must be continuously administered if it is to succeed. I don't believe for a moment that the faculty of Harvard University, or Princeton University, or any other American university, is competent to set up and administer a retirement fund for its members, and frankly I don't believe any of these institutions would even attempt it. Yet for an American institution to undertake such a task is far simpler than it would be for Yenching, where you have the additional problems created by the presence of two currencies, grave financial and economic instability, and the presence of both Chinese and western viewpoints.

The creation and administration of a successful retirement plan is just as highly specialized a task as is the performance of a major surgical operation. It would be fully as logical to create a committee of non-medical Yenching staff members to have charge of removing appendices, amputating diseased limbs, and ushering in the new babies, as it would be to have a committee not specially trained for this highly technical actuarial field undertake to set up and administer a retirement fund for the University. I know that at first glance this looks like an unfair overstatement, but the more one thinks of it the more truthful it appears. As you know, the whole field of insurance and retirement plans here in America is covered with the wrecks of ambitious schemes of amateur actuaries, which flew beautifully for a time until the winds of adversity came along to test them but then crashed to earth because of some hidden weakness that their unskilled designers had overlooked. Even Dr. Pritchett, whom you quote in your letter of June 25, had a share in the serious collapse of the Carnegie Pension Fund (which is entirely distinct from the Teachers Insurance and Annuity Company) due to the fact that they were so impressed by the magnitude of their two or three million dollars of endowment that they didn't allow themselves to be troubled by such trivial matter as actuarial tables.

In addition to these purely technical problems, it is inevitably a highly dangerous proposition to place in the hands of a committee within a group, or even in the hands of the group as a whole, a large and difficult task in which everyone is so vitally interested. Even the finest spirit of mutual respect and affection is put to a severe strain when the funds on which ones comfort in the evening of life are at stake. Some will feel that the investment policy is too conservative and that higher interest should be sought; some will take the opposite view and plead for a greater margin of safety. Perhaps somebody takes the lead in purchasing what looks like an unusually attractive security - then a few years later it turns out bad. He is in what is at best a strained relationship, and at worst may force his resignation. Or on the other hand, an investment is proposed but is opposed by an individual or group who consider it unsafe; it is not bought and then a little later turns out to be a gold mine. The University issues some dairy bonds, or wishes to borrow money for some building project where the funds are (it is hoped) soon to be forthcoming. Here are pension funds awaiting investment. Why, that's just the thing to do with them. - - And then the battle is on. It does not

take a very lively imagination to picture any one of a dozen situations where such serious disagreements would arise as to endanger the mutual good will and esprit de corps of the entire campus. The one unpleasant memory I have of my four years in China was my connection with a certain board responsible for the administration of an enterprise in which nearly everybody on the campus had placed some of their funds and had a vital interest. I would not have believed that such a fine group of thoroughly Christian people could develop as much friction, misunderstanding, and sometimes downright cussedness as we had in connection with that enterprise. I stuck it out for a year, then refused flatly to have anything more to do with the affair. Fortunately that enterprise was wound up in six years; had it lasted much longer they could not have secured anybody for their administrative committee, for very few people had the courage, or the Christian grace, or the meekness, to accept a second term of service.

I am firmly convinced that the only wise course is to leave the administration of such a pension fund in the hands of experts, where it belongs. The very small charge they will make for overhead is paid for many times over by the service they render, the staff is relieved of the constant strain the responsibility for the fund would place on them, and some office (probably that of the Field Treasurer) is relieved of the great mass of accounting work involved in caring for such a fund.

Rate of Income. Apparently one of the chief grounds of objection to administration of the pension fund by an insurance company is the rate of income of which one could be assured under such an arrangement. At this point apparently the field has misunderstood what is meant by the "3½% guaranteed income" always mentioned in the plans of any pension scheme drafted by a Western insurance company. I think Mr. Rounds makes this clear in his letter. This is the minimum figure set by law, and does not represent the average income of any of the reliable companies. It is conceivable that in an unusually bad year the income of an insurance company might drop this low, but that has rarely if ever happened. Above this minimum figure the companies vote each year dividends ranging from ½% to 2%, or even more. One reason for choosing the Sun Life Assurance Company is that over a period of many years its average income has been around 5%. During recent years it has been about 5½%. One can rely with a fair degree of confidence on an average of 5% or better over the period during which an annuity policy would run.

In any plan that provides for the financial support of an individual when his earning days are over, the requisite that overshadows everything else is safety of principal. No other consideration deserves inclusion in the same category with this. A fair rate of income on the funds invested is of course necessary, but it would be nothing short of criminal to risk safety of principal to gain an extra one or two percent of income. One can not state this too emphatically.

While it is true in a sense that there is some risk in every investment, as a matter of fact this risk can be reduced almost to zero by conservative investment. For example, a prominent investment expert here in New York told me that for a great many decades (about fifty years I believe) none of the clients of his house have ever lost a dollar of principal invested in securities classed as "legal for savings banks", and in only a few instances has there been any delay in the payment of in-

terest on these securities. For all practical purposes investments in securities of this grade can be considered entirely safe. Here in America 5% is considered the upper margin of safety of income. As one goes above that, the amount of risk increases in geometrical progression with the rise in income. It's alright for a young chap with his best earning years ahead to take an occasional flyer on a speculative issue. When he loses he can afford it. But anyone who risks the funds he expects to retire on is simply flirting with the keeper of the home for poverty-stricken old folks. If he wins he may be able to spread the butter on his bread a bit thicker, but if he loses he has no bread or butter to spread on it.

The plea the field makes, as we missionaries always do in every argument with the home boards is "That may be true in America, but China is different". I trot out that old hackney so frequently myself I always want to cross my fingers when I do it. My private opinion is that there is about one percent of truth in it, and ninety-nine percent fiction. All our Wall Street younger crop of brokers were making that same plea in slightly different words last summer:- "Your old economic laws were alright in their time, but this bull market is different" - Then came the October crash. If it were possible to secure 7% income in the province of Kansu with the same security that one can secure 5% in New York, there would be so much gold from New York starting for Kansu by airplane and by fast steamer that within three months the rate of income would have dropped a good part of the way down to 5%. I grant you that the American investor is perfectly willing to keep his dollar at home where he can watch it, and accept a fraction of a percent less income than he would be able to get with relatively the same security if he sent it abroad. But once the difference rises above that fraction, he sends his dollar traveling. There are a dozen investment houses here in New York who know just as much about any important Chinese security you could buy as do any group of people you could get together in Peiping. And whenever any of these securities reach a price where their income and soundness make them an attractive buy, cablegrams are rushed off from New York to Peiping or Shanghai agents to purchase them. And up goes the price to where they are no longer attractive.

The simple fact is that mighty few of us are able to resist the magnetic attraction of seven and eight and ten percent. It not only takes a financial expert to weigh the difference in security between one bond yielding five percent and another yielding seven, but it also takes a cold-blooded chap to buy the five percent bond even when he knows the difference.

Don't think I am casting any undue reflections on any group you could get together on the Yenching campus. Even some of the financiers on our Yenching Investment Committee and Advisory Committee have had a difficult struggle with the same temptation, and have gotten their fingers burnt occasionally. You may have noted that as the amount of our Yenching endowment has grown we have moved gradually toward more conservative investments with a lower average yield, and have placed increasing reliance on expert advisers who are in no way connected with the University or its Board of Trustees.

The simple fact we face is this:- If there is set aside safely for a staff member 10% of his salary, which is invested to yield around 5%, and this is continued over a period of twenty to twenty-five years (depending on his age at the beginning of the period) he will have ample funds to care for him in his later years; or to care for himself or his dependents should he die or become disabled somewhat earlier in life than normal retirement. Even if the rate of income is increased one or two percent it simply shortens the period of accumulation one or two years; and this gain is not worth the risk involved.

Alternative Funds: Silver and Gold. The field's suggestion that two separate funds be created; one in gold and one in silver; seems to me creates far more problems than it solves. You state that it is the desire of the field to treat all the staff, Chinese and Western alike, on an equal basis. This dual plan, though it probably would not separate the faculty on racial lines, would almost inevitably create two groups with unequal benefits. Nobody knows what the relation of the Peiping local currency dollar and the U. S. dollar will be ten years, or even one year, hence; but any of us would be willing to gamble on its being materially different from what it is today. If some of the staff choose local currency for their fund and some choose gold, as time goes on the relationship between the two currencies will change and one group will be the lucky ones and the other unlucky. You are likely to find it increasingly difficult to keep up your fences dividing the sheep from the goats by enforcing the rule that there shall be no jumping over the exchange fence once the staff member has decided which pasture he will enter.

Between the two, it seems to me that the gold basis is by far the safer to use. Gold fluctuates little in value, and is the standard toward which China is already groping, though it may take her a long time to arrive. The future of silver is so extremely uncertain that one would hesitate to risk his support thirty years hence on the hope that it will maintain or improve its present standing.

But, whatever currency is chosen, I hope it will be adopted for the entire plan. One uniform pension plan is apt to be complex enough to handle; two different ones would be infinitely more difficult.

The Chinese and the Western Staff. I believe that in the fact of having both Chinese and Western staff involved in the pension plan you have your most fundamental difficulty. Even though your Chinese staff member and his Western colleague work side by side under identical conditions now, their situation after retirement will probably be very much different. For this reason, a plan that would suit the one may not fit the need of the other. Moreover, it would be surprising if the two nationalities did not have different ideas about the types of investment, methods of administration, and the like.

Here at the home base we can sense some of the possible difficulties at this point, but we can do nothing except leave it to the field to work out the problem.

The Interest and Responsibility of the Trustees. The Committee on Pensions smiled rather soberly at what seemed to them to be the ingenuousness of the provision in the plan submitted by the field that if that plan should be adopted "the Board of Managers will not regard the Board of Trustees as responsible for losses incurred through unwise investments." Perhaps a part of the smile was due to the recollection of various instances in the past where some administrator or Committee on the field, after meeting with the Trustees' disapproval of some proposed expenditure have gone ahead "on their own responsibility", yet in every case leaving it up to the Trustees to foot the bill sooner or later, either directly or indirectly. Unfortunately one cannot legislate away responsibility, either legal or moral, in such easy fashion.

Of course, so far as the Trustees are concerned, there is only one object to all that done, to all appropriations that are made - and that is the maintenance and progress of the University. The Trustees have no funds for their own use; they simply help you collect funds and consult with you in the wisest use of them. If at any point they disapprove a proposal of the field for the expenditure of funds, that doesn't mean they are keeping the funds for their own purposes but are holding them a bit longer for some other use they think more essential.

Yet if at any time funds which the Trustees had a share in collecting are lost through unwise investments or are otherwise dissipated, the Trustees are bound to be responsible. Even though not required to make good directly what has been lost, the work of the University is curtailed just that much unless they can make up the deficit created.

And in their responsibility to the staff members this is even clearer. Suppose, for example, that as a result of investments going bad in 1935 Professor Jones discovers when he is ready to retire in 1945 that he has very little left in his pension fund. The Trustees could hardly leave him to starve after a life-time of faithful service just because somebody, whose name might already be forgotten, had made a bad investment more than a decade before.

But, forgetting all questions of who is responsible, and where blame for mistakes should be placed, the Trustees are keenly and sympathetically interested in the creation of a retirement plan that will most effectively care for the future requirements of the University staff members, so that when their day of service is finished they may have a happy and untroubled evening of life. If the field can convince them that your plan will best accomplish that end they will adopt it gladly. But if the plan worked out by the Committee here, or some modification of it that the field may suggest, will best produce the results we are all seeking, I hope it may meet with approval and hearty support.

I hope that there will be time for the field to study the material we are sending you today and to reach decisions early enough so that you can get them in our hands before the autumn meeting of the Trustees, which usually comes about the middle of November.

Cordially,

BAG/G

P.S. Withdrawal Before Age of Retirement. This is already far too long, but I note in reading it over that I have omitted any reference to an important matter whereon a word both of comment and of explanation may be needed - the question of the disposition of the University's share in a staff member's pension fund if he withdraws from the service of the University before reaching the normal retirement age.

The position of the Committee has been that the primary purpose of the pension plan is to provide for the period of life after earning capacity diminishes, or in cases of death or disability at an earlier age to provide whatever assistance can be given; and that it is not simply a bonus accruing to the credit of a staff member which he is entitled to collect at any time he leaves the service of the University.

If one accepts the first position, he must at once agree to the wisdom of placing certain restrictions on the fund so as to make it difficult for an individual to draw on it before the age of retirement. Nearly all of us have an improvident streak in us, and an immediate need for cash looks far larger in proportion than does the future need for a reserve on which to retire. Practically anyone could build up his own retirement fund by the simple expedient of putting a fixed proportion of his income in the savings bank each month, and most of us at some time in life do start in on such a plan. But in the great majority of cases some unusual demand on ones cash resources causes our monthly deposits to be overlooked, and soon we begin to draw out the principal. It is a recognized axiom in the insurance and pension business that the only way to insure people having an adequate retirement fund at sixty-five is to make it as difficult as possible for them to withdraw their savings before that time.

In the case of the University pension plan there is also the important question of whether the reserve built up should be made a means of encouraging continuity of service to the institution or should be allowed to become an inducement to withdraw from the University. The almost invariable rule in all the pension plans I have studied is that the annuitant cannot withdraw the funds put in until he has reached the age of retirement, or has met with some such disaster as death or total disability before the normal age of retirement; and that if the annuitant insists on exercising this option earlier some restriction is imposed. Most retirement plans in the business world are so set up that the employees can under no circumstances touch a dollar of the employer's contribution to the fund until the employees have reached retiring age or have died or become disabled. Usually if the employee severs his connection with the employer before reaching retiring age he loses the entire benefit of the employer's contribution. In such educational plans as that of the Teachers Insurance and Annuity company, the contribution of the employing institution is not returned to it when the annuitant leaves, but neither is it given to the annuitant. It simply remains to his credit, either to be supplemented by further contributions from the next institution with which he may be connected, or else to remain at interest until retiring age is reached. (The Teachers I. & A. Co. does make an exception to this rule where only a small reserve has been built up when the annuitant withdraws, but this exception is based on the fact that it would be too troublesome for the Company to administer such a small fund, and the advantage to the teacher would be slight). In the few plans that have been tried out where the annuitant has been left free to withdraw his own and the employer's contributions whenever he leaves

his position, it has been found that this feature, offering the temptation of a substantial sum of ready cash after a few years have passed, has tended to encourage more frequent changes in employment, rather than to hold experienced employees.

When this question first came before the Committee on Pensions early last winter, we understood that Dr. Stuart, who was present, strongly favored the alternative of having the University reserve its title to the full amount of its contributions until the staff member reached retirement age, thus insuring greater continuity of service within the staff. On the basis of this recommendation by the President the Committee incorporated this provision without much discussion either pro or con. My own personal conviction, which I believe was shared by some of those on the Committee, was that it would be wiser, as well as more generous, for the University to give the staff member complete title to an increasing proportion of its contributions as the length of the staff member's service increased. Sometimes it happens that a man who has served the University for a good many years but is still quite a way short of retirement age may fall behind the march of the times, or may become partially incapacitated though not wholly disabled, or else may have gotten out of sympathetic relationships with the campus as a whole, so it is to the advantage both of the institution and the individual that he be allowed to retire under friendly and advantageous circumstances. Even though a staff member withdraws earlier and goes into some other form of work, the University has at least a measure of responsibility for providing the retirement fund he will need some day.

As soon as the Committee learned the views of the field on this point they restudied the matter and arrived at the plan for allowing the staff member credit for the University's contributions on a graduated basis, 50% after ten years of service, and 100% after twenty years of service, this amount, however, to remain in the retirement fund, and not to be drawn in cash except in case of emergency arising from death or total disability of the annuitant. This does not go quite as far as the field recommended, but it is more generous than the retirement plans of most of the mission boards. For example, the new Pension Plan of our Presbyterian Board gives its missionaries no share whatever in its contributions to their fund until they retire at sixty-five after at least thirty-five years of service. I believe that this plan for a graduated scale of credit to the staff member on the basis of length of service will provide both the incentive to continuity of service and at the same time will enable the University to deal fairly with staff members who withdraw before sixty-five.

INDEXED

YENCHING

**TRANSFER**

Yenching

August 23, 1930  
G30-8-23-2

Dr. Howard S. Galt,  
Yenching University,  
Peiping, China.

My dear Dr. Galt,

We are today mailing to you by registered third-class mail, twenty-four copies of the following material:-

Report of Sub-Committee on Salaries and Pensions, with two Appendices,  
Informal Letter from the Chairman of the Committee, discussing the plan proposed by the Committee, and also the plan proposed by the Field.

I believe you will find this material so self-explanatory that no extensive comments are necessary. The Committee on Salaries and Pensions has been at work for about eight months now, making the most careful study of innumerable types of retirement plans. The plan they are recommending represents their mature judgment as to the general kind of arrangement which should most safely and most adequately provide for the financial support of members of the Yenching staff after they have reached retirement age. At the meeting of the Committee held on August 5th they gave very earnest and sympathetic study to the retirement plan suggested by the field, as described in your letter of June 25th and its various enclosures. The Committee was glad to note that they are in agreement with the field as regards so many details of the retirement plan, and regrets that at some points its judgment does not coincide with that of the field.

The Committee wishes to get all the light in can on these matters, and has no preconceived judgments or inflexible opinions. Mr. Rounds' letter is written to explain in an informal way the grounds on which the Committee reached its decisions, and to describe in a frank and friendly way the reasons why at some points its judgment runs counter to the plan proposed by the field. It will probably be about two and a half months before a meeting of the Board of Trustees will be held and will desire to take some action on the proposed retirement plan. The Committee hopes that this will give the field time to continue its study of the retirement plan on the basis of the information now being sent you, and to communicate to us its judgment on the points where as yet we have not reached a complete agreement.

Very cordially yours,

BAG/G

YENCHING

TRANSFER

*Princeton, Peking*  
~~Yenching~~

August 23, 1930  
G30-8-23-1

Dr. Howard S. Galt,  
Yenching University,  
Peiping, China.

My dear Dr. Galt,

I am enclosing herewith the following remittances to be handed to three Princeton-Yenching staff members to cover their September salaries:-

Dr. Robert M. Duncan	M. \$400.00
Mr. Matt Taylor	G. \$ 50.00
Mr. Lloyd A. Free	50.00

I believe there has been no very clear understanding as to whether these monthly salary checks should be sent through your office or mailed direct to these staff members. It is a bit simpler from this end to send them together rather than separately, but if your office or the staff members prefer that we mail them direct to the individuals we will be glad to make the change.

I do not know how widely the financial arrangements of these Princeton men have been made known on the campus. Your office will of course retain the confidential nature of any such arrangements as are not already known.

The duplicate copy of Dr. Duncan's draft will follow in a later mail.

Very cordially yours,

BAG/3  
Enc. 3

*c.c. later mail*

YENCHING

TRANSFER

Yenching University

August 25, 1930

Dr. H. S. Galt,  
Yenching University,  
Peiping, China.

G30-8-25-2

ack. 9/27/30

My dear Dr.Galt:

I am enclosing herewith a copy of a letter we have today written to Mr.Shadick.

Early last week we received a letter from Mr.Shadick stating that he was short of funds and asking us to cable him \$166. We cabled this amount the same day the letter was received. Later in the week Mr.Shadick informed us that he had just cashed a draft for G\$166.66. The draft for G\$166.66 which he had received from you covered his July salary.

You will remember that your letter No.G332 of July 5 asked us to take up the salary accounts of Mr.and Mrs.Shadick beginning with the month of July. In accordance with this letter we sent to Mr.Shadick at his London address on August 7 a check forG\$433.33 to cover his July and August salaries. Apparently, therefore, Mr.Shadick has now received salary for four months, less a balance of 67¢ due him for one of these months. He has also received rent for July and August.

If we are wrong in our understanding of any of these points please let me know.

Very cordially yours,

BAG-H

Enc.

YENCHING

TRANSFER

Yenching University

August 25, 1930

August 25, 1930

G30-8-25-1

*rec'd. 9/27/30*

Dr. H. S. Galt,  
Yenching University  
Peiping, China.

My dear Dr. Galt:

Mr. Stock has called attention to the fact that the \$500 he pledged toward the purchase of land was paid into our office at the beginning of last January. In some way this remittance was credited to our general land account instead of being forwarded to you as a separate remittance. The receipt of \$500 was reported in our January financial statements but you probably did not identify it as applying on the pledge Mr. Stock made when he was at the formal opening. I am enclosing herewith a check for G\$500 to cover Mr. Stock's gift.

Very cordially yours,

BAG-H

Enc.

CC: Miss Land