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YENCHING

INDEXED

TRANSFER

Yenching University

January 2, 1931

G31-1-2-1

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

My dear Dr. Galt:

In accordance with requests recently received from Professor William Hung, we are asking you to make one correction in an authorization already given and are giving you one further authorization.

Correction in authorization No. 3121. This authorization is for G\$375 to be drawn on or after May 1, 1931, on account of the Harvard-Yenching Institute fund for the purchase of European and Japanese books. We have disbursed, in accordance with instructions from Professor Hung, the sum of G\$67.12 in payment of the library cards ordered by Professor Hung for use in connection with these books on sinology. Professor Hung suggests that this \$67.12 be deducted from the amount we are transmitting to the field to cover the overhead in connection with the collection of these books. We request, therefore, that you correct authorization #3121 by deducting from the G\$375 originally authorized this item of G\$67.12. The correct figure for the authorization is thus G\$307.88.

Additional authorization. Professor Hung has requested that we authorize you to draw a further G\$500 of this G\$10,000 fund of the Harvard-Yenching Institute for European and Japanese sinological books in order to cover the purchase locally of second-hand copies of Japanese and European books on sinology. Accordingly the following authorization is given:

Authorization #3122. On or after January 1, ¹⁹³¹ you are authorized to draw on us at three days' the sum of G\$500 on account of the Harvard-Yenching Institute fund for the purchase of European and Japanese books on sinology. This is item Y-14 of the Harvard-Yenching Institute budget for 1930-31. This draft will be charged on our New York books to account 175.3.

Very cordially yours,

BAG-H

CC: Prof. Hung
Accounting Office

0002

YENCHING

TRANSFER

Yenching University

January 5, 1931
ES1-1-5-1

Mr. Stephen Tsai
Yenching University
Peping, China

My dear Mr. Tsai

I wish to acknowledge your letter of December 6, 1930, No. T30-98. Agreeable to your request we have sent Burmeister and Wain a gold check for \$6,576.00. This represents one third the cost of the Diesel engine equipment.

Very truly yours

Assistant Treasurer

CAE:ME

0003

YENCHING

INDEXED

TRANSFER

Yenching University

January 5, 1931

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

G51-1-5-1

ack 2/11/31

My dear Dr. Galt:

Let me acknowledge receipt of your letter No. G347 dated December 8, 1930. To that letter was attached Construction Department balance sheets for September and October, and also various Grounds and Buildings Committee minutes. I will attempt to reply to the matters in that letter requiring further discussion.

Wheeler Memorial Chapel. I see no objection to your deducting from the next interest payment on the Wheeler Chapel funds you now have on deposit the amount of L.C.\$404.56 required to balance the deficit you have long carried on your field books on account of the Chapel. Such a transaction should, of course, be handled in a way that will make it easy at any future date to trace the disposition of this L.C.\$404.56. Where unusual care is not exercised such small items as this have a habit of becoming very difficult to trace after a few years.

Practice School and Kindergarten. We quite appreciate the difficulties in which you have been involved because of the deficit of L.C.\$13,224.77 standing in this account. We will be most happy to notify you at once by cable if and when the \$6,000 from Mr. Eldridge is received. As you know, this verbal pledge of Mr. Eldridge has to be handled with the greatest tact and caution. One or two experiences in the past have led us to feel that Mr. Eldridge, while extremely fine and thoroughly interested in the work of Yenching University, is a highly temperamental gentleman, and that any move by our New York offices which did not strike him the right way might jeopardize the entire basis of hope for a future endowment from Mrs. McLean.

Bashford Hall. We hope that you may soon find it possible to take steps necessary to close out the Bashford Building account on the field so as to permit us to transfer this account to the Completed Buildings section in accordance with the authorization already given by the Finance Committee.

Further reduction in personnel of Construction Bureau. We are glad to notice that the personnel of the Construction Bureau has been further reduced though we appreciate the fact that Miss Figourovsky's resignation will mean, for the present at least, an increase of duties for some other member of your staff.

0004

Grounds and Buildings Committee Minutes. Mr. Evans will make a detailed study of these minutes and will bring to the attention of the Finance Committee any matters which seem to require note or action here at the home base. My rather superficial examination of the material has indicated that very little of what is contained in these minutes will require any action here in New York.

We have received the request from Mr. Tsai that our New York office make payment direct to Burmeister and Wain of the sum of G\$6,376 as an initial payment on the Power Plant machinery. This payment is now going forward.

I am communicating to Mr. Warner your statements as to plans for the construction of the south wing of the Warner Gymnasium, and am reporting to him the dates and amounts of the authorizations requested. While it is quite true that the Finance Committee, in consultation with Mr. Warner, has definitely authorized the field to proceed with the construction of the last wing of the Warner Gymnasium, and has assumed responsibility for carrying the cost involved until Mr. Warner is able to complete his pledge, it is wise for us to keep in close touch with him on such matters as these. From recent letters Mr. Warner has written after receiving the field's revised estimates as to the costs of completing the Warner Gymnasium, I am under the impression that he was surprised and somewhat disturbed at the amount still needed to complete the construction and equipment of the Gymnasium. Like everyone else, he is feeling the effects of the present financial depression, and he may have to postpone somewhat longer than he at first anticipated any further payments on the pledges of himself and the other members of his family. We should have some word from Mr. Warner within a few days which would enable us to give you more definite information as to the authorizations requested.

Just before Dr. Sailer departed for the Orient he gave us a draft for G\$2,000, representing the first payment by his wife, Mrs. Elizabeth C. Sailer, toward the second residence at Yenching for their son, Randolph Sailer. I am probably at fault in not communicating this fact to the field before this and authorizing you to draw the amount at your discretion. I send you the authorization herewith:-

Authorization No. 3123. On or after January 15, 1931, you are authorized to draw the sum of G\$2,000, representing a remittance received from Mrs. Elizabeth C. Sailer as a first payment toward a residence to be erected at Yenching for her son Randolph Sailer. Such a draft will be charged on our books to account 26m.

Dr. Sailer did not give me any definite figure as to the total amount he and Mrs. Sailer intended to contribute toward this residence. v I note from your Grounds and Buildings Committee minutes that the field anticipates a total payment of G\$4,000. This would leave G\$2,000 yet to be received. We do not know just when to expect such a payment from Dr. or Mrs. Sailer but no doubt their son will let them know when the balance is required.

Very cordially yours,

BAG-H

CC: Accounting Office

0005

YENCHING

TRANSFER

INDEXED

Yenching University

1931
January 5, 1930

G31-1-5-2

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

ack. 1/30/31

My dear Dr. Galt:

You will remember that in my letter G30-9-20-1 I stated that about the first of January we would send you an authorization covering your third quarterly drawing on account of the special Harvard-Yenching Institute Sinological Indices Fund for 1930-31. My reason for delaying the authorization until this time was to enable us to make deductions from the third quarterly drawing of the expenditures we have made here in New York since the beginning of the fiscal year, chargeable to this account.

According to our records, we have thus far disbursed the sum of G\$502.18 on behalf of the H.-Y.I. Sinological Indices Fund as follows:

Sept. 25	H.W. Wilson Co., book for Mr. Hung	1.75
Oct. 14	Order from Becker & Co. (1/2 cost of library cards)	67.00
" 16	Ditto, Inc., order from Mr. Hung	41.18
" 24	Postage, invoice N.Y. State Library	.50
Nov. 10	L.C. Smith, typewriters	188.00
" 28	Freight, L.C. Smith typewriters	13.75
Dec. 29	L.C. Smith extra platens	10.00
		<u>\$502.18</u>

Subtracting \$502.18 from the third quarterly amount of G\$1,500 leaves a balance due in the third quarter of G\$1,197.82. We authorize a draft of this amount as given below:-

*checked by
1/31/31-6-1*

Authorization #3124. On or after February 15 you may draw at three days the sum of G\$502.18 on account of the Harvard-Yenching Sinological Indices Fund. This will be charged on our accounts to account 175.3.

About April 1 we will send you a further authorization for the fourth quarterly drawing on this account, making at that time any necessary deductions for expenditures we may make in New York on this account during the interim.

Very cordially yours,

BAG-H
CC: Mr. Hung and Accounting Office

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YENCHING

INDEXED

Yenching University

TRANSFER

January 5, 1931

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

G21-1-5-4

ack. 2/11/31

My dear Dr. Stuart and Dr. Galt:

We are hurrying to you herewith the minutes of the meeting of the special sub-committee appointed by the Committee on Finance, Property and Investment which was held in Mr. Barber's office on the morning of Saturday, January 3.

Trustees' contribution toward 1931-32 budget. The item of first rank importance which this Committee was created to consider is that of the Trustees' contribution toward the 1931-32 budget. Appendix A attached to the minutes gives the details of the anticipated income for 1931-32 and shows the tentative allocation of this anticipated income. Action BCF-2917 states that the amount which the Trustees will probably be able to contribute next year, not including contributions of the Mission Board in personnel and in cash equivalents for vacancies, and not including the contributions of the Harvard-Yenching Institute for postgraduate work, amounts to \$4181,012.35. This action is, of course, conditional upon the approval by the Board of Trustees or the Executive Committee of action F-2910 which proposes a plan for the more homogeneous control of current funds within a unified budget.

We will seek a meeting of the Board or the Executive Committee at the earliest possible date. I hope that such a meeting may be held within the next month. As soon as such a meeting is held and action is taken on F-2910 I will dispatch a cable to the field reporting whether or not action F-2910 has been confirmed. However, this whole matter has been so thoroughly discussed by the Board of Trustees that I believe it is highly probable that the Board will give its agreement to the proposal of the Finance Committee, and accordingly the field should be able to go ahead with its plan for 1931-32 with a fair assurance that the procedure recommended by the Finance Committee and its special sub-committee will meet with support by the full Board.

Appendix A sets forth fully and frankly all the current income which the Trustees have any hope of receiving during the year 1931-32. We have not omitted a single item of estimated income concerning which we have any knowledge whatever at this time. There appear to be only two other possible sources of income which are not included in this list:- (1) surplus income on endowment funds above 5%. Possibly there will be a small amount of surplus income from this source, but the investment policy of the University has been so definitely in the direction of more conservative securities yielding lower rates of income, that any surplus above 5% is certain to be very small. (2) In-

come from new contributions for general current purposes. In the past the University has received almost nothing in the way of contributions available for the general budget. Nearly all current gifts coming in are for designated objectives which cannot be allocated for any other purpose than the ones specifically indicated. There is little hope, therefore, for any new income from this source.

Counterbalancing the possibility of a small amount of additional income from some source as yet unknown is the ever present possibility that some of the sources of income on which we are now relying may not produce as much as we anticipate. If, however, the Board of Trustees approve the procedure now proposed it will mean that the Board is responsible for providing the field with the full amount of C\$181,012.95 even though there should be a serious shortage in total income from one or more of the anticipated sources.

I am sure you will at once appreciate the importance of the proposal to define the contribution of the Board of Trustees in gold rather than in local currency. This means a long step in the direction of transferring full responsibility for the control and administration of current finances from New York to Peiping. In transmitting to the field in gold the entire amount of their current income, the Trustees turn over to you full responsibility for the wise administration of all the current funds of the University. If any reserve is to be set aside in prosperous years to carry the University through times of difficulty the initiative must be taken by the field. If the total amount of available income in prosperous years is fully expended it will simply mean that when less prosperous times come the University will have to retrench its program proportionately. Moreover, the field will have to find ways to provide from the current funds transmitted by the Trustees under the budget whatever amounts are necessary to take care of such special extra budget items as the Finance Committee has sought from year to year to provide from current surpluses accruing here in America from such sources as gains on exchange and surplus income.

Somewhat in the nature of a partin word of warning in transferring this responsibility to the field, the sub-committee calls attention in SCP-2218 to serious decreases in income which are now threatening for the fiscal year 1931-32 and subsequent years. In the first place, the Laura Spelman Rockefeller grant begins next year to decrease at the rate of \$5,000 a year until it disappears entirely on June 30, 1935. As yet the efforts of the Princeton-Yenching Foundation to secure additional income from endowment and other sources have not been sufficiently successful to justify the hope that income from this source will increase with anything like the rapidity that the Laura Spelman Rockefeller income decreases. We know of no other sources here in the West where there is any immediate likelihood of securing substantial contributions for the work in the Social Sciences. This seems to mean, therefore, that the College of Social Sciences must either find new sources of income in China or elsewhere, or else must choose one of two alternatives: (1) Reduce its program for 1931-32 to such an extent as will make it possible to carry on without reduction for several years to come; or (2) expend during 1931-32 all the income available for that year with the realization that year by year its program will probably have to be radically reduced.

In the second place, the income for work in Natural Sciences is at present far from assured beyond the fiscal year 1931-32. One-half the income from the Rockefeller Foundation, \$12,500, expires as of June 30, 1932. Thus far we have obtained only C\$10,000 toward matching the Rockefeller grant of C\$250,000, and even this \$10,000 has been called into question. The prospect

of securing the remaining \$240,000 within the next eighteen months is extremely dark. It would seem to be most unwise for the College of Natural Science during 1931-32 to maintain a program which would require the full expenditure of all available income, when the college was facing the probability of a decrease of 35% of its income during the next year. The wiser course would seem to be that of maintaining the work for 1931-32 on a more conservative basis that could be continued for at least three years more.

In the third place, the advantage which the University has secured during the past year or two as a result of the rapid decline in the price of silver cannot long be maintained. Already costs of every kind have risen rapidly because of the decreased purchasing power of the silver dollar; but this rise in prices is almost certain to continue for some time longer before the adjustment is complete. There is also the possibility that a change in the market value of silver may cause an upward swing in the price of the silver dollar. This would materially reduce the amount of income of the University without affecting any corresponding reduction in operating expenses.

It seems to us here in New York that all these considerations make it imperative that for 1931-32 the University should adopt an extremely conservative budget which would permit the creation of a substantial reserve in practically every department of the University, and particularly in the colleges of the Social Sciences and of Natural Sciences. However, care has been taken to make it plain that these are merely recommendations which the field may ignore if it chooses.

You will note that one change is proposed in the procedure of the Board of Trustees in meeting the expenses of the Promotional Office. Heretofore all expenses in connection with promotion, both the continuous expense involved in the maintenance of the Promotional Office itself, and also the fluctuating expenditures which are made in connection with any definite campaign activities of the University, have been met from whatever special sources of income can be found by the Trustees. As both of you know, the problem of supporting the Promotional Office and campaign activities of the University has been one of the most difficult financial tasks confronting the Board of Trustees. At times the deficit in the Promotional Expense account has grown to staggering figures, and special campaigns have been necessary to secure undesignated funds which could be used for the clearance of such deficits.

It is proposed that for the future the regular and continuous expenses of the Promotional Office (including salaries of office workers, the University's share of Mr. Kennamer's salary, the publication of the Peiping News, the issuance of periodic letters and circulars, and the miscellaneous expenses of the Promotional Office for rent, stationery, postage, etc.) should be made a regular charge against the current income of the University. This seems to be the only business-like way in which to handle the Promotional Office organization. Whenever special campaign activities are entered into the cost of such activities is to be made a first charge against the receipts obtained. At the present time the items of expenditure which would thus be classed under campaign activities are the disbursements made to Pierce and Hedrick and the salary and allowances to Dr. Chester E. Jenney.

In the past the Finance Committee has been forced to seek wherever possible for funds to take care of the operating expenses of the Promotional Office. In the future it will have practically no sources whence such funds can be secured. It is necessary, therefore, that the expenses of the office be made

one of the regular budget items.

As a matter of fact, there is now standing on our accounts a deficit of approximately \$340,000 in the Promotional Office account. By June 30, 1931 this deficit will be substantially increased. The Trustees do not have at present any definite sources of income whence this deficit can be cleared. At best we will have to use every possible source of surplus revenue for some years to come in wiping off this serious deficit already standing on our books.

These estimates of income for the 1931-32 budget are being transmitted to you several weeks later than they should be. This has been made inevitable because of the difficulty of securing a meeting of the Finance Committee. We have considered the advisability of cabling to you in as great detail as we could these estimates of income for the 1931-32 budget.

one of the regular budget items.

As a matter of fact, there is now standing on our accounts a deficit of approximately \$40,000 in the Promotional Office account. By June 30, 1931, this deficit will be substantially increased. The Trustees do not have at present any definite sources of income whence this deficit can be cleared. At best we will have to use every possible source of surplus revenue for some years to come in wiping off this serious deficit already standing on our books.

These estimates of income for the 1931-32 budget are being transmitted to you several weeks later than they should be. This has been made inevitable because of the difficulty of securing a meeting of the Finance Committee. We have considered the advisability of cabling you in as great detail as we could these estimates of the income available for next year. However, the procedure proposed for next year is different from the present plan at so many points that we fear any cablegram we might send would be misinterpreted and would complicate rather than simplify the situation. We are, therefore, sending all this material to you by mail and will not attempt to transmit it by cable. We trust that these facts will reach you in time to permit the field to make a thorough study of the budget situation and send us your budget estimates in time for action by the Board of Trustees at the annual meeting which is usually held in April. If, however, more time is required the Trustees can either postpone the annual meeting to some later date, or can refer to the Executive Committee with power all matters referring to the 1931-32 budget.

Salary of Mr. Vernon Nash. I believe that very little need be added to what is set forth in the minutes. The Finance Committee made a tentative study of this problem and the sub-committee went into it considerably more in detail. Frankly we do not understand the basis on which Mr. Nash is asking for payment of salary during 1929-30 on a gold basis. When the Trustees took action in the winter and spring of 1929, giving a bonus of 12 1/2% to all members of the University supported Western staff for the fiscal year 1929-30 it was generally thought here in New York that their action was sufficiently generous to meet the needs and wishes of the University staff. The correspondence from the field does not clearly state whether or not Mr. Nash has received this 12 1/2% bonus on the same basis as did the other members of staff. However, the letter written to me by Mr. Nash on November 26 has a summary of income he received during 1929 which seems to indicate that he did receive this bonus. Mr. Nash's figures as to amounts received may be summarized as follows:-

Payments on insurance by New York office	\$438.51	
Payments to Miss Helen Hooker	150.00	
Refund of balance on travel account	256.00	
	\$844.51 @ 2.10	L.C. 1,734.71
Remittances received on field		" 2,991.98
Received during 1929-30		" 4,726.69

Mr. Nash's figures give only the amounts of \$844.51 and L.C. \$2,991.98. The method of arriving at a total of L.C. \$4,726.69 is our own.

According to our figures the amount to which Mr. Nash was entitled during 1929-30 on the basis followed for other University supported Western members of staff was as follows:

Basic salary	L.C. \$3,120.00	
Children's allowances	<u>800.00</u>	\$3,920.00
12 1/2% bonus on above		<u>490.00</u>
		\$4,410.00

Perhaps the difference between the two totals given above, L.C. \$4,726.00 and L.C. \$6,410.00 can be explained by variations in exchange rates used. At all events, it appears that Mr. Nash has already received in full the amount to which he is entitled under the basis used for the other University supported Western members of staff. Here in New York we do not have sufficient information available to justify giving him preferential treatment that is far in advance of any accorded to the other University supported Western staff. While we appreciate the value of the services Mr. Nash is rendering and recognize that he has struggled with a good many serious financial problems, we know that many other devoted members of the Yenching staff could present fully as convincing a case should they decide to appeal for special assistance. To give such marked preferential treatment to one member of staff would, it seems to us, create an extremely dangerous precedent and would not only cause dissatisfaction throughout the entire faculty of the University, both Western and Chinese, but would also throw the door wide open for innumerable requests for special disbursements. Most of the Committee were inclined to say that no matter how valuable a member of staff might be, if he were to present a demand for such preferential treatment on the threat of his resignation otherwise, they would immediately invite him to tender his resignation.

The above comments reflect the informal discussion of both the Finance Committee and the special sub-committee in dealing with the question of Mr. Nash's salary. We all recognize, however, that the information we have available is inadequate to enable us to reach a fair decision here in New York. Moreover, as a matter of general policy, it is foolish for the Trustees to attempt to pass judgment on the merits of individual cases of this kind. The function of the Trustees is to deal with matters of general policy and to leave the adjudication of specific cases to the authorities on the field who are in intimate touch with each individual case and know what decisions are fair and equitable.

Very cordially yours,

BAG-H

Enc.

CC: Later mail.

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Rec 2/7/31

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YENCHING UNIVERSITY
Peping China

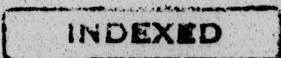
TRANSFER

Office of the Treasurer

January 6, 1931.

G31-1

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



See Manager's Treasurer's order

My dear Mr. Garside:

I enclose herewith Thomson & Co's reconciliation of our accounts with the New York accounts for October. I hope you will find it correct.

We request that you put through the following entries in the books, based on notes prepared by Mr. Beddow:

Debit	126T	Wheeler Memorial Chapel	G\$358.48
Credit	26T	" " "	358.48

being interest LC\$1,254.70 received on fixed deposit of LC\$83,439.18, Wheeler Memorial Chapel Funds.

Debit	22B	Land Improvement, etc.	G\$ 49.25
Credit	112B	Sundry Gifts	49.25

being a contribution of LC\$172.39 received from Mr. Liu Chi Tai on A/c of Alumni Gate.

The last post brought many letters from your office, which will be acknowledged specifically later.

not that by
J. H. 666 in Dec 22
Very sincerely yours,
Howard S. Galt

Howard S. Galt,
Acting Treasurer.

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學大京燕
YENCHING UNIVERSITY
Peping China

TRANSFER

Office of the Treasurer

January 6, 1931.

YENCHING

Mr. Olin D. Wannamaker,
Princeton-Yenching Foundation,
Room 903, 150 Fifth Avenue,
New York City, U. S. A.

INDEXED

My dear Mr. Wannamaker:

Your letter of December 3rd has just come to hand. The procedure followed with regard to this item of LC\$1,500 seems to be not quite complete still. Perhaps Mr. Hsu did not make perfectly clear to you the point of view of our Treasurers' Office here. There are only two ways in which money is usually transmitted from the New York office to us. In a good many cases drafts are sent direct, which of course we pay and collect from the banks in Peking, or else hand the drafts directly to the persons concerned. But most of our funds are transmitted in the form of drafts on the New York Office, which we draw here, but all these drafts are based on definite numbered authorizations signed by the Treasurers of the New York Office. Accordingly, no matter how good authorization we may have as to the validity of any particular appropriation, we can do nothing here until the authorization from the New York Treasurers is in hand. This was lacking at the time Mr. Hsu conferred with us regarding these funds, and is still lacking. In a pen-written note appended to your letter you say "Mr. Garside is about to cable you", but we have received, neither by cable nor by letter, any definite authorization from him to draw these funds. Accordingly, we suggest that you take the matter up further with him, and we suppose we shall have the proper authorization in due course.

While writing, two or three other matters may be mentioned.

I have to report that the drafts for the December salaries of Messrs. Taylor and Free have not come to hand. The drafts for the earlier months' salaries came regularly and in good season, but for some reason or other the December drafts have not come. We have reported to these gentlemen that we will advance funds to meet their needs temporarily, if required. I have the impression that will be a more satisfactory arrangement, if agreeable and convenient to the offices in New York, if we pay the salaries with our own gold currency checks, as we pay the salaries of other foreigners in the institution, and in due time collect from the Princeton-Yenching Foundation. However, we leave this procedure still in your hands to decide, only hoping that in whatever form the payments are made they will not

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0015

Mr. Olin D. Wannamaker, #2.

1/6/31

be delayed in such a way as to embarrass these gentlemen.

A few days ago, Mr. Duncan brought to our office here bills in local currency amounting to \$18.62, the same being landing and storage charges and local freight on two or three cases of books and personal effects which had been shipped out from America for him. It was Mr. Duncan's desire to collect this amount from this office. We have looked carefully through our New York correspondence to see if we have any instructions or authorizations covering this matter, but have not been able to find anything. Accordingly, we are writing you for instructions. Should we pay these bills and collect from your office? If so, please request Mr. Garside to give us the proper authorizations.

A third matter which seems to call for further consideration is the matter of furniture for the residence now occupied by Messrs. Taylor and Free. This matter has a bit of history, and perhaps I should report in full on the hypothesis that all the steps in the matter have not been earlier reported to you.

Mr. D. W. Edwards, writing to this office on May 24th regarding the arrival of the Duncans and Messrs. Taylor and Free, instructs us as follows:

"I understand that Dr. and Mrs. Duncan shall have a furnished house, according to the arrangements made with them. If it is not possible to provide a furnished residence, then the Princeton Committee authorizes an expenditure not to exceed Gold \$600 on their furniture account, with the understanding that at the end of their stay this equipment reverts to the Princeton-Yenching Foundation. This latter comes as authorization for you to advance this money to Dr. and Mrs. Duncan in case it is needed and to collect from our Home Office."

We made note of these instructions at the time, but when these friends arrived in the autumn Mr. and Mrs. Duncan were comfortably housed in apartments in the President's residence, which ~~was~~ already furnished. For Messrs. Taylor and Free the available quarters consisted of a small unfurnished residence in our South Compound. We were then confronted with the problem of trying to furnish some way or other the quarters for these two men. Accordingly, we wrote to Mr. Sweet on Oct. 2nd, he having taken over the responsibilities of Mr. Edwards in Peking, reporting the situation to him and asking him if he could take the responsibility of modifying the terms of Mr. Edwards' authorization in such a way as to provide for the needs of Messrs. Taylor and Free.

0016

Mr. Olin D. Wannamaker, #3.

1/6/31

Mr. Sweet replied, under date of October 4th, as follows:

"Your letter concerning the furniture allowance for Messrs. Taylor and Free, has just been received. This will authorize you to spend to a total of Gold \$300 for this item. However, this seems rather high as it is about what it cost Mrs. Sweet and myself to re-furnish our house which is quite large and done with a view to permanency.

"One of the young men in question remarked to me the other day, that it was intended to have a 'Princeton Fellows House' at Yenching, where these short term fellows would stay and which would more or less take the place of what 'Princeton Court' used to be. In case this is your idea, I am very happy to authorize the expenditure of \$300 or \$400 Gold, if necessary. However, if the matter is merely for temporary furnishings, the cheaper it is done the better."

On the basis of this authorization, we have advanced to a committee in charge of the furnishing of the house LC\$900. Mrs. Galt is chairman of the committee, and from statements which she has made I think this sum, LC\$900, will be sufficient for the necessities of the gentlemen this year, and, so far as I know, they are now very comfortably and satisfactorily housed.

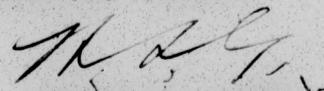
I do not know whether or not Mr. Sweet has reported to you the steps that have been taken, but this will now give you the essential data, and we shall be glad to have the authorization from the New York Office to collect the amount involved.

I am sending a copy of this letter to Mr. Carside for his information.

It has been a matter of great satisfaction to us on the field to know of the new developments involved in the change of "Princeton-in-Peking" to the Princeton-Yenching Foundation. We are glad that the organization is thus on a more permanent and more satisfactory basis, and feel that you and your colleagues, as well as Yenching University, are to be congratulated on this achievement.

With cordial regards.

Very sincerely yours,


Howard S. Galt,

Acting Treasurer.

HSG-LC

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YENCHING

INDEXED

Yenching University

TRANSFER

January 6, 1931
E31-1-6-1

ack. 3/5/31

Mr. Stephen Tsai
Yenching University
Peping, China

My dear Mr. Tsai

We herewith acknowledge receipt of your letter No. T30-95 dated December 2, 1930. The Princeton-in-Peking draft covering authorization No. 3060 has been received and taken care of. Your reference to the \$375.00 which you deducted from this authorization makes it more convenient for us to reply separately relative to the discrepancy between the field and the New York books in relation to this particular amount.

It is quite true that when the field made the error of drawing \$375.00 extra on a previous authorization, we wrote that it would be necessary to make adjustment on a subsequent drawing. As you know, however, the books in New York were closed by including this \$375.00 in last year's receipts from Princeton-in-Peking, and while this was an oversight in the accounting procedure when the books were closed, yet after taking the matter up with the Princeton-Yenching administration, they do not think it advisable to carry this forward on this year. Therefore in your treatment of this particular item it will be considered as a payment upon last year's budget from Princeton-in-Peking. Therefore, when you are drawing again on these funds, you will adjust the matter by including \$375.00 extra to balance off authorizations given during the current year.

Another item relative to the Princeton-Yenching Foundation is alluded to in your letter dated December 4, 1930, No. T30-97. In the first paragraph of this communication you call attention to charges for salary for Messrs. Duncan, Free and Taylor. In this respect it will be necessary for us to correct the statement we made in our letter of October 29 stating that salaries for these three individuals would be included in the \$13,500.00 budgeted for the College of Public Affairs. All three of these staff members are quite definitely taken care of outside of the \$13,500.00 appropriated for the department. Therefore in making our adjustment regarding Dr. Duncan's salary this will be paid to Yenching by the Princeton-Yenching Foundation and in turn deposited in the account of the Central Hanover Bank and Trust Company.

Very truly yours

Assistant Treasurer

CAE:MS

0019

YENCHING

TRANSFER

Yenching University

January 6, 1931
E31-1-6-2

Mr. Stephen Tsai
Yenching University
Peping, China

ack. 2/27/31

My dear Mr. Tsai,

We are acknowledging your letter of December 4, No. T30-96, wherein you enumerated four drafts all of which have been received and paid.

Your letter of November 3, No. T30-87, calls attention to authorization No. 3060 and to the G\$375.00 which you overdrew last spring. We have written you separately regarding this and trust that the necessary adjustment will be made upon your books.

We shall be glad to follow your instructions regarding the charges for Mr. B. H. Li.

Very cordially yours

CAB:MS
CC: Miss Behrens

Assistant Treasurer

0020

YENCHING

TRANSFER

Yenching University

January 6, 1932

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

AIR MAIL

G31-1-6-1

ack. 1/30/31

My dear Dr. Galt:

Referring to my letter of yesterday, No. G31-1-5-2, I notice that a mistake was made in stating the amount to be drawn, in the next to the last paragraph, beginning "Authorization #3124".

Will you please therefore disregard this authorization and substitute the following:-

Authorization #3124. On or after February 15 you may draw at three days the sum of G\$1,197.82 on account of the Harvard-Yenching Sinological Indices Fund. This will be charged on our accounts to account 175.3.

Very cordially yours,

BAG-H

CC: Accounting Office

0021

YENCHING

INDEXED

TRANSFER

Yenching University

January 7, 1931

Mr. Stephen Tsai,
Yenching University,
Peiping, China.

G31-1-7-1

ack. 3/5/31

My dear Mr. Tsai:

Let us acknowledge receipt of your letter T30-100 written on December 15.

I was very sorry indeed to learn that the cablegram and letter we sent Dr. Stuart on October 20 with regard to the G\$500 available in the McBrier Foundation did not give sufficiently clear authorization to enable the Treasurer's office to proceed to draw on us for this amount. It was my thought at the time this letter and cablegram were sent that I had given you definite authorization to draw this \$500 as Dr. Stuart might request. However, as I re-read the cable and the letter I see that we were at fault in not making this authorization sufficiently definite to enable you to proceed.

I have today sent you a cablegram authorizing you to draw this G\$500 at three days. As a matter of record this is authorization No. 3125.

Very cordially yours,

BAG-H

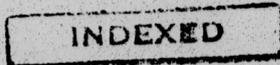
Enc.

CC: Accounting Office

0022

學大京燕
YENCHING UNIVERSITY
Peping China

Office of the Treasurer



January 9, 1931.
T31-104.

TRANSFER

*2 copies
16 lb.
Ack 2/9/31
your copy to O.P.W.*

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

Dear Mr. Garside:

We are dispatching this morning the following cable to you in replying to yours received yesterday:

"Estimated surplus June 30 of this year Social Sciences L.C. \$28,000.00 according to original budget stop if proposed budget Law approved surplus reduced by this means to L. C. \$18,000.00"

As the Department of Jurisprudence has not yet been approved by you officially, we have debated in our mind whether we should include that department in the expenditure of the college or not. After careful consideration we decided to cable you the estimated surplus of the original budget as well as that if Jurisprudence were approved. The amounts are arrived at as following:

Income

G\$35000.00 @ 375	\$131250.00
3500.00 @ 345	12075.00
University for Economic Dept.	8300.00
L. M. S. for Mr. Tayler	4200.00
National Christian Council	3000.00
	<hr/>
	\$158825.00

Expenditure

Joint Office	\$4000.00	
Political Science	39870.00	
Economics	45000.00	
Sociology	42000.00	
	<hr/>	
	\$130870.00	
		<hr/>
Surplus not including Jurisprudence		\$27955.00
Jurisprudence	10007.00*	
	<hr/>	
	\$140877.00	
Surplus including Jrisprudence		<hr/>
		\$17948.00

0023

Mr. B.A. Garside

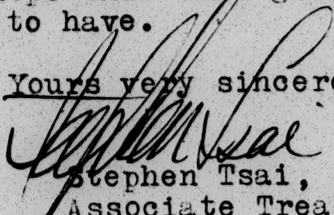
Page No. 2-T30-104

Total for Jurisprudence
Less paid by Political Science budget

\$15567.00*
5560.00
\$10007.00

We hope that this gives you necessary
information that you wish to have.

Yours very sincerely,


Stephen Tsai,
Associate Treasurer.

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Coc
will you please
follow up, and
return to me
for ack.
Office of the Treasurer

燕京大學
YENCHING UNIVERSITY
Peping China

YENCHING

January 9, 1931,
T31-105.

ack. 2/2/31

TRANSFER

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

Dear Mr. Garside:

Upon receipt of this letter will you please deposit to the credit of our account with the Central Hanover Bank and Trust Co. the sum of U. S. dollars five thousand (U.S.\$5000.00)? We are watching our budget very carefully in both the gold and local currency expenditures. The Trustees' action rescinding items 3 to 8 of the preferential list attached to this year's budget has caused a great deal of anxiety here. We are having the matter under consideration as how to meet the situation. You will hear from us later on this again.

Yours very sincerely,

Stephen Tsai
Stephen Tsai,
Associate Treasurer.

Dep. 1/29/31

ST:w

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YENCHING

學大京燕
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

January 9, 1931,
T31-106.

ack 2/4/31

TRANSFER

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

Dear Mr. Evans:

I am writing to acknowledge receipt of the following letters:

E30-11-28-1: This is to acknowledge my letter T30-86. No further comments are necessary.

E30-11-28-2: This refers to a charge of G\$1.95 collected by the Postal Telegraph Company for a telegram sent "collect" by Mr. Porter. We will make adjustment with Mr. Porter here.

G30-12-5-2: This refers to remittances for the Wiant's Memorial Residence. We are happy to note that more gifts have been received from the Wiant's friends. We are putting through in our books a journal entry crediting the Wiant's Memorial Residence and debiting the General Residence account the sum of G\$123.00 which at the exchanging rate of 4:1 yields l.c.\$492.00.

E30-12-6-1: Enclosed in this letter is a check for \$31.91 returned to you by the Central Scientific Company. We are sorry that the Department of Physics requested payment for the same bill twice. We hope that such duplication shall not happen again. As to the use of the gold checking account with the Central Hanover Bank & Trust Company, we have presented you our case in our letter of December 17, 1930.

E30-12-6-2: This acknowledges several letters from me. I do not think it requires any further comments.

Yours very sincerely,

Stephen Tsai
Stephen Tsai,
Associate Treasurer.

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YENCHING

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YENCHING UNIVERSITY
Peping China

Always

Office of the Treasurer

January 9, 1931,
No. T3Q-107.

TRANSFER

ack 2/14/31

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. T1212 for U.S.\$3125.00 to the Hongkong and Shanghai Banking Corporation, Peiping, on account Social Science College, as per your authorization No. 3107, under our January contract rate, namely, 374707. The local currency equivalent is \$11709.59.

Yours very sincerely,

Stephen Tsai

Stephen Tsai,
Associate Treasurer.

pa 2/13/31

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學大京燕
YENCHING UNIVERSITY
Peping China

YENCHING

Office of the Treasurer

January 9, 1931
T31-108.

ack 2/14/31

TRANSFER

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

Dear Mr. Evans:

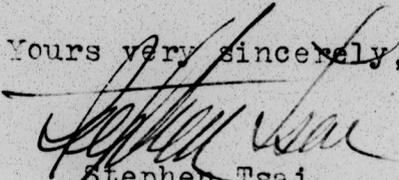
The voucher checks for the account with the Central Hanover Bank & Trust Company have arrived. There are two thousand checks altogether. We are very much pleased with the form of the checks. Please let us know if there is any charge which we have to pay for these.

Will you please mail for us the enclosed letters and charge the postage to our account as per our previous request?

35 letters
mailed 2/11/31
HCS

While writing we wish to acknowledge receipt of your letter No. E30-12-10-1 and all its enclosures for the month of November.

Yours very sincerely,


Stephen Tsai,
Associate Treasurer.

ST:w

0032

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1931

U. S. GOVERNMENT PRINTING OFFICE

0033

TRANSFER

YENCHING

INDEXED

Yenching University

January 14, 1931

ack. 2/18/31

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

My dear Dr. Galt:

We are enclosing herewith a check for C\$507.00. This is the amount which we have just received from Dr. George T. Moore, the Director of the Missouri Botanical Garden, St. Louis, with the explanation that the amount has been received from Mr. Charles R. Crane in payment of the advance by Yenching University to Mr. Li Chien-fan to cover the cost of his recent journey from Peiping to St. Louis. We understand that Dr. Stuart discussed with Mr. Crane the contribution of these travel funds.

Very cordially yours,

BAG-H

Enc.

CC: Accounting Office

0034

Refer to Finance Committee

學大京燕
YENCHING UNIVERSITY
Peping China

TRANSFER

Office of the Treasurer

January 15, 1931.

G31-2

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

YENCHING

ack. 2/20/31

INDEXED

My dear Mr. Garside:

You will recall our earlier correspondence regarding the bonding of the field Treasurers of the University. The matter was referred to in the meeting of the field Board of Managers held in October, but I believe no definite action was taken, pending the receipt of further information regarding the rates for bonding obtaining in the case of Mr. Krause, Treasurer of the Methodist Mission.

Subsequently Mr. Krause reported to our office the rate according to which he is bonded, and it was the same as that reported by you as obtainable for us with the bonding company in New York.

Accordingly we cannot report any prospect of securing a better rate here on the field than that which you reported. I think we here all share with you the reluctance to undertake the matter on this basis, on account of the relatively large cost.

I think I have already reported to you that the attitude of Mr. Beddow, representing Thomson & Co, our auditors, as well as others here on the field, is that the double-signature system for all negotiable papers from the Treasurers' Office is an excellent check, and that this system goes at least part way in rendering a bonding system unnecessary. We have discussed the matter further in the office, and have come to the conclusion that it is best to extend the double-signature system to all departments of Treasury procedure. Probably you noted that in opening the checking account in U. S. currency in the New York bank we adopted the double-signature plan. Accordingly, the only element in our procedure which now lacks the double signature is the item of drafts drawn on New York. We now propose to extend the system to those drafts also. Accordingly, from the present date onward the double-signature plan is applicable to all drafts, including No. 1218 and subsequent numbers. Mr. Tsai and I will both sign these drafts, and both of our signatures will be necessary to make the drafts valid.

We trust this letter will reach your office before any of the drafts which are double-signed do so, so there will be no hitch in the procedure.

Very sincerely yours,

HSG-LC

Howard G. ...

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YENCHING

學大京燕
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

TRANSFER

January 15, 1931,
No. T31-109.

ack. 2/24/31

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

Dear Mr. Garside:

We wish to report to you the sale of
the following drafts at the rate of $424\frac{1}{2}$ to the Banque
Belge Pour L'Etranger, Peiping, on account of the various
accounts as indicated below:

<u>Draft No.</u>	<u>U.S. Amount</u>	<u>L.C. Equivl.</u>	<u>Account</u>	<u>Authorization</u>
T1213	\$2728.96	\$11584.43	Boyd Gym.	No. 3008 ✓ <i>82-2/10/31</i>
T1214	\$3533.57	\$15000.00	Current Ap.	3113 ✓ <i>72-2/10/31</i>
T1215	\$2120.14	\$ 9000.00	H.Y.I.	3101 ✓ <i>"</i>

Yours very sincerely,

Stephen Tsai
Stephen Tsai,
Associate Treasurer.

ST:w

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YENCHING

學大京燕
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

TRANSFER

January 15, 1931.
No. T31-110.

ack 2/4/31

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

Dear Mr. Garside:

We wish to report to you the sale of the following drafts at the rate of 438 $\frac{1}{2}$ to the Banque Belge Pour L'Etranger, Peiping, on account of the various accounts as indicated below:

<u>Draft No.</u>	<u>U.S. Amount</u>	<u>L.C. Equiv.</u>	<u>Account</u>	<u>Authorization</u>
T1216	\$ 500.00	\$2192.50	McBrier Fund	Cable Jan. 8, 1931 <i>Pa 2/10/31</i>
T1217	\$1200.00	\$5262.00	Self Help Man	No. 3051 "

You will be interested to note the violent jump of exchange rate from 424 $\frac{1}{2}$ yesterday afternoon to 438 $\frac{1}{2}$ this morning. At the time of writing (2:30 p.m.) it has dropped to 435. Would it not be wonderful if we could foresee such things?

Yours very sincerely,

Stephen Tsai
Stephen Tsai,
Associate Treasurer.

ST:w

0039

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FEB 9 - 1931
JOINT OFFICE

0040

YENCHING

INDEXED

TRANSFER

Yenching University

January 15, 1931

E31-1-15-1

#1

ack. 2/23/31

inc. Mr. C. L. ... of 2/13/31 + 24

Dr. Howard S. Galt
Yenching University
Peping, China

Dear Doctor Galt

This is in answer to your letter of October 27, G339, relative to the closing figures for 1929-30.

We can very easily understand the reason for arriving at the conclusion that the Trustees are still indebted to the field in the amount of at least LC\$11,724.00, as this figure as such does not appear in the Budget Analysis as submitted to the Budget Committee on April 10, 1929. You have noticed, however, an item of LC\$12,600.00 to which you refer and which represents the figure agreed upon by the Woman's College Committee as the extra amount that they volunteered to raise toward the Yenching University budget. The purpose of this fund was to relieve the Trustees of the necessity of raising extra funds to finance the Woman's College during 1929-30 because of the closer cooperation then entered into by the College and the University. The Woman's College Committee performed their part of the obligation by paying the Trustees the G\$6,000.00 in question, and this is the item of LC\$12,600.00 to which you refer. You have questioned what became of this money which the Woman's College paid to the Trustees. In reviewing the set-up of the budget on page 2 of the April 10, 1929, minutes of the Budget Committee, you will find the following items:-

<u>Trustees Appropriations</u>	<u>Gold</u>	<u>Mex.</u>
Mission Board Grants	\$ 11,500.00	\$ 24,150.00
Endowment General	51,150.00	107,415.00
" Theology	7,150.00	15,015.00
Harvard-Yenching Institute Restricted	25,000.00	52,500.00
Endowment Bashford	1,350.00	2,835.00
Woman's College	6,000.00	12,600.00
Special Gifts Trustees	1,800.00	3,780.00
	<u>\$103,950.00</u>	<u>\$218,295.00</u>

From the above you will see that the LC\$12,600.00 given by the Woman's College Committee was included in the figure of LC\$218,295.00, which was used in closing the books on June 30, 1930. Moreover, the Trustees, in defining the amount of this contribution they would be able to make toward the proposed budget for 1929-30, clearly recognized that the total income available would not be enough to balance the budget as submitted by the field.

0041

By actions B-2516 and T-2555 they called the field's attention to this threatened deficit and recommended that you make whatever cuts might be necessary to meet the situation.

It must be clearly kept in mind that there is no direct connection between the Gold \$6,000.00 contributed by the Women's College toward the general budget of the University, and the various items totalling LC\$11,724.00 which, in the original draft of the 1929-30 budget the Women's College was asked to contribute toward the general administration and operation of the University. If any such connection between these two matters had been attempted, it would simply have been that the Trustees would have set aside from the total available income, LC\$218,295.00, the sum of LC\$11,724.00 to cover the obligation of the Women's College for general administration, thus reducing their general contribution to LC\$206,571.00. Thus the field would not have received a dollar more or a dollar less by any such subdivision by the Trustees. Obviously one can't spend the same dollar twice.

As a matter of fact, no attempt was made by either the Women's College Committee or the Budget Committee, to analyze out this item of \$11,724.00 or to see how it would be affected by the new relationship between these two parts of the University. After quite a bit of digging about, we believe that the facts in regard to this item are substantially as follows:-

(a) This sum of \$11,724.00 is made up of the following individual items:-

Share in University administration	LC\$ 5,354.00
Share in University operation and maintenance	75.00
Share in University Library	4,839.00
University Dean's Office	1,100.00
Share of special University items	356.00
	<u>LC\$11,724.00</u>

(b) The Women's College Committee, in dealing with the budget estimates submitted by the field, dropped from the proposed expenditures under "Administration" the item of LC\$5,354.00 representing the Y. C. "share in University administration"; and also dropped the item of LC\$75.00 for "share of University operation and maintenance" under the general head of "Operation and Maintenance of the Physical Plant." These two items, totalling LC\$5,429.00, were therefore not included in the revised budget of LC\$91,430.50 for the Women's College as finally accepted by the Trustees (See page 2 of Appendix A, Budget Committee minutes of April 10, 1930).

(c) The remaining three items in the list given under (a) above, totalling LC\$6,295.00, were retained by the Women's College Committee and were a part of the Women's College Budget of LC\$91,430.50 accepted by the Trustees. Whether the retention of these three items was due to intent or oversight, it would be difficult at this date to say. I suspect that neither the Yenching College Committee nor the Budget Committee made any special note of the items.

The conclusion is that the LC\$6,295.00 assumed by the Woman's College Committee has been remitted to the field on the Woman's College books, and naturally adjustments are to be made on the books of the field.

It seems to us that the Budget Committee and the Board of Trustees did everything that could be expected of them in defining the Trustees' contribution to the 1929-30 budget and in setting forth their judgment as to general policies in the relationship between the general University and the Women's College. By action T-2549 they stated in some detail the policy of the University, as was understood to meet with full approval both on the field and at home, with regard to the general University's financial responsibility for the work of the Women's College. By actions B-2574, B-2515, B-2516, T-2554, and T-2555, together with the detailed budget analysis appended to the minutes of the April 10th meeting of the Budget Committee, they tried to give to the field the fullest possible information as to what funds would be available. In these actions and in our covering letters the field was asked to make whatever adjustments of details might be necessary.

I believe there is general agreement both in Peiping and in New York that in all matters of field finance and administration the Trustees can only deal with general policies and must leave the working out of all details to the field. Even if it were desirable - as it certainly is not - it would be impossible for any group here in New York to have either the time, or wisdom, or information necessary to deal adequately with any of these innumerable details of finance and administration. Without anyone intending it, we have during recent years drifted gradually into a situation where our Central Office, and the busy men on the Finance Committee, spend a lot of time struggling over details that we know perfectly well we are not competent to handle. I think that both here and on the field there will be good grounds for rejoicing at the recent steps by the Trustees and the various committees in the direction of a more complete transfer to Peiping of administrative and financial responsibility.

The questions you have raised relative to the Woman's College budget necessitated a careful study of all of the items which go to make up the total of that budget. We uncovered a very interesting situation.

The \$91,430.50 as adopted by the Woman's College Committee included LC\$1,000.00 General (interest on deposits), LC\$25,120.00 Student Fees, and LC\$34,712.50 Board Salaries, totalling \$60,832.50. These are field credits. The remaining items were:-

Appropriations from Boards	LC\$15,800.00
Income from Committee	14,798.00
	<u>LC\$30,598.00</u>

This \$30,598.00 is the total we used in closing the Woman's College books on June 30. However, two items of estimated income included in the \$15,800.00 were never received by us but were sent directly to the field. These are the appropriations from the Presbyterian Board (\$2,000.00) and the A. B. C. F. M. (\$3,800.00) and are represented in the Mex. budget as \$7,800.00 and \$4,000.00, or a total of \$11,800.00. However, we remitted \$2,000.00 of Board appropriation, which at 2.10 yielded LC\$4,200.00, which deducted from the total of LC\$15,800.00 leaves a balance of LC\$11,600.00 to be charged against the 1931-32 budget. We are therefore suggesting that Woman's College account 31 be charged with \$45,523.81, the equivalent of LC\$11,600.00 @ 2.10, and crediting account 130, 1929-30 surplus with a like amount.

Kindly let us know immediately if this procedure is in line with the thinking on the field as it will be necessary to report the situation to the Woman's College Committee at its spring meeting the first part of April

Referring back to page 3 of your letter of October 27, the \$279,167.01 still remains the figure accepted by the Trustees, but to which should be added the \$1,289.05 approved under action T-2849, wherein President Stuart's travel expenses were to be charged to administration and promotional expenses here in the States. We have authorized a journal voucher to care for this change. Therefore this increases the total Local Currency figure which the Trustees should send to the field to \$280,456.06. Bearing this in mind, we can consider the recommendations of the Chartered Accountants.

Coffin Gift of \$1,800.00. The action of the Finance Committee regarding this amount has been alluded to in our previous correspondence. This has been cleared from our books and would in no way affect the gold situation of 1929-30, as only \$3,600.00 was used in the closing of the books, the other \$1,800.00 being carried forward. The Mex equivalent, however, is affected, and we have deducted the payment made in 1928-29 and included the one made in 1929-30, which will adjust the balance on our monthly budget sheets. As LC\$280,456.06 represents the total the Trustees were to furnish the field, it will be seen from the following that the Local Currency Surplus on the field is \$37,509.18 or at 2.10 G\$17,861.51:-

	<u>Gold</u>	<u>Mex.</u>
Closing	\$129,742.49	\$317,573.98
Less Coffin Gift 1928-29	1,800.00	4,005.60
	<u>\$127,942.49</u>	<u>\$313,568.38</u>
Add Coffin Gift 1929-30	1,800.00	4,396.86
	<u>\$129,742.49</u>	<u>\$317,965.24</u>
Budget Appropriation		280,456.06
		<u>\$ 37,509.18</u>

LC\$37,509.18 @ 2.10 = G\$17,861.51

Replying to the statement relative to budget expenditures, the Trustees approved only the LC\$279,167.01 as set forth in your tabulation on page 3, plus, of course, President Stuart's travel expenses.

The \$375.00 of Princeton-Yenching money has been covered in a previous communication and does not enter into this consideration. We notice that there are two items amounting to LC\$1,741.08 to be deducted from the field surplus. The whole surplus, however, as carried on the field forms a part of the surplus as set up on the Trustees' books, which amounted to G\$23,815.37. Under action F-2886 this fund was disposed of by wiping out the balance in the Trustees' General Account and the Promotional Office Deficit of 1928-29. The balance was to apply on the 1929-30 Promotional Office deficit.

In figuring the surplus the total remittances from New York were used by the field. The Trustees only agreed to furnish a certain amount in Local Currency, and that amount forms the basis of our calculation in closing our books at the end of the year. When remittances total the guaranteed Local Currency figure, then all above and beyond that amount automatically becomes an advance by the Trustees toward the budget approved for the succeeding year. Because such funds have reached the field is no reason to assume that

they represent field balances.

0044

Dr. Howard S. Galt

January 15, 1931

-5-

The new Budget Analysis set up last month purposes to control payments to the field more thoroughly. But it needs cooperation on both ends. The authorizations sent to the field some time ago will have to be modified drastically to meet the changed conditions under which we are working this year.

Under action F-2885 the Finance Committee voted certain charges against the "field balances." The fact is there was no such thing. What appeared to be field surpluses were involved in the \$23,815.37 surplus on the Trustees' books. Therefore, no steps can be taken to put F-2885 into effect.

Schedule 3 of the Audited Report would give an entirely different picture if the credits consisted of funds approved by the Trustees.

For the present, aside from the transfer of Dr. Stuart's expenses, the New York books will remain unaltered. The balance sheet showing Mex. equivalents will be brought in line with the changed situation reflected by the use of the last \$1,800.00 Coffin gift.

Very sincerely yours

Assistant Treasurer

CAE:MS

CC: Mrs. Frame

Accounting Department

0045

學大京燕
YENCHING UNIVERSITY
Peping China

Acc²/20/31

Office of the Treasurer

January 16, 1931.

G31-3

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

YENCHING

INDEXED

TRANSFER

My dear Mr. Garside:

I have for acknowledgment today a number of letters from your office, some of which will require more extended treatment later.

Your letter of December 1st.

Really a "Presidential" letter. No comment necessary.

Your letter G30-12-3-1.

This letter, dealing with Warner Gymnasium finances, was written before you received my letter G341 of November 13th. That communication I think will have answered most of the inquiries in your letter now under consideration. I think President Stuart communicated with Mr. Warner direct about the time I wrote my letter G341. I will reserve further comment until dealing with a subsequent letter from you on the same subject.

Your letter 30-12-4-1.

This letter deals with the question of architects' fees on Women's College accounts. Mr. Beddow has made a study of this letter and the related accounts, and has prepared the following note, which he asks me to transmit:

"In connection with the letter from New York, G30-12-4-1, we note that that office has debited 26f2 with G\$229.65, and credited 121d, essentially in accordance with the suggestion in our letter G329 of June 20, 1930.

"Regarding the list of disbursements shown on Yenching Women's College books (Mr. L. A. Bowman, Treasurer) for architects' fees, none of these except the item of G\$5,328.00 mentioned in your letter has ever been entered upon the Women's College books here. Please ask the New York Office to put them on record in their books, as proposed, send us a copy of their Journal entry, and we will make corresponding entries."

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Mr. B. A. Garside - 2.

1-16-31

I think the above quotations will answer in essence all your questions, and the proposed treatment will result in clearing up all those items.

G30-12-5-1.

No comment necessary.

Your letter G30-12-5-3.

This letter, dealing with the Boyd Gymnasium accounts, has had very careful study in our office, and is, we believe, correct in its representations. We have noted the divergence from your statement of June 2, 1930. Perhaps you will recall that in earlier correspondence I had expressed the opinion that the amount of funds still expected here on the field were not as large as the total you reported in June. We had not taken the time for a thorough-going study of the accounts before the arrival of your letter now under review. Owing to the exceedingly favorable rate of exchange applicable to all later remittances, we expect to cover all the necessary expenditures without a deficit. Otherwise, we almost certainly would have been embarrassed.

~~Here~~ authorization No. 3008 for the gold remainder \$2,728.96 was sold the other day at 4.24½.

The careful study we are giving to Boyd Gymnasium accounts in the office is not quite complete. When we have finished it I shall probably be sending you a copy for your information. Also, later on we shall be sending you a statement of expenditures for equipment on the field, chargeable to that section of the funds you still are reserving in New York.

Your letter G30-12-5-4.

This letter deals at length with Plant Fund accounts and balances. I have not yet found time to study it in full detail. In general, however, I feel sure that your proposals meet with our approval, but I shall probably be sending a more specific reply later.

With regard to the Women's College accounts dealt with in one section, and in No. 5 of the "Notes on Plant Analysis", Mr. Beddow has looked into the matter, and has noted as follows:

"The following buildings, etc., can be carried to a completed buildings section in the Women's College accounts:

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Mr. B. A. Garside - 3.

1-16-31

✓ Sage Memorial	\$47,412.96	51,164.40
✓ Science Building	81,679.97	
✓ Practice House	3,815.74	
✓ Administration Building	30,196.99	31,078.99
— Architectural Fees	5,328.00	
Heat, Light, Water and Sewage	125,000.00	
✓ Dormitories No's I to III	123,205.74	123,283.14
✓ Dormitory No. IV	38,003.12	
Residences	25,335.62	
✓ Dean's Residence	29,279.41	30,161.41
✓ Infirmary	341.75	

To all intents and purposes authorization for this transfer was included in field letter of 3rd January, 1929."

By the time our construction accounts have been balanced at the end of December the surpluses will not be entirely in accordance with the items in your Note 3 of "Notes on Plant Analysis". The accounts will be reported to you later.

Your letter G30-12-8-1.

This letter accompanies a confirmation copy of a cablegram sent from Mr. Wannamaker. Dr. Leonard Hsu is almost ready to start on the journey to America. His family is not to accompany him, and this will much simplify the financial arrangements, with which Mr. Wannamaker has been dealing. (*Unless Mrs. Hsu can go later*)

Your letter G30-12-8-2.

No comment necessary, except to remark that your hopes were fulfilled and the series of "voluminous letters" did not reach me until shortly after the New Year.

For the first time in many years we have had a rather extensive vacation at the Occidental holiday period. This is a privilege which we Westerners very much appreciate.

Your letter G30-12-9-1.

This is a joint letter to Dr. Lew and myself. I was not familiar with the various issues which the letter deals with, but have noted them and have conferred over the telephone with Dr. Lew. He has intimated that he will try to cooperate toward better understand^{ings} with Mrs. Blair in the future.

Your letter G30-12-15-1.

In this letter you report the receipt of our cable of December 15th. The decoding was correct with the exception of the tense. The message should have read: "Referring to our letter of July 1st this year, we must draw on you at three days". Your general interpretation, however, was quite correct, and we

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Mr. B. A. Garside - 4.

1-16-31

appreciate the prompt reply which gave us the authorization to draw the last \$5,000.00 covered by our contract. If you will review the earlier estimates and correspondence, I think you will note that it was throughout our expectation that the whole \$35,000.00 gold, except a small reserve fund to cover contingencies, would be required for the building itself. The matter of orders placed in New York has been dealt with elsewhere.

The matter of the acknowledgment of cables is something with which we have not, perhaps, dealt with systematically. It is always a question to know to what extent the President's Office acknowledges the cables in a systematic way. I may remark that they are always delivered to that office, and are there decoded and reported to us. I will try to check up on this point later with Miss Hague. In the meantime, to complete our references, we can list cables received from your office as follows:

"December 6, 1930. Dr. H. N. Galt You are authorized to furnish funds G\$750 for Dr. Leonard Hsu" etc.

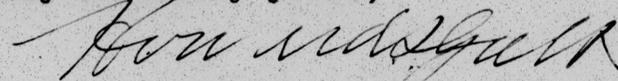
"December 6, 1930. All that follows is for Dr. J. L. Stuart Refer to your letter of September 13, 1930" etc.

"December 9, 1930. You may draw at 3 days G\$2,000" etc.

"December 14, 1930. All that follows is for J. L. Stuart Concerning the appropriation Prince Yenc" etc.

"January 13, 1931. Available funds next year G\$38,500" etc.

Very sincerely yours,



Howard S. Galt,

Acting Treasurer.

HSG-LC

0049

YENCHING

TRANSFER

January 20, 1931
E31-1-20-1

ack. 3/24/31

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

My dear Dr. Galt:

This morning we wired you as follows:

"DO YOU AUTHORIZE PAYMENT ATLAS REFINERY G\$37.00 AS PER EARL O.
WILSON'S ORDER OF NOVEMBER 4 OF LAST YEAR".

We have thoroughly searched our files and records and find no authorization to pay for this shipment. The exact amount is \$36.72, which includes ocean freight.

After a conference here in the office we decided the only proper procedure would be to cable the field and charge Account #31 with the cost. You can of course make proper adjustment when the charge is received at the end of the month.

We realize it is a very difficult thing to control matters of this kind, and possibly the best way to bring about a reformation is to charge the guilty department with the cost of the cable.

Very truly yours,

CAB:SA

C. A. Evans

0050

YENCHING

TRANSFER

Yenching University

January 22, 1951

ack. 2/27/51

Mr. Stephen Tsai,
Yenching University,
Peiping, China.

My dear Mr. Tsai:

Miss Hilda Hague has recently reported to the Promotional Office that the field has expended the sum of L.C.\$458.00 for photographic material which they have just sent to the Promotional Office. She requests that your office be reimbursed for this amount. We are, therefore enclosing herewith a Peiping draft in the amount of L.C.\$458.00.

Very cordially yours,

BAG-H

Enc.

CC: Promotional Office
Accounting office

Letter Mail

0051

YENCHING

TRANSFER

Princeton-Yenching Foundation

January 23, 1931
E-32-1-23-1

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 February salaries of Messrs. Free and Taylor.

We would appreciate your kindness in forwarding these checks for us.

Very cordially yours,

Assistant Treasurer.

Encs.

CAG:0

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YENCHING

INDEXED

TRANSFER

Yenching University

January 23, 1931

G31-1-23-1

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

ack. 4/6/31

My dear Dr. Galt:

Since we received your letter of December 1, G345, we have been making a very careful analysis of the list of securities of the China Foundation in an effort to ascertain whether this list of securities bears out the judgment as expressed both in your letter, and in other communications from the field, that it should be possible for the University to invest a quarter of a million dollars gold of its endowment funds in China at much higher rates of interest than can be obtained here in the West without sacrificing to any substantial extent the safety of principal so invested.

It was a comparatively simple matter for us to obtain full information with regard to most of the gold dollar securities on the China Foundation list. It was much more difficult, however, for us to obtain any adequate information in regard to the Chinese Government securities and the other local currency securities on the China Foundation list. Even the financial quotations we have obtained from such sources as the Peiping and Tientsin Times and various financial reports issued in Shanghai and other centers in China are far from complete or satisfactory. In some cases we have had to arrive at merely approximate figures with regard to these Chinese securities, and in a few cases we have not been able to obtain any satisfactory figures. Also there are a few gold dollar securities which are not listed any way in New York and are not actively traded in over the counter, so it was impossible for us to obtain such information in regard to them.

We are enclosing herewith an analysis of the China Foundation securities showing how the present market values correspond with the original cost prices. All the prices on gold dollar securities are taken as of December 31, 1930; those on the Chinese securities are, for the most part, as of December 1, 1930. The most fundamental question we sought to answer in preparing this analysis was that of whether the China Foundation has risked the loss of principal in purchasing securities yielding an abnormally high rate of income. The analysis and the table attached to it show the answer in a very striking way.

Taking first the gold dollar securities, we find the following to be the situations-

0053

Dr. Galt-2

1-23-51

Number of securities

Rate of Income

Average depreciation in

3
2
9
5
0
3
0

0054

<u>No. of Securities</u>	<u>Rate of Income</u>	<u>Average depreciation in value</u>
9	4.50 - 4.99%	3.77%
8	5.00 - 5.49	6.75
9	5.50 - 5.99	4.71
10	6.00 - 6.49	10.3
23	6.50 - 6.99	30.5
7	7.00 - 7.49	40.9
4	above 7-1/2%	40.8

The number of cases in each group is too small to give any highly accurate results but I believe the general trend is quite obvious from the above tables. For every added one per cent in income the China Foundation has suffered a depreciation of from ten to twenty per cent in principal. This cannot be explained to any appreciable extent by referring to the present depressed condition of the market, because depression affects all classes of securities. While it may be said on the one side that in times of depression the most speculative securities suffer the largest losses; it may be contended with equal logic on the other hand that in times of depression, when all types of securities are subjected to the keenest scrutiny, one is apt to get a truer picture of the intrinsic value of any given security than would be the case in times of prosperity when almost every security offered is bought up quickly without any careful scrutiny of its intrinsic worth.

You will note that the average depreciation of the entire list of endowment securities held by the Trustees of Yenching University, yielding an average of about 5-1/4%, is only 4.86%. This does not include the University's large holdings of Aluminum Company of America 6% Preferred stock because the Trustees can hardly be credited with the substantial appreciation which that stock now shows. If the Aluminum Preferred were included with the other Yenching securities, our average depreciation over the entire list would be only about 1.86%.

When we turn to the list of Chinese securities (so far as we are able to obtain any accurate information concerning these securities) at first glance it appears that these securities are in the most favored position of any. The average appreciation of this list is 1.36%. Furthermore, the average income on these securities is well above 7-1/2%. If we consider only these two facts it would seem to indicate that the China Foundation has made a very excellent investment in purchasing these securities. However, the moment we take into consideration the actual value of these securities and the amount of income they produce, as compared with the gold dollar securities, a different side of the picture is at once presented. Take, for example, the Chinese National 7th Year Gold Bonds. We have no way of knowing just when these were purchased, but it is probably fair to assume that they, or at least many of the other Chinese securities, were bought some years ago when the silver dollar was worth around fifty cents gold. This particular issue was bought at around 70 to 75. At the present time it is selling at around 87. However, in the meantime the value of the silver dollar has been cut in half, so these securities are actually in the same position, both from the standpoint of principal and income, as would exist in a gold dollar security which was bought at the same time around 70 to 75 and is now selling at about 43 or 44. Looking it at from this standpoint of depreciation in exchange, it may truthfully be said that all the list of Chinese silver dollar securities, instead of appreciating 1.36%, have in reality depreciated about 49%.

Whether these Chinese securities would be a good buy at the pres-

ent time depends entirely on what the future course of exchange will be. If silver should gradually go up in price, and if the Chinese securities can maintain their present favorable position as regards market price and income, the purchase of these securities would be a good investment. On the other hand, if the price of silver should continue to decline one might find that within a year or two the gold equivalent of his investment in these securities had been cut in half. However one may look at the matter, it appears to be a highly speculative proposition.

It is on the basis of such considerations as I have outlined above that the Finance Committee has found it impossible to give approval to the proposal of the field that a quarter of a million gold of the University's endowment funds be transferred to China for investment. It is an almost immutable law in the investment world here in the West that as one seeks any increase in income above a conservative 5% basis, he multiplies tenfold the risk of loss in principal for every added one per cent of gain in income. The great preponderance of experience here has been that such risks are not justified, particularly in the handling of trustee funds that are turned over to the institution with the explicit understanding between donor and recipient that the principal of the gift will be protected at all costs.

Any individual on the Finance Committee is perfectly at liberty to speculate with his own personal funds if he can do so without injuring other individuals who may be dependent upon him, but no member on the Finance Committee or the Board of Trustees has any right whatever to speculate with funds of the University for which they are serving as Trustees. The members of the Finance Committee and the Board of Trustees sincerely feel that any attempt to push up the rate of income on endowment funds much above 5-1/4% or 5-1/2%, either by the purchase of speculative or semi-speculative securities here in the West, or the purchase of high income yielding securities in China, is not justified. But the Finance Committee made it quite clear in Action F-2906, adopted at the meeting on December 29, that it is still maintaining an open mind on the matter of the transfer of investment funds to China, and is eager to consider the proposal afresh if the field can present other facts of such a nature as will modify the present convictions of the Committee. If you on the field can show us any different interpretation of the analysis we have made of the China Foundation's securities, or can make some other analysis, which will justify the purchase of this type of securities with the Yenching endowment funds, the Committee will be only too happy to give the most careful study to all the facts the field may present.

Very cordially yours,

BAG-H

Enc.

CC: Dr. Stuart

CHINA FOUNDATION

TSING HUA UNIVERSITY ENDOWMENT FUND

<u>Description of Security</u>	<u>Purchase Price</u>	<u>Present Market Price</u>	<u>% Income at Purchase Price</u>	<u>% of Purchase Price Appreciation</u>	<u>Depreciation</u>
<u>I. Chinese Government Silver Currency Securities</u>					
1. National 7th Year Loan 6%	75	87	9.70*	19	
2. " 14th " " 8%	68-1/2	97	12.75*	42	
3. " Consolidated Loan 7%	80	78	9.52*		3
4. " " " 6%	76	72	8.92*		5
5. Tientsin Customs 2-1/2% Surtax Treasury Notes 8%	91-1/2	69	9.05*		25
6. National 17th Year Short Term Loan 8%	90	?	?		?
<u>II. Chinese Government Sterling Loan Bonds</u>					
1. Hukuang Railroad Sterling 1951 5%	40-1/2	35-1/2	14.5		17
<u>III. Gold Dollar Bonds</u>					
1. Republic of Peru 1960 6%	89	33-1/2	6.88		62
2. Mortgage Bank of Chile 1961 6%	90	68-7/8	6.86		23
3. Minas Geraes 1959 6-1/2%	88	45-1/8	7.53		49
4. City of Vienna 1952 6%	87	84	7.21		4
5. Cuban Dominican Sugar Co. 1944, 7-1/2%	68	16-1/2	13.00		76
6. Pennsylvania Dock and Warehouse Co. 1949, 6%	99-3/4	97-1/8	6.02		3
7. Norwegian Hydro Electric Nitrogen Corp. 1957, 5-1/2%	90-1/2	95	6.25	3	
8. Paris Lyons Med. R.R. Co. 1958, 6%	100-1/2	104-3/8	5.97	4	
9. German Central Bank for Agriculture 1958, 6%	83	77-7/8	9.37		6
10. Chicago, Milwaukee, St. Paul & Pac. R.R. Co. 2000, 5%	72-1/2	26-1/4	6.90		64
11. Abitibi Power and Paper Co. 1953, 5%	82	69	6.55		16
12. Kendall Co. Debentures with warrants 1948 5-1/2%	89	35	6.59		67
13. Republic of Panama 1963 5%	90.4	90-1/2	5.64		
14. Northern Ohio Power and Light 1951 5-1/2%	92-1/2	98-1/2	6.15	7	
15. Tennessee Central Railway 1947 6%	98-1/2	89-7/8	6.15		9
16. American Telephone and Telegraph Co. 1965 5%	99-1/2	104-5/8	5.04	5	
17. Chinese Republic (Belgian) 1928-41 6%	84	?	?	?	
18. International Tele. and Tele. 1955 5%	98-7/8	74	5.08		25
19. Ilseder Steel Corporation 1948 6%	88-1/4	72	7.21		20
20. Saskatchewan 1959 5%	100	?	5.00	?	
21. United Light and Power 1975 6%	101	91	5.93		10
22. Fuller Building 1949 5-1/2%	99-1/4	91	5.56		8
23. Finnish Guaranteed Municipalities "A" & "B" 1954 6%	98-7/8	88	6.60		11
24. Republic of Chile 1961 6%	91-1/2	70	6.66		23

<u>Description of Security</u>		<u>Purchase Price</u>	<u>Present Market Price</u>	<u>% Income at Purchase Price</u>	<u>% of Purchase Price Appreciation</u>	<u>Depreciation</u>
<u>III. Gold Dollar Bonds (cont.)</u>						
25. City of Cologne	1951 6-1/2%	95-3/4	74	6.88		23
26. Argentine Government	1960 6%	99-5/8	90	6.04		9
27. Saxon State Mortgage Institution	1945 7%	98-1/8	74	7.21		25
28. Shawinigan Water and Power Co.	1970 5%	102-7/8	101	4.82		2
29. Canadian National Railway	1969 5%	102-5/4	104	4.82	1	
30. Pennsylvania Railway	1970 4-1/2%	96-3/4	95-1/2	4.68		1
31. Chicago & Northwestern Ry.	1949 4-3/4%	100-1/8	85-3/4	4.74		14
32. St. Louis & San Francisco Ry.	1978 4-1/2%	93-1/2	78	4.86		16
33. Ohio Power Co.	1952 5%	103	102	4.76		1
<u>IV. Gold Dollar Preferred Stocks</u>						
1. Belgian National Ry. Preferred	5-1/2%	82-1/4	77-1/8	6.69		6
2. Missouri, Kansas & Texas Preferred	7%	102-3/4	65	6.81		37
3. General Mills Preferred	6%	92	97-1/2	6.52	6	
4. General Motors Corporation Pfd.	5%	94-1/2	94	5.29	0	
5. Public Service Corp. of N.J. Pfd.	5%	97-7/8	95	5.11		3
6. American Power & Light Preferred	6%	106-3/8	94-7/8	5.64		11
7. Electric Bonds & Shares, New York, Pfd.	5%	94	91	5.32		3
<u>V. Chinese Bank Shares</u>						
1. Bank of Communication Shares		40	47-1/4	?	18	
2. Bank of China Shares		50	64	?	28	
<u>VI. Silver Currency Preferred Stock</u>						
1. Shanghai Power Co. Preferred	6%	98-1/2	100	6.09	2	

CHINA FOUNDATION

GENERAL FUND

<u>Description of Security</u>		<u>Purchase Price</u>	<u>Present Market Price</u>	<u>% Income at Purchase Price</u>	<u>% of Purchase Price</u>	<u>Appreciation</u>	<u>Depreciation</u>
<u>I. Chinese Government Reorganization Loan Bonds</u>							
1. German Issue	5%	65-1/4	65-1/4	9.36*		0	
2. Belgian Issue	5%	65-1/4	65	9.36*			3
3. Russian Issue	5%	67-1/4	57	9.02*			15
<u>II. Chinese Government Silver Currency Bonds</u>							
1. National 7th Year Loan	6%	70	87	10.40*	24		
2. " 14th " "	8%	89-3/4	97	9.12*	8		
3. " 17th " Short Term Loan	8%	90	?	?		?	
4. Reconstruction Loan	8%	81 1/6	?	?		?	
<u>III. Gold Dollar Bonds</u>							
1. Saxon Public Works	1945 7%	101-3/4	74-1/8	6.80			27
2. German Central Bank for Agric.	1950 7%	101-1/2	78-1/2	6.86			23
3. Vertientes Sugar Co.	1942 7%	100-1/4	41	6.97			59
4. Cuban Dominican Sugar Co.	1944 7-1/2%	101-1/4	16-1/2	7.40			84
5. United States of Brazil	1957 6-1/2%	95	57	6.90			40
6. Chile Government	1942 7%	102-1/4	90	6.71			12
7. City of Vienna	1952 6%	90-1/2	83-5/8	6.86			8
8. Republic of Peru	1960 6%	91-1/2	34	6.66			62
9. German Central Bank for Agric.	1960 6%	92-3/4	67-1/4	6.56			28
10. Rhine Westphalia Electric Corp.	1952 6%	95	79-1/2	6.62			15
11. Costa Rica Pacific Ry.	1949 7-1/2%	101	?	?		?	
12. Chicago Rapid Transit Co.	1944 6-1/2%	98-1/4	?	?		?	
13. Chinese Government	1925-48 5%	62	71-7/8	9.55	16		
14. City of Budapest	1962 6%	88-3/4	67-1/4	6.88			24
15. Greek Government	1963 6%	89	?	?		?	
16. City of Antwerp	1958 5%	90-1/2	96	5.69	6		
17. State of Rio Grande de Sul	1968 6%	87-1/2	37	6.90			58
18. Cities Service Company	1966 5%	99	70-1/2	5.95			29
19. Republic of Finland	1958 5-1/2%	88-3/4	77	6.37			13
20. Norwegian Hydro Electric Nitrogen Corp.	1957 5-1/2%	90-1/2	97-1/8	6.24	7		
21. Paris Lyons Med.R.R.C.	1958 6%	100-1/2	101-3/8	5.95	4		
22. Chicago, Milwaukee & St. Paul & Pacific R.R.	2000 5%	71-5/8	26	7			63
23. Chicago Rapid Transit Co.	1953 6%	87	?	7.18		?	
24. Pennsylvania Dock & Warehouse Co.	1949 6%	99-5/4	82	6.05			18
25. American Telephone & Telegraph Co.	1965 5%	99-1/2	104-3/4	5.01	5		

GENERAL FUND (cont.)

<u>Description of Security</u>			<u>Purchase Price</u>	<u>Present Market Price</u>	<u>% Income at Purchase Price</u>	<u>% of Purchase Price</u>	
						<u>Appreciation</u>	<u>Depreciation</u>
<u>III. Gold Dollar Bonds (cont.)</u>							
26. Dominion of Canada	1931	5%	100-1/4	100-1/2	4.98	0	
27. Australia	1957	5%	88-1/2	71-3/4	5.87		19
28. Goodyear Tire & Rubber Co.	1957	5%	92-5/8	86	5.55		7
29. Republic of Chile Railway	1963	6%	91-1/2	75-1/2	6.65		20
30. Minas Geraes	1959	6-1/2%	78	45-1/8	8.30		42
31. Ohio Power Co.	1952	5%	103	102-1/2	4.77	0	
32. Canadian National Railway	1969	5%	102-3/4	102	4.85		1
<u>IV. Gold Dollar Preferred Stocks</u>							
1. Belgian National Railway		6%	93-7/8	77-1/8	7.15		8
2. Pennsylvania Dixie Cement Corp.		7%	94-7/8	17-1/8	7.58		82
3. Wesson Oil & Snowdrift Co.		8%	85	19-3/4	6.15		70
4. General Motors		5%	94-1/2	94	5.23		1

FAN MEMORIAL BIOLOGICAL INSTITUTE FUND

Chinese Government Silver Currency Securities

1. National 7th Year Loan Bonds	6%	70-1/2	87	10.38*	23
2. " 14th " " "	8%	93	97	8.75*	4

* Date of Maturity Estimated

(1/23/51)

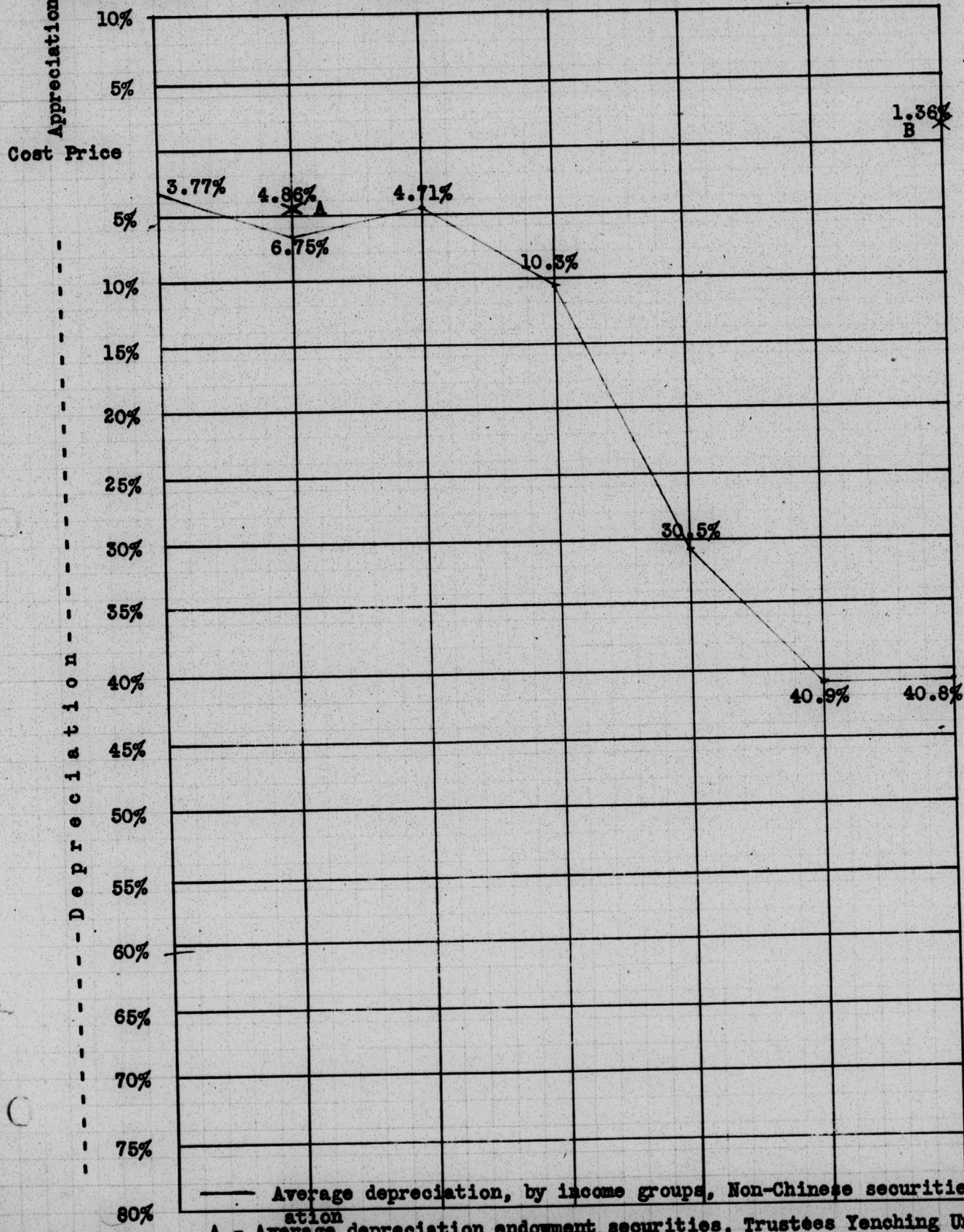
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ENDOWMENT SECURITIES OF CHINA FOUNDATION

**COMPARISON OF COST AND MARKET PRICES
Classifying Securities by Rate of Income**

As of December 31st, 1930.

Rate of Income	4.50% to 4.99%	5.00% to 5.49%	5.50% to 5.99%	6.00% to 6.49%	6.50% to 6.99%	7.00% to 7.49%	Above 7.50%
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— Average depreciation, by income groups, Non-Chinese securities, China Foundation
 A - Average depreciation endowment securities, Trustees Yenching University (Average 5.5%)
 B - Average appreciation Chinese silver securities of China Foundation (Average 7.5%)

0061

YENCHING

Yenching University

TRANSFER

January 26, 1931
E31-1-26-1

4016.3/5/31

Dr. Howard S. Galt
Yenching University
Peiping, China

My dear Dr. Galt:

Second copies of the monthly Trial Balance, Cash Statement and Statement of Disbursements on Managers' Current Budget 1930-31 are herewith enclosed.

We are also including Analysis of Budget as of December 31st. As we have not had time to receive your comments as of November 30th, we are continuing the same form as it gives a much better idea of the condition of the books.

You will probably notice the condition of the Home Administration accounts. This has been brought about through our overdrawing monthly appropriations on account of the illness of Miss Lane. The Central Office Committee authorized us to proceed taking care of the nursing expenses which have amounted up to a rather large figure. The hospital attorneys are confident this will be reimbursed by the insurance company, and as Miss Lane is now rapidly improving the time will not be far distant when the attorneys can make some claim for the accident.

It is an emergency we are financing through drawing from all the universities through authorization of the Central Office Committee. It does not mean that the University has to pay more for Home Administration although our Central Office Budget has been very greatly strained.

Very cordially yours,

Assistant Treasurer.

Encs.
CAF:C

0062

YENCHING

TRANSFER

Yenching University

January 29, 1931
E 31-1-29-1

ack. 2/27/31

Dr. Howard S. Galt
Yenching University
Peiping, China

My dear Dr. Galt:

Enclosed herewith please find Atlas Refinery's invoice dated December 23, 1930, in the amount of \$36.72, together with Certificate of Insurance and Bill of Lading which show that this shipment was boarded on the "S.S. Silver Walnut" of the Silver Line, Ltd., on December 31st.

Payment of \$36.72 has been made to Atlas Refinery as of January 28th, this amount being charged to Account #31.

Very sincerely yours,

Assistant Treasurer.

Encs.

CAN:0

0063

學大京燕
YENCHING UNIVERSITY
Peping China

TRANSFER

Office of the Treasurer

January 30, 1931.

G31-4

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

My dear Mr. Garside:

I enclose herewith, for the consideration of the Trustees, and more particularly the Committee on Finance, Property and Investment, a letter from Miss Boring, Acting Dean of the College of Natural Sciences. This letter represents a point of view of those who are face to face with the academic and financial problems in that College. The main points of this letter it seems to me are worthy of careful consideration.

As I understand it, the main points which Miss Boring emphasizes are the following:

1. That many of the laboratory supplies in the Natural Science Department have to be purchased from abroad, and this means that orders should be placed each spring for the following academic year, before the date at which we usually receive word of the action of the Trustees at their Annual Meeting in April. Accordingly, in order to have supplies on hand for the autumn semester, the orders are placed early, based, of course, on the expectation that at least the essential items in the budget will be approved. This general circumstance, which is not new, seems to have been accentuated this past year by the gradual using up of the more ample supplies that were on hand earlier. I remember that Dean Wilson, before he went on furlough last spring, spoke to me about this circumstance and the anxiety which it was causing him. This state of affairs explains the consternation of Miss Boring and her colleagues when word, delayed until November, came out to the effect that Items 3-7, etc., on the Preferential List must be rescinded. I have suggested to Dr. Boring in conversation that the conditions discussed above may make it necessary for the Departments to accumulate supplies somewhat in advance of current needs. I think that there may be agreement with this suggestion in theory, but a feeling of great difficulty in entering upon such a policy at the present moment on account of the lack of resources.

2. The second point which Dean Boring emphasizes is the necessity of doing thoroughly efficient work in view not only of

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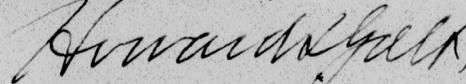
1-30-31

the requirements of the Peking Medical College with respect to the pre-medical work, but on account of the encouraging financial reports we are receiving from the Rockefeller Foundation, due in part to the active influence of Messrs. Gee and Greene. The assumption in this attitude is that we are to do first-class work in our sciences departments.

3. Dean Boring's third point is that the ^{conditions} ~~connections~~ ^{of} ~~with~~ with the present income, amounting to G\$37,500, coming from limited or conditional gifts from, or on account of, the contributions of the Rockefeller Foundation, make it practically a point of honor in our University administration to use these funds entirely for the College of Natural Sciences. She would not object, as a matter of policy, to the plan of retaining a sum from the surplus when exchange is exceedingly favorable as an emergency fund to tide over a period when exchange may be less favorable. But she feels that a surplus retained on the basis of 2.15, when so many of the laboratory supplies have to be ordered on a gold basis, creates great difficulty. And furthermore she feels that in view of the plans and policies drawn up for the support of the College of Natural Sciences and presented to the Rockefeller Foundation at the time contributions were sought from them, the Trustees would scarcely be warranted in using part of this income for repairs and up-keep of the Power Plant, such as reinsulation of the pipes, etc.

There is not opportunity this afternoon to acknowledge all the recent letters from your office, but I may report that important letters of January 5th are in hand, and we appreciate the very clear presentation you have made of the decisions and policies of the Finance Committee. We understand that there is still an element of contingency in these, pending ratification by the Finance Committee as a whole, and possibly the Board of Trustees. We are taking up the difficult task of budget, building on the basis you have reported as rapidly as possible. We shall be writing to you more at length soon.

Very sincerely yours,



Howard S. Galt,

Acting Treasurer.

HSG-IC

Enc.

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FEB 26 1931
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YENCHING UNIVERSITY
Peking China

TRANSFER

Office of the Treasurer

YENCHING

January 30, 1931.
No. T31-111.

ack 2/28/31

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

Dear Mr. Evans:

I am writing to acknowledge receipt of the following letters:

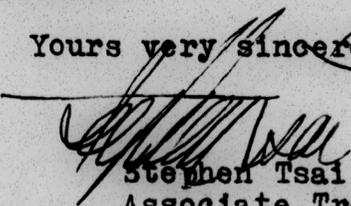
G30-12-10-1: This requires no further comments.

E30-12-18-1: We will write fully concerning the budget for 1930-31 later.

E30-11-28-1 and E30-12-23-1: Enclosing the December and January salary checks respectively for Messrs. Free and Taylor of the P. Y. F. The former arrived a day later than the latter which, although, was posted on month earlier. At the end of December, when the checks for that month did not arrive, we had to advance to Free and Taylor their December salary. We thought that you had overlooked sending their checks for that month. The mystery was solved when we saw the post stamp "Penang" on the envelope containing the December checks. The post office had apparently given this letter a joy ride via Suez. Dr. Galt said that similar case has never happened to him during his thirty years in China. I am enclosing herewith the envelope which, if you think expedient, may be referred to the postal authority in your city for their attention and investigation.

We are also enclosing herewith the reconciliation sheets for November.

Yours very sincerely,


Stephen Tsai,
Associate Treasurer.

ST:w

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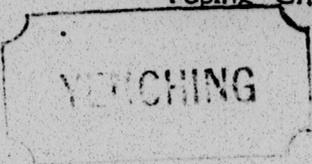
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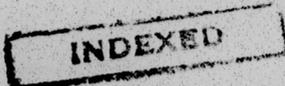
YENCHING UNIVERSITY
Peping China

Office of the Treasurer



TRANSFER

January 30, 1931,
No. T31-112.



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

Dear Mr. Garside:

This is to acknowledge receipt of your letter G30-12-20-1 enclosing a copy of the minutes of the meeting of the Harvard Yenching Institute Trustees held on December 8.

We have taken note of the contents of the minutes and have carried out the instructions given in your letter. Accordingly we have cleared off the total deficits of L.C.\$1522.57 from the credit balances, L.C.\$12830.62, remaining in the other items; and have allocated the remainder of the credit balances amounting to L.C.\$11308.05 as per the attached list.

As to the credit balances still remaining in (1) Preservation of Antiques, (2) H. T. Tien Travel account, and (3) Sino-Indian Research account, they will all be expended to meet further charges for purposes for which they were originally intended.

You have already on hand the necessary information about the plans of Baron von Stael-Holstein for the use of the balance in the Sino-Indian Research. Mr. Porter wishes to transfer the balance of Preservation of Antiques account to the Publication of Valuable Manuscripts account for the following reason; Last year owing to a misunderstanding among the different individuals authorizing bills on H. Y. I. accounts, bills amounting to more than two thousand dollars were charged against antiques. This fact was not discovered until very recently. So Mr. Porter claims a reimbursement from the Antiques account to the Manuscripts account. Very fortunately we have a balance on the Antiques account from which adjustment can be made. We hope this transfer will prove agreeable to you.

Handwritten note:
The balance of the Antiques account is now in the Manuscripts account.

Handwritten note:
manuscript for

Mr. Tien Hung Tu is still in America and his family is receiving an allowance of L.C.\$50.00 a month from Tien Hung Tu's Travel account which, according to Mr. Hung, should be

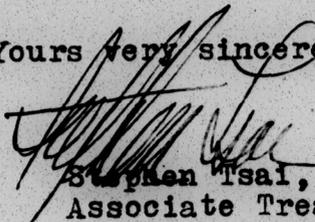
Handwritten note:
Tien Hung Tu

0069

correctly named "Tien Hung Tu's Travel and Allowance Account".

We are waiting with interest for the result of your conference with Dean Danhan and Dean Chase regarding submitting reports for the work done under the Harvard Yenching Institute Trust Fund. We wish to point out that it is not historically correct to say that Yenching has never rendered an accounting for its share of the Trust fund as far as the field is concerned. On August 27, 1929 we sent you, upon the request of President Stuart, a statement showing the expenditure for the Departments of Chinese, Chinese History, and Chinese Philosophy. Similar reports can easily be gotten off annually as in the case of the statements for the Natural Science Departments, if you so desire.

Yours very sincerely,



Stephen Tsai,
Associate Treasurer.

ST:w

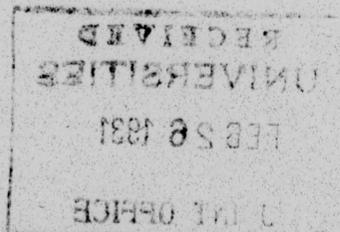
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HARVARD YENCHING INSTITUTE
January 22, 1931

Y 1	Library	G\$1202.55	LC\$3141.00
Y 2	Material for Study of Ancient Culture	80.06	210.40
Y 3	Salaries	1035.60	2705.00
Y 4	Rent (Residences)	120.25	314.10
Y 5	Scholarship	161.00	419.23
Y 6	Journal	120.25	314.10
Y 7	Translation	101.68	263.00
Y 8	Investigation & Travel	80.06	210.40
Y 9	Office Expenses	80.06	210.40
Y 10	Assistants to Director	101.68	263.00
Y 11	Stenographer	101.55	272.22
Y 12	Contingent Fund	101.68	263.00
Y 13	Sino-Indian Research	1043.20	2722.20
		<u>G\$4332.62</u>	<u>LC\$11308.05</u>



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HARVARD YENCHING INSTITUTE
January 22, 1931

00.1414.00	641505.88	Library	Y	1
04.013	80.08	Material for study of Ancient China	Y	2
00.2073	1022.60	Salaries	Y	3
01.414	180.22	Rent (Residence)	Y	4
23.413	181.00	Scholarship	Y	5
01.414	180.22	Journal	Y	6
00.223	101.88	Translation	Y	7
04.013	80.08	Investigation & Travel	Y	8
04.013	80.08	Office Expenses	Y	9
00.223	101.88	Assistant to Director	Y	10
23.213	104.22	Stenographer	Y	11
00.223	101.88	Contingent Fund	Y	12
00.223	104.22	Sino-Indian Research	Y	13
<u>00.11308.02</u>	<u>42422.82</u>			

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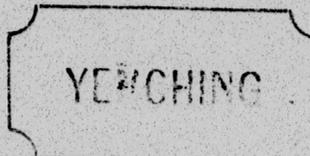
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學大京燕
YENCHING UNIVERSITY
Peping China

TRANSFER

Office of the Treasurer

January 30, 1931,
No. T31-113.



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

Dear Mr. Garside:

This is to acknowledge receipt of
letter G31-1-5-2 and G31-1-6-1 referring to the Index
account. We have taken note of the contents in letter
G31-1-5-2 and the correction in letter G30-1-6-1. We
will be drawing on you on this as required.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

ST:w

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YENCHING

INDEXED

TRANSFER

Yenching University

January 30, 1931

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

G31-1-30-1

ack. 3/31/31

See "Account - General"
January 29, 1931 - H. S. Galt

My dear Dr. Galt:

I am attaching hereto a statement which the Harvard-Yenching Institute has just asked me to send them showing the receipts and disbursements here in New York on the Harvard-Yenching Institute budget for 1930-31 up to December 31, 1930.

You will note that we have divided on a pro rata basis the amounts drawn by the field up to December 31. This is probably not exactly in accordance with your distribution of the six drafts totalling L.C. \$53,920 which you have drawn to December 31. We have received your carefully itemized report showing the distribution of all drafts except the one drawn about December 1, and since the allocation of the first five payments was not on a strictly pro rata basis we presume that the same situation would hold as of December 31. I think, however, that for the purposes of the Institute records it is quite satisfactory to adopt a pro rata basis for the first half year since this is a purely tentative report anyway. At the close of the fiscal year, we will, of course, give an accurate allocation both of the gold and of the local currency proceeds on all remittances sent to the field, divided among the various items.

You will note that under item Y-9, Office Expenses, we show a little more than half the total appropriation of L.C. \$2,000 as having been disbursed to the field, where all the other items show slightly less than half. This is due to the fact that we have entered against account Y-9 the following two items expended on Dr. Lucius C. Porter's behalf:-

Sept. 9	Remington Noiseless Typewriter		
	purchased through L.M. Bocker	L.C. \$259.50	G\$129.75
Nov. 29	Telegrams for Dr. Porter		
		3.90	1.95
		\$263.40	G\$131.70

If we are incorrect in our allocation of these two special items of disbursements here in New York please let us know. You will note that we have used a 2 to 1 rate of exchange in computing the local currency equivalent of these disbursements. This has been done because the Harvard-Yenching appropriations to the field were set up on a basis of \$20 local currency disbursements in China being equivalent to \$1 disbursements in gold here in New York.

0076

Dr.Galt-2

1-30-31

Incidentally we must adjust before the end of the fiscal year this disbursement of L.C.\$263.40 on one of the items included in the field budget of \$107,920.00. The simplest procedure, it appears to me, would be for the field to reduce by L.C.\$263.40 the revised amount of authorization No.3105 which is to be drawn about May 1. This authorization which was originally in the amount of L.C.\$9,000 was reduced to L.C.\$6,691.95 by the adjustments of balances remaining from last year as discussed in my letter of December 20, 1930 (G30-12-20-1). This further reduction of L.C.\$263.40 would bring the corrected amount of this authorization to L.C.\$6,428.55. Please let me know whether this adjustment is satisfactory.

Very cordially yours,

BAG-H

Enc.

CC: Accounting Office

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