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YENCHING

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TRANSFER

Yenching University

February 2, 1951

Dr. H. S. Galt,
Mr. Stephen Tsai,
Yenching University,
Peiping, China.

G31-2-2-1

ack. 2/15/51

My dear Dr. Galt and Mr. Tsai:

Let me acknowledge receipt of Mr. Tsai's letter of January 9,
T31-105.

In accordance with the request contained in this letter we
have deposited to the credit of the Field Treasurer's checking account in
the Central Hanover Bank and Trust Company the sum of U.S. \$5,000, and are
attaching a duplicate receipt hereto. (to Mr. Tsai's copy)

I note your comment that "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".

On this subject little can be added to what I said in my letter
of January 7 addressed to Dr. Stuart, a copy of which was sent to Dr. Galt.
The viewpoint of the Trustees at the time the Finance and Budget Committees
on May 21 gave conditional approval to the incorporation of items 3 to 8 in
the supplementary list, was very clearly that this approval was given sub-
ject to securing income for 1950-51 which at that time was not definitely
assured, but which we had a fair prospect of obtaining. It was clearly un-
derstood by all members of the Budget and Finance Committees - and I believe
was also understood by Dr. Stuart who was present at the meeting - that this
conditional approval was based on the securing of the gift from Mr. Chou Tso Min.
Naturally it would not have been diplomatic for us to have put down this state-
ment in black and white. Our correspondence with the field after the meeting
of May 21 certainly tried to make this perfectly plain.

You on the field knew before the academic year opened in Septem-
ber that Mr. Chou's gift would not be available and that the loss of anticipated
income from this source would more than wipe out the possibility of any money
whatever for items 3 to 8 on the supplementary list. Technically it may be
contended that the Trustees "rescinded" their earlier action of May 21 giv-
ing tentative approval of items 3 to 8 on the supplementary list; but as a
matter of actual fact, they simply made note of the facts that the possible
sources of income which they had in mind when this conditional action was
taken had not materialized, that their condition that "no expenditures be
authorized beyond funds available" had prevented this conditional appropria-

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Dr.Galt, Mr.Tsai - 2

2-2-51

tion from ever becoming operative, and that, therefore, the only thing to do was to remove it from the records entirely,

My only reason for dwelling on the matter any further is that there would be a great deal of dissatisfaction here in New York if the impression got abroad that the field was taking the stand that the Trustees had backed down on a promise made earlier in the year. As a matter of fact, they have done nothing of the sort, and they are still unable to understand how the field ever went ahead for almost half the fiscal year under the impression that they were authorized to make any expenditures on items 3 to 8 of the supplementary list.

Very cordially yours,

BAG-H

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YENCHING

TRANSFER

INDEXED

Yenching University

February 2, 1931

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

G31-2-2-2

acc. 2/6/31

My dear Dr. Galt:

I am attaching a copy of a memorandum I sent Mr. Wannamaker on January 30 in connection with the letter you wrote him on January 6.

Item of L.C.\$1,500 for Mr. Leonard Hsu's work. So far as Mr. Wannamaker and I are able to figure out this L.C.\$1,500 is to come from gain on exchange on the field either already accrued or anticipated, and is not to be derived from any special authorization to draw on either the Trustees of Yenching University or the Princeton-Yenching Foundation here in New York for the gold equivalent of L.C.\$1,500. If our understanding is correct the securing of this L.C.\$1,500 from gain on exchange is purely a matter of field administration. The Princeton-Yenching Foundation has given its approval to this allocation of \$1,500 from gain on exchange and that seems to close the matter so far as New York is concerned. If we do not correctly understand the situation I hope you will be able to make it clear to us so we can adjust our procedure accordingly.

Salary checks for Mr. Taylor and Mr. Free I am sorry that the checks for December were delayed and trust that they arrived shortly after your letter of January 6 was written. In case they have been hopelessly lost we will be glad to send duplicates. As stated in my memorandum to Mr. Wannamaker, we are seeking to minimize the likelihood of any delays in the future by advancing about ten days the date ~~of~~ these monthly remittances are started to China. If the field would prefer to use some other method in paying Mr. Taylor and Mr. Free we will be glad to adopt any such new policy you may suggest.

However, to avoid confusion, we are continuing to send monthly checks to these two staff members until some further policy has been worked out.

We are enclosing herewith a draft for L.C.\$18.62 to cover the freight charges for Mr. Duncan. I have had this draft made out to your order as Treasurer, rather than to Mr. Duncan personally, because possibly you may already have advanced the amount to him before this remittance arrived. At any event, it will probably be simplest to negotiate the draft in this form. Duplicate of draft will be sent in a later mail.

Furniture for Messrs. Taylor and Free. Mr. Wannamaker has approved an authorization for you to draw on the Princeton-Yenching Foundation funds for an amount necessary to produce upto L.C.\$900 to cover the purchase of furniture for the accommodations of Messrs. Taylor and Free. Accordingly we give

Dr.Galt-2

2-2-31

herewith the following authorization:-

Authorization No.P-5101 On or after three days you are authorized to draw on the account of Princeton-Yenching Foundation the gold amount required to produce up to L.C.\$900 to cover the purchase of furniture for the accommodation of Messrs.Taylor and Free. This will be charged on our books to account No.31.2.

Very cordially yours,

BAG-H

Enc.2

CC: Later mail
Accounting Office

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YENCHING

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TRANSFER

Yenching University

February 2, 1951

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

G31-2-2-5

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My dear Dr. Galt:

I attach a confirmation copy of a cablegram we sent you on Friday.

Our Pension Committee has been actively at work for several months, and we hope we now have the pension plan in shape to present to the Executive Committee. The one point on which we desire further information before laying the plan before this Committee is an estimate of the approximate number of Chinese staff who will participate in the plan, and an estimate of the approximate cost to the University in paying its five per cent toward the retirement fund of these staff members.

The records we have here in New York do not give us these figures with any degree of accuracy. I hope, however, that it will be a fairly simple matter for you to arrive at a reasonably close approximation both as to the number of participants and as to the cost to the University, which you can cable to us within the next few days.

We are hoping to have a meeting of our Yenching Executive Committee to deal with this and other pending matters sometime within the next ten days.

Very cordially yours

BAG-H

Enc.

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學大京燕
YENCHING UNIVERSITY
Peping China

YENCHING

Office of the Treasurer

February 5, 1931,
T31-114.

ack 2/28/31

TRANSCED

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.1219 for U. S. dollars twenty five hundred (U.S.\$2500.00) to the Hongkong & Shanghai Banking Corporation, Peiping, on account of Social Science College, as per your authorization No.3108, under our contract rate, namely 374707. The local currency equivalent is \$9367.67.

Yours very sincerely,

Stephen Tsai
Stephen Tsai,
Associate Treasurer.

pd 2/27/31

ST:w

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YENCHING

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TRANSFER

Yenching University

February 5, 1931

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

G-51-2-5-1

ack. 3/18/31

My dear Dr. Galt:

I am enclosing herewith copies of a letter we have just received from the Treasurer's office of the Presbyterian Board, and of a reply we are today sending.

Mr. Carter's letter has raised a number of very knotty problems. It is essentially a field problem, and I feel that our New York office to get involved in it would be to muddy the waters still further without accomplishing anything worth while.

Very cordially yours,

BAG-H

Enc.

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YENCHING

TRANSFER

Yenching University

February 5, 1951

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

G31-2-5-2

rec. 3/8/51

My dear Dr. Galt:

Let me acknowledge receipt of your letter of December 15, G348. This letter requests that we make a number of entries in our Women's College accounts.

By this time you will have received the financial statements of the Women's College for the month of November and will have noted that these entries were placed on our Women's College accounts as of November 12 by journal voucher 46.

Very cordially yours,

BAG-H

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學大京燕
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

TRANSFER

February 6, 1931,
No. T31-115

ack 2/28/31

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 44475 to the National City Bank of New York, Peiping, on account of the various accounts as indicated below:

Draft No.	U.S.Amount	L.C.Equiv.	Account	Authorization
T1220	\$449.69	\$2000.00	Journalism	3117 Pd - 2/28/31
T1221	899.38	4000.00	Women's C.	3101 Pd 2/10/31
T1222	3372.68	15000.00	Current Ap.	3114 - 2/28/31
T1223	1124.23	5000.00	BashfordHall	3057 - 2/28/31

Yours very sincerely,

Stephen Tsai
Stephen Tsai,
Associate Treasurer.

ST:w



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FEB 25 1931
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YENCHING

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TRANSFER

Yenching University

February 7, 1931

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

G31-2-7-1

ack. 3/31/31

My dear Dr. Galt:

Let me acknowledge receipt of your letter of January 6, G31-1.

In accordance with Mr. Beddow's requests we are at this time putting through the following journal entries:-

Debit 28t - Wheeler Memorial Chapel	G\$358.48
Credit 126t- " " " Fund	G\$358.48

The above is to record interest, L.C.\$1,254.70, received on the fixed deposit of L.C.\$83,439.18, Wheeler Memorial Chapel Funds. In your letter you request that we "Debit 126t" and "credit 28t". This seems to be a reversal of the correct entry because it would reduce both the funds received and the balance now available for the construction of the Chapel. Please verify the correctness of the journal entry as we are putting it through.

Debit 22b - Land Improvements and General Plans	G\$49.25
Credit 122b - Gifts for Land Improvements and General Plans	G\$49.25

This is to record a contribution of L.C.\$172.39 received from Mr. Liu Chi Tai on account of the Alumni Gate. In your letter you ask us to "credit 112b" but this is evidently merely an error in typing. In connection with this last journal entry we note that by journal voucher #666 put through on December 22, in accordance with the request contained in your letter of November 24, 1930, G344, we debited Land Improvements and credited Miscellaneous Gifts for Land with two gifts received on the field amounting to G\$77.63, one of which was the gift of L.C.\$50 or G\$13.16 for the Alumni Gate account received from Mr. Liu Chi Tai. We understand that this latest entry of Mr. Liu's contributions represents new gifts received from him and does not duplicate the former entry.

When comparing journal voucher #666 with the one we are making I noted that we were incorrect in crediting to account 122al "Miscellaneous Gifts" the G\$77.63 received from Miss Judd for Landscaping and Mr. Liu for the Alumni Gate. Account 122al should contain only miscellaneous gifts received for the purchase of land, not funds designed for land improvements. This is a case where our office followed the procedure suggested by the

0090

field without subjecting it to as careful analysis as we should. We are, therefore, making the following correction in journal voucher #666:-

Debit	122a1 Miscellaneous Gifts <i>for Land</i>	G\$77.63
Credit	122b Funds for Land Improvements and General Plans	G\$77.63

I believe that we have already pointed out the policy we now attempted to set up throughout our general Yenching Plant accounts of using corresponding numbers and letters for the disbursement and fund accounts for the various Plant and Building objectives. All the fund accounts begin with the figure 1 to distinguish them from the disbursement accounts, but with this difference are identical with the disbursement accounts both as to numbers, letters and subscripts. There are a few instances where we have a fund account that is not tied up with a disbursement account, or vice versa, but these exceptions are quite few. Our purposes in keeping this close parallel between funds and disbursements are twofold:- first, to show as accurately as possible the relationship between the funds received and the amounts disbursed at any given time for any given objective; second, to facilitate the final step in clearing our Plant accounts by transferring to the Completed Buildings Section the disbursements made and the identical amount of funds received for each of the building operations and other plant objectives.

I repeat these explanations both to be sure that the field understands the principles on which we are working, and also to ask your assistance in making this policy uniform.

Mr. Evans and I have gone over the reconciliation of our October statements. We find it to be in agreement with our records except that for the amount of last year's balance of G\$18,289.00, you are still charging yourself L.C.\$39,321.42 which is in accordance with the figures originally adopted by our office, but which we have subsequently corrected to L.C.\$38,406.97. You will note that this correction has been made in our budget analyses as of November 30 and December 31. We have already corresponded with you quite fully in regard to this correction.

Very cordially yours,

BAG-H

CC: Accounting Office

YENCHING

INDEXED

TRANSFER

Yenching University

February 9, 1931

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

AIR MAIL

G31-2-9-1

My dear Dr. Galt:

202.39/31

This will acknowledge receipt of your letters of December 18, G349, and December 30, E350.

YOUR LETTER OF DECEMBER 18, G349

This letter deals chiefly with the subject of re-insulating the heating mains. At the time it was written you had not received the minutes of the Finance Committee meeting held on November 11. That meeting dealt at length with the requests from the field for re-insulating the heating mains and the provision of other special plant needs, and appropriated not only all available funds, but also all funds which the Committee was able to see as prospective during the current fiscal year. It would be worse than useless to bring the matter before the Committee again.

You will have noted in the minutes of the November 11 meeting that Actions F-2885, F-2886, and F-2890 all refer to the needs of the field for completing the re-insulation of the heating mains. I am afraid that the appropriation contemplated by action F-2885, to be secured from the field balance of L.C. \$35,387.11, will not be found available, because of the situation pointed out in Mr. Evans' letter of January 15, 1931 (E31-1-15-1). On the last page of Mr. Evans' letter he summarized his discussion by saying, "Under action F-2885 the Finance Committee voted certain charges against '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' Treasurer's books. Therefore, no steps can be taken to put F-2885 into effect".

As to F-2886, it seems very doubtful whether gain on exchange for the fiscal year 1930-31 will be sufficient to take care of the apparent shortage of L/C. \$21,598.00 in items 1 and 2 of the preferential list, and to clear off the balance required for the purchase of Power Plant equipment; both of which items must be cared for before such gain in exchange is available for re-insulating the heating mains.

We, therefore, have left only F-2890 which votes "that a strong appeal be made to the field to ascertain if they cannot in some way so curtail expenses that repair of the heating mains can be cared for in the 1930-31 budget". Personally I do not have any bright hopes that the field

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will be able to make such a substantial curtailment in the 1950-51 budget as to provide funds required for repairing the heating mains. There is, however, one other possible alternative within this year's budget:- The very substantial gain in exchange you will receive from certain "Class B" appropriations. Some of these appropriations are so definitely tied up with specific lines of work that no gain in exchange would be available for a general Plant need. This does not apply so fully, however, to certain other items, more particularly to the large item of G\$27,000 received from the Harvard-Yenching Institute for the undergraduate work at Yenching. Technically the Institute directed early in 1929 that all the Universities apply this income only to the development and strengthening of the work in Chinese cultural subjects.

As a matter of fact, Yenching has never made any serious effort to carry out the letter of these instructions, and has never rendered any accounting (as have some of the other Universities) to show that all the income received from this source was actually expended in developing new work in these subjects. At the present time the Institute Trustees have indicated informally, that they are unwilling to put anything in writing, that they recognize they took too radical a position in 1929 when they made these rigid limitations on the use of the income from the Institute. Since Yenching University has during the past two years used this income to a certain extent for general budgeting purposes after meeting all the expenses necessary to carry on thoroughly satisfactory work in the Chinese cultural subjects, I believe there would be no serious objection to using a part of this very large gain in exchange this year, either directly, or by making such adjustments within the budget as would release undesignated funds, to care for this urgent need of repair for the heating mains.

This suggests only one possibility which you may rule out immediately. Other possibilities, however, may appear to the field which are unknown to us. The whole trend of the attitude of the Trustees and the Finance Committee with regard to these matters is in the direction of transmitting funds to the field with a minimum of limitation on their use and authorizing the field to use these in accordance with their discretion, and within the limitations necessitated by their origin, at the same time informing the field that along with this liberty in the use of these funds the field must accept entire responsibility for finding ways and means to meet the innumerable special objectives for which the Finance Committee has in the past sought to find need of the funds.

YOUR LETTER OF DECEMBER 30, G350

In this letter you again comment on "the difficulty of financial administration from two centers so far removed", and, as is becoming my custom, I hasten to assure you that we here in New York are anxious to simplify the situation by placing as rapidly as we can the full responsibility for all details of financial administration in the hands of the financial officers of the University there in Peiping.

A number of matters dealt with in your letter of December 30 have been cleared in previous correspondence. I will here refer to only such items as seem to require further comment or action.

On page two of your letter you mention that the field would have been able to send us certain data more promptly if you had known in advance the approximate meeting dates of our Finance Committee and of our Board of Trustees. I was under the impression that all of you on the field were thoroughly familiar with the general schedule of meetings of the ~~Trustees~~ from year to year. The Board of Trustees practically always holds two meetings a year. The first meeting is required by the By-laws to take place in March or April. It has been customary to hold this meeting sometime in April as this gives us more time to receive from the field full information with regard to budget estimates for the approaching fiscal year.

The second meeting of the Trustees is normally held late in November or early in December. The exact date from year to year is chosen both in accordance with the convenience of the Trustees themselves and also with an eye to having in hand all the information and official correspondence and actions which the field may be sending. The Finance Committee

The Finance Committee usually meets once a month, though sometimes the interval is stretched to five or six weeks. While the Committee tries to meet at fairly regular intervals, dates of meetings are greatly affected by the availability of members, and also by the amount and urgency of pending financial matters.

On page two of your letter you also point out that in our summary of anticipated income for the 1930-31 budget attached to the minutes of the November 11 meeting of the Finance Committee, we have used the exchange rate of 2.15 on certain items in Class B for which remittances are made to the field in gold. This is correct, although the only such item of any importance is that of G\$26,000 from the Harvard-Yenching Institute for the undergraduate work. Early in this letter I have already referred to this fund and have made one suggestion as to the possible use by the field of the very large gain in exchange which will accrue therefrom. The only other Class B gifts in this list are the three small items of G\$1800 each under "E". As a matter of fact, it seems that at least one of these three gifts of \$1,800 may not come in this year so the gain in exchange on the other two may all be required to meet this shortage. The monthly budget analyses for November and subsequent months have correctly presented these items.

On page three of your letter you make a preliminary comment on the action taken by the Board of Trustees as a result of the fact that their earlier action on the correlated program was based on an incomplete portion of the Managers' action on this subject. The Trustees felt sure that the thought of the Managers was along the lines indicated by your comment, but they felt that because of the importance of the subject it was necessary that this be definitely understood and formally recorded. We will await further word from the field on this subject.

I am sorry that you were puzzled by action F-2595. This action was not by any means the result ~~of~~ simply of the discussion we had with regard to Dr. Coffin's gift of G\$1,800, but represented rather a long standing desire on our part for a clearer formulation which would be understood and accepted both by the field and the New York office with regard to a general policy in handling special gifts for current purposes received from individuals and organizations. It merely happened that the Committee's discussion

of this one rather unimportant item gave an opportunity for making a statement on the subject of the general policy. The important thing is whether or not the field agrees with the policy set forth in action F-2893. We will be glad to have your further comments on this subject.

Your bewilderment with regard to the meaning of action T-3899 must be due to the rather obscure way in which we use the phrase "general budget" in recording the Trustees' "solicitude over the growing percentage of current general funds which are being received and disbursed as specially designated funds" (Class B). It was these funds received from individuals and organizations for specific types of work, which have been administered in a way quite different from the general funds of the University, which the Trustees had definitely in mind. I believe that in the beginning the only specially designated funds of this kind which were handled by the Trustees were the comparatively small amounts sent out from year to year for the work in agriculture. I understand that the Trustees adopted this special procedure with regard to agricultural funds because at that time they did not ~~take~~ ^{with} ~~into account the fact that this department should be considered one of the types of work supported by general University funds, and simply allowed it to go on as best it could under its own independent resources.~~ A little later on the Department of Journalism developed under very much the same conditions. Then the Princeton-Yenching work developed also as a financially independent unit. Finally, the creation of the Harvard-Yenching Institute brought in another very large source of income which has been relatively independent of general financial administration of the University.

As a result of this gradual growth of financially independent units, we find that within the 1930-31 budget only \$115,106.04 is counted as general University funds, and \$96,120.23 plus L.C. \$124,920.00 is classified as special funds which are being handled in a more or less independent manner. In the judgment of the Trustees this diversity of financial administration has made it extremely difficult for the University to build up a unified administrative policy, particularly as regards financial administration. This has been the fundamental consideration underlying efforts of the Trustees during recent months to work out a policy that will more thoroughly unite the finances of the entire University under one unified policy which will permit a more uniform and balanced growth of the University.

Very cordially yours,

BAG-H

0095

YENCHING

TRANSFER

Princeton-Yenching Foundation

February 9, 1951

Mr. Stephen Tsai,
Yenching University
Peiping, China.

G-31-2-9-2

ack. 3/18/51

My dear Mr. Tsai:

Let me acknowledge receipt of your letter of January 9, T31-104.

Since this letter deals primarily with Princeton-Yenching Foundation matters I am reporting it to Mr. Wannamaker for his information and for him to present it to the Trustees of the Princeton-Yenching Foundation as may seem to be desirable.

I have already written to the Field Treasurer's office in regard to some of the items discussed in this letter, and believe there is nothing further to add at this time.

BAG-H

Very cordially yours,

CC: Mr. Wannamaker

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YENCHING

TRANSFER

Yenching University

February 10, 1931
E31-2-10-1

ack. 3/31/31

Dr. Howard S. Galt
Yenching University
Peping, China

Dear Doctor Galt

The Yenching Committee on Finance, Property, and Investment held a meeting last Friday and disposed of a number of very important items.

Investment Matters. All of the items under F-2930 have been awaiting ratification of the Finance Committee for some time. Several meetings have been held during the interim, but other business of a very pressing nature has so occupied the time that it has been impossible to talk investments. However, the slate has now been cleared up to date.

Promotional Activities. Mr. Wannamaker's report is given very little space in our minutes, as the Trustees know too well the difficulties under which the promotional office is now working. It is very largely a matter of marking time insofar as direct solicitation is concerned with a constant searching for ideas and ingenious methods of keeping people interested during a time of dire depression. Collections are also poor, and to collect at a time like this for the class of work in which we are engaged requires an immense amount of tact and diplomacy. In spite of all of the work that is going into this task we are compelled to say that collections are lagging. From my contact with other sources of information, however, I feel that we are justified in saying that we are keeping abreast of other institutions of this character.

Representative to China. The cable from the field which arrived on January 29 brought real relief, as it gave a breathing spell in the effort to induce one of the Trustees to take a trip to China. At the meetings of the Committee where consideration has been given to sending funds to China for investment, the members have been exceedingly solicitous in their desire to take action which would best benefit the field and conserve the interests of the University. At all times they have desired to maintain an attitude of open-mindedness. As a consequence they have sought information from every available angle and have interviewed individuals who have been in close touch with the situation abroad. The combined evidence has been so overwhelmingly against sending funds to China that the Committee felt there must be some element which was not clearly understood or that the field had been unable to give the complete picture in writing. The Committee did not wish to be understood as being at odds with the field, and as a consequence the suggestion was made that one of the Trustees visit China. Apparently something has come to light which does not make it necessary for us to proceed further along this channel. We are therefore awaiting the letter which is to follow.

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Report from Field on Insurance on Buildings. A complete report on insurance was submitted to the Committee, and the items which are placed in the minutes are culled from this report. Apparently the physical plant is being well taken care of in this respect.

Revision of 1930-31 Field Budget. At this time we also have before us Mr. Tsai's letter of December 1, No. 130-93. This letter enclosed the revised copies of the budget and the various comments on the changes of the budget were noted. The Princeton-Yenching Foundation has taken action upon the new Department of Jurisprudence, and this does not require any comment on our part. Neither is it necessary for us to comment upon the items on the preferential budget list. Mr. Garside has written at length on this subject. The very simple fact is that one cannot spend money unless it is in hand, and in view of the original action FB-2834 no effort should have been made to use the funds unless they were actually authorized by the New York office.

It might be said in connection with item 2 in the field letter of December 1 that there has been no desire on the part of the Trustees or any one else connected with the University to impose any hardship in accounting procedure on the field. We are quite aware that there is no end to the possibility involved in cross column analysis, but on the other hand it would be a very simple procedure to allocate administration expenses in proportion to the teaching and equipment expenses for the different departments; but there is no idea to alter any plan that the field has set up, and if there is general satisfaction with the plan which has been evolved, there is no reason why it should be changed.

Grounds and Buildings Committee Minutes. The Committee noted that the cost of the power plan so nearly approached the appropriation that the question arose whether sufficient margin had been allowed for safety. One member of the Committee called attention to a very recent increase in the Chinese tariff, and our office was requested to raise the question whether ample provision had been made for these increased customs duties. The thought of the Committee is that the expenditure must be kept within the appropriation.

Funds for Warner Gymnasium. There is no need to dwell upon this item as Mr. Garside is writing a separate letter dealing with this subject. He has also communicated with Mr. Warner.

Policy for Investments. This is another item which has been held for some time pending an opportunity when the Finance Committee could take occasion to study the recommendations carefully. In view of the correspondence with the field relative to the sending of funds to China, we believe it would be interesting for the field to study this investment policy with a purpose of understanding more clearly the thinking of the Investment Committee.

It will be noted that there is a very decided tendency toward conservative investments. In fact, since this policy was formulated the bond and stock market has acted in a manner to confirm the judgment of the Committee most emphatically. It is the intention of the Committee to change the complexion of the portfolio just as soon as market conditions on the far, doubtful, and very doubtful securities will permit. At an informal conference yesterday it was even suggested that one or two issues which because of market conditions have been classified as very doubtful should be sold and the funds put into a more substantial investment. This would entail a slight loss, and today's

Dr. Howard S. Galt

February 10, 1931

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mail is carrying a questionnaire to the Investment Committee seeking the judgment of the members.

Taking the Yenching security list in total it certainly is standing up wonderfully well under these very trying market fluctuations. The great amount of time which has been used by the Committee in the selection of securities and in the reviewing of the list certainly is bearing profit to the University. There are few institutions of this nature that can boast of such wise as well as competent financial advisors.

Very cordially yours

Assistant Treasurer

CAE:MS

Enc.

CC: Dr. Stuart

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YENCHING

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TRANSFER

Yenching University

February 10, 1951

President J. Leighton Stuart,
Dr. H. B. Galt,
Yenching University,
Peiping, China.

G31-2-10-1

ack. 3/2/51

My dear Dr. Stuart and Dr. Galt:

We enclose herewith a confirmation copy of a cablegram sent you yesterday. You will note that the cable deals with three matters.

Approval of Finance Committee action F-2210. At this time we are sending you the minutes of the Executive Committee meeting held on February 8, together with a covering letter discussing the actions taken by the Committee. You will note the action taken giving approval to the policy proposed by the Finance Committee in action F-2210 with regard to a unified budget policy for the University. I promised you in my letter of December 29, 1950, that I would let you know as soon as this action received formal approval by the Board of Trustees or the Executive Committee, so that you would be able to proceed more confidently in preparing your budget estimates for 1951-52.

Authorization to draw Harvard-Yenching Institute funds for undergraduate work. Our office has been remiss in not authorizing the Field Treasurer to draw from time to time the income from the Harvard-Yenching Institute Trust Fund of \$500,000. We estimate that this income for 1950-51 will approximately \$226,000. At the present time we have received the first three quarterly remittances from the Institute so we have a substantial amount of cash on our books to the credit of this account. Since at the present time the rate of exchange is more favorable than it has ever been, it is the more desirable that we authorize the Field Treasurer's office to draw on us for these funds at any time he may choose.

As a matter of record the number of this authorization to draw \$316,000 is 3123. This draft will be charged on our books to account 155.6.

In order to regularize the drawing of the remainder of this \$226,000 we give herewith the following authorizations:-

Authorization #3126. On or after March 1 you are authorized to draw at three days the sum of \$25,000 on the Harvard-Yenching Institute Restricted account (income from \$500,000 Trust Fund) This draft will be charged on our books to account 155.6.

Authorization #3127. On or after May 1 you are authorized to

3-10-31

draw at three days the sum of \$35,000 on the Harvard-Yenching Institute Restricted account (income from \$500,000 Trust Fund). This draft will be charged on our books to account 155.6.

In accordance with the budget policy for 1930-31 as approved by the Board of Trustees, these Harvard-Yenching Institute Restricted funds are considered by the Trustees as Class B, or specially designated funds for the current budget.

South wing of Warner Gymnasium. Dr. Galt's letter of December 8, 1930, requests us to authorize six drafts totalling L.C. \$31,000 at monthly intervals beginning February 1, to provide funds for the erection of the south wing of the Warner Gymnasium. I am at this time writing a separate letter discussing the status of the Warner Gymnasium finances, so at this place it is only necessary that we confirm the authorization given by our cablegram for you to draw on us for these funds required to construct the south wing of the Warner Memorial Gymnasium.

You are authorized to draw on us at three days the six drafts indicated below totalling L.C. \$31,000. These drafts will be charged on our books to account 2621, Warner Memorial Gymnasium:-

<u>Authorization No.</u>	<u>Date draft authorized</u>	<u>AMOUNT</u> <u>L.C. \$</u>
3128	February 1	5,000
3129	March 1	5,000
3130	April 1	5,000
3131	May 1	5,000
3132	June 1	5,000
3133	July 1	5,000

Very cordially yours,

BAG-H

Enc.

CC: Latermail to Dr. Galt

Accounting Office

(Translation of cable)

BOARD APPROVES OF FINANCE COMMITTEE ACTION 2910. YOU MAY DRAW AT 3 DAYS BUT NOT TO EXCEED \$31,000 HARVARD-YENCHING INSTITUTE UNDERGRADUATE RESTRICTED. REFERRING TO H.S. GALT'S LETTER OF DEC. 8, 1930, WOULD SAY YOU MAY DRAW AT 3 DAYS MAX. \$31,000 WARNER MEMORIAL GYMNASIUM AS PROPOSED. B.A. GARSIDE

YENCHING

TRANSFER

Yenching University

February 10, 1931

G51-2-10-2

ack. 3/18/31

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

My dear Mr. Tsai:

Let me acknowledge receipt of your letter of December 17, 1930, T30-102.

In this letter you very kindly set forth in a detailed manner the plans of the Field Treasurer's office with regard to the use of the account we have set up with the Central Hanover Bank and Trust Company. We are very glad indeed to have this information available for reference. As a matter of fact, since I wrote you on November 12 the trend of thinking of the Finance Committee and the Board of Trustees has been in the direction of defining all their appropriations toward the current expenses of the University in terms of gold dollars rather than local currency dollars. With the adoption of the gold basis for such appropriations practically all questions as to gain and loss in exchange are automatically transferred from New York to Peiping. Under such a policy it makes practically no difference whether funds are deposited to your credit here in New York or are transmitted to the field through remittances sent by our office or through drafts drawn on us in Peiping.

As regards any gain on exchange for the remainder of the current fiscal year, the Finance Committee has already taken action whereby such gains are to be used by the field to meet designated purposes. If the gain is larger than is anticipated the field receives the direct benefit. If the gain is less than we have hoped for the field at once suffers the loss. We know that you are keeping these facts constantly in mind as you consider questions of when the University can most advantageously meet its obligations through gold checks and drafts, and when it is more advantageous to draw these funds in local currency at ^{the} unequalled rates of exchange now prevailing.

BAG-H

Very cordially yours,

0102

學大京燕
YENCHING UNIVERSITY
Péping China

TRANSFER

Office of the Treasurer

February 11, 1931.

G31-5

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

YENCHING

INDEXED

My dear Mr. Garside:

I have for acknowledgment today a few letters from your office, as noted below.

E30-12-27-1.

The various items mentioned by Mr. Evans concerning Women's College accounts are duly noted.

G30-12-30-1.

This letter contained the Minutes of the meeting of the Committee on Finance, Proverty and Investment of December 29th. We have noted carefully the actions of the Committee, and the points dealt with in your covering letter.

With regard to the transfer of endowment funds to China for investment, I must say that I am not surprised at the action the Trustees have taken. I feel that we should respect their judgment and let the matter remain in abeyance at present. Financial conditions have grown more uncertain in many respects since we took the matter up last autumn. We note, also, the suggestion that some member of your Committee, or someone designated by your Committee, should make a special trip to Peiping to study this question. We are inclined to think that there is not sufficient promise of results to justify this effort at the present time. We discussed the advisability of cabling you to this effect, but as we gave the matter further consideration we thought that probably no one would be starting out at once and there would be time to express our point of view by letter. The reasons for our point of view are these: we do not believe that many fresh facts or conditions would be brought to light by one specially commissioned by you to visit Peking. Your Committee had already had a conference with Mr. Bennett, and we do not believe that any special visitor to the field could gather more information than was available in the mind and experience of Mr. Bennett. Furthermore, the continued fall of exchange, with the uncertainty which it brings into finances all over the world, would seem to make it inopportune to seek foundations for a radically different financial policy just at this moment.

0103

2-11-31

With regard to the allocation of the "10,000 Campbell gift, we note that the Trustees do not deem it wise to change the earlier decision. The form of the expression recorded just preceding the vote seems to intimate that it is for the field to determine how the small income from this endowment might be expended. This point of view has been noted.

We note also the action regarding our request for funds for bachelor apartments. The matter can rest just at the present moment, because we have fairly satisfactory rented quarters. But when the period of the lease of General Wang Huai Ch'ing's garden expires (the summer of 1932), we may be somewhat embarrassed unless we are able to continue the same. Time will probably throw light on this problem as the months pass.

In this connection we have noted the expression at the top of page three of the Minutes. Referring to the appropriations made in the spring of 1929, and again in the spring of 1930, the Minutes say:

"Action having been taken on each of these two occasions on the basis of assurances from the field administration that, if the appropriation then requested were made, it would meet the residential requirements of the University and would remove the need for any further appeal of this nature for some years to come."

I have not taken time to search back through our communications to discover what, if any, assurance of this kind was given. We are wondering just what you may have had in mind. So far as I can recall our thinking on those two occasions, it was to the effect that the residence demands on each of those occasions were very acute and some solution seemed imperative. But I am not aware that on either occasion we gave assurances that an appropriation would "remove the need for any further appeal of this nature for some years to come". In the spring of 1930 President Stuart was with you, and of course we do not know what verbal statements he may have made, but one would hardly expect him to have given assurances of this kind.

We have noted with much interest the actions regarding the budget and the future financial administration. In one of my earlier letters, written after receiving the Minutes of the Trustees meeting in November, I stated that we were not quite able to understand the following reference in the Trustees' action in which the Trustees "express solicitude over the growing percentage of current funds which are being received and disbursed outside the general budget of the University". This action is quoted again on page three of the Minutes now under review and the context is such that I think we now understand what the Trustees have in mind. We had not thought of the various budgets of the financially-independent units as representing funds received and disbursed

outside the general budget of the University. That is to say we had thought of them as parts of the budget, and not outside of the budget. But now, as I have said, I think the reference is clear. The emphasis which the Trustees' Committee now sets forth is exactly in line with my own growing conviction for a number of years. I was inclined to deprecate a growing decentralization of the University finances. The centralized and unified administration called for in the Committee's action P-2910 is to me a very welcome one. Paragraph two in this vote does not call for any radical readjustment here on the field. Our General Faculty Executive Committee, which is widely representative, has been formulating and administering the University budget now for some years. This expression of the Trustees' point of view will strengthen our hands and make it easier to exercise control over the units which are more or less financially independent. Of course we stand strictly by the safe-guard you mention at the end of this section two, and would never for a moment take the stand that the Committee had the right to transfer designated funds from one unit to another. But we hold that the Committee's responsibility does extend to the wise administration of the funds with each of the units.

I welcome, also, the decision of the Trustees to make their contributions toward the University budget on a gold basis. This, also, I have been advocating for some time. We realize the weight of responsibility which this policy places upon us. We recognize that it is, on the part of the Trustees, a transfer to the field of greater responsibility for financial administration. We trust that we will have the wisdom and discretion to measure up to the responsibility.

Further votes of the Committee along this same line have been duly noted and have been reported to our General Faculty Executive Committee, in order that members of the Committee may be entirely familiar with the Trustees' point of view.

The matter of plant balances and overdrafts, and related topics, dealt with on the last two pages of the Minutes under review, will have to await a later communication.

I should add another word on the question of University expansion. We realize that there has been a good deal of growth in several of the University divisions during the past few years, but, as you know, with the enrollment of the present year we have reached the limit of eight hundred student enrollment which we set for ourselves some two years ago, to be effective for a five-year period. Our staff and departmental requirements are now adjusted, or are being adjusted, to this enrollment of students. We have not planned definite expansion for the next year, because we believe, just as the Trustees do, that that is not the best policy. We are striving to consolidate our present position and make ourselves as efficient as possible on this basis. As to the general

equipment of buildings, we are quite well supplied, with the exception of the Library. The large accessions in the Departments of Sinology, together with the size of the present student body render our small Library quite inadequate. Apart from this, our needs are quite well supplied, and we do not have it in mind to make an issue of the Library need at present. Some solution for the congestion will have to be worked out here on the field. With regard to expansion, we note the request of the Trustees for a comparative statement covering the last four years, and we are requesting Miss Cookingham, of the Registrar's Office, to prepare such a statement.

G31-1-5-4.

The Minutes enclosed with this letter, and your covering letter, are really a part of the general situation dealt with in the Minutes and letter which we have just been reviewing. But these last documents bring to us definitely a statement of the University's resources in gold for the budget for 1931-32, together with the recommendations of the sub-committee regarding the same. We appreciate the prompt and clear action, and the careful way in which you have set it forth. We have accepted the situation, and are doing our best to prepare a budget on the bases and according to the policy set down. For the last two weeks special committees and the General Faculty Executive have been working almost continuously on budget problems. Final decisions have not yet been made, but the thinking of the present moment is in line of a silver-gold rate of 3.50 to 1.00. This has been worked out in comparison with the action of the Trustees a year ago last December. We noted that when the current rate was approximately 2.50, the Trustees adopted a ~~current~~ rate of 2.15. At present, with the current rate at 4.50, or better, a rate worked out on the same basis would be 3.87. But we have deemed it wise to be a little more conservative than the Trustees (!) and so are adopting a rate of 3.50 instead of 3.87. The budgets submitted by the various divisions were today referred back to them with instructions to cut down approximately 8-1/3 per cent throughout all divisions. If and when this is done, we shall have a balanced budget, and if exchange remains anything like what it is now, we should have a large surplus at the end of the year, to be held in reserve, in accordance with the Trustees' suggestion. As soon as the budget is completed and passed by the Board of Managers, we will, of course, send it to you, although you will not have the same interest in it as in former years.

I may add that Miss Hague reports from the President's Office the receipt of a cable today, confirming the recommendation of the special committee that the Trustees transmit funds for the budget on a gold basis.

Mr. B. A. Garside - 5.

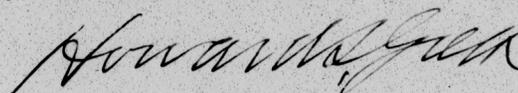
2-11-31

G31-1-5-1.

In this letter you refer again to our expected funds for the practice school. About at the holiday season President Stuart received a letter from Mr. Eldredge, saying that he expected Mrs. MacLean would be sending in a check for the \$6,000 Gold in January. Mr. Eldredge's letter seemed to imply that the check might be sent directly to President Stuart, but as yet it has not been received.

On page two of this letter you refer to the funds for the Sailer residence. We note the authorization to draw \$2,000. It was our intention to supply from University residence funds whatever the proposed residence required in addition to this \$2,000 now paid in by Mrs. Sailer. However, the last plans and estimates before the committee showed some rather expensive features very dear to the hearts of Mr. and Mrs. Sailer, which brought the total cost of the residence in local currency to a rather high figure. This matter was referred again to Mr. and Mrs. Sailer, and subsequently President Stuart met Dr. Sailer in Shanghai. It is now our understanding that if these features are all retained in the house, an additional \$1,000 will be sent by Mrs. Sailer later. Our proposal is, then, to accept a total of \$3,000 from Mrs. Sailer, and to use University residence funds in hand as needed to complete the building according to plans. I think there is nothing further for you to do about the matter at present, but in due course we suppose you will receive for transfer to the field another thousand dollars. I may remark that the last \$1,000 of the \$4,000 which you mention is, I understand, to go to Mr. and Mrs. Sailer more or less as a personal gift for the equipment and furnishing of the residence.

Very sincerely yours,



Howard S. Galt,

Acting Treasurer.

HSG-10

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UNIVERSITIES
MAR 9 - 1931
OFFICE

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YENCHING

INDEXED

TRANSFER

Yenching University

February 11, 1931

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

G31-2-11-1

My dear Dr. Galt:

You will note in the minutes of the February 6 meeting of the Finance Committee the discussion of Warner Gymnasium finances.

During the last month or so we have had several exchanges of correspondence with Mr. Warner on the subject of further payments on his pledge for the completion of the Warner Gymnasium. I find from this correspondence that Mr. Warner has been somewhat surprised at one or two items in the field's estimates as to the amount still required to complete the construction and equipment of the Gymnasium.

His chief concern arises over the fact that the field is now apparently estimating that the entire G\$35,000 available for the central section of the Gymnasium will be required in its construction alone. Mr. Warner has had a very definite impression that G\$30,000 would be sufficient to construct the central section, leaving G\$5,000 for the equipment of the entire Gymnasium. We do not know the exact basis on which Mr. Warner reached this conclusion but I presume it arose from his conversations with you while he was visiting the Yenching campus, and probably from correspondence with the field either before or after his trip to China.

The second matter that has caused Mr. Warner a great deal of concern is the revised estimates of the field as to the cost of equipment. Your estimate shows that G\$6,564.00 will be required for apparatus and lockers to be purchased in the West, and that L.C.\$2,516.00 will be needed for locally made furniture and apparatus. At the present rate of exchange this gives a total of slightly more than G\$7,000.

Mr. Warner has stated that he will not be able to make any further pledges of funds to construct and equip the Gymnasium than he has heretomore estimated as required to complete the Gymnasium, counting G\$35,000 as sufficient to complete the central section and to purchase necessary equipment for the entire building. That is to say, Mr. Warner is willing to assume responsibility only for the following items in the field's estimates of amounts still required:-

<u>North Wing and Architect's fees</u>	<u>Gold \$</u>	<u>L.C.\$</u>
Deficit in New York	550.05	
Deficit on field		12,342.98
<u>Central Section</u>		
Amount still required, without equipment	5000.00	

0109

Dr. Galt-2

2-11-31

	brought forward	<u>Gold \$</u>	<u>L.C. \$</u>
		5,550.05	12,342.98
<u>South Wing</u>			
Complete cost		<u>5,550.05</u>	<u>31,799.80</u>
			44,142.28

The field uses the rate of 3 to 1 in estimating the gold equivalent of L.C.\$44,142.28 required to construct the south wing and to clear the deficit already existing on the north wing. On this basis it would require G\$14,714.10 to purchase L.C.\$44,142.28; and adding the sum of G\$5,550.05 to meet the deficit now standing in New York on the north wing and on the central section, we would have a grant total of \$20,264.15 still required. Since, however, the present exchange rate is far more favorable than 3 to 1 we hope that L.C.\$44,142.28 can be purchased at around G\$10,000, which would make the amount required to complete and equip the Gymnasium approximately G\$15,500.

Mr. Warner states that it is not practicable for him to make any further payments in cash in the near future toward the completion of his pledge for the construction of the Gymnasium, but he has offered to turn over to the Finance Committee two blocks of bonds with a par value of G\$20,000 as final payment on his pledge. The Finance Committee has not as yet seen its way clear to accept these securities because at the present time the price of these bonds, like the majority of securities in the prevailing market, is greatly below par. To accept the securities at their face value would mean that the Trustees assumed responsibility for a possible loss of about \$7,500. We are continuing our correspondence with Mr. Warner on these various matters.

Since the Finance Committee had already authorized the construction of the south wing at a cost of not to exceed L.C.\$31,300, we have sent you authorizations to draw on us for approximately this amount as requested in your letter of December 8. As soon as these drafts are met the Trustees will be carrying the entire deficit on the Gymnasium, with the exception of the deficit of L.C.\$12,342.98 carried on your field books.

The most immediate question, therefore, is whether it will be possible for the field both to complete the central section and to purchase equipment for the entire building with the G\$35,000 you have already received for these purposes. We earnestly hope that this can be done, for there seems to be very little likelihood that we can expect Mr. Warner at any time during the next few years to make any further contributions toward the Gymnasium than the G\$20,000 for which he now assumes responsibility. Will you please let us know how the situation stands with regard to this proposal?

Very cordially yours,

BAG-H

CC: Dr. Stuart

YENCHING

INDEXED

TRANSFER

Yenching University

February 14, 1931
E31-2-14-3

ack. 4 4 31

Dr. Howard S. Galt
Yenching University
Peping, China

Dear Doctor Galt

The Executive Committee met on February 9 and gave its final approval to the pension plan as recommended by the field and pension committee.

REPORT OF PENSION COMMITTEE

University Contributions. You will notice that the Trustees have agreed to modify the plan so as to allow the member 50% of the University's contributions in case of withdrawal after ten years of service. While it was felt that this is a very liberal provision, yet the Executive Committee was very happy to agree to this suggestion.

Optional Clause. This has been fairly well covered in a separate statement regarding this particular feature. It is not necessary for us to dwell further on this subject.

Rate of Exchange. This has also been covered in a separate sheet attached to the report, and there is nothing else to be said with the possible exception that both committees felt that very serious consideration should be given to the suggested rate of two to one, even though they concurred in the recommendation that the field be allowed to determine the rate.

Revision of Plan. The thought was brought out that several features which ordinarily are not included in a plan of this character are more or less experimental and that it would be advisable to review the entire set-up after a period of five years. This, of course, would in no way affect any contract written now or within this period, and neither would there be any revision attempted unless with the entire consent and agreement of the field.

Execution of Contract. You will notice that the Executive Committee authorized the execution of the contract. We have submitted the form to the Assurance Company, and it will be examined by the actuarial department, passed upon, and returned to us in the form of a contract. It is quite possible that this will require a period of at least a week or ten days, but we are not proceeding with the actual signing of the contract until we hear from the field as to the final acceptance of the amended form. In view of the desire of the committees to reach an agreement with the field's plan and also in view of the very slight changes that are incorporated, it is quite conceivable that the field

Dr. Howard S. Galt

February 14, 1931

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will be willing to accept the plan as it is set up, and we are requesting therefore that you wire us either accepting or giving brief word to hold the contract in case there are any serious objections. We do not see any reason for holding up the contract further. Therefore please cable us at the earliest possible moment. We are enclosing two copies of the contract, and thirty more copies are being forwarded under separate cover. As the form has been amended to agree with the phraseology of the Company and all changes have been made in consultation with a Company representative, we do not anticipate any difficulty in having the entire plan accepted by the Company.

In order that there shall be no delay in putting the pension plan into operation, we are sending under separate cover the application cards which are to be filled in on one side only and returned to our office. The side marked "To be completed by the employee" is to be filled out fully. It is quite possible, however, that you do not have a pay roll number and this mark of identification can be omitted. You can be the best judge of this item. All other items must be filled in and the member sign the card as indicated where it says "Employee sign here."

In connection with the pension plan we would like to acknowledge receipt of your cable relative to the number of men and women entitled to participate and the approximate cost for these members. This is a great surprise to us as we note that the field has included LC\$14,000.00 in the budget for 1930-31. However, we are accepting the figures which you cabled and the committee included the same in its report.

Very deep appreciation was expressed at the committee meeting because of the splendid attitude of the field in accepting the suggestions of the pension committee and for the very marked cooperation in reaching an agreement and also for the great amount of time which the committees on the field and the committee at home consumed in arriving at the final set-up. A tremendous amount of work has been done at both ends, and a highly commendable plan has been evolved.

TRUSTEES' CONTRIBUTION TOWARD THE 1931-32 BUDGET

The minutes of the Finance Committee on December 29 forecast the tendency toward stating contributions toward the field budget in gold. The Executive Committee approved this plan, and accordingly a cable has been sent. This will make some difference in your set-up of the budget for the coming year, and in passing this responsibility on to the field, it is ^{most} necessarily hoped that the experiment will prove entirely satisfactory. I am quite sure there will be general interest in noting how the new budget will be formed.

The last item of the minutes is one to be decided by a committee of the Board, and we are hoping that an active, energetic as well as interested person will be secured to fill this vacancy.

Very cordially yours

Assistant Treasurer

CAR:ME
Enc.

0112

Optional Participation

The field's plan suggests that participation in the future be optional with staff members. A discussion of this feature is contained in the report of the committee. The Executive Committee also gave further consideration, and while both committees have concurred with the field in retaining the clause, still there is a very earnest desire to enter into no contract without the far-reaching results involved having been clearly understood and discussed. Aside from the references made to this optional feature in the report of the Pension Committee, we think it is in order to point out how it would probably operate in the future.

It is quite conceivable that a staff member would feel it to be impossible to make 5% contributions toward the pension plan and elect to stay out. He works on for a period of years even until retirement age and in the meantime contributes nothing toward the retirement plan. It is quite possible that this person, without the assurance that a contemplated pension gives, would be much less efficient than a person who is conscious that his old age is prepared for, and in that respect he might prove much less efficient at the time of retirement and would fall in the classification of those whom the University would be very happy to retire. He is inefficient and on frequent occasions ill, and yet due to the fact that he has no income on which to retire, the University will feel obligated to carry him on. If on the other hand the University, without any thought of paying any annuity, retires this man at 65 and in eff says, "You paid nothing in and get nothing out," there is immediately created a feeling that the individual has been discriminated against, because the University has contributed to the annuity plan which the cooperating member has accepted. Will not the retiring member feel that he is entitled to at least 5% of his salary during the time he was employed by the University?

Another far-reaching result is the possibility of disability and early retirement. In that case the University is obligated to take care of the member in some way. It cannot absolve itself by a mere statement such as has been suggested.

Another consideration is that the University is setting up a pension plan, and it is not a pension plan if all do not cooperate. It is quite possible that there are such features incorporated in some plans, but we do not know of them, and on the other hand there are so many that we know where participation is obligatory that it would seem that experience has pointed out that it is a very necessary feature.

On the other hand, we can see where the field thinks it desirable to leave this option open, especially in the case of the newcomer on the staff. It is quite possible to secure some undesirables who would become so tied up with the University, even on a short contract, that it would seem a hardship to get rid of them. We presume this is one reason why the field has desired to retain the optional feature. The question is raised whether or not it is possible to make the plan compulsory as far as contributions are concerned for say a period of three years with the distinct understanding that the individual contract would not be written until after a probation in that period. Contributions would be available in case the individual made good but would be returned in case the member left the employ of the University.

This is merely a suggestion, but in any event the ramifications of the plan should be very thoroughly thought out before allowing the optional feature to be permanently incorporated in the contract.

Rate of Exchange

Both committees spent a great deal of time on considering the suggestion that the rate of exchange for insurance premiums be established at two to one. It might be well for us to review some of the facts brought out in the discussion.

It was admitted that under certain conditions a two to one ratio would be fair and equitable:

- (1) If there was any assurance that the current rate would be somewhere in the vicinity of two to one.

There is no argument needed for one to see that consideration on this basis is out of the question.

- (2) If salaries being paid in local currency remained fixed at the same amounts that prevailed when exchange ratio was two to one.

It is quite clear also that this condition does not prevail. The field has made some adjustments since exchange has been rapidly declining.

On the other hand, it is equally obvious that the use of the current rate of exchange would be fair only in case where salaries have increased to more or less correspond with the fall in exchange. We do not think that this is true. We are quite convinced that it does not require such rapid advances in salary as are made by the exchange in order to maintain the living conditions existing when the rate was two to one. If present conditions continue for any extended period, of course, this extreme will necessarily have to be reached, and in that extremity adjustments will have to be made in salary.

In giving consideration to the possibilities involved were the rate of two to one accepted, we have taken an extreme case which, however, only points out the very apparent fact. We will suppose that two individuals of equal capacity are drawing equal amounts, one in gold and one in local currency equivalent to the gold salary. We will say that one is receiving G\$1,500.00, while, on approximately the present basis, the other would receive LC\$6,000.00. The following table shows how the payments would be made:-

	Salary G\$1,500	Salary LC\$6,000
5%	G\$ 75	LC\$ 300
Gold at 2 to 1		G\$ 150
Actual value		G\$ 75
Paid by University	75	225
	<u>G\$ 150</u>	<u>G\$ 300</u>

You will notice that where local currency is used 5% of the total salary yields LC\$300, which at two to one would be G\$150. However, you would tell us to pay G\$150 to match the amount set up by the teacher who has actually paid LC\$300. We would then proceed to pay the insurance company a total of G\$300, whereas actually the member has only paid G\$75 and the University has paid G\$225. This, of course, is an extreme case, but it illustrates the point, and just as soon as exchange varies from two to one and the member is receiving his salary in local currency, there will be a difference, unless the figure used in exchange matches the rate at which his local currency salary has been increased to keep pace with the cost of commodities.

It is quite apparent also that either the member who contributes on a two to one basis with a high rate of exchange prevailing will have his annuity contributions mature at an earlier date or else will secure twice as much annuity.

However, after having given all this thought to this subject, both committees felt that the field is best fitted to judge the situation. It is a matter to be determined by the Board of Managers rather than the Board of Trustees. The Trustees' budget consists of only so much available cash, and if instructions are received to pay larger amounts for annuities, there would be less to send to the field.

It is quite clear that the suggestions of the Committee that some flexible rate be arrived at which more nearly corresponds to the advances in salary brings about a situation which will require periodic revision. Such a flexible rate would normally be based on the comparative amounts in gold and in local currency received by staff members of the same rank and responsibility. If for example the average salary of staff members of a certain general rank who are paid in local currency is around LC\$4,800, whereas the average from staff members of equal rank and responsibility paid in gold is about \$1,800, the fair rate of exchange would be 4,800/1,800 or 2.67. With the present violent fluctuations in exchange, this rate might have to be revised annually, though in more stable times the same ratio could be retained for a much longer period.

The committee sees no other alternative as far as being able to make a suggestion is concerned, but in the final analysis, as we have stated, leaves the rate to be determined by the field.

You will notice that the clause referring to rate of exchange has been omitted from the general plan which is now being studied by the actuarial department of the Assurance Company. This omission is due to the fact that the contributions will all be paid in gold, and the rate of exchange is a matter to be decided between the Board of Managers on the field and the Trustees.

YENCHING

TRANSFER

Yenching University

February 14, 1931

#E31-2-14-1

ack. 3/2/31

Dr. Howard S. Galt
Yenching University
Peping, China

Dear Doctor Galt

In clearing up Miss Lane's desk after her death on January 28 we have found several unfinished items. One of them is the duplicate sheets for the September trial balance. I believe the first sheets were mailed on October 11, the last day she was in the office. At that time she typed another envelope and enclosed the second copies, but they were never mailed. It is quite possible that you keep a record of these reports, and we are therefore enclosing same herewith in the envelope which Miss Lane addressed.

Very cordially yours

Assistant Treasurer

CAE:MS
Enc.

0116

YENCHING

TRANSFER

Yenching University

February 14, 1931
E31-2-14-2

Feb 3 8 31

Mr. Stephen Tsai
Yenching University
Peping, China

My dear Mr. Tsai

We wish to acknowledge receipt of several letters, three of them dated January 9.

T31-106 simply acknowledges our previous communications.

T31-107 represents a report on draft No. T1212. This came to hand and was paid on February 13.

T31-108 acknowledges the checks from the Central Hanover Bank and Trust Company and encloses 35 letters. These have been mailed as requested. The excess cost for the voucher checks were charged in the field account for December and represents only a portion of the total cost, the company paying the balance.

Your letter of January 15, No. T31-110, calls attention to drafts T1216 and T1217, both of which came to hand and were paid on February 10.

Yes, indeed, the silver situation is decidedly erratic, possibly I should say consistent. It has been going all one way. This morning's paper indicates that there has been an additional drop in the price of silver bullion. Apparently the end is not yet.

Very cordially yours

Assistant Treasurer

CAE:MS

YENCHING

INDEXED

TRANSFER

Yenching University

February 24, 1931

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

C31-2-14-1

ack. 4/4/31

My dear Dr. Galt:

This letter is written in acknowledgment of your letter #G346 of December 2, 1930. Your letter deals with various residential matters.

Designated Residences. On the basis of information contained in your letter we should make a few changes in Schedule A, "Designated Residence Funds" which was attached to my letter of March 8, 1930 (G30-3-8-1). These changes are three in number as follows:-

assign Residence #28 to the Old South Church, Boston, instead of to Mrs. J.M. Colton
add Residence #43, Philip Ritter, G\$6,000.
assign Residence #59 to Mrs. J.M. Colton

You will note that we are assigning Residence #28 to the Old South Church, Boston, instead of to Mr. F.B. Wallace as you state has already been suggested on the field, and our reason for this is that the Promotional Office records show that we have made a definite promise to the Old South Church, Boston, that a residence would be assigned to them. There is nothing to show that Mr. Wallace has requested the definite assignment of a residence. Should it at any time develop that Mr. Wallace wishes a residence assigned to him we could take any of the residences on Schedule B, "Undesignated Residences and Residence Funds", costing somewhere in the neighborhood of G\$7,000, and assign it to Mr. Wallace.

We are listing Residence #43 contributed by Mr. Philip Ritter as distinct from the remainder of the Yen Compound simply for the sake of clearer identification on our records. On page 3 of your letter of December 2 you write as follows concerning this residence:-

"I would suggest L.C. \$12,000 as the approximate value of the place, and if it is desirable, a corresponding gold figure, based on the ratio of 1.902 as per my statement of May 10, 1929, can be determined. If the cost be ~~re~~ reckoned as suggested above, it will be in gold slightly under Mr. Ritter's ~~gold~~, which is set down as G\$6,000."

As a matter of fact, L.C. \$12,000 at the rate of 1.902 will be somewhat in excess of G\$6,000, the exact figure being G\$6,309.15. This

would show a small deficit on this residence. To avoid this I have estimated the gold cost of Residence #43 as exactly G\$6,000. Please let us know if it is desirable from the standpoint of the field that we use the exact figure \$6,309.15 and we will make the necessary adjustment on our records.

I am attaching hereto a revision of Schedule A, "Designated Residence Funds", corrected to January 31, 1931. We are also sending a revision of Schedule B as of the same date. The only change in this schedule is the addition of Residence #30 costing G\$7,244.83 which was transferred to the Completed Buildings Section by journal voucher #602 as of June 25, 1930, in accordance with action F-2858 of the Finance Committee.

As yet we have not been able to make any change in Schedule C, "Residence Compound Improvements", by transferring to this schedule the residence compound improvements of either the south compound or the Tsai Tao Garden. Neither have we been able to transfer to the Completed Buildings Section any of the new residences started during the last two years. The Construction Bureau statement at the end of 1930 showed that some of these residences are now completed and could be transferred to the Completed Buildings Section as soon as we have funds in hand to make this transfer possible.

Under Schedule D, "Amount Still Remaining in Residence Account 126m", we are listing the funds that go to make up the balance of \$23,503.90 standing in account 126m on January 31, 1931. You will note that these amounts can be summarized as follows:

Gifts for Albany Hall	\$4,260.00
Payments by Miss Anne I. Laughlin on \$4,000 pledge for Chinese residence for Leonard Hsu	2,000.00
G.M. Marston for Leonard Hsu Residence	200.00
Gifts for Princeton-in-Peking residences	1,400.00
Wiant Residence	6,194.28
Vernon Nash Residence	4,000.00
T.H.P. Sailer for Randolph Sailer Residence	2,000.00
Undesignated gifts 1928 campaign allocated to residences	<u>3,449.62</u>
	\$23,503.90

We have now transferred to the Residence account all the undesignated funds received from the 1928 campaign which we have been authorized to transfer to this account. We have no other plans for meeting the large deficit now remaining in the Residence account except the application to this deficit of the outstanding pledges for residences. Any further clearance of the deficit must depend on receiving new contributions, or else the allocation of general Plant funds not otherwise assigned.

It would help us materially in our clearance of the Residence account if we could assign a residence to the donors of the "Albany Hall" fund now standing at \$2,460.00. It was the original hope of the donors that a total of G\$7,500.00 could be raised, so if a residence were assigned, it would probably be wiser to assign a residence costing around G\$7,500.00, carrying the remaining portion for the time being as a deficit. On Schedule B we find that Residence #54 cost G\$7,686.05. Could this residence conveniently be assigned to the donors of the Albany Hall fund? If for some reason Residence #54 is not available for assignment, what about Residence

costing \$7,116.86?

Miss Anne Laughlin's pledge of \$4,000 was made in response to an appeal sent her early in 1929 for funds to provide a Chinese residence for Leonard Hsu. Miss Laughlin has now paid \$2,000 and I believe will pay the remainder in two annual installments of \$1,000 each. Another gift of \$290 was also received from Mr. S.M. Marston in response to this same appeal for funds to provide a residence for Leonard Hsu. Is the residence now occupied by Mr. Leonard Hsu unassigned and suitable for designation as having been paid for by the gifts from Miss Laughlin and Mr. Marston? If the cost of the residence is in the neighborhood of \$4,200 it would be more satisfactory, though if the cost were somewhat greater it would not be a serious obstacle. If the cost were slightly less we could assign the balance as applied toward the cost of residence compound improvements or some other objective closely related to the provision of residences. If the house now occupied by Mr. Hsu is not suitable for such designation, is there some other residence now erected which would be satisfactory to Mr. Hsu and which would be available for designation as having been erected from the funds provided by Miss Laughlin and Mr. Marston?

You will note that in each of these two instances we are anxious to assign residences already erected to meet those two specific donations, rather than use these funds for the erection of further residences. During the last two years we have appropriated large amounts of undesignated funds for the erection of residences where, as a matter of fact, practically no undesignated funds were available. This is the usual situation in our Residence accounts where nearly all contributions are received for some designated residential objective. The only way we will ever reach any satisfactory solution will be to assign residences already erected, as far as we possibly can, to the donors of the various funds.

Another item of this same kind is an outstanding pledge of \$7,500 by Mrs. Mary Barbour Blair to provide a residence for Dr. T.T. Lew. As a matter of fact, one-half of this pledge is already due and we hope that it may soon be forthcoming. The remainder is due in three annual installments, the last to be made in 1933. Will it be possible to assign to T.T. Lew one of the residences already erected, costing in the neighborhood of \$7,500, which can be considered as having been paid for by Mrs. Blair's contribution?

As soon as the field reports to us the numbers and the costs of the residences completed during the last two years from the undesignated appropriations sent out, we will add these residences in Schedule E, "Still Remaining to be Transferred to Completed Buildings Section", and will make the transfer as rapidly as residential funds can be secured.

Very cordially yours,

BAG-H

McC.

YENCHING

INDEXED

TRANSFER

Yenching University

February 14, 1951
G31-2-14-3

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

66.4431

My dear Dr. Galt:

May I again remind you, of the inquiry made in our letter of March 20, 1950, (G30-3-20-1) with regard to the fund of G\$5,000 received from the "Presbyterian Jubilee Fund"? On November 15, 1950, in letter G342 you stated that you would try "at the earliest opportunity" to look into the matter. We can quite appreciate how other pressing matters may cause the "earliest opportunity" to be very late in arriving, but we are sending this reminder to keep the matter upon your consciousness.

Very cordially yours,

BAG-H

See Memorandum from Mr. [unclear] of January 14, 1951

0121

YENCHING

INDEXED

TRANSFER

Yenching University

February 14, 1931

CGI-2-14-2

ack. 3/8/31

See also letter of 4/5/31

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

My dear Dr. Galt:

Dean George H. Chase has informed us that Captain I. V. Gillis, who is now in China, is holding a balance of L.C. \$3,367.91 which he desires to return to the Institute. In order to avoid the actual return of the funds from China to the United States it is proposed that Captain Gillis turn this sum over to Yenching University, to be credited by you toward the Harvard-Yenching Institute budget appropriation for 1930-31.

With regard to the rate of exchange at which these funds will be reckoned, it has been suggested that we use the rate of .33, as that is the basis on which the Institute is now making advances to our New York office on its 1930-31 budget appropriation. At this rate the gold equivalent of L.C. \$3,367.91 will be \$1,176.77.

I understand that Dean Chase will be writing to Captain Gillis requesting that he turn over to you this balance now in his hands.

If this procedure is satisfactory to you will you please receive from Capt. I. V. Gillis L.C. \$3,367.91, crediting the same toward the H.-Y.I. appropriation for 1930-31, using as a gold equivalent the figure \$1,176.77. As soon as we have received word from you that these funds have been received and credited on this basis I will send to the Treasurer of the Institute a check for \$1,176.77.

The receipt of these funds will reduce by this amount the sum you will need to draw on us to complete the H.-Y.I. 1930-31 budget appropriation. I would suggest, therefore, that you subtract from the amount you are now authorized to draw on authorization No. 3105 which now stands at L.C. \$6,435.85 (see my letter CGI-1-30-1) this amount of L.C. \$3,367.91 which will leave the correct figure for authorization #3105 at L.C. \$3,067.94.

Please let us know whether this procedure is at all points satisfactory.

Very cordially yours,

BAG-H

CC: Dean Chase
Accounting Office

0122

YENCHING

TRANSFER

Princeton-Yenching Foundation

February 16, 1931
E31-2-16-1

ack. 3/8/31

Dr. Howard S. Galt
Yenching University
Peiping, China

My dear Dr. Galt:

We are enclosing herewith the March salary checks in the amount of \$50.00 each for Messrs. Taylor and Free.

Your kindness in forwarding these checks for us will be greatly appreciated.

Very sincerely yours,

Assistant Treasurer.

Enc.

CAE:G

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YENCHING

TRANSFER

Yenching University

February 17, 1931
E31-2-17-1

ack. 3/18/31

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

Dear Doctor Galt

We are enclosing the following papers:-

Yenching University

Trial Balance
Statement of Disbursements on Managers'
Current Budget 1930-31
Statement of Cash Receipts and Disburse-
ments (2)
Analysis of Budget 1930-31
Journal Vouchers No. 673, 674, and 676
Bill covering shipment of 12/31/30 to Mr.
E.O. Wilson from Central Scientific Co.
Bill from Atlas Refinery of 12/23/30
Bill from Ditto Inc. of 1/2/31

Yenching Women's College

Trial Balance
Statement of Disbursements on Managers'
Current Budget 1930-1931
Statement of Cash Receipts and Disburse-
ments

You will notice a change in Plant Section, which is being corrected by journal voucher. Through an error the check for the power plan was charged to Completed Buildings Operations. We are transferring it to account 26 (f2).

Very cordially yours

CAE:ME
Enc.

Assistant Treasurer

0124

學大京燕
YENCHING UNIVERSITY
Peping China

Act 3/14/31

YENCHING

Office of the Treasurer

February 18, 1931.
No. T31-116.

TRANSFER

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

Dear Mr. Garside:

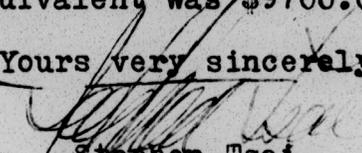
On February 11 we received a cable from
you the contents of which is as follows:

"Board approves (of) Finance Committee actions 2910
You may draw at 3 days but not exceed American Gold
Dollars 16000 Harvard-Yenching Institute undergraduate-s
restrict-ed (to) Referring to Mr. Galt's letter Dec.
8th (of last year) you may draw at 3 days 31,000 Mex.
Dollars Warner Memorial Gymnasium as proposed (by)
Mr. B. A. Garside"

We have accordingly drawn on you by
draft No. T1224 for U.S. \$1030.93, which was sold to the
Banque Belge Pour L'Etranger, Peiping, at the rate of
485 on account of Warner Gymnasium. The local currency
equivalent was \$5000.00.

We wish also to report to you the sale
of draft No. T1225 for U.S. \$2000.00 to the Banque Belge
Pour L'Etranger, Peiping, on account of Sailer Residence
as per your Authorization No. 3123 at the rate of 485.
The local currency equivalent was \$9700.00.

Yours very sincerely,


Stephen Tsai,
Associate Treasurer.

ST:w

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MAR 12 1931
JOINT OFFICE

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學大京燕
YENCHING UNIVERSITY
Peping China

Feb 2/1931

Office of the Treasurer

YENCHING

February 18, 1931
No. T31-117.

TRANSFER

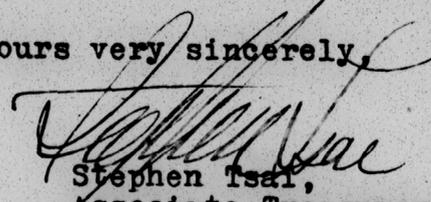
Mr. B. A. Garside,
Yenching University,
150 Fifth Avenue, New York,
N. Y., U. S. A.

Dear Mr. Garside:

INDEXED

During the last few weeks we have been busy in preparing the budget for the next year and have consequently neglected writing to you on matters which deserve prompt attention. One of the first things which must be attended to right away is to send you confirmation of our cable of February 7 in reply to yours received on the same date with reference to the Pension scheme. The L. C. \$7000.00 is what University has to pay ~~for~~ all those who are eligible ~~to~~ participate in the scheme. The actual number of participants, however, is at present quite below the maximum. The amount of University's contribution is only L.C. \$5000.00. In Section 3 of the proposed plan it states that members of the staff shall get credit of one dollar gold for ^{every} ~~only~~ two dollars local currency contributed. We must, therefore, compute the gold equivalent of local currency at a fixed rate of 2:1 and not at the current rate of exchange.

Yours very sincerely,


Stephen Tsai,
Associate Treasurer.

"70 on the staff Chinese Men and Women entitled participate Pension cost will probably be about 7000 Mex. each year all participating"

ST:w

0127

RECEIVED
UNIVERSITIES
MAR 12 1931
JOINT OFFICE

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學大京燕
YENCHING UNIVERSITY
Peping China

Feb 3/14/31

Office of the Treasurer

TRANSFER



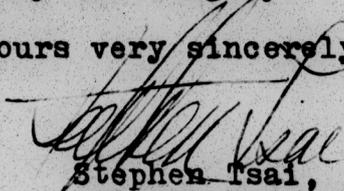
February 18, 1931,
No. T31-118.

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

Dear Mr. Garside:

We wish to acknowledge receipt of your letter of January 14 enclosing a check for U.S.\$507.00 received from Dr. George T. Moore on account of Li Chien-fan's travel from Peiping to St. Louis. We have cashed the check and thus close the financial record of a very sad tragedy.

Yours very sincerely,



Stephen Tsai,
Associate Treasurer.

ST:w

0129

RECEIVED
UNIVERSITIES
MAR 12 1931
OFFICE

0130

YENCHING

INDEXED

TRANSFER

Yenching University

February 20, 1931

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

G31-2-20-1

ack. 4/6/31

My dear Dr. Galt:

We have today received from the American Board a check for G\$5,000 coming from the residue of the Estate of Miss Mary H. Porter to complete the contributions toward the Pagoda features of the Water Tower at Yenching. I am enclosing a copy of the letter from the American Board, and also of the reply I am today sending them.

You will notice our discussion of the matters of exchange in connection with this account. As a matter of fact, the general Plant funds of the University are being required to absorb about G\$2,500 loss in exchange on the basis of this settlement with the donors of the Pagoda Water Tower, but I believe that it was Dr. Stuart's judgment when he negotiated with Mr. Goble last year that we would ask about as much as we could reasonably expect Mr. Porter and the other members of his family to do.

We understand that an expenditure of approximately L.C. \$300 is still necessary to complete the Pagoda features of the Water Tower through the addition of an iron cap. An examination of the Construction Department balance sheet of December 31, 1930, a copy of which has just reached our office, shows that your Heat, Light, Sewage and Water System account (which we understand includes the Pagoda features of the Water Tower) shows a surplus of L.C. \$5,839.06. It appears, therefore, that the logical procedure would be for the field to meet the cost of this iron cap out of the small surplus you already have on the field, rather than for our office to increase the deficit of about G\$140,000 already standing on our books by transferring part of this latest remittance to the field.

As soon as the cost of the iron cap is known, will it not be in order for us to transfer the Pagoda features of the Water Tower to the Completed Buildings section of our Plant funds by the following entries:-

Debit 20d Heat, Light, Water & Sewer System (Pagoda Features of Water Tower)	G\$12,250.00 (L.C. \$27,870.63)
Credit 26f2 H.L.W. & S. System	G 12,250.00 (" 27,870.63)
Debit 126f2 Funds for H.L.W. & S. System (gifts received from Porter family for Pagoda features of Water Tower)	G\$12,250.00 (" 27,870.63)
Credit 120d Funds for H.L.W. & S. System (gifts from Porter family for Pagoda)	

Dr.Galt,2

2-20-31

features of Water Tower)

G\$12,250.00 (L.C.\$27,870.63)

The exact figure for the local currency cost of the Water Tower will, of course, be slightly altered when the cost of the iron cap has been substituted for the estimated figure of L.C.\$300 used above.

In this same connection will it now be possible to transfer to the Completed Buildings section the remaining cost of the Water Tower, estimated in your letter G316 of May 7, 1930, as L.C.\$43,000, covering the amount expended for the ordinary mechanical features of the Water Tower? It certainly is the more logical procedure for us to transfer the entire Water Tower at one time rather than to place the Pagoda features in the Completed Buildings section at one date and the remainder of the Water Tower at some future time. What is the gold equivalent we should use for this figure of L.C.\$43,000 in making this transfer?

If you find it is possible to transfer either or both of these sections of the Water Tower account to the Completed Buildings section on the basis suggested above, please do so and notify us of the details of this transfer so we can make corresponding entries on our books here in New York,

Very cordially yours,

BAG-H

Enc.2

0132

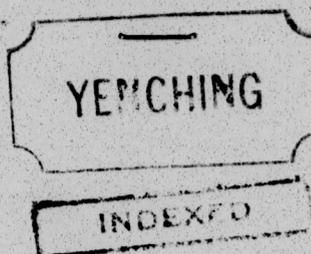
C O P Y

AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS

Boston, Mass.

February 18, 1931

Mr. B. A. Garside, Treasurer
China Union Universities,
150 Fifth Avenue,
New York, N. Y.



My dear Mr. Garside:

You probably know of the arrangement by which the American Board has agreed to give from the money which came to us in the residue of the Estate of Miss Mary H. Porter the sum of \$5,000 to complete the Pagoda Tower at Yenching University for which she gave the original gift during her life and which did not prove sufficient to complete the cost. This matter was taken up with us by Mr. Sherman Goble, the Executor of the Estate, and I assume that his action was following some presentation from either President Stuart or the Trustees. This amount has been set aside, and I am herewith enclosing our check on the Old Colony Trust Company, Boston, to the order of the Trustees of Yenching University for Five thousand dollars (\$5,000.00) on this account, and will be glad to have your acknowledgment of the same.

I have wondered whether in view of the present rate of exchange it is going to cost the full amount of this \$5,000 to complete the Tower. This amount, of course, was set some months or a year ago when exchange was quite a bit different. I would assume that if the full Mexican proceeds of this were not necessary for this purpose, any unused balance would be returned to the Board to go back into the residue of Miss Porter's Estate.

I am wondering what the Trustees are doing now on the matter of exchange. I understood that last year you carried through a contract with the Hongkong-Shanghai Banking Corporation to handle your funds at a fixed rate of exchange. Our appropriations for work have been set in Mexican, and so the element of exchange does not enter in, at least on the other side. Our salaries are fixed in Gold, and we have allowed the missionaries to keep nearly all the exchange. We have specified that a certain portion of the account, namely that which would accrue between a rate of 50¢ gold to a silver dollar and 45¢ gold to a silver dollar should come to the Board, but all the balance goes to the individual. I judge from letters that have come recently from our people there that this is helping them quite effectively to meet the increase in the cost of living that has come both with the exchange change and with the increase in the customs.

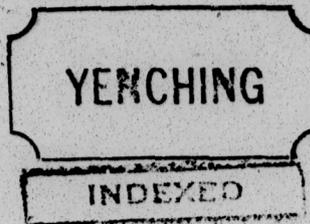
Yours cordially,

(Signed) Harold B. Belcher

Assistant Treasurer

HBB/d:Enc

0133



TRANSFER

Yenching University

February 20, 1931

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

G31-2-20-2

My dear Dr. Galt:

Let me acknowledge receipt of your letters of January 15, G31-2, and January 16, G31-3.

YOUR LETTER OF JANUARY 15, G31-2

This is a report on the developments in regard to the bonding of the Field Treasurers. I am sorry to learn that it was not possible for you to secure any more favorable premium rates on the field than those quoted by our office. We will report to the Finance Committee the status of the question, both as regards premium rates and also as regards the revision of your arrangements so as to provide a double signature system for all negotiable papers from the Treasurer's office.

This double signature system is certainly a very valuable safeguard though, as you know, this system is in use almost universally among all financial officers here in America and is not considered to be an adequate safeguard alone without the usual bonding arrangements. For example, in our Central Office practically every University requires a double signature system in handling negotiable papers. In several of our Universities two signatures are required on all checks, drafts and acceptances. In Yenching only one signature on such papers is required, but the voucher for each disbursement must be countersigned by a second financial officer. In other words, if Mr. Evans or I sign such papers as Assistant Treasurers, the voucher must be countersigned by Mr. McBrier as Treasurer, or, in his absence, by the Chairman of the Finance Committee.

YOUR LETTER OF JANUARY 16, G31-3

Your letter of January 16 deals largely with the acknowledgment of a number of letters sent out by our office between December 1 and December 15, 1930. At this time I will comment on only such items as have not been fully cleared by this exchange of correspondence.

Architect's fees, Women's College Accounts. We are glad to have Mr. Beddow's verification of the fact that the charges for architect's fees on the Boyd Gymnasium amounting to G\$5,387.00, and also the various items of architect's fees totalling G\$8,241.43, had not yet been entered on the field books.

0134

As previously reported, we put through journal entries during December, charging architect's fees for the Boyd Gymnasium G\$5,387.00. We are at this time putting through the following journal entries:-

Debit	26a	Sage Memorial Recitation Building	\$3,751.44	
"	26e	Women's College Administration Building	882.00	
"	26ml	Dean's Residence	882.00	
"	26g	Dormitories 1 - 3	77.40	
"	22b	Land Improvements and General Plans	<u>2,648.59</u>	
			\$8,241.43	
Credit	121	Undesignated Plant Funds		\$8,241.43

This journal voucher will be sent you with our February accounts. Will you please make the corresponding entries on the field records?

Boyd Gymnasium accounts. We are glad to have your forecast that, because of the unusually favorable rate of exchange, we will probably be able to close this building account without a deficit. Will you let us know, when construction and equipment of this building is complete, exactly how the account stands on your books, so we can make a final report to Mr. and Mrs. Boyd and can proceed with the transfer of this building to the Completed Buildings section?

Plant Funds and Balances. We note that you will be writing further with regard to the Plant Funds and balances for the general University accounts.

In accordance with Mr. Beddow's notation, we are at this time transferring to the Completed Buildings section of the Women's College accounts all the buildings listed at the top of page 3 of your letter. We are enclosing here-with a copy of our memorandum asking the accounting office to put through these entries. You will note that a few of the figures given in your letter have been increased by the journal entries referred to above, charging architect's fees to a number of these accounts.

I believe there is nothing further in your letter requiring specific comment.

Very cordially yours

BAG-H

Enc.

CC: Accounting Office

MEMORANDUM

February 21, 1931

To Accounting Office,

To transfer the following buildings, etc., to Completed Buildings section in the Women's College accounts according to Dr. Galt's letter of January 16, 1931

Debit	20 Completed Buildings	
	(a) General Education Buildings	168,080.85
	(b) Dormitories	161,286.26
	(c) Residences	80,497.03
	(d) Heat, Light, Water and Sewage System	25,000.00
Credit	26a Sage Memorial	51,184.40
	26c Science Building	81,679.97
	26d Practice House	3,815.74
	26e Administration Building	31,078.99
	26n Infirmary	341.75
	26g1 Dormitories I to III	123,283.14
	26g2 " IV	38,003.12
	26m Residences	30,335.62
	26ml Dean's Residence	30,161.41
	26f6 Heat, Light, Water and Sewage	125,000.00

C. A. EVANS

CAE-H

0136

學大京燕
YENCHING UNIVERSITY
Peping China

Office of the Treasurer

February 23, 1931.

G31-6

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

YENCHING

ack. 4 20/31

TRANSFER

INDEXED

My dear Mr. Evans:

Your letter of January 15th, E31-1-15-1, came a few days ago, and has been examined by Mr. Tsai, Mr. Beddow and myself. We have noted your explanations of the handling of the funds from the Women's College Committee, and the evidence which you present that an item of L.C. 12,600 was credited to the University budget for 1929-30 seems to offer a satisfactory explanation of the inquiries which we raised.

The situation described at the bottom of page three of your letter, relative to Women's College accounts, will require a little further study and a later reply.

Page 4 of your letter deals again with the question of the Coffin gift. I am sorry that this item is giving us so much trouble at both ends, but we find that we cannot let the matter rest yet. Mr. Beddow has written a communication regarding that and a few other matters, which I beg to enclose herewith.

With regard to the Coffin gift, as Mr. Beddow points out, our field accounts are charged with two such gifts between July 1st and December 31st, whereas we have received none at all during that period. We did, however, receive the gifts on earlier occasions, and accounted for them, and the New York Office apparently accepted our statements of surplus, based on that accounting. Our supposition is that it was the intention in your office in December to reverse the item which had been carried forward the 1st of July, but instead of reversing this item we were charged with the second item.

With regard to the difference in accounts arising from the use of exchange rate 2.10 in June and 2.15 in July, your letter of December 18th (I think I have the date correct/ the letter is not filed in this office from which I am writing) you concur in the Field's point of view, and state that the accounts are to be adjusted accordingly. Our investigations of the matter lead to the opinion that you have made the necessary correction in the budget-analysis statements of November 30th and December 31st, but have not made the corresponding corrections on any of the monthly Balance Sheets.

0137

Mr. C. A. Evans, 2.

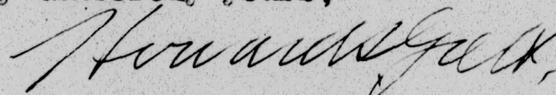
2-23-31

Going a little more into detail, we find that on June 30th you carried forward as applicable to the new budget year, \$18,289.03, with the local currency equivalent at 2.10 of \$38,406.97. In your Balance Sheet of July 31st you list only the gold item, \$18,289.03, and this, together with a number of items in the same column, enters into the total figure, which we have converted into local currency at 2.15. The result for this particular item would be L.C. 39,321.42. The total balance of which this item is a part is carried forward in your August 31st Statement, and onward through the settlements for September, October, November and December. I have noted that Mr. Beddow, in preparing his monthly reconciliation statements for August, September, October and November, makes use of the gold figure, \$18,289.03, and the equivalent at 2.15 of \$39,321.42. In doing so, it would appear on the surface that we in the field office have acquiesced in your treatment of the item at the beginning of the fiscal year. Mr. Beddow is not in the office today, but I presume he used the above figures inadvertently during those months, not having analyzed out the discrepancy. However that may be, we here are now all agreed that it is not quite in order for you to charge us with an extra \$914.45 merely because of the different rates used in June and July. *Mr. Beddow's letter refers to this as "a conjuring trick", but of course we realize that it was quite unintentional on your part.

With these comments, I send you herewith Mr. Beddow's statement, and ask especially that you note the items and summaries at the end of his letter as suggestions for the correction of the overcharged items. We hope you will find our representations in order, and that we can soon come to a complete agreement. I am sending two copies of Mr. Beddow's letter, which may facilitate reference in your office.

I am also enclosing herewith a copy of our Construction Department Balance Sheet of January 31st.

Very sincerely yours,



Howard S. Galt,

Acting Treasurer.

* see additional letter
from Mr. Beddow - enclosed.

HSG-LC

Enclosures. See Morrison + Co. correspondence folder 2/13/31 and 2/26/31

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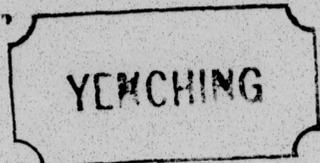
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學·大京燕
YENCHING UNIVERSITY
Peping China

TRANSFER

Office of the Treasurer

February 24, 1931
No. T31-118



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 of January 2 relative to the Harvard Yenching Institute fund for the purchase of European and Japanese books. We have taken note of the contents in your letter and the authorization. You will hear from us again later when we actually draw on you as funds for this purpose are needed.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

ST:w

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Feb 3/24/31

學大京燕
YENCHING UNIVERSITY
Peping China

Office of the Treasurer



February 24, 1931
No. T31-119

TRANSFER

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

Dear Mr. Garside:

We wish to make a belated acknowledgement of your letter of December 18 enclosing a very elaborate analysis on the budget and general financial summary. Dr. Galt, Mr. Beddow, and myself have all gone over this statement and expressed our appreciation in the careful way in which it has been prepared. We, however, feel that, while such analysis is very interesting and illuminating, it is of but comparatively little value to us in our budget operation in the field. Once the budget is approved by you and so long as we keep our rate of expenditure in line with your schedule of remittances or authorizations, we are safely guarded against any embarrassments. As to the information given in your analysis, we can only take it as interesting information and will always be glad to receive copies of it to know how things are running in New York.

Yours very sincerely,

Stephen Tsai,
Associate Treasurer.

*need for careful study
if no objection, we will
accept as current.*

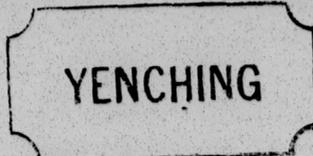
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YENCHING UNIVERSITY
Peping China

Ack 3/24/31

Office of the Treasurer

INDEXED

TRANSFER

February 24, 1931
No. T31-120.

*Postal General
Ginsler*

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 U. S. dollars five thousand (U.S.\$5000.00) to our account with the Central Hanover Bank and Trust Co. in order to cover the checks we have drawn for February salary and other payment.

While we are on the matter of the gold account, I wish to take this opportunity to report to you the method which we have adopted in charging the various departments for bills paid with checks drawn on the Central Hanover Bank & Trust Co. I am sorry that I have not transmitted this information to you earlier. If I did, probably it would have given you a better understanding of our use of this account.

In preparing the budget for the current year we converted the salary of the Western staff, who are on gold basis, at the rate of 215:1. Since our budget was approved by you in local currency, we must adhere to the 215 rate in salary payment irrespect of the market fluctuations. We, however, have no right to expect you to pay all our foreign bills at this rate. Otherwise, your anticipated large gain in exchange will be reduced to a very insignificant sum, and you may not be able even to pay for the new Diesel engine! What we have actually done here has been this: For any gold bills, other than salary, we paid we have charged the department concerned the bank's buying rate of the day.. Since you only charged us at the 215 rate for deposits made in the Central Hanover Bank & Trust Company, we have credited the difference between that and the current rate to a separate "exchange account" which, on January 31, has a balance of l.c.\$18690.13. This amount will accumulate to a much larger sum by June 30 as more gold bills are paid. We will then report to you for final disposal or treat it as current appropriation, if you so desired.

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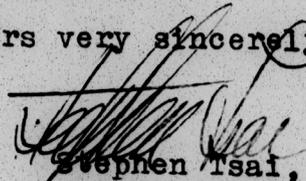
Mr. B. A. Garside

Page No. 2T31-120.

This also leads to explain the financial difficulty of the Natural Science College. As you know, this college spends four fifths of their appropriation in purchases abroad. At the time when the current budget was made a year ago, the prevailing rate of exchange was approximately 2.50:1. But since July 1930 the rate has gone upward steadily until recently silver has almost depreciated to half of the value upon which the Natural Science College based their calculations. In view of this circumstance, the General Faculty Executive Committee recommended to the Trustees to allow this college the rate of 3:1 at its meeting on November 25, 1930, which was transmitted to you in my letter T30-94. //

I hope that this will give you a better view of the situation here and will help to relieve you of the anxiety which you have expressed in several of your recent correspondence over the matter of the gain in exchange.

Yours very sincerely,



Stephen Tsai,
Associate Treasurer.

ST:w

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學大京燕
YENCHING UNIVERSITY
Peiping China

YENCHING

Office of the Treasurer

February 24, 1931,
No. T31-121.

TRANSFER

rec'd. 3/24/31

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

Dear Mr. Evans:

Will you kindly have envelopes addressed and mail the enclosed checks to the respective firms? We have purposely not sent envelopes with these checks in order to avoid excessive weight and save postage. But we have typed the addresses on the reverse side of the vouchers. Let me thank you again for attending this for us.

Yours very sincerely,

Stephen Tsai
Stephen Tsai,
Associate Treasurer.

ST:w

32 letters mailed 3/21/31 MS

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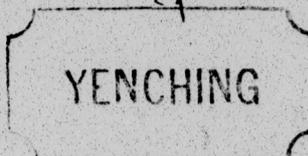
TRANSFER

Office of the Treasurer

February 26, 1931.

G31-7

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



from Salt

My dear Mr. Garside:

For some reason your letter of December 17th, G30-12-17-1, has not been acknowledged by our office. This letter deals with a large number of items, only two or three of which apparently require comment.

Your proposals contained on pages one and two for dealing with a number of small items to be classed under "Miscellaneous Building Operations" seems to us quite in order.

F.C. | With regard to the special gift of \$1,200 for the salary of Mr. Chou, or his successor, we note that you intend to refer the matter to the Finance Committee. We realize that the members of the Committee are much over-worked, but shall be glad to hear the result of their deliberations in due time.

The last paragraph in your letter refers to the proposed University pension plan for its staff members. We had referred to the Trustees' Committee the proposal to make the University payments for staff members paid in local currency on a gold basis of 2:1. If the new plan recently adopted by the Trustees of sending out to the field the entire gold income of the University continues, I suppose we will all agree that that particular question as submitted to the Trustees loses some of its significance. In other words, I suppose the action of the Trustees will be to refer the matter to the field, as the proposed expenditure would be an item to be cared for within the total gold income. However that may be, we suppose we will hear further from you regarding the matter in due course.

The post yesterday brought several letters from your office, some of which I can deal with today.

Your letter G31-2-2-2.

This letter is accompanied by a copy of your memorandum to Mr. Wannamaker regarding a number of financial points. This memorandum, together with your letter, I think clears up everything which is dealt with. We note that the L.C. \$1,500 for the Department of Sociology is to be taken from the surplus from ex-

0149

Mr. B. A. Garside - 2.

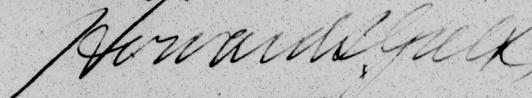
2-26-31

change for the current year of the Princeton-Yenching Foundation funds. We will deal with the matter accordingly. Under this arrangement there is only one small question remaining unsolved, and that is this: shall the \$1,500 concerned be subtracted from the surplus item for the College as a whole, or from that one-third of the same which would be considered as applying to the Department of Sociology. I think we on the field will be able to deal with this question so that it need not be considered again by the Princeton-Yenching authorities, unless it is their desire to give us further instructions regarding the matter.

Mr. Tsai tells me that he has already explained to you the reason for the long delay in our receiving the salary checks for Taylor and Free for December. It certainly was a very freakish act on the part of some postal clerk to send the letter containing the checks to the Far East via Suez. We presume that the incident will not occur again and that your regular procedure in sending out the checks well in advance will be satisfactory.

I am glad to acknowledge the receipt of the draft for L.C. \$18.62, and will at once transmit the same to Mr. Duncan. We note authorization No. P-3101 for L.C. \$900.00, to cover furniture for Messrs. Taylor and Free. We are glad that the matter is settled satisfactorily in this way.

Very sincerely yours,



Howard S. Galt,

Acting Treasurer.

HSG-LC

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Peiping China

YENCHING

Office of the Treasurer

February 27, 1931,
No. T31-123

ack. 3/26/31

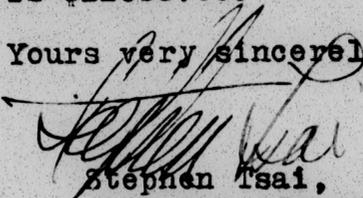
TRANSFER

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

Dear Mr. Evans:

We wish to report to you the sale of draft No. 1226 for U. S. dollars thirty one hundred twenty five (U.S. \$3125.00) to the Hongkong & Shanghai Banking Corporation, Peiping, on account of Social Sciences College, as per your authorization No. 3109, under our contract rate, namely 37296. The local currency equivalent is \$11655.00.

Yours very sincerely,


Stephen Tsai,
Associate Treasurer.

Pd 3/28/31

ST:w

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學大京燕
YENCHING UNIVERSITY
Peiping China

TRANSFER

Office of the Treasurer

YENCHING

February 27, 1931
No. T31-122.

ack. 4/22/31

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

Dear Mr. Evans:

Let me acknowledge receipt of the following letters which have been accumulating in our file of "letters to be answered".

E31-1-6-2:- We have noted that you had written off the G\$375.00 which we overdrew last spring, to last year's account. We have adjusted our books accordingly.

E31-1-9-1:- This is an acknowledgement of my letter T30-99. No further comments are required.

Mr. Garside's letter of Jan. 22:- Enclosing a draft for l.c.\$458.00 for photographic material sent to the Promotional Office by Miss Hague. Both original and duplicate of the draft have come. We have credited it to the proper account.

E31-1-23-1:- Enclosing two checks of G\$50.00 each covering the February salary of Messrs. Free and Taylor. These have been forwarded to the persons concerned.

E31-1-29-1:- Enclosing shipping documents for some tanning oil purchased from the Atlas Refinery. The shipment has already arrived.

G31-2-2-1:- Referring to the sum of G\$5000.00 you deposited to our account with the Central Hanover Bank and Trust Company and further comments on the Preferential list items 3 to 8. We wish to thank you for depositing the money to our account. As to the Preferential list items 3 to 8, President Stuart will take the matter up in person when he reaches New York. As you know he is leaving for America within a few days

G31-2-2-3:- Referring to the work of your Pension Committee and the cable you sent us on Jan. 30. We have already dealt with this in my letter T31-117. We constantly receive inquiries from staff members concerning the operation of the pension scheme outlined by the Sun

0154

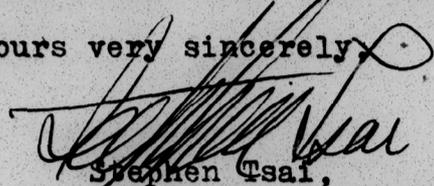
Mr., C. A. Evans

Page No. 2-T31-122

Life Insurance Co. Some of the questions put before us, we have not been able to answer on account of lack of information. When the final negotiation goes through, we will appreciate if you will send the Annuity tables of the Sun Life Insurance Co. and other particulars of the scheme. So that we can explain the scheme intelligently to the prospective participants.

There are other letters which we have not yet attended to. But either Dr. Galt or myself will deal with them later.

Yours very sincerely,



Stephen Tsai,
Associate Treasurer.

ST:w

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MAR 25 1931
JOINT OFFICE

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YENCHING

TRANSFER

Yenching University

February 28, 1931
E31-2-28-1

ack. 3/3/31

Mr. Stephen Tsai
Yenching University
Peping, China

My dear Mr. Tsai

Your letter No. T31-111 of January 30 is at hand, and it clears up a deep mystery to us. We could not understand why Messrs. Free and Taylor did not receive their checks. Apparently this is a pure and simple blunder on the part of the Foreign Department of the Post Office here in New York in mistaking the address for Penang instead of Peking, and there is very little we can do at this end except call the attention of the Department to the error and request that they be more careful in the future.

We are also in receipt of your letters T31-114 of February 5 and T31-115 of February 6 giving us information relative to the sale of drafts No. 1219 to 1223 inclusive. These have all been received and paid.

Very sincerely yours

Assistant Treasurer

CAE:MS

0157

YENCHING

INDEXED

TRANSFER

Yenching University

February 28, 1931

G31-2-28-1

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

My dear Dr. Galt:

I am enclosing for your information copies of my latest exchange of letters with Mr. Warner on the subject of the Warner Gymnasium. I am afraid that Mr. Warner will be very much disappointed at our reminder that in addition to the amount of G\$17,414.75 which the field estimates is needed to complete and equip the Gymnasium, we must also take into consideration the deficit of G\$5,550.05 now standing on our New York accounts against the north wing and the central section.

What do you think of the question I have raised as to the rate of exchange at which we should figure the deficit on the north wing amounting to L.C.\$12,342.98? If this deficit is now cleared by transmitting L.C.\$12,342.98, which at the present rate of exchange is estimated to be equivalent to G\$2,870.46, what becomes of the loss in exchange of approximately G\$3,000 that is thus created? Obviously this is divided among such building accounts as had available balances when the Warner Gymnasium was being constructed. Of course, if these balances had lain untouched in the Construction Bureau accounts from 1927 to the present time they would have suffered this same loss through the depreciation of the gold equivalent of such balances. On the other hand, such balances would have accomplished a great deal more in the way of construction in 1927 than they would at the present time. Or if these balances were not needed on the field they could have been converted into gold in 1927 at an exchange rate of approximately 2.10. It is a rather complicated problem. We solicit your wisdom.

There is one other small item in connection with the central section which we should not overlook. In June 1930 we purchased from Bocker and Company lighting fixtures costing a net amount of G\$63.57. This stands on our New York books as a disbursement in excess of the G\$35,000 authorized for the construction of the central section. What is the simplest way for us to take care of this item? Could you charge this item to the central section accounts at some equitable rate of exchange, and then transfer a corresponding amount to the south wing accounts, deducting this amount from the final authorization NO. 3133, L.C.\$5,000 which you are to draw from us on July 1, 1931?

Very cordially yours,

BAG-H
Enc.

0158

COPY

Franklin Warner
Lejano Ranch
Claremont, California

Feb. 25, 1931

Dear Mr. Garside:

The enclosed letter and estimates have just arrived from Dr. Stuart. Please return them to me after you have taken copies.

Apparently the extra five thousand dollars for the central section covers the cost of connecting it with the north section. Of course, part of it may have been used in extras or something in connection with the center section.

This statement of Dr. Stuart's clearly indicates that, with the favorable rate of exchange, \$17,414.75 will complete the building, including apparatus. In a general way, this figure agrees with all the other figures, both from you and from the field, and is lower only on account of the present rate of exchange. We will furnish this amount of money to complete the building and apparatus. We accept this as the final figure.

It is our plan to turn securities over to you at the market value on the day of exchange and we wish to wait until we believe that the market is at the peak. However, I feel that there should be a limit to the time of waiting and would like to inquire if you can handle the matter of financing it until June first, if necessary.

I feel that you should send a cable to Dr. Stuart in reply to his letter.

Yours truly,

/s/ FRANKLIN WARNER

w

0159

C O P Y

YENCHING UNIVERSITY

Peping, China

February 2, 1951

Mr. Franklin H. Warner,
Claremont,
Cal., U. S. A.

My dear Franklin:

I am writing you again in further explanation of the estimates for the Warner Gymnasium, and in an effort to put the problem before you as we are facing it, and to have your thought on this in relation to the other aspect of the matter which I realize is oppressing you and to which we want to give the utmost consideration. I am enclosing a calculation with which our treasurer has supplied me. The essential point is that if you found it possible to secure in some way an advance on the amounts required to be sold by us at the current rate of exchange (4.30:1) there would be a saving over the rate of 3:1 of \$4,702.02 gold, reducing the total to \$68,964.80. Or again, if you felt that instead of the total under the two items marked we should be restricted to the original estimate of \$5,000.00 there would be a further saving of \$1,564.00. These figures taken in connection with previous letters from myself and others are intended merely to describe the situation to you. We know your own desire regarding this building and its equipment and your deep interest in all that concerns the welfare of Yenching University. We are ready, therefore, to carry out any program that seems to you with your knowledge of the total situation the advisable one. Let us hear at any time by letter or cable and we shall make our plans accordingly. It might be well, however, to write specifically to Mr. Garside regarding the amounts to be put into equipment which is being ordered through his office now, so that there will be no danger of orders in excess of what you feel is proper. I wish you could see how constantly and joyously the building is being used already. Wee keeps it busy and is at his best in managing the activities which go on there.

With remembrance as always to Mrs. Warner and grateful appreciation of all that you are doing for Yenching.

As ever yours,

/s/ J. LEIGHTON STUART

W

0160

YENCHING UNIVERSITY
WARNER GYMNASIUM FINANCES

	<u>Local Currency</u>	<u>Gold</u>	<u>Gold</u>
I. <u>Remitted and Expended:</u>			
Architect's fees (for whole)	\$ 7,721.40	\$ 4,078.12	
North Wing	26,993.16	12,471.93	
Central Section, including cor- responding alterations in North Wing	101,160.00	55,000.00	
	<u>\$135,854.56</u>	<u>\$ 51,550.05</u>	
	<u>Estimated in Local. cur.</u>	<u>@ 3:1</u>	<u>@ 4.30:1</u>
II. <u>Authorized:</u>			
South Wing	\$ 31,799.30	\$ 10,599.77	\$ 7,395.18
III. <u>Funds still needed:</u>			
Imported gymnasim apparatus		2,737.00	2,737.00
Imported lockers		3,827.00	3,827.00
Locally made furniture and apparatus	2,516.00	838.67	585.11
Deficit on North Wing	12,342.98	4,114.33	2,870.46
	<u>\$ 14,858.98</u>	<u>\$ 11,517.00</u>	<u>\$ 10,019.57</u>
Add II.	31,799.30	10,599.77	7,395.18
	<u>\$ 46,658.28</u>	<u>\$ 22,116.77</u>	<u>\$ 17,414.75</u>
Add I.	135,854.56	51,550.05	
	<u>\$182,522.84</u>	<u>\$ 73,666.82</u>	<u>\$ 17,414.75</u>
Difference in Gold for II and III between the rates of 3:1 and 4.30:1			
			\$ 4,702.02