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YENCHING UNIVERSITY
Peping China

Office of the Treasurer

December 1, 1930.

G345

YENCHING

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

INDEXED
TRANSFER

My dear Mr. Garside:

INVESTMENT OF UNIVERSITY FUNDS IN CHINA

Will you kindly bring to the attention of the Trustees the substance of the present letter, which is written by authority of the Finance Committee of the Board of Managers.

The Trustees are familiar with the proposal for investment of University endowment funds in China, growing out of the efforts of President Stuart to secure gifts in China a year ago, and of the failure in the final negotiations to reach a satisfactory basis whereby the proposed gift from a Chinese friend could be accepted. These efforts and negotiations have brought prominently forward in our minds the whole question of the investments of University funds in China, and it is our opinion here that the failure of the negotiations mentioned above last summer should not unduly influence the development of financial resources in China, or the wisdom of making investments in this country.

The Trustees' Committee on Finance, Property and Investment, according to the Minutes of the meeting of September 17th, considered the question of investments in China in connection with a request from the Grounds and Buildings Committee on the Field for the transfer of G$5,000 of Campus Improvement Funds to the Field for investment as endowment for the Campus Improvement Fund. When the Committee considered the matter at that time, the Secretary was requested to secure certain data from the Field regarding the procedure with respect to investments. A brief reply to that question has already been sent, indicating that thus far, since very limited funds have been at hand for investment, no elaborate, systematic procedure has been set up. To be more specific, the only funds which the Field has invested thus far is the sum of about L.C. $15,000, representing the Jane Field Bashford Endowment Fund. At the time that sum was invested in Chinese Government Bonds the advice of Mr. Bennett of the National City Bank, and of other bankers, was sought, as well as that of Mr. Beddow, representing Thomson & Co., the University Auditors, and the investment was approved by vote of the Finance Committee of the Board of Managers.

Recently President Stuart showed to Mr. Tsai and to me in the Treasurer's Office a copy of a letter written by him to the Trustees, on his personal responsibility, proposing the transfer of a quarter of a million of the University endowment fund to the Field for investment. After that letter was sent by the President, the President and the Treasurers discussed at some length the whole question of investments in China. As a result of that conference, it was agreed that a special meeting of the Finance Committee of the Board of Managers should be held and the whole question introduced for the thorough consideration of that Committee.

The meeting of the Finance Committee of the Board of Managers was held in Peking on Wednesday, November 26th. The following were present: Dr. Y. T. Tsur (formerly President of Tsing Hua College, later Executive Secretary of the China Foundation for Education and Culture, and a man with wide experience in banking and in public affairs in China), Chairman; President Stuart, Messrs. Y. Y. Tsu, Gleysteen, Sweet and Galt. In addition, Mr. O. J. Krause, Treasurer of the Methodist Mission, and formerly Treasurer of Yenching University, and Mr. Stephen Tsai, our Associate Treasurer, were present by invitation. After extended discussion the following action was taken:

WHEREAS the policy of Yenching University is to become gradually and more completely a Chinese institution, which should involve the corresponding transfer of responsible financial administration to the field, and

WHEREAS an examination of the financial report of the China Foundation for Education and Culture indicates that funds aggregating large sums are invested according to conservative policies in both gold and silver securities, which produce a relatively high percentage of income;

VOTED that the Finance Committee of the Board of Managers propose to the Trustees of the University in New York that $250,000 of the University endowment funds be transferred to the field to be invested in either gold or silver securities under the direction of this Committee, according to investment plans and policies to be formulated by this Committee and approved by the Board of Managers.

Subsequently, but without formal vote, the suggestion was made that the present writer be asked to report the action, with a suitable covering letter, to the Trustees.

President Stuart is a member of the China Foundation for the Promotion of Education and Culture, which is entrusted with the second portion of the American Indemnity Funds returned to China, and acts, also, as trustee for the earlier indemnity

funds, which constitute the financial foundation of Tsing Hua College, or University, as it is now called. This China Foundation, as it is usually called locally, has responsibility for the investment and administration of funds amounting approximately to eighteen million dollars local currency. A copy of the Annual Financial Report of this organization was recently sent to President Stuart, and he placed it in the Treasurer's Office for Mr. Tsai and myself to study. We have looked over this report with much interest, and we are considerably impressed both with the magnitude of the responsibility and with the apparent safe and conservative policy respecting investments. The report is exceedingly long and complicated, and even a summary of it would take considerable space, and it probably is not necessary to report it. However, on a separate sheet I will have copied out certain data with regard to the securities in which funds have been invested, the approximate values of the same, and the percentage of returns on investment.

An inspection of this statement will indicate that securities, both in gold and in silver, representing bond issues of the Chinese Government, are available. It would be our thought that, if the opportunity comes to consider University investments here on the Field, only the most dependable Government securities would be taken up. In discussing the matter of investing in these Government bonds with Mr. Beddow sometime since, he pointed out that for an institution operating in China, and primarily for the Chinese, securities as dependable as the Chinese Government itself might well be considered satisfactory.

In presenting this point of view we are quite aware that the Chinese Government has in past years allowed some of its national securities to go by default, to the detriment of foreign investors. But we have the conviction that the Government of China, as at present organized, has a growing consciousness of those earlier delinquencies, and is now adopting policies which will redeem its past pledges and place national finance on a more solid basis.

A few months ago, with the strong revolt of Marshals Yen and Feng under way, the status of the National Government at Nanking seemed somewhat precarious, but the sudden bursting of that great bubble of revolt has brought out in a rather striking way the stability of the Nanking regime, and present prospects look toward a period of peace, unity and reconstruction. Of course no one dares predict positively that such a period will follow, but present indications look in that direction.

It may not be out of place, also, to call attention to the growing banking interests in China, and to the increasing degree in which those interests are adopting Western methods of finance and of accounting. The interests and influence of the

banking world in China are becoming a factor of ever-increasing importance in Chinese public finance, and the banking world is coming more and more to realize that stability and security are the foundations of permanent success, both for banking institutions and for the National Government.

No one would deny for a moment that in the proposed transfer of funds from New York to the Field there would be a loss of absolute security. But it may be pointed out that Yenching itself is much of an experiment and an adventure as an institution carrying on its work in this rapidly-changing China of the present day. It is pointed out in the preamble of the action of the Finance Committee recorded above that Yenching aims to become more completely a Chinese institution, and that sooner or later this should involve some transfer of responsibility for financial administration to the Field. Probably all interested in Yenching will agree that this represents a policy which we all approve, but that there may be difference of opinion as to the time when it is opportune to undertake the gradual transfer of responsibility. We on the Field think the time has come when an initial step in that direction may well be taken.

It must be admitted that a desire for an increased income from endowment funds is partly the motive behind the present proposal. The burden of securing the funds necessary to match the liberal offer of the Rockefeller Foundation oppresses our good President very heavily, and we all sympathize with him in this burden. It is only natural, with the demands of a growing work in Yenching, that we should desire to secure the largest available returns from our invested funds to meet the University's needs.

But this desire for increased income at the present moment is not the chief motive behind our proposal. It is our thought and deep conviction that a transfer of investment funds from New York to the Field would impress the public in China with the genuineness of our desire to make Yenching more and more an indigenous Chinese institution. As it becomes known amongst banking circles and amongst the more prominent friends of Yenching that a step of this kind has been taken, we feel that it will do much to promote a general friendly spirit on their part, and may become the basis for more successful financial promotional work in this country.

In this connection it may be well to refer to one of the specific proposals in President Stuart's personal communication to the Trustees. He refers to the earlier proposal of Mr. Chow Tso Pin as being still open, and expresses the hope that a transfer of investment funds to the Field might, somehow or other, result in still taking advantage of that offer. It should be stated,

we feel, that that suggestion of President Stuart's was not made to the Finance Committee during its meeting, and such a suggestion is by no means a part of the proposal which is now being transmitted to the Trustees. In other words, the Finance Committee makes the proposal to the Trustees entirely free from any suggestions or possible entanglements connected with any past experiences. We are anxious to have the proposal considered on its merits, in view of the broader conditions and relationships of Yenching as an institution here in China.

It will be noted that the action of the Board of Managers' Finance Committee refers to "investment plans and policies to be formulated by this Committee and approved by the Board of Managers". Since the meeting last week, we have not had an opportunity to go into this matter further, and, indeed, it seems better first to get our main proposal before the Trustees in New York. If the Trustees find it possible to favor the proposal in general, then the details as to ways and means may well be brought forward. In the meantime, we will continue our study of the situation at this end, and as soon as any concrete proposals for plans and policies can be formulated, we will present them.

We trust that you will find it possible to bring the substance of this communication to the attention of the Trustees as early as possible. A cable was sent from the President's Office after the meeting of the Finance Committee last week, proposing that consideration of his earlier communication be deferred until the action of the Finance Committee could reach you. We trust that the present communication makes plain the reason for that cable, and we shall hope for some word regarding the attitude of the Trustees as early as possible.

Very sincerely yours,

Howard S. Galt,

Acting Treasurer.

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CHINA FOUNDATION
Tsing Hua University Endowment Fund

Securities	Rate of Interest	Face Value	Cost Price	Redemption During 1929 - 1930 Proceeds
I. Chinese Government Silver Currency Securities				
1. National 7th Year Loan Bonds	6%	M$262,200.00	M$191,608.60	M$38,000.00
2. National 14th Year Loan Bonds	8%	445,200.00	304,332.00	68,300.00
3. National 7% Consolidated Loan Bonds	7%	70,900.00	56,720.00	
4. National 6% Consolidated Loan Bonds	6%	650,000.00	494,000.00	156,155.00
5. Tientsin Customs 2½% Surtax Treasury Notes	8%	3,500.00	3,200.00	2,000.00
6. National 17th Year 8% Short Term Loan Bonds	8%	900,000.00	810,000.00	115,000.00
II. Chinese Government Sterling Loan Bonds				
1. Hukuang Railroad 5% Sterling Bonds	5%	£11,860-0-0	£4,803-6-0	
III. Gold Dollar Bonds				
1. Republic of Peru 6% 1960 Gold Bonds	6%	G$50,000.00	G$44,375.00	39,736.25
2. Mortgage Bank of Chile 6% 1961 Gold Bonds	6%	30,000.00	27,600.00	
3. Minaes Geraes 6½% 1959 Gold Bonds	6½%	50,000.00	44,000.00	1,500.00
4. City of Vienna 6% 1952 Gold Bonds	6%	20,000.00	17,350.00	
5. Cuban Dominican Sugar Co.7½% 1944 Gold Bonds	7½%	19,000.00	12,935.00	
6. Pennsylvania Dock and Warehouse Co.6% 1949 Gold Bonds	6%	20,000.00	19,950.00	
7. Norwegian Hydre Electric Nitrogen Corp.5½% ;957 G/B	5½%	15,000.00	13,600.00	
8. Paris Lyons Med.R.R.C.6% 1958 Gold Bonds	6%	5,000.00	5,025.00	5,143.75
9. German Central Bank for Agriculture 6% 1938 Gold Bonds	6%	55,000.00	45,632.50	
10. Chicago Milwaukee St.Paul and Pacific R.R.C. 5% 2000 G/B	5%	50,000.00	36,217.50	
11. Abitibi Power and Paper Co.5% 1953 Gold Bonds	5%	10,000.00	8,200.00	
12. Kendall Co.Deb.with Warrants 5½% 1948 Gold "	5½%	30,000.00	26,700.00	
13. Panama 5% 1963 Gold Bonds	5%	10,000.00	9,043.75	
14. Northern Ohio Power and Light Co.5½% 1951 Gold Bonds	5½%	30,000.00	27,750.00	
15. Tennessee Central Railway 6% 1947 Gold Bonds	6%	10,000.00	9,850.00	
16. American Telephone and Telegraph Co.5% 1965 Gold Bonds	5%	30,000.00	29,850.00	
17. Chinese Republic 6% 1928-41 Gold Bonds(Belgian)	6%	40,600.00	34,104.00	
18. International Telephone and Telegraph 5% 1955 Gold Bonds.	5%	10,000.00	9,687.50	

Securities	Rate of Interest	Face Value	Cost Price	Redemption during 1929 - 1930 Proceeds
19. Ilseder Steal Corporation 6% 1948 Gold Bonds	6%	G$20,000.00	G$17,675.00	
20. Saskatchewan 5% 1959 Gold Bonds	5%	10,000.00	10,000.00	
21. United Light and Power 6% 1975 Gold Bonds	6%	10,000.00	10,100.00	
22. Fuller Building 5½% 1949 Gold Bonds	5½%	10,000.00	9,925.00	
23. Finnish Guaranteed Municipalities "A" & "B" 6½% 1954 G/B	6½%	10,000.00	9,887.50	
24. Republic of Chile 6% 1961 Gold Bonds	6%	15,000.00	13,725.00	
25. City of Cologne 6½% 1650 Gold Bonds	6½%	10,000.00	9,575.00	
26. Argentine Government 6% 1960 Gold Bonds	6%	10,000.00	9,938.75	
27. Saxon State Mortgage Institution 7% 1945 Gold Bonds	7%	10,000.00	9,812.50	
28. Shawinigan Water & Pwer Co.5% 1970 Gold Bonds	5%	10,000.00	10,287.50	
29. Canadian National Rly 5% 1969 Gold Bonds	5%	10,000.00	10,275.00	
30. Pennsylvania Railroad 4½% 1970 Gold Bonds	4½%	10,000.00	9,675.00	
31. Chicago & Northwestern Rly 4¾% 1949 Gold Bonds	4¾%	20,000.00	20,250.00	
32. St.Louis-San Francisco Rly 4½% 1978 Gold Bonds	4½%	10,000.00	9,350.00	
33. Ohio Power Co. 5% 1952 Gold Bonds	5%	10,000.00	10,300.00	
IV. Gold Dollar Preferred Stocks				
1. Belgian National Rly Preferred Stocks		Shares 200	G$16,450.00	
2. Missouri Kansas and Texas 7% Preferred Stocks	7%	200	20,550.00	
3. General Mills 6% Preferred Stocks	6%	100	9,200.00	
4. General Motors Corporation 5% Preferred Stock	5%	100	9,450.00	
5. Public Service Corporation of New Jersey 5% Preffered Stock	5%	100	9,787.50	
6. American Power & Light Co.6% Preferred Stock	6%	100	10,637.50	
7. Electric Bonds & Shares, New York City,5% Preferred Stock	5%	100	9,400.00	
V. Chinese Bank Shares				
1. Bank of Communication Shares		M$190,800.00	M$76,320.00	
2. Bank of China Shares		200,000.00	100,000.00	
Silver Currency Preferred Stock				
1. Shanghai Power Co.6 Taels Preferred Stock	₤6	Shares 600	₤59,100.00	

Description	Rate of Interest	Face Value	Cost Price	Redemption during 1929 - 1930 Proceeds
19. Higgett Steel Corporation 6% 1948 Bonds	6%	£250,000.00	£247,875.00	
20. Swaffham&Swan 6% 1958 Gold Bonds	6%	10,000.00	10,000.00	
21. United Light and Power 6% 1948 Gold Bonds	6%	10,000.00	10,100.00	
22. Water Wilding 6½% 1949 Gold Bonds	6½%	10,000.00	9,983.00	
23. Minimax Guaranteed Debentures "A" 6% "A" 6% 1958 G/B	6%	10,000.00	9,887.50	
24. Republic of Chile 6% 1961 Gold Bonds	6%	10,000.00	10,725.00	
25. City of Cologne 6½% 1959 Gold Bonds	6½%	10,000.00	9,875.00	
26. Argentine Government 6% 1960 Gold Bonds	6%	10,000.00	9,950.00	
27. Saxon State Mortgage Institution 7% 1946 Gold Bonds	7%	10,000.00	9,815.00	
28. Chemnitzer Water & Gas 6.5% 1970 Gold Bonds	6½	10,000.00	10,287.50	
29. Oberbayern Hydro Electric 6% 1959 Gold Bonds	6%	10,000.00	10,275.00	
30. Vienna Vienna Railroad 4½% 1970 Gold Bonds	4½	10,000.00	8,875.00	
31. Chicago & Northwestern 4% 1949 Gold Bonds	4%	20,000.00	20,250.00	
32. St.Louis-San Francisco 4% 1978 Gold Bonds	4%	10,000.00	8,350.00	
33. Ohio Power Co. 5% 1952 Gold Bonds	5%	10,000.00	10,300.00	
IV. Home Dollar Protected Stocks				
1. Toronto National Mfg Preferred Stocks		200	15,180.00	
2. Missouri Kansas and Texas 7% Preferred Stocks 7%		200	20,350.00	
3. General Mills 6% Preferred Stocks	6%	100	9,300.00	
4. General Motors Corporation 5% Preferred Stock 5%		100	9,450.00	
5. Inglis Refining Corporation of New Jersey 5%				
Preferred Stock	5%	100	9,750.00	
6. American Power & Light Co.6% Preferred Stock 6%		100	10,050.00	
7. Telephone Company of New York 6½%				
Preferred Stock	6%	100	9,400.00	
V. Chicago Bank Shares				
1. Bank of Commonwealth 100		1,300	17,550.00	
2. Bank of Ohio Shares		100	9,350.00	
Stock Exchange Listed Stock				
1. Virginia Power Co. 5% Gold Bonds	%	000	85,100.00	

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CHINA FOUNDATION
General Fund

Securities	Rate of Interest	Face Value	Cost Price	Redemption during 1929 - 1930 Proceeds
I. Chinese Government Reorganization Loan Bonds				
1. German Issue	5%	£302,020-0-0	£197,971-8-7	£3,680-0-0
2. Belgian Issue	5%	11,760-0-0	7,678-11-8	160-0-0
3. Russian Issue	5%	38,900-0-0	26,181-14-1	380-0-0
II. Chinese Government Silver Currency Securities				
1. National 7th Year 6% Loan Bonds	6%	M$247,300.00	M$173,644.13	M$36,600.00
2. National 14th Year 8% Loan Bonds	8%	379,200.00	340,996.34	67,300.00
3. National 17th Year 8% Short Term Loan Bonds	8%	200,000.00	180,000.00	6,000.00
4. Reconstruction 8% Loan Bonds	8%	100,000.00	81,599.31	89,266.66
III. Gold Dollar Bonds				
1. Saxon Public Works 1945 7% Gold Bonds	7%	~~101,37~~ 101,76 G$100,000.00	G$101,762.50	75 3/4
2. German Central Bank for Agriculture 7% 1950 Gold Bonds	7%	101,38 71,000.00	71,987.16	78
3. Vertientes Sugar Co.7% 1942 Gold Bonds	7%	100,5 66,000.00	66,330.00	41
4. Cuban Dominican Sugar Co. 7½% 1944 Gold Bonds	7½%	101 3/4 83,000.00	84,117.78	16
5. United States of Brazil 6½% 1957 Gold Bonds	6½%	50,000.00	47,504.25	56 1/2 G$47,504.25
6. Chile Government 7% 1942 Gold Bonds	7%	51,000.00	52,198.65	89 1/2 2,000.00
7. City of Vienna 6% 1952 Gold Bonds	6%	50,000.00	45,250.00	83
8. Republic of Peru 6% 1960 Gold Bonds	6%	99,000.00	90,585.00	35 37,921.25
9. German Central Bank for Agriculture 6% 1960 Gold Bonds	6%	30,000.00	27,825.00	68
10. Rhine Westphalia Electric Corporation 6% 1952 Gold Bonds	6%	50,000.00	46,562.50	77 1/2
11. Costa Rica, Pacific Rly,7½% 1949 Gold Bonds	7½%	50,000.00	50,562.50	
12. Chicago Rapid Transit Co. 6½% 1944 Gold Bonds	6½%	15,000.00	14,775.00	
13. Chinese Government 5% 1925-48 Gold Bonds	5%	124,650.00	77,351.57	2,300.00
14. City of Budapest 6% 1962 Gold Bonds	6%	20,000.00	17,775.00	62 1/2
15. Greek Government 6% 1968 Gold Bonds	6%	80,000.00	71,362.50	82 1/2
16. City of Antwerp 5% 1958 Gold Bonds	5%	30,000.00	27,150.00	96
17. State of Rio Grande do Sul 6% 1968 Gold Bonds	6%	20,000.00	17,475.00	37
18. Cities Service Co. 5% 1969 Gold Bonds	5%	20,000.00	19,800.00	71 1/2
19. Republic of Finland 5½% 1958 Gold Bonds	5½%	20,000.00	17,750.00	77
20. Norwegian Hydro Electric Nitrogen Corporation 5½% 1957 G/B	5½%	50,000.00	45,375.00	

Securities	Rate of Interest	Face Value	Cost Price	Redemption du. 1929 - 1930 Proceeds
21. Paris Lyons Med.R.R.C.6% 1958 Gold Bonds	6%	G$20,000.00	G$20,100.00	G$20,575.00
22. Chicago Milwaukee St.Paul and Pacific R.R. Co.5% 2000 G/B	5%	100,000.00	71,586.25	
23. Chicago Rapid Transit Co.6% 1953 Gold Bonds	6%	35,000.00	30,450.00	
24. Penncylvania Dock and Warehouse Co.6% 1949 Gold Bonds	6%	30,000.00	29,925.00	
25. American Telephone and Telegraph Co.5% 1965 Gold Bonds	5%	10,000.00	9,950.00	
26. Canada 5% 1931 Gold Bonds	5%	10,000.00	10,025.00	
27. Australia 5% 1957 Gold Bonds	5%	10,000.00	8,850.00	
28. Good-year Tire and Rubber Co.5% 1957 Gold Bonds	5%	10,000.00	9,262.50	
29. Republic of Chile Railway 6% 1963 Gold Bonds	6%	20,000.00	18,300.00	
30. Minaes Geraes 6½% 1959 Gold Bonds	6½%	50,000.00	38,952.50	
31. Chio Power Company 5% 1952 Gold Bonds	5%	10,000.00	10,300.00	
32. Canadian National Rly 5% 1969 Gold Bonds	5%	10,000.00	10,275.00	
IV. Gold Dollar Preferred Stocks				
1. Belgian National Railway Preferred Stocks		Shares 1,800	G$150,917.50	
2. Pennsylvania Dixie Cement Corp.7% Cumulative Pfd Stock.	7%	500	47,437.50	
3. Wesson Oil and Snowdrift Co.Preferred Stocks		300	19,500.00	
4. General Motors 5% Preferred Stock	5%	100	9,450.00	
Fan Memorial Biological Institute Endowment Fund				
1. National 7th Year Loan Bonds	6%	M$230,000.00	M$162,577.29	M$38,600.00
2. National 14th Year Loan Bonds	8%	31,500.00	29,311.94	1,000.00

燕京大學
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

December 1, 1930
No.T30-93.

YENCHING
INDEXED
TRANSFER

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

Dear Mr. Garside:

Enclosed please find a copy of our revised budget for the current year. There are five points on which I wish to make a few comments in order to make things clear to you.

I. Incorporation of the Extra Budget Items: You will note that we have incorporated items No.1,2,3,4,6 and 7 of the preferential list submitted to you with the budget itself last spring. Items 1 and 2 were approved by the Trustees at their annual meeting of April 23 under Action 2823 and items 3 to 8 were referred to your Budget and Finance Committee with power. Subsequently on May 21,your Budget and Finance Committee, in view of the income on the second half million dollars of endowment for Natural Sciences, allocated this additional income (see section B of appendix A of the minutes of May 21, 1930). In this allocation you, under certain conditions which we will not attempt to detail, approved items 3,4,6,7, and part of 8. If you did not have to return to the Rockefeller Foundation the first half million dollars on account of the unfortunate development connected with the Chinese gift, the income on the second half million dollars can be really treated as "additional". The problem of meeting the extra budget items will then be simple whether the exact allocation as listed in section B of appendix A referred to above is carried out or not. But, alas, as events have proved, it is not so simple. We have had no word from you as to how the budget as a whole is affected by the fact that you had to return the first quarter million dollars. In the meanwhile we are operating as if nothing adverse has happened. The latest news from the President's Office elicits that the Rockefeller Foundation has generously granted the income on the first ~~half~~ million dollars for two years pending our securing an equal amount to match the capital during this period. If this correct, then you will have the income on quarter million dollars as "additional" instead of that on half million dollars as you counted on on May 21. Now let us see how far this income of quarter million will go toward

See "Budget 1930-31" November 1, 1930 Also: Yenching College files "Budget 1930-31" November, 1930

meeting the extra budget items 3 to 8. I am taking for granted that items 1 and 2 would be approved anyway inasmuch as Action T2823 was taken before the income on the second half million dollars was available. Thus, Action F2834 covers the following items:

Item No.3	Library books	$13718.00
4	Operation & Maintenance	11536.00
5	Additional Housing for Faculty (striking out on account of New Residence Fund)	
6	Department of Physical Education	4300.00
7	Laboratory Needs	6050.00
		I.c.$35504.00

At the present rate of exchange the income on quarter million dollars, namely $12500.00, is more than sufficient to cover the above. We hope that you will allow items No.3 to 7 to stand as approved eventhough your income is only half of the amount at the time when you considered the approval. Please note that we have left out item 8, which in your analysis of May 21, could only be met in part. The General Faculty Executive Committee decided sometime ago to drop it out of consideration for this year upon recommendation of President Stuart and the Treasurers.

II. The apportioning of administrative and operation costs among financially independent units of the university: This is a matter of policy which has never been finally agreed upon between you and the field. Dr. Galt pointed out the impracticability of such scheme to Messrs. Warner, McBrier and some other members of the Trustees when they were here at the Formal Opening Exercise last year. I am not sure that he has ever expressed our views in his correspondence with you. What we feel is this: Our units are so related to one another as to make any clear cut divisions of expenditure, beyond that of the cost of staff and departmental supplies, difficult, if not impossible. For instance, the matter of office spaces and class rooms are so situated and so used as to make it practically impossible to apportion the operating cost of an academic building among the different among the different units. The curriculum activities, too, overlap academic boundaries. What is more, if we adopt such a hair splitting policy about expenditures, it is only logical that we do likewise with the student fees; tuition, dormitory rent, incidental, and so on down the line. Here we find ourselves more bewildered than ever. A student registered in Natural Sciences has to take, by university regulations, so many credits in Arts and Letters and so many credits in Social Science, Students registered in other colleges have to do the same in taking courses in Natural Sciences. How are we going to divide the fees among the colleges? We suppose it is possible. But in order to do it we will have to maintain a staff of statisticians and computors and also a board of arbitrations in order to settle dispute and to adopt equitable basis for calculation. The cost of such a

scheme will then, we fear, by far outweigh any possible benefits that may be resulted thereby. We, therefore, deem such a policy impractical and unwise. In its place, we like to propose that each financially independent unit, in addition to maintain its curriculum activities, shall be held responsible for all the cost of its staff which is composed of (1) Salary, (2) House rent, (3) Medical & dental, and (4) Pension annuity. Each unit shall also be responsible for any special needs, peculiar to its work, such as gas for Natural Sciences. The University will contribute to it the administrative and operation cost and will, in return, take in all student fees as unrestricted income. On this basis the Natural Science Mexican budget for this year will then appear as follows:

As per revised budget	$85718.00
House rental	7560.00
Medical & dental	840.00
Annuity	1460.00
Gas plant	3000.00
	$98578.00

The College of Public Affairs can be worked out on similar lines. This scheme will simplify administration and still attain a reasonable basis of financial division and responsibility. We hope that you will give this your favourable consideration.

III The Gold Dollar Column:- Since our western staffs' salary and furlough travel are all paid in gold dollars, it seems to us logical to keep such figures in gold. We are thinking of having future budgets made out in this way. Each department will submit its budget in two currencies, if a part of its fund is to be spent for purchases abroad. In so doing we can protect ourselves from any drastic fluctuation of exchanging rates, a thing which has been a source of complaint for several departments, particularly the Natural Sciences. We hope that you will find no objection in this procedure.

IV Committments met from Contingent Fund: You will find that the Contingent Fund has dwindled away from $5000.00 in the original budget to $1473.00 in the revised. The balance has been transferred to meet increases elsewhere in the budget.

V Women's College and College of Public Affairs: The revised budget for the Women's College has been prepared by Miss Cookingham. I think no further comments are necessary in as far as they have been able to keep the revised figure within the original budget submitted to you. With reference to the Public Affiars there are only minor changes in the three original departments, Economics, Political Science, and Sociology. Their totals remain unchanged. But a new department, Jurisprudence, has been incepted, which calls for additional fund. I believe President Stuart has taken the matter up with you for ratification by you and Princeton-Yenching Foundation.

We will undoubtedly hear from you on this in due time. In the meanwhile we are advancing funds to the newly born department out of the budget of Political Science which has sponsored the new comer.

I hope I have made them clear and intelligent to you.

With best wishes to you, Mr. Evans, and others in your office for a merry Chistmas and a happy New Year.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

ST:w

YENCHING

Yenching University

TRANSFER

December 1, 1930

030-12-1-1

ack. 1/6/31

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

My dear Dr.Galt:

Let me acknowledge receipt of your letter of October 14 addressed to the Yenching Trustees and the Yenching College Committee, summarizing the difficulties which the University administration, and particularly Mrs.Frame, have met during recent months because of the case of Miss Chang Ch'ung Hsia.

We have had this letter mimeographed, and copies have been distributed to the members of the Board of Trustees and the Woman's College Committee.

While theTrustees and the Woman's College Committee have not as yet had time to take formal action, and possibly may not consider that any action is necessary, I can assure you that everyone on the Board and the Committee feels the warmest sympathy for the difficulties which Mrs.Frame and the other administrators of the University have been forced to meet. Everyone realizes more or less clearly the tremendous difficulties which constantly attend the administration of ourChristian higher educational institutions in China during this period of rapid change and abnormal strain; and everyone appreciates the fact that great delicacy is often required in handling problems of student life and discipline which under normal conditions would be relatively simple.

I hope you will express to Mrs.Frame, to Chancellor Wu, and to the others who have borne the burden of this difficult situation, assurances of the warmest appreciation and most complete confidence of the Board of Trustees and the Woman's College Committee.

Very sincerely yours,

Secretary
Trustees of Yenching University

BaG-H

YENCHING

INDEXED

Yenching University

December 1, 1930

TRANSFER

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

My dear Dr.Galt;

I am enclosing herewith a somewhat formal acknowledgment of the receipt of your letter of October 15 telling of the troubles growing out of Miss Chang Ch'ung Hsia's case. I am writing this further letter in a purely personal vein to report some of the comments and reactions of the Trustees and the Yenching College Committee with an informality that could have no place in more official correspondence. Please keep this present letter confidential in so far as you deem it necessary to avoid giving rise to misunderstanding on the part of the staff and administrators at Yenching, particularly the Chinese staff. In matters of this kind I am sure that you will welcome an unofficial picture of the reaction of groups here at home to problems the University is facing.

In the first place, your letter of October 14 certainly accomplishes its primary purpose - that of removing from the minds of the Trustees and the Woman's College Committee any suspicion that Mrs.Frame may have been deserving of blame for the difficulties Miss Chang's case has created. However, all such information as had come to us before your letter arrived placed Mrs.Frame in a thoroughly favorable light, and I am sure that there was no thought of criticism of her in this connection in the mind of anyone connected with the home Boards of the University.

From another standpoint, however, I am afraid that the result of this communication may not be so satisfactory. The very fair and impartial summary you present gives the most unattractive - one might almost say, repulsive, - picture of the Yenching student body. For many years we have been carefully instilling into the minds of the friends of Yenching here in the West a picture of the Yenching student body as made up of young men and young women who are rounded out into outstanding Christian leadership. We have trained our friends to think of Yenching students as able to think for themselves, and to choose their own courses of action, with an ideal of the highest type of Christian service, and with understanding of, and friendliness for, their teachers and administrators, particularly those coming to Yenching from the West. After reading this description of the serious and prolonged tempest which has centered around the case of a young woman who seems to be obviously mentally unbalanced, one is apt to decide that the student body of Yenching is made up of unreasonable anti-foreign and anti-Christian radicals on the one hand, and pretty spineless individuals on the other. Of course, those who have had the benefit of first hand experience in our China colleges during these recent years of turmoil can appreciate

to some extent the fact that a very small handful of radicalsstudents can upset the morale and discipline of an entire institution, and that the loyal and law-abiding students, even though they are in the large majority, seem to find themselves helpless and unable to better the situation. It is extremely difficult for the typical Trustee or supporter of our China colleges who has not had this first hand experience to understand the difficulties under which our institutions are carrying on. They are always apt to say in substance, "If this is the type of students our China colleges are raising up, there are many other causes nearer at hand to which I can better devote my time, my interest, and my funds."

Also it is very difficult for most people here at home to understand and appreciate the attitude of administrators, particularly our Chinese administrators, in dealing with such a case as that of Miss Chang. While everyone acknowledges the necessity of handling questions of discipline in a cautious and tactful manner so as to minimize the possibility of a clash, the judgment of most of our friends here is that the interminable dragging out of such a case of discipline through permitting the individual around whom a storm is raging to remain indefinitely on the campus, is simply to invite, rather than to avoid, a serious clash. Your letter of October 14 does not say what finally became of Miss Chang, and is ~~often~~ more vague as to what became of the graduate student Chao who was expelled for his activities as ringleader of the agitation against Mrs.Frame. Further correspondence arriving from Yenching gives us to understand that Miss Chang continues to remain on the Yenching campus, and that even after Chao was expelled he remained in the dormitories and the University administration has not insisted on his removal from the campus. If these two facts, particularly the fact of Chao's remaining on the campus, were generally known among the Board of Trustees I believe their bewilderment and lack of ability to reconcile their own judgment with the procedure followed on the field would be greatly increased.

Personally I feel that much might be said in favor of more promptness and decisiveness of action in disciplinary affairs of this kind, even in such a powder magazine as China is today. I believe that the experiences which Cheeloo underwent last year are an illustration of this fact. When the student agitation began at Cheeloo early in the fall of 1929, for a time they were conducted on a rather small and timid scale. Had the University administration, together with the Board of Managers, taken a firm stand when this agitation first began, there is every reason to believe that the situation could have been kept in hand with relatively little danger and little loss. There is a possibility that there might have been student strikes at Cheeloo engineered from without even at such an early stage, but it is almost certain that any student troubles at that time would have been far less serious and far less prolonged than the ones that came later. However, the whole attitude of our Chinese administrators at Cheeloo was one of temporizing and compromise. As a result the malcontents within the campus and the hostile elements outside became bolder and bolder, and the unreasonableness of their demands increased. Dr.Lieu Tien Lu took a fairly firm stand but neither his faculty nor his Board of Managers supported him and he was forced to withdraw. His withdrawal, however, instead of appeasing the students and outside agitators who had clammored for his resignation, emboldened them, and they at once turned to still more unreasonable and impossible demands. Things went on from bad to worse with one Chinese administrator after another attempting to get the situation in control and meeting with failure.

It was only when Dr.Randolph T.Shields stepped into the breach and adopted an attitude which he facetiously called one of "benevolent autocracy" that the situation was really gotten into hand. For a month or two

Dr.Shields was forced to formulate and adhere to some very firm and unyielding lines of procedure. This is not his normal way of handling a situation and I know that he adopted this attitude because it seemed the only possible way of saving the situation, But from the moment he assumed the command the situation improved steadily, even though many of his Chinese colleagues and some of his Western associates felt that he was unnecessarily dictatorial at some places. I believe it is due largely to Dr.Shields' firmness last winter that Cheeloo succeeded in getting around a very difficult corner and resumed its work this autumn under fairly satisfactory conditions. Our only regret is that Dr.Shields or someone else did not adopt the same stand about four months earlier. Perhaps the situation at Yenching is not sufficiently analogous to that at Cheeloo to make comparison a fair one. At all events everyone unites in the warmest sympathy for all the administrators at Yenching on whom this heavy burden of responsibility lies. We all rejoice too at the probability that the difficulties created by this disciplinary problem have now been fairly well solved. No one here in the United States would willingly adopt a critical attitude in looking at such a problem as this, for we all appreciate the fact that it is very easy for any spectator on the side lines to spin fine theories on how a situation should be handled, but it is a far more difficult task to carry through a struggle under adverse conditions, and sometimes to struggle along as best one can in a dense fog where landmarks are obscured and one can only grope forward as best one may.

With all good wishes, I am

Very cordially yours,

BaG-H

Enc.

Ack 2/14/31

燕京大學
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

December 2, 1930.

G346

YENCHING

INDEXED

TRANSFER

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

My dear Mr. Garside:

I have today to report another research project. Your letter of March 8, G30-3-8-1, reported considerable research at the New York end, and asked certain questions here regarding University residences, especially the assignment of particular residences to particular donors.

I acknowledged the receipt of that letter, and indicated that surther study would be necessary before a reply could be drafted. Miss Conover cooperated in the research and I have before me notes prepared by her last May.

More recently, Mr. Chuan, the Comptroller, and his assistants have made their contributions.

In the documents enclosed in your letter, particularly in the "Notes on Clearance of Yenching Residences Accounts as of March 1, 1930", you have in true research style indicated your sources, both primary and secondary. To these I can add one or two, although possibly the second one to be mentioned may be included in your third item, "Yenching Promotional Office Records to March 1, 1930".

I have before me a document marked "Schedule of New York Office December 9, 1925". Appended to this is the following note: "As per advice from Wiant to New York, 5th of March, 1928". I have found Mr. Wiant's covering letter, in which he describes the work done on this residence list, but I cannot find anywhere here the original of this document bearing the date December 9, 1925. Mr. Wiant's letter disclaims finality or any very high degree of accuracy.

From the Comptroller's Office I am handed the first page of a letter from the New York Office to President Stuart, dated July 5, 1929, and, although the sheet with the signature is not here, I surmise that the letter is from Miss McCoy. This letter is accompanied by a five-page list of University buildings and donors, and is dated June, 19, 1929. I presume a copy of this document is available in your office.

Now to answer the question definitely raised in your letter.

At the bottom of page one you ask if any information on the field is at variance with the procedure you have followed in this division and allocation of residences. The answer to this is in the negative. We accord fully with your procedure in preparing these two lists of residences.

At the top of page two you refer to residences in the designated list and say "Please let me know whether any of these assignments are not in accord with the understanding on the field". There seems to be one assignment which is at variance with your list, namely, House No. 59, which is that occupied by my family, and which has been assigned to Mrs. J. Milton Colton, Jenkinstown, Pa. A bronze tablet commemorating this gift hangs in the vestibule of No. 59. I remember that the question of this assignment was up in September, 1927, just as I returned to the field, and the assignment of this house to Mrs. Colton was, I think, made by President Stuart. According to the list you sent, No. 28, which is occupied by Mr. Breece, is assigned to Mrs. Colton. On the list sent by Mr. Wiant, referred to above, in March, 1928, the Breece residence is assigned to F. B. Wallace, whose name appears on your list of donors in the undesignated list. The assignment of No. 59 to Mrs. Colton would leave without assignment the funds of the "Old South Church", Boston. I do not find this "Old South Church" donation on the list with Mr. Wiant's March, '28, letter. The "Old South Church" contribution is mentioned on page three of the June, 1929, list from your office, but no residence is set down against it on the copy of the list now in hand here. The note on this list says, "The residence to be named for the Old South Church". I have just telephoned to President Stuart to inquire what he knows about that gift, and he says he remembers that the sum was given by one individual in that Church, and he thinks that it is not a matter of consequence that a particular residence by assigned to that donor. If, however, data at hand with you indicates that such an assignment be made, then I should say it would be very easy to make such an assignment from the list which you mark "Undesignated". On this point we will await further suggestions from your office.

Your next question is at the end of the second paragraph on page two. With the possible exception contained in the suggestion made just above, we see no reason why future assignments may not be made from the undesignated list, for we here have not formally or informally assigned these residences to particular donors.

At the bottom of page 2, under "D", you inquire about the Ritter residence. It is true that Mr. Ritter's residence bears the number "43". The reason why No. 43 was not specified in the

list of completed residences accompanying my letter of May 10, 1929, was because that residence is a part of the large purchase know as the "Yen Compound", which is chiefly used for students' dormitories, and is set down at the end of the list with my letter of May 10, 1929. If it is desirable to separate out this residence from the rest of that "Yen Compound" property, we can do so. I would suggest L.C. $12,000 as the approximate value of the place, and if it is desirable a corresponding gold figure, based on the ratio 1.902, as per my statement of May 10, 1929, can be determined. If, for the purpose of record and accounting, this procedure seems to you desirable, please let us know. If the cost be reckoned as suggested above, it will be in gold slightly under Mr. Ritter's gift, which is set down as G$6000.

I think I have covered all of your specific question. I shall be glad to have further steps taken to settle up the residences and residence compounds in accordance with the general policy outlined in your letter as rapidly as you can put it into effect.

Very sincerely yours,

Howard S. Galt

Howard S. Galt,

Acting Treasurer.

HSG-LC

RECEIVED
UNIVERSITIES
DEC 29 1930
JOINT OFFICE

Aeh 12/31/30

燕京大學
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

December 2, 1930,
No.T30-94

YENCHING

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

INDEXED

TRANSFER

Dear Mr. Garside:

When Woodrow Wilson advocated the policy of "self-determination", he, far-sighted as he was, did not dream it would affect university administration in any way. Here at Yenching, we feel its influence ascending everday. The College of Public Affairs, with its special financial resources and independent advisory committee, etc. is quite "self-determining". We hear that Journalism is working toward the same direction. Now, Natural Science with its special income, is asking, not "self-determination" perhaps, but special financial concession or financial "extraterritoriality", to use a more popular term in China.

As I wrote on page 3 of my letter T30-93, the budget of the Natural Science would be $98578.00* in local currency, if we count the total cost of staff. To this sum, it should be added G$5695.00 for foreign staff salary and annuity payments. On account of the high exchange rate which is now about one Mexican dollar more for every gold dollar than a year ago when the budget was made out, the Natural Science College finds itself unable to pay all its bills abroad without further increase in budget appropriation. Dean Boring and her colleagues have figured out that they must have an exchange rate of 3:1 on the income on three quarters of million dollars in order to carry on the work this year at all. Even then, they will have a deficit of two to three thousand dollars local currency on June 30. Dean Boring presented the case to the General Faculty Executive Committee, which, on November 25, adopted the following action:

> "GFE-2573 VOTED: to accept the recommendation from the Dean of the College of Natural Sciences that the Board of Trustees be requested to allow gold-dollar rate of 3:1 for the budget for the College of Natural Sciences."

*(see note on page 3)

To put the above recommendation in figures, it would mean an appropriation of G$5696.00 and M$95412.00 for the College arrived as follows:

Income on half million	G$25000.00
" " quarter "	12500.00
	37500.00
Less foreign salary & annuity	5695.00
	G$31804.00

G$31804.00 at 3 $95412.00 l.c.

It is interesting to note that if the above recommendation is accepted by the trustees and Natural Science becomes financially autonomous, it will save the University about $8000.00 l.c. arrived at as follows:

Total expenditure as per revised budget	G$33288.00	M$425998.00
Less Natural Science (Salary & Annuity)	5696.00	77064.00*
	G$27592.00	M$348934.00
at 215 G$27592.00		59322.80
		M$408256.80

*Natural Sciences $85718.00
Less Psychology 8654.00
$77064.00

Income

A. From local sources			M$115170.00
B. From Trustees (at 215)			
Class A 1 From Mission Bds.	G$11500.00		24725.00
2 Endowment (General)	57554.73		123742.67
3 Bashford Maint.	1351.70		2906.16
4 Harkness End.	7198.45		15475.70
From Trustees (at 250)			
Class B 1 H.Y.I. Trust Fd.	26000.00		
2 Wm. Hung Salary	1800.00		
3 Am.Bd.T.T.Lew Sal.	1800.00		
4 Gift from Coffin	1800.00		
			78500.00
5 Journalism			16620.00
C. Extra Budget Items 1 & 2			30637.00#
D. Natural Sciences for rent, etc.			9860.00
			M$417636.53
Less expenditure			408256.80
Surplus			8389.73

#(see page 3)

This letter, since it deals with recommendation from the General Faculty Executive Committee to the Trustees, should come from the President's office. But the President is not familiar with the figures involved. So we undertake to write this letter from this office. We will, however, have the President read it and approve it before posting.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

Read & approved
J. Leighton Stuart

*Note: This includes $8654.00 for Psychology which, according to Chinese government regulation, is under Natural Science College, but at Yenching, it was not classified as a department in Natural Science when negotiations with the Rockefeller representative here for a special endowment for the college were made. So it is financed from ~~the~~ university general funds.

#Note: Further study of this item indicates that it should be reduced somewhat, since the annuity charges and salary increases for Chinese staff for the College of Natural Sciences should be substracted from it.

ST:w

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DEC 29 1930
JOINT OFFICE

燕京大學
YENCHING UNIVERSITY
Peping China

YENCHING

TRANSFER

Office of the Treasurer

December 2, 1930,
No.T30-95.

ack. 1/6/31

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

Dear Mr. Evans:

We wish to report to you the sale of draft No.T1205 for U.S.$2197.09 to the Banque Belge Pour L'Etranger, Peiping, on account Princeton-in-Peking less U.S.$375.00, over-draft of last year's account, as per your Authorization No.3060, at the rate of 354. The l. c. equivalent is $7777.70. 12/22/

Mr. E. O. Wilson of our Department of Chemistry has placed an order for one blood collecting pipette with the Central Scientific Co., Chicago, Ill. The cost is about G$3.00. Kindly pay the bill, when it is presented to you.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

OK
Rec'd
(2)

ST:w

RECEIVED
UNIVERSITIES
DEC 29 1930
JOINT OFFICE

YENCHING

INDEXED

Yenching University

TRANSFER

December 3, 1930

Dr. J.Leighton Stuart,
Dr. Howard S. Galt,
Yenching University,
Peiping, China.

G30-12-3-1

My dear Dr.Stuart and Dr.Galt:

Mr.Franklin Warner has just written inquiring as to detailed plans for the equipment of the Warner Memorial Gymnasium. I have given him such information as is available here in our office, but I find that our information is not very complete or satisfactory. I think it would be very helpful, therefore, if you would send either to our office or to Mr.Warner a fairly detailed statement as to the desirable equipment for all three sections of the Gymnasium, indicating what equipment has already been purchased, together with a statement of the equipment still required, its approximate cost, and the time when purchases should be made. Information should also be given as to the extent to which this equipment can be obtained in China, and the extent to which it should be purchased here in the West. Can you also indicate how far balances may be available on the field for meeting a part at least of the cost of this equipment, and how far we shall require funds in addition to what have already been transmitted?

To date Mr.Warner has paid over G$46,000 on his pledge toward the Gymnasium. Sixteen thousand of this amount was for the construction of the first wing of the Gymnasium, and $30,000 for the construction of the Central wing. Five thousand still remains to be paid on the Central wing and this amount is ~~being~~ reserved here in New York for the purchase of equipment. Mr.Warner has also signified his willingness to make payment early in 1931 of the amount necessary to produce approximately L.C.$31,300 which it is understood will be required to complete the last wing of the Gymnasium.

The last Construction Department balance sheet which we received from Yenching shows that on August 31 there was a surplus on the field of L.C.$25,881.19 in the construction account of the central portion of the Gymnasium, but this was counterbalanced to a large extent by a deficit of L.C.$12,342.98 in the north wing of the building. This left a net surplus of approximately L.C.$11,500 in the combined Gymnasium building account at the end of August. Since the August 31 Construction Department balance sheet was prepared you have drawn an additional draft for G$5,000 on the central section of the Gymnasium, which draft produced L.C.$14,450. Thus you have had available since August 31 the net surplus on that date of L.C.$11,538.21 plus your last draft of L.C.$14,450, making a total of L.C.$25,988.21. We have no means of knowing how far these

funds have been required, or will be required, in the completion of construction work on the central wing. Will you please give us an up-to-date statement of the status of the Gymnasium construction account, together with a forecast of any further expenditures required for construction on the north wing or central section?

Mr.Warner has also asked for information as to the progress of construction on the central wing. When you write will you give us up-to-date information on this point?

Very cordially yours,

BAG-H

YENCHING

燕京大學
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

December 4, 1930,
No.T30-97.

ack. 1/6/31 TRANSFER

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

Dear Mr. Evans:

This is to acknowledge receipt of your letters of October 28 and 29. The former requires no further comments. The latter deals with the salary of Mr. Duncan, in which you verified the correctness of Mr. Duncan's statement as to the amount he should receive. There, however, seems to be some misunderstanding as to the source from which his salary should be paid. We understand from the Advisory Committee on the College of Public Affairs here that Mr. Duncan, as well as Messrs. Tayler and Free, is supported by the P. Y. F. independent of the field appropriation of $38500.00. We have never had any definit instruction from you regarding this. Upon receipt of your letter of October 29, we addressed a letter to Dean Shuhsi Hsu pointing out this difference to him. We will communicate with you again on this as soon as we hear from him

I also wish to acknowledge receipt of the following letters:

E30-11-3-1: Enclosing a check for G$160.00 on account of salary for William Hung.

E30-11-3-2: Enclosing a draft for l.c.$4250.00 to cover the second quarterly remittance on account of China Famin Fund Appropriation for the Agriculture Experimental Station.

G30-11-5-1: Referring to a payment of $16.21 for Miss Roberta S. White. We have noted this and will make the necessary adjustment with Miss White.

G30-11-7-1: Covering authorizations on the Harvard Yenching Institute fund for Sinological and Japanese books. We will draw on you on this fund from time to time as may be requested by Mr. Hung. We will send you an audited statement next June showing the disbursements of this fund as requested by you.

G30-11-7-2: Referring to a remittance of $500.00 from Mrs. Edward W. Pendleton. We forwarded the draft to you on October 16. You ~~will~~ have undoubtedly received it before this time.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

ST:w

RECEIVED
UNIVERSITIES
DEC 29 1930
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3056- Pd 1/2/31 $4120.88
3037 " " 2472.53
3007- 1098.90
3059- " " 549.45

學大京燕
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

December 4, 1930.
No.T30-96

YENCHING

ack. 1/6/31

TRANSFER

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

Dear Mr. Evans:

We wish to report to you the sale of the following drafts at the rate of 364 to the National City Bank of New York, Peiping, on account of the various accounts as indicated below:

Draft No.	U.S.Amount	L.C.Equivalent	Account	Authorization
T1206	$4120.88	$15000.00	Current ap.	No.3056 Pd. 1/2/31
T1207	2472.53	9000.00	H. Y. I.	3037 "
T1208	1098.90	4000.00	Women's Col.	3007 "
T1209	549.45	2000.00	Journalism	3059 "

Yours very sincerely,

Stephen Tsai

Stephen Tsai,
Associate Treasurer.

ST:w

RECEIVED
UNIVERSITIES
DEC 29 1930
JOINT OFFICE

YENCHING

INDEXED

Yenching University

TRANSFER

December 1, 1930

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

G30-12-4-1

ec 12/4/30

My dear Dr.Galt:

This letter will deal with the subject of architect's fees on our Yenching Woman's College accounts. You will remember the rather protracted correspondence we have already had on this subject, particularly Mr.Evans' letter E30-5-20-1 and your reply on June 20, 1930, G-3029.

At the time we set up here in our office the accounts of the Yenching College for Women we found that Mr.Bowman's records showed the expenditure of G$18,956.45 for architect's fees of various kinds. We are attaching a list of these expenditures. When we compared this list with the statement of the Woman's College building costs which you sent on December 31, 1928, we found that your record showed only one item for Woman's College architect's fees amounting to G$5,098.35. Since this figure sent by the field did not correspond with any item or combination of items on the attached list we had no way of knowing which of the items on this list were included in your field accounts. Your letter of June 20, 1930, reveals the fact that the charge on the field accounts of the Woman's College should have been G$5,328.00, and represents the payment made by Mr.Bowman on November 28, 1924 to the Trustees of Yenching University as the Woman's College part of a group of general plans drawn by Mr.Murphy covering the initial lay-out of the University.

With this point as a beginning we find that the list of payments made by Mr. Bowman for architect's fees can be divided into three groups as given below. A somewhat different procedure seems desirable for each of the three groups.

Charge of G$5,328.00 for initial lay-out. Our procedure with regard to this item seems to be relatively simple. We are at this time putting through a journal voucher increasing the amount shown on our books in account 26f2 from the present figure of G$5,098.35 to the correct figure, G$5,328.00. This increase of $229.65 we are crediting to account 121d, Undesignated Plant Funds, as the amount shown in this account was recognized as an approximation rather than an exact figure when our Women's College books were set up. This approximation was necessary because of the fact that the field accounts and Mr.Bowman's accounts could not be perfectly reconciled and we assumed that certain funds received and sent out by Mr.Bowman without being designated specifically for the Plant account were

used for Plant purposes by the field. Since we now know that this G$5,328.00 was expended for general architectural plans, we are closing out account 26f2 and including this item in account 22b, Land Improvements and General Plans, where it logically belongs.

Charges for Woman's College Gymnasium. From the attached list you will see that the following three expenditures were made during 1925-26 on account of architectural work for the Woman's College:-

November 19, 1925,	to Mr.H.K.Murphy for architectural services	Woman's Gymnasium	$2,950.00
March 12, 1926		Ditto	750.00
" 25, 1926		"	1,687.00
			$5,387.00

It seems quite obvious that the expenditure of this $5,387.00 has not been entered on the field accounts of the Woman's College for there seems to be no place in your statement of December 31, 1928 where this sum could be included. We are, therefore, putting through a journal voucher charging the Boyd Gymnasium with the sum of G$5,387.00 for architect's fees, and are crediting this amount to account 121d, Undesignated Plant Funds, for the reason explained above.

Remainder of charges for architect's fees. There thus remain the following items totalling G$8,241.43 to complete the attached list of disbursements for architect's fees:

Debit

26(a)	Nov.26,1921	To	H.K.Murphy,	for Sage Mem'l Recitation Bldg.	G$1,071.84
52 26(e)	"	"	"	for Woman's Administration Bldg. and Dean's Residence	504.00
52 26(m1)					
26(a)	Feb.10,1922	"	"	" Sage Mem'l Recitation Bldg.	1,875.72
141 26(e)	"	"	"	" Woman's Admn.Bldg.& Dean's Residence	882.00
141 26(m1)					
26(a)	Apr.19,1922	"	"	" Sage Mem'l Recitation Bldg.	803.88
"	"	"	"	" Woman's Admn.Bldg.& Dean's Residence	378.00
189 26(e)					
189 26(m1)	May 24, 1922	"	"	" revision of groupings for whole future group of Women's Academic Quadrangle	43.04
22(a)					
22(a)	Mar.19, 1924	To	Trustees	Peking University, one-third total apportionment, engineer's report	1,605.55
26 91	July 8,1924		"	Peking University, architect's bill for Women's Dormitory	77.40
22(b)	Sept.3,1926	To	"	Peking University for Land Improvements and General Plans	1,000.00
					$8,241.43

credit 121d

We have no way of knowing whether any or all of these items were included on the field accounts of the Woman's College at the time you sent us the general statement of building costs on December 31, 1928. We would appreciate it if you would check through your Woman's College accounts and would let us know which, if any, of these items are already on your books. In so far as these items are already on your books the accounts both in New York and on the field are correct. Where such items are not on your books we should put through a journal entry here in New York charging the proper buildings with the amount of these architect's fees and crediting like amounts to account 121d, Undesignated Plant Funds.

Please let us know whether you agree with our procedure in dealing with the first two divisions of architect's fees as described above, and also send us in due course the information necessary for us to clear off the last type. When this has been done I hope we will be able to reach a final clearance of this long delayed question of architect's fees in the Woman's College.

Very sincerely yours,

BAG-H

Enc.

cc: Accounty offici
Late mail

Disbursements shown on Yenching Woman's College Books (Mr.L.A. Bowman,Treas.) for Architect's Fees

Date	Item	Amount
Nov.26,1921	To H.K.Murphy, for Sage Mem'l Recitation Bldg.	G$1,071.84
"	" " for Women's Administration Bldg.& Dean's Residence	504.00
Feb.10,1922	" " " Sage Mem'l Recitation Building	1,875.72
"	" " " Women's Admn.Bldg.and Dean's Residence	882.00
Apr.19,1922	" " " Sage Mem'l Recitation Building	803.88
"	" " " Women's Admn.Bldg.and Dean's Residence	378.00
May 24,1922	" " " revision of groupings for whole future Group of Women's Academic Quadrangle	43.04
Mar.19,1924	To Trustees Peking University 1/3 total apportionment engineers' report	1,605.55
July 8,1924	To " " University, Architect's Bill for Women's Dormitory	77.40
Nov.25,1924	To Eric M.North, Woman's College share in initial Lay-out	5,328.00
Nov.19,1925	To H.K.Murphy for Women's Gymnasium, first instalment	2,950.00
Mar.12,1926	To " " " " " second "	750.00
Mar.25,1926	To " " " " " - third "	1,687.00
Sept.3,1926	To Trustees Peking University, for Land Improvements and General Plans	1,000.00
		G$18,956.43

YENCHING

INDEXED

Yenching University

TRANSFER

December 5, 1930

C30-12-5-1

ack 1/16/31

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

My dear Dr.Galt:

Let me acknowledge receipt of your letter No.G-888 written on October 14, 1930.

This letter was written in acknowledgment of a large mass of correspondence from Mr.Evans and myself mailed between June 4 and September 5, 1930. Most of the matters dealt with in the correspondence acknowledged by your letter is now satisfactorily cleared so I will not comment herein on anything except matters which seem to require further discussion or action.

Correspondence with regard to Treasury arrangements of Women's College. We note your comment on the letter written by Mr.McBrier on June 18. Mr.McBrier has also handed over to our Central Office files the letter you wrote him on October 14 dealing with this same subject. Mr.McBrier has asked that I acknowledge, and thank you for, the very fine letter you wrote him on this subject. There is one point in your letter to Mr.McBrier on which he commented briefly in passing the letter over to me; viz: that Mr.McBrier may seem to "magnify unduly" your part in the Treasurer's office, and minimize the splendid services Mr.Tsai is rendering. I know that Mr.McBrier, together with the other members of the Board of Trustees who keep in close touch with the field administration of the University, recognize and appreciate the invaluable work Mr.Tsai is doing and the importance of his position in the Treasurer's office. It is quite natural, however, for the Trustees in their minutes and in their correspondence to use the nameof the Treasurer even though they recognize that a large and growing part of the actual administration of the Treasurer's office is in the hands of his associates. This is a situation which is even more pronounced in our various Boards of Trustees than is now the case, or likely to be the case, on the field. In all our Boards of Trustees the financial administration is carried on in the name of the Treasurer, even though that official may be a busy captain of industry down in the financial district, who would be tremendously embarrassed if he were asked any detailed questions as to the finances of an institution of which he is treasurer. Mr.McBrier has always been very active in his position as Treasurer of Yenching, and keeps in close touch with the finances of the University; but he is about the only one of our group of Treasurers of whom this could be said.

Boyd Gymnasium Funds. I will deal with this in a separate letter.

1928-29 Field Surplus in Women's College. Your letter acknowledges briefly receipt of my letter G30-6-21-5 addressed jointly to Mrs.Frame and yourself. I believe that as yet we have not had from either of you any further word in reply to some of the specific questions raised in this letter. No doubt some additional word will come in in due course.

Designated gift for Pagoda Water Tower. From your comment on Mr.Evans' letter No.E30-7-11-1 I hope that you will have no objection to the accounting procedure suggested by the Finance Committee in action F-2864 passed at the meeting on September 17, 1930. A copy of the minutes of this meeting, together with Mr.Evans' covering letter, undoubtedly reached you soon after your letter of October 14 was written.

Wiant Memorial Residence Fund. I am writing a separate letter on this subject.

Investments in China. You comment on my letter G30-8-19-2 in which I refer in a preliminary way to the investment of capital funds in China, specifically the investment of G$5,000 Campus Improvement Fund. This whole question of policy has been in the minds of the Finance Committee for several months, and we have been seeking a conference with Mr.C.A.Bennett who we feel can give valuable advice on this subject. At last we have been able to arrange a luncheon conference between Mr.Bennett and the members of the Finance Committee on December 16. We will write the field as to the outcome of that conference.

Salaries and Pensions. This matter is now being dealt with by our Committee on Salaries and Pensions, and no doubt we will be writing you more on this subject within the near future.

Premiums on Field Treasurers' Bonds. We note the comment at the end of your October 14 letter on this subject. We have also noted the action taken by the Board of Managers at the meeting held on October 20. I sincerely hope that the field will be able to obtain a satisfactory arrangement for these bonds at more economical rates than we are able to secure here in the West.

I believe that the above comments, together with the separate letters we are writing at this time will cover such matters as are still pending in your letter of October 14. I have gone over the letter with Mr.Evans, and will also show him a copy of this letter so that he will be able to add anything he may desire.

Very cordially yours,

BAG-H

YENCHING

INDEXED

Yenching University

TRANSFER

December 5, 1930

G30-12-5-2

ack. 1/31

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

My dear Dr.Galt:

This letter will deal with the subject of remittances for the Wiant Memorial Residence.

We note the comments in your letter G-338 in response to Mr.Evans' letter E30-7-19-1. We quite agree that Mr.Wiant has a right to demand that all funds coming in, especially for this residence be transmitted to the field without delay. As yet we have not had time to receive your comments on the policy suggested by the Finance Committee on September 17, 1930 by action F-2863 in which it was voted that the Field Treasurer be requested to credit to the Wiant Memorial Residence an amount representing the balance of designated funds received for this account here in New York, charging this same amount against the general Residence funds which we have recently transmitted to the field. I trust that this procedure will satisfactorily meet Mr.Wiant's requirements. From the standpoint of the general Residence account the field might logically object that such a transfer reduces by that amount the funds appropriated by the Trustees for the repair and construction of additional residences. I have been gratified to note, however, that in a letter written by Dr.Stuart on November 10 he states that "we estimate that from the Residence fund allowed us last year we shall have a balance of L.C.$25,000". I hope, therefore, that it will be possible for you to make the transfer to the Wiant Residence account of G$918.18 referred to in action F-2863, together with additional gifts of $123 received since the meeting of the Finance Committee on September 17.

These additional gifts amounting to $123 were received on November 19. Mr.Wiant may be interested in knowing the source whence these gifts came, so I itemize them below:-

Rev. S. W. Wiant	$13.00	
Rev. C. H. Roberts	50.00	
Mr. J. A. Wiant	7.00	
Miss L. E. Wiant	3.00	
Mistress M. E. Wiant	25.00	
Mr. C. P. VanTyne	25.00	$123.00

In harmony with action F-2863 you are requested to credit to the Wiant Memorial Residence this sum of G$123.00 and to charge the same against the general Residence Funds account. Very cordially yours,

BAG-H

YENCHING

INDEXED

Yenching University

TRANSFER

December 5, 1930

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

G30-12-5-3

ack. 1/16/31

My dear Dr.Galt:

I am attaching hereto a statement showing the status of our Boyd Gymnasium account at the present time.

You will note that according to this statement we have to date transmitted to the field G$70,771.04 on this account, leaving a balance of G$2,728.96 still to be transmitted; and have disbursed here in the United States the sum of G$9,367.40, leaving a balance of G$3,132.60 available for expenditure here in America. Combining the expenditures on the field and at home we have thus far expended G$80,138.44 on account of the Gymnasium, leaving $5,861.56 still available in the sum ofG$95,000 estimated as the maximum required to complete and equip the building.

You will note that at one point these figures differ from those contained in my memorandum of June 2, 1930, referring to the conversation I had had with Mr.Boyd. A copy of this memorandum was transmitted to you on June 21 (G30-6-21-1) and is discussed in your letter No.G-338 of October 14. My memorandum of June 2 was quite correct in stating the total expenditure to that date, G$56,262.50, but was incorrect in assuming that G$6,878.46 had been expended here in New York and only G$48,384.04 had been transmitted to the field. As a matter of fact, the disbursements made here in the United States, which at that time had been charged to the Boyd Gymnasium account, amounted to only G$1,491.46, covering the payments we made Mr.Murphy's office for work he did in 1929 in revising the plans for the Gymnasium. On June 2 we had not as yet charged to the Gymnasium account the sum of G$5,387.00 for architectural services rendered in connection with the original drawings made during 1925-26. For some months we had been endeavoring to ascertain the facts necessary to permit our putting through this charge of G$5,387.00 on the Gymnasium account, and in preparing my memorandum for Mr.Boyd I considered that this charge had already been included in the Gymnasium account. The amount we had at that time transmitted to the field was, therefore, G$5,387.00 more than the figure stated in my letter of June 2; that is to say, the correct figure was G$54,771.04.

Referring to the attached statement of the Gymnasium account, you will note that this sum of G$54,771.04 includes the first five items under the head of remittances sent to the field, all of which had been received and entered on your accounts some months in advance of the date when this statement was prepared. I sincerely trust that this misstatement did

not raise any false hopes as to the amount still to be transmitted for the Gymnasium, for I believe that even a rather hasty check-up of the funds received on the field would show you the correct amount sent out for this objective. I have now taken the trouble to check over each one of the items of remittances sent to the field appearing on the attached list to be sure that the statement is now both accurate and in accordance with the understanding of the field. You will remember that we carried on correspondence during 1929 as to the first item on this list, the cost of the original foundations, G$4,771.04, and at that time reached an agreement that this item should be included in the cost of the Gymnasium. All the other items in this list of remittances are drafts drawn specifically for the Boyd Gymnasium account, and I believe that there is no question in regard to any of them.

To complete our list of authorizations on this account we give the following:

Authorization No.3008. At your discretion you are authorized to draw at three days the sum of G$2,728.96 on account of the Boyd Gymnasium. This will be charged on our books to account 26b of Yenching College for Women accounts.

You will note that we have thus far disbursed in New York, including payment for the architect's fees, the sum of G$9,367.40, leaving an available balance ofG$3,132.60. I trust that this balance will be ample to meet the cost of any further equipment required for the Gymnasium.

As has already been stated, it is highly desirable that the total cost of theGymnasium be kept within the G$95,000 pledged by Mr.and Mrs.Boyd. They have already increased their original pledge by $5,000 so as to provide ample funds, and they would be bitterly disappointed, and perhaps would be quite critical of our financial policy, if any deficit were incurred in completing this building.

You will note that at the present time a deficit of more than $25,000 is standing on our New York books in this account. In accordance with our arrangement with Mr.Boyd we are carrying this deficit by means of a bank loan for the amount necessary to keep our Women's College cash balance in satisfactory condition. We understand that Mr.Boyd will be able to complete his payments shortly after January 1.

Very cordially yours,

BAC-H

Enc.

cc mrs Lord

Attached to Letter to Dr. Galt
G 30-12-5-3

BOYD GYMNASIUM

(1) Remittances sent to Field

Date		Amount
Previous to 1929	Original Foundations	G$4,771.04
May 13, 1929	Draft No. 904	7,500.00
June 17, "	" 913	4,714.15
Aug. 5, 1929	" 928	17,785.85
Oct. 31, "	" T1017	20,000.00
Aug. 18, 1930	" T1079	5,000.00
" 28, "	" T1083	5,000.00
Oct. 27, "	" T1088	5,000.00
" 27, "	" T1089	5,000.00
Nov. 25, "	" T1096	5,000.00
		79,771.04
	Balance to be transmitted	2,728.96
		$82,500.00

(2) Disbursements in U.S.A.

Nov. 19, 1925	First instalment, Architect's Fees	$2,950.00
Mar. 12, 1926	Second " " "	750.00
" 25 "	Third " " "	1,687.00
May 16, 1929	Architect's Fee for revision of plans	1,477.66
" 28, "	Additional Blue Prints	13.80
June 18, 1930	To Bocker & Co. for equipment	226.12
July 31, "	Freight on Bocker & Co. shipment	39.41
Sept.11 "	Narragansett Machine Co. equipment	2,223.41
		9,367.40
	Balance to be expended	3,132.60
		$12,500.00

(3) Summary

(a) Disbursements

Remittances to field already sent	G$79,771.04	
Balance to be provided	2,728.96	82,500.00
Disbursements in U.S.A. - already made	G$ 9,367.40	
Balance to be spent	3,132.60	12,500.00
		G$95,000.00

(b) Receipts

Received to Nov.30,1930 (see memo.of 6/2/30)	G$63,354.91	
Balance due from Mr.and Mrs.Boyd	31,645.09	95,000.00

(4) Cash Situation November 30, 1930

Disbursed to date	G$89,138.44
Received to date	63,354.91
Deficit	G$25,783.53

YENCHING

INDEXED

Yenching University

TRANSFER

December 5, 1930

G30-12-5-4

ack 1/16/31

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

My dear Dr.Galt:

With the minutes of the Finance Committee meeting of November 11 were included an Analysis of Plant Fund Balances as of June 30, although the Finance Committee did not take any further action regarding this analysis than simply to refer it to a sub-committee consisting of Mr.McBrier and Mr.Gamble for further study and recommendations.

Mr.McBrier and Mr.Gamble have now gone over this analysis and have prepared their recommendations for submitting to the next meeting of the Finance Committee. I believe that the Finance Committee will accept their recommendations substantially as they have been drawn up. Therefore, I am venturing to enter upon correspondence with the field regarding these proposals without waiting for their final confirmation by the Finance Committee. This will enable you to get their judgment and suggestions a few weeks earlier and will speed up to that extent the final clearance of the actions proposed.

Briefly the recommendations of Mr.McBrier and Mr.Gamble are to approve all the proposals given in the notes at the end of this analysis, and to suggest also three other steps which they believe can be taken at this time. I have appended to the enclosed copy of the analysis these additional three steps suggested by Mr.McBrier and Mr.Gamble.

Will you please send us your comments and suggestions in regard to the analysis and the proposals being made? If you find that at any point some of the recommendations made should not be carried through at the present time please let us know. On the other hand, if you find that additional steps toward the clearance of these questions can now be undertaken, please point out to us what these steps are and how they can best be taken.

I trust that the analysis can be understood without any detailed explanation. You will note that in preparing the total of combined balances and deficits in New York and on the field as of June 30, 1930, we used gold figures in stating the balances and deficits standing on your field accounts. In converting your local currency balances and deficits into gold we took 0.30 as a basis of exchange as that was the approximate rate prevailing on June 30,1930. We were not making any attempt to give exact figures as to balances and deficits on the field but simply to provide approximations which would show with a fair degree of accuracy how the accounts of the various building projects stood at that time.

I believe that when we enter on our accounts the various adjustments proposed in connection with this analysis we will be making substantial progress in the direction of getting our Plant accounts into a stable position.

In this connection you will note that we are still waiting for certain information asked from the field in my letter of March 8, 1930, (G3C 3-8-1), with regard to University Residences. Some months ago you acknowledged briefly the receipt of this letter of March 8, and stated that you would write us again later after you had had an opportunity to look into some of these questions further. I can quite appreciate the fact that you have had very few uncrowded moments during recent months for such digging into financial records as may be required in clearing up some of the questions raised by this letter. I hope, however, that it will be possible for us to get these matters cleared up in the near future so it will help us in simplifying and clearing out our rather complex Residence accounts.

Let me also acknowledge receipt of your letter of October 14, G-337, to which you attached Construction Department Balance Sheets for April, May, June, July, and August. These balance sheets were of great value to us in preparing the Plant Analysis. I have also had occasion to use the material in numerous other ways. We realize that it is quite difficult for the Construction Department to prepare and transmit these monthly statements to us promptly at the close of each month but it would be of considerable help to us if you could keep us fairly well up-to-date on this material. Questions frequently arise here in the office where up-to-date information as to the status of some particular Building account on the field would be of real value to us. If our latest figures from the field are several months old we must occasionally make rather hazy guesses as to how the account of some particular building stands at any given moment.

Very cordially yours,

BAC-H

Enc.

燕京大學
YENCHING UNIVERSITY
Peiping China

YENCHING

Office of the Treasurer

December 6, 1930.
No.T30-98

TRANSFER

INDEXED

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

Dear Mr. Garside:

Dr. Galt wrote you on November 13 that Mr. Holm, our Engineer, was instructed by the Grounds and Buildings Committee to place the order. According to the agreement with Burmerster & Wain we much pay one third at the time when the order is placed. Since we have had no authorizations from you to draw on this account, we are requesting you to send to Burmerster & Wain, Copenhagen, Denmark, at once the sum of G$6376.00 being one third of the cost of the engine, so that the order placed by Mr. Holm may become effective. We are notifying Burmester & Wain that you will remit from New York.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

YENCHING UNIVERSITY
Acting Treasurer

ST:w

YENCHING

燕京大学
YENCHING UNIVERSITY
Peiping, China

TRANSFER

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DEC 31 1930
JOINT OFFICE

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please follow up
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YENCHING

學大京燕
YENCHING UNIVERSITY
Peping China

TRANSFER

Office of the Treasurer

December 6, 1930.
No.T30-98
ack. 1/5/31

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

INDEXED

Dear Mr. Garside:

Dr. Galt wrote you on November 13 that Mr. Holm, our Engineer, was instructed by the Grounds and Buildings Committee to place the order for the diesel engine. According to the agreement with Burmerster & Wain we must pay one third at the time when the order is placed. Since we have had no authorizations from you to draw on this account, we are requesting you to send to Burmerster & Wain, Copenhagen, Denmark, at once, the sum of G$6376.00 being one third of the cost of the engine, so that the order placed by Mr. Holm may become effective. We are notifying Burmester & Wain that you will remit from New York.

Yours very sincerely,

Stephen Tsai

Stephen Tsai,
Associate Treasurer.

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JOINT OFFICE

YENCHING

Yenching University

TRANSFER

December 6, 1930
E30-12-6-1

ack. 1/9 31

Mr. Stephen Tsai
Yenching University
Peping, China

My dear Mr. Tsai

We are returning herewith check #1019 for $31.91 made payable to the Central Scientific Company. A bill for this account was presented to us by the Central Scientific Company, and we presumed that same was covered in the authorizations you gave us for certain scientific apparatus. We therefore paid it and charged it to the field as shown in the October 31 statement. The Central Scientific Company have returned the check to us, and we are forwarding same to you suggesting that the transaction be cancelled on your books.

One can see this presents another good reason why we should have a very clear-cut understanding as to the use of the checking account at the Central Hanover Bank and Trust Company. Mr. Garside has written to Dr. Galt at some length, and undoubtedly you have the letter under consideration.

Very cordially yours

Assistant Treasurer

CAE:MS
Enc.

YENCHING

Yenching University

TRANSFER

December 6, 1930
E-30-12-6-2

Apr. 19/31

Mr. Stephen Tsai,
Yenching University,
Peiping, China

Dear Mr. Tsai:

Several letters before us require acknowledgment, and they are as follows:-

T-30-80, dated September 24, 1930. This refers to travel statement for Dr. Stuart. The Gold $410.31 was charged to the field through Voucher #644, and the $25.00 contribution previously reported was taken care of in Voucher #635.

T-30-87, dated October 6, 1930. This refers to the cable relative to the fund for indexing. Several letters have gone to the field since your communication was written, and no further comment is required.

T-30-88, dated November 4, 1930. This communication refers to authorization to pay bill contracted by Mr. E. C. Wilson with the Atlas Refinery of Newark, N.J. Same will be taken care of.

T-30-89, dated November 5, 1930. This deals with the voucher checks which you requested for use with the Central Hanover Bank & Trust Company account. These went forward by parcel post on December 3rd, and we trust that they will reach you without delay.

Draft T-1202 has been received and taken care of.

T-30-90, dated November 10, 1930. Drafts 1203 and 1204 have come to hand and been taken care of through the Hongkong and Shanghai Banking Corporation.

Very cordially yours,

CAE:A

C. A. Evans

燕京大學
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

December 8, 1930.

G347

uck 1/5/31

YENCHING

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

INDEXED

TRANSFER

My dear Mr. Garside:

I find in my files, awaiting transmission to your office, our Construction Department Balance Sheets for September and October.

I have a few comments to make, based on the October Balance Sheet, as follows:

Wheeler Memorial Chapel.

You will notice that we have carried a small deficit of $404.56 L.C. for a long time. It seems to me that it would be well to balance this account and remove it from our Balance Sheet, perhaps, until we are really ready to undertake the building. As you know, we have the funds which have been transmitted to the field on fixed deposit, drawing interest. Accordingly, I would propose that at the next date of expiration of one of those fixed deposit items, when the interest is credited to us, that we draw out a sum of L.C. $404.56 and balance this account. Do you see any objection to such a proposal?

Practice School and Kindergarten.

You will notice that the deficit on this account is quite large, standing at $13,224.77, because, as you know, we have had no funds at all to cover this year's construction. Recently President Stuart reported to me a letter from Mr. Eldredge, saying that the G$6,000 promised verbally last spring would be forthcoming. I replied to President Stuart, requesting him to request Mr. Eldredge to report that fund to your office for transmission to the field. I mention this matter to you so that you will place yourslf in a properly receptive mood, and as soon as the funds are in hand give us authorizations to draw.

Bashford Hall.

You will note that deficit still stands on this account. This is because we have not yet availed ourselves of the authorization to draw on the Bashford Fund held in the New York Office for

the completion of this building. We shall be doing so soon, and that will clear off the deficit on this account.

Other items I think do not call for comment now. I may, perhaps, add this remark, that Miss Figourovsky, who for several years was secretary for the Construction Bureau, resigned during October to accept a position in the P. U. M. C., Peking. She had done long and faithful service here, but was conscious that the work in hand was decreasing all the time, with the diminution of our construction work, and we were quite ready to let her go when an opportunity that was better for her presented itself. This change will have the effect of still further reducing the overhead charges of our construction accounts. As you know, we began a reduction of staff with the resignation of Mr. Hildabrand a year and a half ago, and we now have the staff reduced probably to the minimum.

GROUNDS AND BUILDINGS MINUTES

I also find in my files copies of the Minutes of the Grounds and Buildings Committee, or its Executive Committee, for transmission to your office, as follows:

Minutes of the G. and B. Executive, October 22nd.

No comment necessary.

Minutes of the G. and B. Committee, October 30th.

On page two of these Minutes is recorded the action authorizing the purchase of the Power Plant machinery, which action has already been reported to you. In this connection I may refer to a letter from the Treasurer's Office, written and posted last Saturday, I believe, by Mr. Tsai, asking for a payment of $6,000, plus, gold, by the New York Office to Burmeister and Wains, of Copenhagen, direct. Mr. Tsai told me this morning that he intended to hold the letter for my signature and approval, but it was posted by a clerk inadvertently. I am referring to the matter now simply to confirm his letter, and to state that it has my full approval.

On page three of these, Minutes there is a record of the acceptance of a tender from contractors for the construction of the south wing of the Warner Gymnasium. ~~In this connection.~~ In this connection it is in order to let you know as to the remittances to cover that construction, which we hope will begin in the early spring. Probably, also, we shall have to make some payments before the spring, involved in the contracts which are assigned. Accordingly, may I request authorizations from your office approximately as follows. Unless Mr. Warner wishes us to contract exchange, I presume the most satisfactory way, in view of the terms of his contribution, will be to indicate the amounts in local currency.

February	1, ...	G$5,000
March	1, ...	5,000
April	1, ...	5,000
May	1, ...	5,000
June	1, ...	5,000
July	1, ...	6,000

On page three there is a reference to the sum of G$4,000 which Mr. Sailer's parents are contributing for a new residence for the Sailer family. We suppose that those funds will be paid in to the New York Office some time during the winter, so that authorizations can be reported out by you and work on the building begun as soon as the building season opens, say about March 1st. We are having a meeting of the G. and B. Executive on Wednesday of this week, and the Comptroller told me this morning that tenders for the construction of the Sailer residence are ready for our consideration.

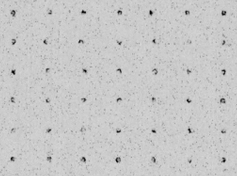
Very sincerely yours,

Howard S. Gould

Acting Treasurer.

HSG-LC

Encs.



RECEIVED
UNIVERSITIES
DEC 31 1930
JOINT OFFICE

YENCHING

INDEXED

Yenching University

TRANSFER

December 8, 1930

G30-12-8-1

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

My dear Dr.Galt:

I enclose herewith for your information a confirmation copy of a cablegram which we sent out Mr.Wannamaker's request on Friday of last week.

Mr.Wannamaker has told me of the correspondence and cablegrams between his office and the field during recent months with regard to the use of the surpluses which accrued in the College of Applied Social Sciences last year as a result of the favorable rate of exchange. Since this school was classed in the 1929-30 budget as one of the "independent units" the Trustees did not assume any responsibility for deficits, nor did they ask any voice in the use of any surplus, although they did express a very strong conviction that any surplus arising last year from favorable gain on exchange should be immediately put aside as a reserve fund to carry the University through some lean year in the future, rather than expended on any further expansion in the work. So far as the Trustees are concerned, therefore, the question of the use of any such surplus is a matter between the field and the organizations contributing to the support of the School of Applied Social Sciences.

The cablegram also authorizes you to draw up to G$750 on account of travel of Dr.Leonard Hsu. As a matter of record this is authorization No.3063. This is really a remittance of Princeton-Yenching funds, but I presume you will draw a draft on our Yenching University account. We would meet such a draft from Yenching funds and then collect from our Princeton-Yenching funds.

Very cordially yours,

BAC-H

Enc.

CC: Miss Behrens

YENCHING

INDEXED

Yenching University

December 8, 1930

TRANSFER

G30-12-8-2

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

My dear Dr.Galt:

I note that as yet I have not formally acknowledged your letter G336 written on September 30. This letter deals with the purchase of properties within the Yenching campus and the payment of certain pledges made by the Trustees who were present at the formal dedication of the University.

Apparantly all pledges have now been paid except that of Mr.Warner. I am, therefore, sending Mr.Warner an excerpt from your letter and asking him for information as to his plans for payments on his pledge. Since he has been making substantial payments during the past year on account of the WarnerMemorial Gymnasium, and has promised to make every effort to complete his pledge on the Gymnasium within the next few months,so as to permit the erection of the last wing, it is easy to understand any delay on his part in paying this pledge for the purchase of land on the campus.

Since this will probably be the last of the series of voluminous letters I am sending you in the China mail closing today, I must add a personal word of greetings for the approaching holiday season. I am afraid this letter will arrive a little too late to extend my good wishes for Christmas, but I hope it will be in time to wish you a very happy and prosperous New Year. Perhaps I should wish also that this China mail will not be piled on your desk until after you have had time to welcome the advent of the New Year in fitting fashion.

Very cordially yours,

BAG-H

燕京大學

YENCHING UNIVERSITY
Peking China

YENCHING

TRANSFER

Office of the Treasurer

December 9, 1930.
No.T30-99.

ack. 1/9/31

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

Dear Mr. Evans:

We wish to report to you the sale of draft No.T1210 for U.S.$3125.00 to the Hongkong and Shanghai Banking Corporation, Peiping, on account of Social Science College, as per your authorization No. 3050, under our December contract rate, namely, 375586. The local currency equivalent is $11737.06.

pd. 1/6/31 $3125.00

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

ST:w

RECEIVED
UNIVERSITIES
JAN 2 - 1931
JOINT OFFICE

YENCHING

INDEXED

TRANSFER

December 9, 1930

AIR MAIL

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

G30-12-9-1

My dear Dr.Galt and Dr.Lew:

I am enclosing herewith a confirmation copy of a cablegram sent you yesterday.

The gifts from Mrs.Blair for Dr.Lew's work in Psychology and Religious Education reached us in May. While we listed the receipt of these gifts in our cash statement sent to the field for the month of May, our office was at fault in not communicating to you and to Dr.Lew full information as to the receipt of these gifts, together with authorization for you to draw on us for the amount. I am sorry the delay occurred. I am also sorry that Dr.Lew wrote to Mrs.Blair rather than addressing his inquiry to our office, for our relationships with the lady have been one continual succession of misunderstandings.

The details relative to the gifts received from Mrs.Blair are as follows:

				ALLOCATION		
Date Rec'd 1930	From	Total	Psychology Laboratory	Psychology Library	Rel.Educ. Library
May 8	Mrs.Blair	G$1,020.00	951.00	69.00	-
" 8	"	300.00	150.00	75.00	75.00
" 27	Miss Schooley (refund for Mrs.Blair)	882.00	-	406.50	475.50
		$2,202.00	1,101.00	550.50	550.50

You will note that G$882.00 credited to Mrs.Blair is shown as coming from Miss Schooley. Miss Schooley is in charge of the World Acquaintance Travel Bureau and was responsible for Mrs.Blair's travel arrangements on her trip to China last year. While I know that Miss Schooley spent a great deal of time and effort trying to arrange Mrs.Blair's trip, and in the end suffered a rather substantial financial loss, it appears that from beginning to end Mrs.Blair was thoroughly dissatisfied with arrangements. In the end she presented to Miss Schooley a claim for a refund amounting to $980.00. Miss Schooley's accounting showed that Mrs.Blair was entitled to a refund of only $882.00. There was quite a prolonged interchange of warm correspondence between these two ladies, with the unlucky author of this letter serving as a football which got kicked back and forth between the two of them on sundry occasions.

occasions. A final compromise agreed upon by the Finance Committee was that we would accept Mrs.Blair's claim in the amount of $980.00 as constituting a payment on her pledge, and would accept $882.00 from Miss Schooley as representing the correct amount of refund due Mrs.Blair. That is to say, the University gave Mrs.Blair credit for $98.00 more than it received, and the amount actually coming in on Mrs.Blair's pledge of $2,000, consisting of $1,020.00 from herself and $882.00 from Miss Schooley, was only $1,902.00. We did not inform Mrs.Blair of the actual amount of this difference although I believe she knew that the University was assuming responsibility for a certain difference. After this agreement between the two combatants was arrived at Mrs.Blair generously sent us an additional $300. Thus the amount actually received from her was $2,202.00, and the figure with which she was credited was $2,300.00 The Finance Committee was never able to reach any satisfactory decision as to how the balance of $98.00 was to be met. However, when we received Mrs.Blair's additional check for $300 we considered that since Dr.Lew is already receiving $202 more than the amount actually pledged by Mrs.Blair, he will probably be able to make the necessary adjustments in those departments benefitted.

On December 3 Mrs.Blair sent us a letter in her inimitable style ordering us to transmit to to the field immediately the sum of$2,000 gold which she paid over to us in May. We obediently sent off the cablegram to you yesterday. I first drafted the cable so as to authorize you to draw the full amount of G$2,202, but then it occurred to me that this might create some question in Dr.Lew's mind which he might pass on to Mrs.Blair before this explanatory letter could reach you, thus setting in motion another exchange of unhappy correspondence. I, therefore, made the cable for exactly $2,000 as requested by Mrs.Blair. However, the balance of $202.00 is being held in New York subject to your draft.

As a matter of record the number of the authorization for $2,000 contained in yesterday's cablegram is 3064. In addition we give the following

> Authorization #3065 You are authorized to draw on us at 3 days the sum ofG$202.00, being the balance remaining from gifts received in May, 1930, from Mrs.Mary Barbour Blair for the support of Dr.Lew's work in Psychology and Religious Education.

I sincerely hope that this will satisfactorily dispose of this year's gifts from Mrs.Blair. Warned by this experience we will be more careful in transmitting information as to any further gifts received from her.

Where any questions arise in connection with these gifts, particularly if there is any possibility that our office may have any share of responsibility, we would greatly appreciate it if Dr.Lew would correspond direct with us and give us an opportunity to remedy any of our shortcomings.

Very cordially yours,

BAG-H

Enc.CC: Accounting office

YENCHING

Yenching University

TRANSFER

December 10. 1930
E30-12-10-1

Dr. Howard S. Galt
Yenching University
Peiping, China

My dear Dr. Galt:

We are enclosing herewith Trial Balance as of November 30th. Cash Statement for the month of November, Statement of Disbursements on Managers' Current Budget 1930/31, together with copies of Journal Vouchers Nos. 646 to 655 and 657 to 659, also copies of invoices covering certain items of disbursement for Account #31, for Yenching University.

We are also enclosing for Yenching Women's College the Trial Balance as of November 30th, Cash Statement for the month of November, copy of Journal Voucher No. 46, and copies of invoices covering certain items of disbursement for Account #31.

Second copies of these Financial Reports will be forwarded in a later mail.

Very cordially yours,

Assistant Treasurer.

CAE:C

YENCHING

TRANSFER

Yenching University

December 10, 1930

G30-12-10-1

aok 1/30/31

Mr. Stephen Tsai,
Yenching University
Peiping, China.

My dear Mr.Tsai:

As a matter of record let me acknowledge receipt of your letters Nos. T30-79, written on October 22, and T30-84 and T30-85, both written on October 28. None of these letters requires further comment.

Very cordially yours,

BAG-H

燕京大學

YENCHING UNIVERSITY

Peking China

YENCHING

Office of the Treasurer

December 13, 1930,
T30-100.

ack. 1/7/31 TRANSFER

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

Dear Mr. Garside:

President Stuart showed us your ~~your~~ letter of October 20 to him which quotes an action of the special committee on the McBrier Foundation authorizing him to use G$500.00 for various projects. We, in this office, have had no direct word from you concerning this and in the meanwhile the President is drawing on us on this account. Upon receipt of this letter, will you please give us authorization to draw on you for the amount, if it correct?

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

ST:w

RECEIVED
UNIVERSITIES
JAN 7 - 1931
JOINT OFFICE

Ack 2/5/31

燕京大學
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

December 15, 1930.

G348

YENCHING

Ack. 2/5/31

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

INDEXED

TRANSFER

My dear Mr. Garside:

Mr. Beddow, when in the Treasurer's Office a few days ago, left the following memorandum:

WOMEN'S COLLEGE ACCOUNTS

"Would you be good enough to draw the attention of the New York Office to Schedule 12 of the Women's College Annual Accounts of June 30, 1930.

On this is shown the necessity for the following entries:

Debit	24a	Equipment	G$3,559.55
Credit	122x	Special Funds Equipment	3,559.55

being additions as follows:

Dean's Residence	G$	10.30
Dormitories I to III . . .		177.53
Administrative Building . .		32.08
Faculty Suite		43.11
South Residence		249.35
Music Department		2,869.67
Practice House		21.63
Kindergarten		233.34
Infirmary		2.76
	G$	3,639.77
Less transfer from Dormitory IV		80.22
	G$	3,559.55 "

Already Entered JV 4/6

I have examined Schedule 12 of the Annual Accounts of the Women's College referred to, and it seems to me that the above representation is correct and clear. If you find it so, kindly make the corresponding entries in your books.

Very sincerely yours,

Acting Treasurer.

HSG-LC

RECEIVED
UNIVERSITIES
JAN 12 1931
JOINT OFFICE

燕京大學

YENCHING UNIVERSITY

Peking China

Office of the Treasurer

YENCHING

December 15, 1930,
No.T30-101.

INDEXED

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

TRANSFER

Dear Mr. Garside:

We are sending you to day a cable, the text of which is as follows:

"Referring to our letter of July 1 this year we must draw on you for December G$5000.00 to complete bank contract"

The letter referred to above was written by Dr. Galt in which he requested you to authorize us the final U.S.$5000.00 on the Warner Gymnasium account. As you know we made a contract with the Belgian bank on February 27 to deliver to them U. S.$35000.00 before December 31 at the rate of 289. You have up to date authorized us U.S. $30000.00. The last American mail which came in yesterday failed to bring us your authorization for the final U.S. $5000.00. We are intending to draw on you for this in the next few days without your formal authorization, and are, therefore, sending you this cable so that you will be prepared to honor our draft when it reaches New York.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

ST:w

RECEIVED
UNIVERSITIES
JAN 12 1931
JOINT OFFICE

YENCHING

INDEXED

Yenching University

TRANSFER

December 15, 1930

G30-12-15-1

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

My dear Dr.Galt:

We have today received a cablegram, presumably from your office which we have decoted as follows:-

"REFERRING TO OUR LETTER OF JULY 1 THIS YEAR WE MUST HAVE DRAWN ON YOU AT THREE DAYS DURING THE MONTH OF DECEMBER GOLD $5,000 COMPLETE CONTRACT BANK".

The code word which we have decoded as "have drawn on you at three days" was slightly garbled. From the standpoint of decoding procedure our interpretation seems to be the most logical one, but it does not seem to make very good sinse.

Referring to your letter of July 1, it appears that the $5,000 referred to in the cablegram is for the Warner Memorial Gymnasium. We infer, therefore, that you have either drawn, or find you must draw during this month.the sum ofG$5,000 to complete your contract for the Warner Memorial Gymnasium Fund. We are, therefore, sending you a cablegram of which the confirmation copy is enclosed. I hope this cablegram will meet the situation even though the proper interpretation of your own cable may be slightly different from that we have read into it. For reference this is authorization No.3066.

The draft of this additional $5,000 will clear out the entire $35,000 given by Mr.Warner for the central wing of the Gymnasium, leaving nothing for equipment. Your letter G341 of November 13 which arrived this morning has a statement of the Warner Gymnasium finances attached to it. A study of this statement confirms the supposition that the entire G$35,000 will be required for the central section without any allowance for equipment. We also note that additional funds amounting to G$11,517.00 are still needed, beyond the L.C.$31,799.30 already authorized by Mr.Warner, before the Gymnasium can be completed and properly equipped. We will correspond with Mr.Warner to ascertain his own attitude and plans as to procedure.

Very cordially yours,

BAG-H

Enc.
CC: Accounting Office

YENCHING

INDEXED

TRANSFER

December 17, 1930
G30-12-17-1

ack. 2/26/31

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

My dear Dr. Galt:

Let me acknowledge receipt of your letters Nos. 6340, 6341, 6342, 6343. This letter will deal with such items in these communications as do not require extended comment. Where longer discussion is necessary I will send separate letters.

YOUR LETTER NO. 6340 - NOV. 5, 1930

Journal Entries on University Accounts Requested

I have checked over the various Journal entries requested by Mr. Reddow in the letter he wrote you October 20th. I find that most of these entries were put through on November 12th and have already been reported to the field. For your convenience I list the items already cleared and the Journal Vouchers by which this process was carried out.

Item #1	-	Journal	Voucher	No.	648
" 4	-	"	"	"	647
" 5	-	"	"	"	650
" 7	-	"	"	"	652
" 8	-	"	"	"	649

Items Nos. 2 and 3 request the transfer to the Completed Buildings Section of our Plant Accounts of the item of G$125.34 for the Alumni Gate Lamp and Flag Pole. You will have noted from the financial statement we have sent you that we have been carrying this in the Heat, Light, Sewage and Water accounts for lack of a better place to put it. Your suggestion is that we set up a new account in the Completed Buildings Section, numbered 20e, specifically for this one item. This would not accord very well with the general theory on which the Completed Buildings Section has been built up, namely that all the completed building operations on the campus would be gathered together under the few general heads, thus substantially reducing the number of separate details to be listed in our periodic financial reports. Whenever occasion demands, any one or all of these general groups

of Completed Buildings accounts can be set forth in full detail so as to show the status of each building included therein. Thus far we have set up four such general accounts,- General Educational Buildings, Dormitories and Refectories, Residences, and Heat,Light,Water & Sewage System. The Alumni Gate Lamp and Flag Pole doe not fit very happily into any of these four groups, although possibly it might logically be included in the H.L.W.& S. System. It is also apparent that we will have other building items, mostly for rather small amounts, which likewise cannot be included in any of the four general groups we already have, or any other large group we might create. It seems to us therefore that the logical procedure is to create a fifth group in the Completed Buildings Section, which we will call Account No. 20e - Miscellaneous Building Operations, placing with this a corresponding fund account No. 120e - Funds for Miscellaneous Building Operations. We are therefore clearing out the Alumni Gate Lamp and Flag Pole from the H.L.W.& S. accounts by the following Journal Voucher:

Debit Account	126f2	- H.L.W.& S. Funds -		G$183.34
Credit "	26f2	- H.L.W.& S. System -		183.34
Debit "	20e	- Miscellaneous Building Operations- Alumni Gate Lamp and Flag Pole -		183.34
Credit "	120e	- Funds for Miscellaneous Building Operations, Alumni Gate Lamp and Flag Pole -		183.34

Item No. 6, the correction of duplicate entries made in the Campus Service Buildings Account, has already been cleared, with the exception of $120, by Journal Vouchers Nos. 651 and 652. We are now completing these corrections by means of the following Journal entry:

Debit Account	126x2	- Fund for Campus Service Buildings -		G$120.00
Credit "	26x2	- Campus Service Buildings -		120.00

I trust that this will put our Plant Accounts in line with yours at these several points.

Women's College Accounts

Either Mr. Evans or I will write a separate letter on these matters.

YOUR LETTER NO. G541 - NOV. 13, 1930

Gift of G$1,200 for Mr. Chen

In line with the policy defined by the Finance Committee on Nov. 11, 1930, Action F2895, Section (2)(a), wherever special gifts are received during the year which are not included in the budget estimates approved by the Trustees but are applicable to items in the approved budget "they shall be transmitted to the field as a part of the amount guaranteed by the Trustees as their contributio to the University budget, and if any general current funds be thus made available through the receipt of such gifts, the allocation of such general funds shall be subject to action by the Finance Committee." The gift of G$1,200 for Mr. Chen belongs to this group of special gifts. We will therefore report this gift, together with the comments in your letter G541, to the Finance Committee for their

decision. A meeting of the Committee is being held this afternoon and we may possibly get action at that time, although the docket is already overcrowded and the time available for the meeting is very limited. We always drive the members of our Finance Committee so hard that they are at the point of open rebellion, but even so it is sometimes necessary to postpone action on such matters as are not of the greatest importance and urgency.

Purchase of Power Plant Machinery

I have gone over with Mr. Evans the section of your letter referring to the purchase of the Burmeister & Wain engine, with the various necessary accessories, for the Power Plant. Mr. Evans agrees that the procedure followed by the field in placing the order is quite correct, and asks that I pass on his apologies for not sending the cablegram requested in your letter of August 9th. We will await word from your office as to the schedule of payments for this machinery.

Covering Letter for the Finance Committee Minutes of September 17th.

This letter should have been addressed to you rather than to Dr. Stuart, and this was the intention of Mr. Evans in dictating the letter, but through the error of a typist here in the office the original was sent to Dr. Stuart and a copy to yourself. I am sorry that the copy of the minutes was slow in reaching you.

Authorization for Bashford Hall

We are glad to note that you favor an early closing into the Completed Buildings Section of the Bashford Hall Building Account. We will await word from you as to the final figure at which this account should be transferred to the Completed Buildings Section.

Other Items in Minutes of September 17th Meeting of Finance Committee.

We have recently written you on the subject of the Wiant Residence funds, and I believe that no further comments are necessary. I believe also that no further comments are needed on our discussion of Yenching Campus plans. We will await with interest the* statement from Mr. Tsai as to the status of your insurance on the various University buildings. We are corresponding with Mr. Warner in regard to his wishes as to the completion and equipment of the Warner Gymnasium. Separate letters will be going to you on the subject of proposed investments in China.

YOUR LETTER NO. 6342 - NOV. 18, 1930

Harvard-Yenching Institute Accounts, 1929-1930

We are glad to learn that the field is in substantial agreement with the suggestion we made for the clearance of balances and deficits in the Harvard-Yenching Institute Accounts, 1929-1930. On Monday of last week the H-Y I. Trustees held a meeting at which these accounts for last year were cleared. I have not as yet seen copies of the formal minutes of the meeting but both Dean Chase and Mr. Shattuck have written that the Institute Trustees approved the procedure suggested on page 2 of my notes as to the clearance of balances and deficits last year, except that they voted to continue the balance of LC$901.53 on the Sino-Indian

* This statement has now arrived 12/12/30 C

Research Account. As soon as the formal minutes of the meeting reach me, I will transmit a copy to you.

We are grateful for your explanation as to the procedure used by the field in arriving at the Gold equivalent of our L.C. remittances for the various items on the H-Y I. budget. The only point which still is not very clear to me is the question of why there is a difference of G$521.26 between the figures reported in the audited statement from the field, and the figures standing on our New York books. Obviously the dissimilar methods of apportioning the separate remittances as followed by the field and the New York office last year, would give slightly different Gold equivalents for each of the separate items within the H-Y I. budget, but it seems to me that our Gold totals should be the same. However, since neither our auditors nor the Institute has considered this question very important, we do not need to spend any more time on it. I am sure that the procedure you describe, which is this year being undertaken by the field, will make it easy for us to reconcile our figures exactly.

Presbyterian Jubilee Fund

We will await further word from you concerning this fund.

YOUR LETTER NO. G343 - NOV. 20, 1930

This letter deals with the important subject of the University Pension plan. I am having it copied for distribution to the members of our Committee on Salaries and Pensions. Since the meeting of the Board of Trustees on Nov. 19th, our Committee on Salaries and Pensions has been making a general study of the modification of the plan suggested by the Board of Managers at the meeting on Oct. 20th, and there has been some exchange of correspondence between the individual members of the Committee. A meeting of the Committee has been delayed because of the fact that Mr. Rounds, who is the Chairman, has been utterly swamped during the last month by his heavy responsibilities as Vice-President of the Federal Reserve Bank here in New York City. The failure of the Bank of United States has greatly increased his burden. I am hoping, however, that within a very short time we will be able to get this committee together and work out recommendations which will meet with the approval of the Executive Committee, which committee has been empowered to take final action without awaiting a further meeting of the Board of Trustees.

Very cordially yours,

BAG:SA

Ach 2/10/31.

燕京大學
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

YENCHING

December 17, 1930,
No.T30-102.

TRANSFER

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

INDEXED

Dear Mr. Garside:

We have your letter of November 12 referring to matters in connection with the account with the Central Hanover Bank and Trust Co. We have, on several previous occassions, informed you of our plans for using this account. But we are afraid that we have not made ourselves clearly understood. We will now attempt to present to you more fully a picture of the situation, so that you may have all the facts before you.

I. The amount of bills paid in U. S. currency in 1929-30: It is interesting to note that during the year 1929-30 we spent $20285.78 in U. S. currency. Of this amount $15597.93 were in the form of drafts purchased locally and $4687.85 were paid by your office upon our requests.

II. The unsatisfactory feature of our past ways of remitting:

(1) When remit through bank drafts:

(a) It is costly. The minimum charge for a draft by banks is 5¢ gold.

(b) There is no direct way of checking when a remittance is sent to the respective payee. If a firm complains of not having received our payment, after we have remitted through a bank, we have to go to the bank that in turn has to write to their New York agent for information.

(2) When remit through your office:

(a) It necessitates double bookkeeping, one in New York and one here.

(b)It has the same difficulty in checking as in the case with bank drafts, because we have to communicate with you.

III. The advisability of setting up a gold account: From what has been aforesaid, it is evident that we can obviate all difficulties and facilitate financial administration by having a gold account in New York.

IV. Our intended use for this account:

(1) Payment of foreign salary. In case a foreign member wishes to split one month salary for the purpose of sending money home or for other reasons, we can comply with such requests without much inconvenience.

(2) To pay legitimate university bills abroad. By "legitimate" we mean such bills as incurred by departments for supplies and not private bills.

With this outline before you we hope you will appreciate our necessity of having a gold account for purposes other than payment of foreign salary. Now we can proceed to discuss the problem of the rate of exchange as touched upon on the second page of your letter. We fully realized that your anticipated gain on exchange will be reduced in direct proportion with the amount of gold you give us at 215. But this can be remedied, if you so choose, by charging us at the end of the year, the current rate for any amount you ~~remitted~~ in gold in excess of foreign salaries, which, this year, amounts to approximately C$35000.00. Next year, if our proposal meets with the approval of the Trustees and of the Managers, we will present the budget in both gold and local currencies. In that case, this phase of exchange question will never come up and there will be no occassion for the camel to stick his nose in.

We hope we have made our views clear that you can act on this question intelligently.

While writing we wish also to acknowledge receipt of your letters E30-11-11-1, E30-11-12-1, E30-11-12-2, enclosing financial statements for the Women's College for the month of October, E30-11-17-1, enclosing University financial statements for October, and E30-11-17-2, referring to the voucher checks we requested the Central Hanover Bank and Trust Company to print for us. We believe these require no further comments.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

ST:w

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JAN 12 1931
JOINT OFFICE

Ack 2/9/31

燕京大學
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

December 18, 1930.

G349

YENCHING

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

INDEXED

TRANSFER

My dear Mr. Garside:

You will recall the projectof reinsulating the campus heating circuit. The L.C. $10,000 was expended in doing the work on that portion of the circuit which was most in need, and the observation and experience since the work was completed last winter indicated that the result was a success. Mr. Holm has told me that the heating system of the University seems to be more efficient this season, and he attributes the result, in part, at least, to the improved insulation.

What we have already done covers about one-third of the entire circuit, leaving two-thirds on the eastern and southern part of the campus, being the part on the higher and dryer ground, still in the original form.

In effecting the new heating pipes connections with the elementary school plant during the early autumn, Mr. Holm had occasion to break up and examine the insulation of the mains at a point in the southern part of the circuit. He found there, also, that the original straw insulation was damp and decaying, and the resulting rust on the heating mains was, of course, having a deteriorating effect on them. This circumstance led us to consult again with the contractors who had done the work a year ago, and to ask their tender for completing the work. This tender was reported at a meeting of the Grounds and Building Executive Committee last Monday. The amount asked for by the contractors in order to complete the job is L.C. $36,500. The Committee voted that this result should be reported at once to New York, and, on the basis of the earlier representations, and the action of the Grounds and Building Committee, the Trustees should be requested, if possible, to make available funds for carrying on this work.

This sum now asked for by the contractors impresses one at once as much higher than the earlier figure. Regarding this matter, the variation in exchange is of great significance. The first tender for the part already done came in nearly two years ago, when exchange was not much above 2:1. When the contractors completed the work already done last winter, exchange had already

begun to effect the project for them, and they report that they actually had a loss of a few hundred dollars when the project was completed. The two materials of which most is used in doing this reinsulating are coanut fiber and asphaltum tar. Both of these materials have to be purchased on a gold basis, the coanut fiber coming from the Philippines, and the tar from Western manufacturers. Accordingly, it is very evident that the present high exchange seriously affects the cost of the work.

I suppose it is not necessary to explain the situation in detail, or emphasize further the need that this enterprise be completed. Earlier communications, particularly from Mr. Hildabrand while he was with us, ~~may~~ explain the danger of rapid deterioration of the expensive ten-inch water mains. Also it may be noted that the deterioration will presumably proceed at an accelerated rate, due to the effect of the progressive decay of the original rice-straw covering. In other words, expenditure now is a step in the direction of conservation of values, and of preventing larger expenditures in the future, to say nothing of the risk and potential difficulties if the pipes of the circuit should rust through, involving serious leaks in mid-winter.

I am also requested to write again concerning the need of an additional calorifier to augment the supply of domestic hot water for the dormitories, and especially for the two new gymnasiums. You will recall the correspondence on this subject of about a year ago. However, I do not have the data in hand just at this moment and the matter will have to await further presentation in a later letter.

With best wishes for the Christmas holidays and for the New Year for yourself and other members of the New York Office staff.

Very sincerely yours,

Howard S. Galt,

Acting Treasurer.

HSG-LC

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JAN 12 1931
JOINT OFFICE

Yenching University

HEATING MAINS TO BE REINSULATED.

December 1930.

FLOW

	12"	10"	9"	8"	7"	6"	5"	4"	3"	2½"
Station 53 to 1	194									
1 - 5	536									
5 - 8	382									
8 - 10	324									
10-- 15a		364								
15a- 15c			128							
15c- 17			328							
17 - 18			147							
18 - 19						140				
19 - 22							181			
8 - 25			208							
25 - 28			348							
28 - 29			160							
44 - 45							100			
45 - 47								306		
47 - 48								117		
	1436	364	1319			140	281	423		

RETURN

	12"	10"	9"	8"	7"	6"	5"	4"	3"	2½"
Station 44 - 45	100									
45 - 47	306									
47 - 48	117									
50 - 1	392									
1 - 53	195									
3 - 5							265			
5 - 24							470			
24 - 25							128			
25 - 27							215			
27 - 28						110				
28 - 29		160								
28 - 22		412								
22 - 19		196								
19 - 17			288							
17 - 15c			328							
15a- 15c				138						
12 - 15a					181					
10 - 12						181				
	1110	768	616	138	181	291	1078			
Flow	1436	364	1319			140	281	423		
Total Ft --	2546	1132	1935	138	181	431	1359	423		

2546 ft.	12"	pipe	@$3.50	8911.00
1132 "	10"	"	@$3.00	3396.00
1935 "	9"	"	@$2.70	5224.50
138 "	8"	"	@$2.60	358.80
181 "	7"	"	@$2.30	416.30
451 "	6"	"	@$2.10	905.10
1359 "	5"	"	@$1.80	2446.20
423 "	4"	"	@$1.65	697.95
4157 "	3"	"	@$1.50	6235.50
4157 "	2½"	"	@$1.40	5819.80

Mex...$34411.15
2000.00
$ 36411.15

coolie work, cement for plastering, cover etc.

Data supplied
by M. Louis Kahn.

RICE
UNIVERSITY
JAN 12 1931
JOINT OFFICE

燕京大學
YENCHING UNIVERSITY
Peping China

YENCHING

Office of the Treasurer

December 18, 1930,
No.T30-103.

TRANSFER

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

Dear Mr. Garside:

We are in receipt of the following cable from you in replying to ours referring to the last U.S.$5000.00 on the Warner Gymnasium account:

"Referring to your telegram of December 15, 1930, would say you may draw G$5000.00 Warner Memorial Gymnasium B. A. Garside"

We are accordingly drawing on you for the amount by draft No.T1211 at the contract rate of 289, which yields a Mexican equivalent of $14450.00.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

ST:w

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12 1931
JOINT OFFICE

YENCHING

INDEXED

Yenching University

TRANSFER

December 18, 1930
E30-12-18-1

acb 1/20/31
Similar Dr Galt's letter of 2/23/31
and Mr Calder's letter of 2/13/31 + 2/2

Mr. Stephen Tsai
Yenching University
Peping, China

My dear Mr. Tsai

I am acknowledging your letter T30-80 dated October 22. Mr. Garside is sending Dr. Galt an analysis of the budget for 1930-31, and you will notice that the change has been made in the total amount to be contributed by the Trustees. In other words, it also includes items 1 and 2 on the extra budget list.

While it is true that we did not give authorization for the total amount of LC$198,489.79, yet the gold payments we are making in the States will far offset this difference, and as a matter of fact we shall be required to watch very closely the remittances to the field in order to avoid an overdraft on the budget.

The other subject you mention relative to the amount being carried forward has also been cared for in the new set-up. This means that LC$914.45 has been added to our Local Currency figure in setting up the budget analysis. You will notice that the figure of LC$33,406.97 agrees with the amount carried forward for 1929-30.

We are enclosing receipt from the Central Hanover Bank and Trust Company showing deposit of $90.00.

Very truly yours

Assistant Treasurer

CAE:MS
Enc.

YENCHING

INDEXED

Yenching University

December 18, 1930

TRANSFER

G30-12-18-1

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

My dear Dr.Galt:

Let me acknowledge receipt of your letter G344 of November 24.

Harvard-Yenching accounts. We are indeed grateful to you, Mr.Beddow, and Mr.Fu for the careful and detailed manner in which you have reported the distribution within the various Harvard-Yenching Institute accounts of the proceeds of drafts Nos.T-1075, T1091, T1092, T1095, and T1203.

With this information, together with similar reports for the subsequent drafts drawn this year on the Harvard-Yenching Institute account, we should have no difficulty in preparing a report for our New York office which will exactly reconcile with the audited statement to be sent by the field.

Journal entries for our New York account. Our accounting office is putting through the entries requested on page 2 of your letter. Copies of these journal vouchers will be sent you with our December statement.

September reconciliation of accounts. We find this reconciliation to be quite correct. We assume that the item "Central Hanover Bank, G$5,000 - L.C.$10,750" refers to the deposit which we made in the Central Hanover Bank on on November 11.

In checking over the September reconciliation, however, our office discovered that on the monthly budget statement we sent you at the end of October we used an incorrect local currency equivalent for Dr.J.L.Stuart's travel refund amounting to G$410.31. By journal voucher #644 we recorded correctly the charge against account #31 for this sum of G$410.31, or L.C.$1,471.94. However, when the October budget analysis was prepared the gold figure of $410.31 was included in other charges for disbursements made by the New York office at the rate of 2.15. This makes the local currency equivalent as charged against the field $862.17. There is also a difference of 2¢ between the figure appearing in your September 30 reconciliation (L.C.$1,471.92) and the figure appearing on our journal voucher #644 (L.C.$1,471.94). We will accept the figure appearing in your September reconciliation, L.C.$1,471.92, and will make the necessary adjustment on this basis by increasing the total of local currency disbursements in subsequent monthly analyses by L.C.$609.75.

See Budget 1930-31 11/30/30

I am enclosing herewith a rather elaborate budget analysis, and general financial summary and forecast, prepared by our office primarily for the information of our Finance Committee. It appears, however, that most of the information in this analysis will also be of interest and value to your Field Treasurer's office. We will, therefore, plan to send you from month to month an analysis similar to this, with such simplifications as may seem to be desirable.

I should hope that the analysis is detailed enough to require no elaborate explanations. It attempts to give a birdseye view of the present situation in the various departments of the 1930-31 budget, and also to show even more briefly the general financial situation in our NewYork accounts at the present time and the prospects for the remainder of the fiscal year. You will notice that we have made a few changes from the figures appearing in the financial statements we mailed you on November 30. Mr.Evans will be writing to you with regard to these changes. There are other budget questions raised in your letter No.G339 that may involve additional corrections. Mr.Evans is now working over this letter and will be writing to you shortly.

We would appreciate your comments on and criticisms of this type of budget analysis. What material in the first three pages of this analysis is of such small value to the field that it could be omitted without serious loss? On the other hand, what facts would the field like to see included in this analysis, which do not appear at the present time either in this analysis or in the other monthly financial documents sent you?

It is our hope that when we succeed in working out a satisfactory arrangement for such an analysis it will substantially reduce the number of points where there may be misunderstandings or differences of interpretation between the field and the New York office on these budgetary items; and that it will also speed up the closing out of our accounts each year and will reduce the necessity of any corrections after the accounts have once been closed.

Very cordially yours,

BAG-H

Enc.

CC: Accounting Dept.

YENCHING

INDEXED

Yenching University

December 20, 1930

TRANSFER

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

G30-12-20-1

ack. 1/30/31

My dear Dr. Galt:

I am enclosing herewith a copy of the minutes of the meeting of the Harvard-Yenching Institute Trustees held on December 8.

I would call your attention in particular to the vote beginning at the bottom of page 2 and continuing on page 3, dealing with the clearance of balances and deficits remaining on your field book of Harvard-Yenching Institute accounts as of June 30, 1930.

You will note that the action of the Institute is in accordance with the suggestions ~~you~~ made, except that the item of L.C.$901.53 in the "Sino-Indian Research Account" is listed with the balances to be continued until it can be ascertained whether further charges must be made against these accounts in line with the original appropriations.

Our understanding is that you will, therefore, proceed as follows:-

1. Meet the deficits totalling L.C.$1,52[illegible].57 on the three items of Library, Museum Aid, and Publication of Valuable Manuscripts, from the balances totalling $12,830.62 remaining in the nine items listed in section (a) of this action. The remainder of these balances amounting to L.C.$11,308.05 will then be entered on your books as an advance payment toward the 1930-31 budget of the Institute.

2. The following three balances are continued into the 1930-31 fiscal year, subject to possible further action by the Institute after the field has informed us of the extent to which these balances will be required to meet further charges against these accounts in line with the original appropriations:

Preservation of Antiques	L.C.$1,860.79
H.T.Tien Travel account	532.75
Sino-Indian Research account	901.53
	L.C.$3,295.07

3. The balance of L.C.$1,200 in the "Reserve for Salary Increases" account is likewise to be continued into 1930-31, but no specific report as to pending charges against this item needs to be made.

The above adjustments necessitate a revision in our procedure for transmitting the funds appropriated for general budget items in the

Harvard-Yenching Institute accounts during 1930-31. The total of these general budget items is L.C.$107,920.00. My letter of June 5, 1930, discussed the details of procedure to be followed in transmitting these funds and gave a list of authorizations for monthly drawings. Since, the foregoing adjustment gives you an advance of L.C.$11,308.05 against this budget total of L.C.$107,920.00, the amount you should draw on us is correspondingly reduced. We therefore suggest the following changes in the list of authorizations contained in my letter of June 5:-

Authorization No.3106 to be drawn May 10,1931, in the amount of L.C.$3,000 is hereby cancelled.

Authorization No.3105 to be drawn May 1, 1931, in the amount of L.C.$8,000 is hereby reduced to L.C.$6,691.95.

In order to complete our information here, will you please send us at your convenience a notation as to the manner in which you have allocated among the various items in the Harvard-Yenching Institute account these balances of L.C.$11,308.05?

You will also note that the Trustees continued three balances as itemized above "until it can be learned whether the field must meet further charges against these accounts in line with the original appropriations". You should, therefore, send us information which we can transmit to the Institute as to any further payments you must make on these three accounts in line with the original appropriations. I believe we have received no specific information as to the"Preservation of Antiques" account and the "H.T.Tien Travel" account although Baron von Stael Holstein has written direct to the Institute as to plans he has for the balance of L.C.$691.95 in the "Sino-Indian Research" account. Commenting on this last item Dean Chase wrote me a few days ago as follows:-

> "Baron von Stael-Holstein wrote me that he had planned to use this money for the purchase of the Taisho edition of the Chinese Tripitaka. The Trustees thought that, since this had been in the Baron's plans and he just had not been able to carry the transaction through before the end of the fiscal year, it was only fair that the money should be still at his disposal."

I presume that the Institute Trustees will take no further action in regard to the disposition of any of the unneeded portions of the three balances discussed above until they take up in the autumn of 1931 the clearance of any balances and deficits in the 1930-31 accounts.

We have been hoping for many months that a meeting could be arranged between representatives of the Institute and representatives of the various Universities receiving income from the special trust fund of $1,000,000 held by the Institute. In March and again in July, 1930, the Institute gave certain specific instructions to the various Universities as to the expenditure of, and account for, the income from this trust fund. Taken literally those instructions would have required a much narrower use of this income than the institutions anticipated. Some of the Universities have tried to adhere strictly to the letter of these instructions, and others have given very little attention to them. As a result, our procedure in accounting for this income is in rather a chaotic condition. We earnestly hope that a conference with Dean Chase and

Dean Donham will succeed in clarifying the situation.

Yenching has never rendered any accounting for the income from its $500,000 share in this $1,800,000 trust fund in line with the instructions of the Institute. It seems wiser, however, to let this matter stand in abeyance until we have had our conference with Dean Donham and Dean Chase. Following that conference we will know whether it is necessary that reports be submitted for the past two years, as well as for the future.

Very cordially yours,

DAG-H

Enc.

CC: Promotional Office

YENCHING

Princeton-Yenching Foundation

TRANSFER

December 23, 1930
E-30-12-23-1

Dr. Howard S. Galt
Yenching University
Peiping, China

My dear Dr. Galt:

We are enclosing herewith two checks in the amount of $50.00 each covering the January salaries of Messrs. Free and Tayler.

Thanking you for your kindness in handling these checks for us, we are,

Cordially yours,

Assistant Treasurer,
Princeton-Yenching Foundation.

Encs.

CAE:C

YENCHING

INDEXED

Yenching University

TRANSFER

December 27, 1930
E30-12-27-1

ack. 2/11/31

Dr. Howard S. Galt
Yenching University
Peping, China

Dear Doctor Galt

When writing you on December 17, Mr. Garside indicated that matters relating to the Women's College accounts as more particularly referred to in your communication of November 3, G340, will be taken up in a separate letter. In studying the Women's College accounts, especially the method followed in closing the books on June 30, we find the error to which you have called our attention, which shows that we closed our books with LC$40.00 more than we should have done clearly due to an error in subtraction. In figuring the gold equivalent, we find that it makes G$19.05 difference, and we are making this correction by journal entry crediting account 31 and charging 1929-30 surplus with $19.05.

We have made up a statement of disbursements on account 31, and you will notice the correction has been made in this statement showing that we are carrying forward LC$8,440.66, the gold equivalent being $4,019.36. We believe the balance of the sheet is correct.

This answers several questions raised by the Certified Accountants. We shall be glad to include a statement of this nature with each monthly balance sheet.

As requested we are putting through a journal entry as follows:-

Debit	24a	Equipment	G$3,559.55
Credit	128x	Special Funds, Equipment	3,559.55

This is bringing into our plant account certain equipment purchased during the year 1929-30 which the field has funded.

In regard to the Wheeler Memorial Chapel our understanding is that the Women's College Committee desired to have shown on their books a certain percentage of the Wheeler Fund as representing the Women's College contribution toward that building. The G$18,750.00 which originally appeared on the Women's College books surely came through the solicitation of the Women's College Committee. Since that time interest has accumulated. The debit account 26j represents the amount we have

paid over to the University books and does not mean that there has been a duplication of funds sent to the field.

There seems to be an inconsistency in our handling of the small interest fund held in the Central Hanover Bank and Trust Company. It was our intention on July 1 and instructions were so given to have this small interest fund transferred from the Women's College to the University, but in the rush of closing the books it was overlooked, and we have purposely allowed it to rest for another six months so as not to impair the interest. We shall take this matter up again within the next few days and if it is felt desirable, will transfer to the fund in the name of the University.

Very sincerely yours

Assistant Treasurer

CAE:MS
CC: Miss Behrens
Enc.

Ack 2/9/31

燕京大學
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

YENCHING

December 30, 1930.

G350

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

INDEXED

TRANSFER

My dear Mr. Garside:

I have for acknowledgment today Mr. Evans' letter, E30-11-19-1, accompanied by the Minutes of the meeting of the Committee on Finance, Property and Investment of the Trustees of November 11th, together with accompanying documents.

We have been through these documents, although we have not yet studied them thoroughly, and the consideration of them in relation to our current budget requires still more attention from Mr. Tsai and myself.

We appreciate the full and careful handling which the Committee gives to so many matters. Mr. Evans' letter is also full and clear.

The consideration of this material in connection with our own financial situation emphasizes again the difficulty of financial administration from two centers so far removed. These communications present the first comprehensive dealing with our current budget on the part of the New York authorities since last May. In the meantime nearly six months of the fiscal year have elapsed before these documents with their important decisions reached us. Of course we have had to go forward in the financial administration of the University, and have had to adjust conditions as best we could to the needs of the various departments.

As has become customary, we have had to revise our budget dealing with internal administration again this autumn. A copy of this revised budget was sent to you by Mr. Tsai in letter T30-93, of December 1st. On December 2nd, in letter T30-94, Mr. Tsai also sent you proposals with regard to the budget for the College of Natural Sciences, which communication bore the signature of President Stuart. Those documents will have already indicated to your office the situation on the field. The phase of the situation which has caused us the most concern is the situation in which the Natural Science departments find themselves because of the necessity for the purchase of laboratory supplies and equipment on a gold basis.

At the time the data for those documents were being prepared we had had no report from your office as to when the Finance Committee or the Trustees were to meet. Regarding this matter I may say that I had the impression that there would be a meeting of the Trustees in New York in November, and I inquired repeatedly in Miss Hague's office, and from President Stuart, as to the date for a meeting of the Trustees, but no information was available in that office either. If we could have known in advance the date when the New York authorities were proposing to deal with these matters, we would have tried to have gotten our data before them for their consideration. I suppose you may reply in similar vein that you did not know how we were proposing to deal with these questions on the field, and therefore no course was open to you except the consideration of the problems on the basis of the data available in New York. However that may be, it has thus come about that we have acted independently (but of course without finality) here, and the New York authorities have acted independently there. The resulting documents reporting the decisions crossed each other in the mails, and we have the problem now before us of trying to adjust and reconcile the independent actions. In another year I hope that such a state of affairs can be avoided, and I am sure you will agree in this point of view. Shall we not now resolve to keep each other informed, ~~so~~ next summer or early autumn, if the occasion arises, each may have information regarding the plans for dealing with such matters?

As I have intimated above, we have not yet had an opportunity to study these documents in connection with our own situation in enough detail to make definite proposals at the present time. These will follow later on.

Today, however, let me point out one aspect of the statements from your office which appears to us to overlook an important consideration. On the first page of the document entitled "Summary of Anticipated Income, General Yenching Budget, 1930-31", accompanying the Minutes of November 11th, in the income section all of the items are set down as having applied to them the exchange rate of 2.15, whereas, according to our understanding, based on classification contained in statements from your office, several of these items belong in "Class B.", which are transmisable in gold, and subject to the current exchange rate here when the gold remittances are received. Are we not right in this point of view? If so, the total income will be considerably modified.

More thorough consideration of these problems will be reported to you later.

I have also to acknowledge receipt of the Minutes of the Trustees of November 19th, with a copy of your letter G30-11-26-1 to President Stuart and myself, and also a copy of your letter of November 28th to President Stuart.

Of course we are all deeply interested in the item with which you deal at such length, namely, the status of our School of Religion. I am not at all surprised at the action of the Trustees in regard to this matter. There are certainly very strong considerations to support their point of view. I will not, however, comment on this situation at length, inasmuch as that is the function of the President's Office.

On page two of the Minutes of the meeting of the Trustees there is reference to the action taken by the Board of Managers in endorsing the correlated program of the Christian colleges in China. The Minutes report that a part of the action of the Managers was not in hand when the Trustees met in April. At the present moment I cannot explain how this part of the Board of Managers' action was separated from the part which was reported to you, and I have not taken time to search through the correspondence and documents of the early spring to trace the discrepancy. I do recall, however, that it was a long time after the Board of Managers' meeting before the Secretary, Dr. T. T. Lew, got the Minutes out in complete form. It is more important, however, to try to explain the thinking of the Board of Managers at the time. The reservation implied in the action under consideration was based expecially on the Princeton-in-Peking, or now the Princeton-Yenching Foundation, interests. As I recall that was the only "financially-independent division" referred to at the time. It was thought that action by the Board of Managers, or by other authorities of Yenching University, ought not to be construed in such a way as to restrict the officers of the Princeton-Yenching Foundation in dealing with the Alumni or other constituency of Princeton University with respect to that project.

One can see now that the terms of the action would make it possible to apply it, for instance, to the College for Women. But according to my understanding it was not intended thus to apply. For the present, then, I would interpret it, trying to express the point of view of the Board of Managers last spring, as applicable only to the Princeton-Yenching Foundation enterprise. If this point of view does not remove the uncertainty in the minds of the Trustees, and it is deemed necessary that the action be modified so as to restrict its application, I think there would be no difficulty in getting the action modified on the part of the Board of Managers.

Another matter dealt with both by the Finance Committee at the meeting of November 11th and by the Trustees in their meeting of November 19th, has puzzled us somewhat in this office. I refer to the matter dealt with on page six of the Minutes of the

Committee dated November 11th, and on page one of the Minutes of the Trustees of November 19th. The question centers around the treatment of the G$1,800 from Dr. Coffin for the 1928-29 budget. Mr. Beddow was in the office yesterday, and he, Mr. Tsai and myself have not been able to discern any deep question of policy involved in that matter. So far as I understand the situation, our only concern in the complicated correspondence of the past dealing with that item was simply to get a common understanding as to which budget year was to receive the credit for that gift, and to adjust the accounting in accordance with such a decision. In this office we were setting down the item in one year's income and in the New York Office it was set down in another year's income. All we desired was a common agreement in regard to the matter and a necessary adjustment of accounts in correspondence therewith. I think we understand this rather careful statement of policy which is now set down, but, as I have said, we were not aware that the item under dispute involved questions of policy in this way.

The solicitude expressed by the Trustees in Action T2899, based on the Finance Committee's Action F2893, also puzzles us somewhat. We have not noticed any considerable "growing percentage of current general funds which are being received and disbursed outside the general budget of the University", and so we do not understand the solicitude of the Trustees regarding the matter. We shall be glad to have a fuller statement of the point of view, and give the matter further consideration, if there is occasion for the same.

I have for enclosure today a copy of the Construction Department Balance Sheet for November 30th. I think it is in order, and I do not note any items requiring comment now.

Very sincerely yours,

Howard S. Galt,

Acting Treasurer.

HSG-LC

Enc.

RECEIVED
UNIVERSITIES
JAN 26 1931
JOINT OFFICE

YENCHING

INDEXED

Yenching University

TRANSFER

December 30, 1930

AIR MAIL

Dr. J. Leighton Stuart,
Dr. Howard S.Galt,
Yenching University,
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G30-12-30-1

My dear Dr.Stuart and Dr.Galt:

We are enclosing herewith a copy of the minutes of the meeting of the Finance Committee held yesterday. Because of the importance of the actions taken by the Committee, we are hurrying off copies of this letter to you by air mail so as to catch the steamer for which regular mail closed yesterday. We will also send second copies of the letter by regular mail next week.

Study given by Finance Committee before meeting. You will note that the minutes show that only four regular members of the Finance Committee were present at the meeting. This does not indicate, however, that the absent members were unacquainted with the actions taken or that absentees may have had different views than those represented at the meeting. We have been making efforts throughout practically the whole month of December to secure this meeting of the Finance Committee. As a matter of fact, two preliminary meetings were held about a fortnight ago and at that time the actions formally adopted yesterday were drafted in a preliminary way and distributed to all members of the Committee for further study and for suggestions as to changes.

The first of these meetings was a luncheon conference held with Mr.C.R.Bennett at the Hotel Prince George on December 16. At that meeting all those who were present yesterday, together with Mr.George Barber, were in attendance, and discussed at great length with Mr.Bennett the whole question of investment in China of endowment funds belonging to the University. On December 17 a meeting of the Finance Committee was attempted, with the expectation that the matters dealt with yesterday would be considered and disposed of. However, a legal quorum could not be secured for the December 17 meeting due to the imminence of the Christmas holidays and the fact that a large number of the Committee were tied up with urgent personal affairs. So the best that could be done on December 17 was for those present to go over in an informal way all the matters up for consideration, and to draft for consideration by the absentees tentative actions dealing with these matters. In advance of the meeting yesterday we had received detailed comments from Mr.Barber, Mr.Hounds, and Mr.Stock, and somewhat more general comments from Mr.Warner.

I believe we can feel every assurance, therefore, that the actions taken by the Committee yesterday represented the thoughtful and mature judgment

of practically all members of the Finance Committee.

Transfer of endowment funds to China for investment. This important question had formed the nucleus of our discussion with Mr.Bennett, and had also been given very careful study over a prolonged period by every member of the Finance Committee who has any familiarity with matters of investment. Our conference with Mr.Bennett convinced all of us that he is not only a thoroughly reliable business man, but that he is also deeply interested in Yenching University and is warmly sympathetic with the program and aspirations of the University. He is also familiar with the history of other organizations in China, such as the China Foundation and the Peking Union Medical College, which have during recent years dealt with those same problems of investment in China of substantial amounts of endowment funds. But in spite of Mr.Bennett's warm sympathy in the University, it was obvious that he could not approve from a business standpoint the transfer to China at this time of any substantial amount of endowment funds.

He stated that investments of small amounts could be made with a fair degree of safety if a great deal of care and discrimination was exercised, and selection was limited to a very small group of securities available in China. He indicated that his experience with the China Foundation had shown that this Foundation has at the present time only a relatively small percentage of its holdings in Chinese securities, and that it is taking steps as rapidly as it can to transfer these funds to Western securities. It was his impression also that the Peking Union Medical College has little or none of its endowment funds invested in Chinese securities. This last statement surprised us somewhat because we have long been familiar with Mr.Roger Greene's support of the policy of investing endowment funds in China whenever this can be done with safety.

The Committee also made a very careful study of Dr.Stuart's letter of November 10 and Dr.Galt's letter of December 1. The list of securities held by the China Foundation and by Tsinghua College was also reviewed with great interest by the members of the Investment Committee. I suspect, however, that in the judgment of these members, a study of this list of holdings of the China Foundation convinced them still more of the undesirability of making investments in Chinese securities, and also the undesirability of making investments in securities hyielding as high a rate of income as is offered by some of the securities in this list. The present market prices show that, with very few exceptions, the securities yielding high rates of interest have suffered the greatest declines in market value, whereas the securities of a more conservative class and with smaller interest rates have held up quite satisfactorily.

Action F-2306 represents the mature judgment of the Finance Committee, and I am convinced that it has the support also of practically every member of the Board of Trustees. At the present time it would not be possible for the University to liquidate so substantial a part of its endowment securities without incurring a serious loss. This does not indicate any weakness in our list of endowment investments, for, on the whole, they have stood up much better than the average list of endowment securities of educational and philanthropic organizations here in America; but simply means that all grades of securities are now selling at such depreciated levels that it is disadvantageous to make any substantial changes.

Moreover, after fully a year of very careful and sympathetic study, the members of the Finance Committee have not as yet been convinced of the desirability of the policy of transferring such a substantial amount of the Uni-

versity's endowment funds to China. I am sure that Dr.Stuart realized from his contacts with the Committee last year that this inability of the members of the Committee to approve the proposal is a matter of sincere regret to them. Again and again during the last year I have heard members of the Committee say that they would agree to approve this proposal to transfer endowment funds to China if they could find any possible means by which they could take such a step without violation of their own feeling of responsibility as Trustees of Yenching University. They have sought eagerly for some justification of such a step and have turned to such men as Mr.Greene and Mr.Bennett, who are warm friends of Yenching University and are intimately acquainted with the investment situation in China, in the hope that these men might justify their adoption of such a policy.

The Finance Committee is still unwilling to give a final negative to the proposal and is now actively engaged in a search for some member of the Committee who can make a special trip to Peiping during the coming months to consult with you at first hand in regard to these matters and secure all the facts and viewpoints which should be considered in passing judgment on so important a proposal. It is too early for us to have any very definite knowledge as to who on the Finance Committee could make such a trip to China but there are encouraging prospects in one or two directions. I hope that within a short time we may have something more definite to report.

Re-allocation of $10,000 Campbell gift. It is the judgment of the Finance Committee that the most urgent problem now confronting the University is the matching of the first $250,000 gift of the Rockefeller Foundation. While appreciating the urgency of many of the other financial objectives which the University is now seeking, they feel that the only possibility of matching this $250,000 gift is to utilize every available contribution during the next two years to apply on this objective. It is the judgment of the Committee, therefore, that no change should be made in the allocation of the Campbell gift. This judgment was reached on the standing that there is nothing in the correspondence with Mrs.Campbell that would make such an allocation out of line with her wishes in making the gift. If there are other factors in the correspondence with Mrs.Campbell which the Committee did not have before them when this action was taken the Committee would, of course, be eager to restudy the matter on the basis of such additional inforamation.

Request for funds for bachelor apartments. I believe that the minute on this subject is so complete as to require little further comment. The Committee discussed this request from the field at some length and with a real eagerness to find some means by which the expenditure of L.C.$80,000 for the erection of such an apartment building could be approved. They were simply unable to find any source whence this money could be secured. Aside from the surplus which it is understood is now available on the field from the last appropriation made by the Trustees for construction of new residences, there is not, so far as the Committee could see, a single additional dollar now available for such a building; nor are there any bright prospects of further gifts available for such a purpose at any time in the immediate future. As you know, the Plant section of our University accounts is already seriously embarrassed by a deficit of more than G$60,000 standing against the Residence account, due primarily to appropriations we have made during the last two years for the construction of new residences. It will probably be a matter of several years at best before this Residence deficit can be cleared off our books.

1930-1 Budget. I have already written to Dr.Galt commenting on the present status of the 1930-31 budget as revealed in the budget analysis

attached to the Finance Committee minutes. I believe that nothing further need be added at this point. We will await with interest the comments of the field on this budget analysis.

The one point in connection with the 1950-51 budget which elicited the most comment by the Committee was the smallness of the probable gain in exchange during the current fiscal year. The present set-up of the budget is such that practically all the available funds in gold for general University purposes are now being expended in America for the payment of salaries of Western staff and the purchase of necessary equipment and supplies so that there is relatively little gain in exchange in these general funds. The specially designated funds are being sent to the field in the form in which they are received, so any gain in exchange is a matter of the field financial administration and has no direct relationship to the Board of Trustees.

Unified budget policy. About half the time of the meeting was devoted to this one subject. The question of a more unified administration of the budget has long been in the background of the Trustees' thinking. Year by year the proportion of the general University funds has grown smaller and the proportion of funds going to "financially independent units" has increased. This tendency offers the very obvious danger that, instead of having a University with a unified plan and procedure, we may gradually evolve a loosely knit federation of semi-independent groups working oftentimes at cross purposes and without the united strength which a more homogeneous administration would produce. Several letters arriving from the field within the last few days, which we did not bring specifically before the Committee, have re-emphasized the drift away from unity in budgetary administration and control. I refer particularly to letters T50-93 and T50-94. The Finance Committee recognized that the proposals they are making are of such importance that final approval should be taken only by the Trustees after consultation with the field. Action T-2918 is, therefore, expressed in the form of a recommendation to the Trustees and the field administration of the University.

The first proposed step in the direction of a more unified budget is the securing of representatives of all the important groups interested in special phases of the work, as members of the Budget Committee of the Board of Trustees. I believe that this will be a simple matter.

The second proposed step is that the field should make whatever adjustments may be necessary so as to place general responsibility for the formulation and administration of the budget in the hands of a single committee which would contain representatives of at least the most important phases of the work known as "financially independent units". We must look to the field for information as to the desirability and feasibility of such an organization. If the field should find that such a proposal does not offer a feasible solution we hope that you will formulate some different procedure which will accomplish the same result.

The third essential step in such a unification of the budget must be for the Trustees to assume the same responsibility for the income of the "financially independent units" as they have heretofore assumed for general University funds. It has been the policy of the Trustees to say in substance that they will make every effort to secure the interest of individuals and groups who desire to contribute toward special pieces of work, will transmit all funds received for such special pieces of work if, when and as received, and will do everything that can be done in the way of following up pledges for such designated work that are delayed in payment or seem in danger

of lapsing; but that further than this the Trustees will assume no responsibility. The step now proposed is that the Trustees, in defining their contribution toward the budget, will each year underwrite and guarantee the receipt of anticipated income for the "financially independent units" in the same way in which they now guarantee their appropriation to the general University budget.

As a fourth step in this same direction, it is proposed that the Trustees shall hereafter define their contribution to the budget of the University in gold rather than in local currency (except in cases of specific gifts for designated work which are received in local currency and must be transmitted in the same form). This would mean that the Trustees would thereby transfer to the field full responsibility for the wise use of all gains in exchange, and for meeting any shortages due to losses in exchange. In years when the exchange situation was unusually favorable, as has been the case this year, it would be necessary for the field to set aside its own reserve to guard against the inevitable change toward less favorable rates of exchange; and in years when the rate of exchange shifts in a direction disadvantageous to the University, the sole responsibility of adjusting the budget to compensate for this loss would rest with the field. This would mean also that the field would have to find from its own resources the funds to meet such current and capital needs as are now being sent to the Trustees from month to month with the customary suggestion that they be provided for "from gain in exchange". In short, such a change in the method of transmitting funds toward the University budget would mark a substantial degree of progress in the direction of transferring financial responsibility from the Trustees to the field. This is a trend that is manifest in all of our Universities at the present time. The Trustees are not only willing but anxious to go as far and as rapidly in this direction as is most advantageous to the University.

At best it will be some weeks before a meeting of the Executive Committee or the full Board of Trustees could be held to deal with these important recommendations. It would expedite a final decision on these matters if the field would make an immediate beginning of the studying of these proposals, and would send us as soon as you can your reactions to them.

Funds for 1931-32 budget. The hour had grown so late when this item on the docket was reached that the Committee felt it would be impossible to give the subject adequate study. Because of the urgency of the matter it was recognized that the item should not be postponed to the next meeting of the Committee so a special Committee was appointed with power to deal with the matter at the earliest possible date. We are hoping that the Committee can convene somewhat later this week and that full information can be sent you in the next regular mail. I trust this information will reach you in time for your use in formulating the budget for next year. So far as I can see now the income for 1931-32 will be substantially the same as is shown on the budget analysis for 1930-31.

The one point at which a substantial change is contemplated in the policy of the present year lies in the suggestion that the expenses of the Yenching Promotional Office (exclusive of the extra cost involved in such campaign activities as are carried on by Dr.Jenney and Pierce and Hedrick) should be made one of the items of the budget in the same way that Yenching's share in the cost of our Central Office is now so included.

University financial policy. The Committee reserved as much of its time as possible for a consideration of this item because everyone agreed that it is one of the most important steps with which the Finance Committee is

now dealing. Here again the action recorded in the minutes is not the result of any hasty or ill-advised judgment by a small group of members of the Committee, but represents the mature and profound conviction of practically every member of the Committee. I use the qualifying word "practically" simply because there are one or two members of the Committee who have not expressed themselves definitely on this point. Everyone with whom I have talked or corresponded has been emphatic in their agreement with the viewpoint and policy set forth in action F-2012.

I believe it is fair to say also that the conviction of the Committee that the University must immediately cease all thought of expansion and embark on a very conservative policy of strengthening the position already gained, is not due to the passing psychology engendered by the present financial depression. As early as January, 1929, the Finance Committee warned the field in very clear language that expansion must cease and every effort be devoted toward conserving what has already been gained. Even during the period of inflated optimism which prevailed in 1929 the Committee, and the Board of Trustees, frequently expressed their uneasiness at requests from the field to take care of additional staff members, additional students, additional courses, and additional departments. At no time has there been any decrease in the loyalty of the Board of Trustees or in their desire to make Yenching as fine and as complete a Christian University as it is in their power to create and maintain. Their fear has been, however, that an attempt to do more than available resources justify would seriously injure the whole enterprise. Undoubtedly the present financial depression has brought the need of conservatism and caution more clearly before the minds of the Trustees, and particularly of the Finance Committee, but this attitude did not grow up as a result of the depression and would have been brought to the forefront during this present fiscal year even though prosperity had continued on the same scale as was reached in 1929.

The facts set forth in the introduction of action F-2012 impressed the Finance Committee as being very fundamental and very serious. We recommend them to you for the most attentive study. The rapid progress of Yenching during recent years has been accomplished only at the expense of straining every available resource, securing from the friends of the University the maximum contributions they were able to make, and oftentimes mortgaging the credit of the University to the limit in negotiating bank loans and borrowing temporarily from designated funds with the expectation that restitution would later be made. We are all tremendously proud of the magnificent results that have been obtained and no one for a moment regrets the efforts that have been made. Yenching is both a material and a spiritual manifestation of the triumph of faith and loyalty.

But in the judgment of the Finance Committee the time has now arrived when the greatest service we can render to the University is that of conserving the progress that has already been made. This, the Finance Committee profoundly believes, can be accomplished only by the complete abandonment for a prolonged period of time of any thought of further expansion in physical plant, in staff, in student body, or in program. We appreciate the fact that there are some additions to the plant which you feel should be made to round out the building program on which the University has embarked. All these will have to be postponed to the indefinite future. Without doubt most of the departments of the University feel that if they could add a professor here, an instructor there, or an assistant somewhere else, it would materially improve their effectiveness. All thought of such additions will have to be given up. Suggestions come in from time to time that, if a little more dormitory space were provided, or facilities were arranged for the admission of a few more students, it would help certain colleges or departments to round out their

work more effectively. Such thoughts of student increases will have to be given up. From year to year new courses are being added in the various departments and occasionally a special effort is made to make such adjustments within the resources of the University as to permit the establishment of a new department. All thought of adding any further courses or departments must be given up. The Committee feels that the field must go further and must for 1931-32 make substantial reductions in its current expenditures. It would, of course, be impossible for us to suggest at this distance the places in which such reductions must be made, and we do not underestimate the difficulties the University will face in attempting retrenchment in any of its departments. But is the judgment of the Committee that the only safe course the University can pursue in 1931-32 is to work under a budget within which the total expenditures shall be substantially below the level for 1930-31.

Each year as the Trustees have dealt with the budget for the new year they have found it almost impossible to picture with any degree of clearness the program contemplated by the University for the new year in comparison with what it has undertaken during the year just closing and during the years immediately preceding. The Committee, therefore, requests that, in connection with the estimates for the 1931-32 budget, the field send, for the information of the Trustees, comparative figures showing what is contemplated for 1931-32 as regards the number of staff and the number of courses in each of the various departments of the University, placed side by side with these same figures for 1930-31 and the three preceding years. These statistics should enable the Trustees to gain a much clearer picture of the extent to which the University has developed in its various departments from year to year.

Salary of Mr.Nash. Here again the Committee found that the time available did not permit a thorough discussion of the problems involved, and accordingly referred the matter with power to a special sub-committee appointed earlier in the meeting. I hope that this committee will be able to reach a decision before the end of the present week.

Plant balances and overdrafts. Actions F-2914, F-2915, and F-2916 simply give validity to the recommendations of the sub-committee charged with the analysis of Plant Fund balances and overdrafts as of June 30, 1930. I wrote to Dr.Galt on December 18, sending a copy of this analysis and commenting extensively thereon. I believe that no further comments at this time are necessary.

Investment matters. A number of urgent investment matters are now pending but it was impossible for the Finance Committee to deal with them at yesterday's meeting so they were postponed until the next meeting of the Committee which will probably be held early in January. We so often press the busy men and women who comprise our Finance Committee for their attendance at frequent and prolonged meetings of the Committee that they drift dangerously close to the point of open rebellion. The last few months have been particularly difficult because of the number and urgency of the financial matters confronting them. Not only has the Committee found it necessary to deal with financial questions referred to it by the field, but it has also found it necessary to devote a large amount of time to a consideration of the general investment policy and specific questions of the purchase and sale of endowment securities. The investment responsibilities alone are extremely heavy, particularly at this time of financial depression when all securities must be closely watched and when it is necessary to distinguish between fluctuations in market values due purely to market conditions, and more serious changes

in the intrinsic value of the security due to fundamental conditions within the security itself. All the members of the Committee are deserving of the warmest appreciation of the University for the way in which they are carrying on their functions. We know that the field will feel that at some places the Finance Committee is too cautious and too conservative. You will be interested to know that the chief criticism leveled against the Finance Committee here in America is that it adopts too daring policies, both in dealing with problems of University finance and also in handling the University's investments.

Very cordially yours,

BAC-H

Enc.

CC: Latermail