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INDEXED

PEKING

TRANSFER

PEKING UNIVERSITY

February 4, 1926.

The Reverend Frank D. Gamewell, D. D.,
Board of Foreign Missions of the
Methodist Episcopal Church,
150 Fifth Avenue,
New York City.

My dear Dr. Gamewell:

If I am not mistaken, the Board of Foreign Missions has in hand \$4,000. as a contribution toward the Ninde Memorial Building at Peking University, but the release of this amount requires action of the Executive Committee.

As our disbursements for this building now exceed the amount we have in hand, it would be a help to us if the next meeting of the Executive Committee of the Board of Foreign Missions could take action authorizing the payment of this amount to the Trustees of Peking University here.

If I am not mistaken, this is the final payment, and this, together with the interest credits which was received some time ago through the Board through the Shanghai office, will make the total amount of the fund \$40,631.36.

Cordially yours,

Assistant Treasurer,
Peking University.

EMM/L

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CORRESPONDING SECRETARIES
RALPH E. DIFFENDORFER
JOHN R. EDWARDS

SECRETARY-COUNSEL
FRANK MASON NORTH

ASSOCIATE SECRETARY
FRANK D. GAMEWELL
EASTERN ASIA

Board of Foreign Missions Of the METHODIST EPISCOPAL CHURCH

150 Fifth Avenue
NEW YORK CITY

CABLE ADDRESS, MISSIONS PHONE, CHELSEA 2130

PEKING

PRESIDENT
BISHOP LUTHER B. WILSON

TREASURER
MORRIS W. EHRES

TRANSFER

INDEXED

February 19th, 1926.

Dr. Eric M. North,
Assistant Treasurer
Peking University,
150 Fifth Avenue, N.Y. City.

Dear Dr. North:-

I desire to report to you two items concerning Peking University Designated Gifts upon which action was taken at the meeting of the Executive Committee of the Board on the 18th instant:

First: In accordance with your request of February 4th, Gift #23 in the August 1925 List, amounting to \$4000. for the erection of Ninde Divinity Hall Memorial, at Yenching University, was released.

In this connection you will recall our understanding regarding certain interest balances by which the sum of \$631.36 is deducted from this \$4000. and refunded to the donors.

Second: There was considerable discussion regarding the gifts still held for Yenching University. We tried to secure action which would make these funds available at the time when wanted but we were unable to accomplish this. However the matter was fully reported to the Board and I think as the funds are needed we will have no difficulty in securing their release. Personally I cannot understand why further action approving the release of the sum total as needed, of the Designated Gift action at the Annual Meeting at Delaware should be interpreted as affecting the funds of the University. You may rest assured that I will do my utmost to secure the release of these funds as you need them.

In order to cover the \$10,000 we understood you have asked for from the Bashford Memorial, Peking University Funds, the following designated gifts were yesterday released:-

#30, January 1924 List	-	\$5000.00
35, January 1924 "	-	2288.00
52, June 1924 "	-	2717.00
Total		\$10,005.00

For correct list see letter Total is \$10,000.

Mr. De Vesty is being authorized to make the necessary adjustments at once.

Cordially yours,

FDG:MEW

Frank D. Gamewell

0235

February 16, 1926.

Rev. J. L. Stuart, D.D., President,
Yenching University,
Peking.

Rents and interest items connected with
transfer of University property to us.

Dear Dr. Stuart:

Referring to our conversation a few days ago regarding plan of handling the rents and interest items connected with the transfer of property to us, I wish to report receiving further word from New York regarding their plans there.

When in conversation with you I had Treasurer Ehnes' letter of December 15th, in which he wrote about the plan as follows:

"The plan which we are talking through with Peking University, but on which their committee has been unable to act is as follows: Peking University will pay taxes, repairs, interest and other items in China, promising to keep the buildings in good repair. They will also pay the interest on the borrowings which we are making here. The plan which we have suggested is that they continue on this basis until September 1, 1926, when they expect to take over the property and pay the carrying charges up to that time, but after that date the North China Mission will have to be made responsible for the property and pay the interest on the indebtedness. We are trying to suggest to Peking University that 5% would be a fair rate for our Mission to pay on the balance which will be due beyond the amount which we have borrowed at the banks here. The total figure which we agreed on is \$222,395, which is the amount suggested in your letter."

You will note from this paragraph that the University is to cover all expenses up until September 1st. I am interested to note in the statement that taxes are mentioned. I am not sure whether or not you are aware of the fact that no taxes have been paid on any of these properties by the University, nor are any taxes being paid at the present time.

In regard to repairs, if the University kept the property until August 1st the summer's repairs would be no inconsiderable amount, as you are well aware, i.e., provided the University carried out such an agreement in good faith and kept the property in good and substantial repair during the summer season.

Dr. Ehnes had received my letter of October 24th when writing on January 15th, in which letter he reports having referred my suggestion to Dr. Gamswell and Dr. Eric North. He states that the Committee there is unwilling to act on this matter until they hear from you. I am wondering if you also wrote to N.Y. at the time I had my conversation with you in November, on which my suggestion to Dr. Ehnes was based, viz., that the University pay rentals on properties use for residences and that the Mission cover the interest and repair items. From Dr. Ehnes' letter I take it that they had not had at that time a letter from you. It seems to me that the matter ought to be settled definitely quite promptly, so as to avoid getting too far afield in the accounts on a wrong basis. I would suggest that a cable be sent by you to Dr. North suggesting that the matter of rentals and interest be handled as mentioned in my letter to Dr. Ehnes. I believe that the estimate we both arrived at as regards the amount of funds involved on the part of the University and on the part of the Mission still holds good, viz. that there will be very little difference whichever way the matter is handled.

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I will, however, make a great difference in keeping our accounts from getting involved as to whether the University handled the accounts connected with the rentals, repairs, etc. until the first of September of this year or whether we handled them from the first of July, 1925. You yourself will appreciate the expense involved in the matter of keeping the properties in good shape. This is one of the items mentioned particularly in Dr. Ehnes' letter, that the University promises to keep the buildings in good repair.

As stated a few days ago to you on the phone, at the end of December, after taking care of interest items that have come out from N.Y., our East City rentals account showed a deficit of \$256.88. At the time of speaking to you, however, I had forgotten that the account included an item of \$1475.04 which we were applying on account due from us in local currency to the University, viz. \$11,475.04 on these properties, and making the balance due you an even \$10,000.00. For this amount we have drawn up a note allowing the University 8% until such time as we can find the funds to finish up the balance. However, as spring comes on and the rainy season in the summer, any surplus that may appear for the moment will no doubt be more than eaten up by the repairs, if we have anything like an ordinary season as regards repairs.

We have also learned indirectly that the University is proposing to vacate a number of residences early this spring, which will reduce its rental item very considerably, and will put upon us the burden of finding tenants for these properties in order to cover the interest that is being charged against us at regular intervals in N.Y.

I trust that I have made myself sufficiently clear for you to arrive at a decision in regard to the cable I am suggesting to Dr. North. I would also refer again to one item in our conversation which is that our Committee here feel that we should continue on the plans arrived at early in the year of 1925, viz. that the properties should be turned over to us in the spring of 1925 and that from that date the University should pay rentals on such properties as were occupied for residences.

Enclosed herewith I am sending a statement of the rentals charged against the University for the half year July 1st to December 31st, 1925. Please note that the amount is \$3822. In this statement you will find listed also those properties which are being used by the University for which no rentals are charged. A few days ago in checking up on these properties I was interested to note what the rentals on the properties for which no rentals are paid for the moment would come to, and find that at a rental averaging about the same as that on the properties for which the University is paying rent, the rent-free properties would come to \$7374. for the half year. This you will note is nearly twice the amount of the rental which is being charged for the residence properties. Of course, the item does not figure in any arrangement of rentals between the University and the Mission. I felt it would be an interesting item for you to have at hand in our present discussion.

I shall be ready to go into greater detail on any of the items at any time you may have an opportunity of calling at the office here. I suggest here because all the details are here and would be available in case you should find it desirable to look further into the matter. As I am leaving here at the latest at the end of next week, I am all the more anxious to have this cleared up definitely before leaving.

Yours very sincerely,
(Signed) O.R. KRAUSE

P.U.M.C. Hospital, Peking, Feb. 17, 1926

Dear Mr. Krause:

Your letter, of yesterday was delivered to me here and read with much interest. I am undergoing a course of treatment which will keep me in bed here at least through this week, and am away from all office facilities. As I have already fully agreed to your proposal regarding adjustment of rent and interest charges between the Methodist Mission and the University in the matter of our city holdings, may I ask you to send a cable to this effect to Dr. North. Perhaps it might be worth while to sign this one. My code name in in the back of our copy of the Missions Code at the Fourth Court, but if you do not have a duplicate of this or to give greater official weight it might be better to use the code for "President of the University". Some such message as that I recommend the Trustees to accept the adjustment as set forth in your letter of --- date and come to a final settlement on this basis. Use your own judgment, however, as to how best to get the idea across, and don't trouble to refer to me before sending it. I have entire confidence in you.

Will you also add a sentence to the effect that they need not attempt to secure an additional teacher of Physics.

As to release of houses occupied by our faculty people, some are planning to move even before we close May 31st, and I am encouraging all that can to do so promptly after we close. I think most of the property will be vacated during June.

I shall hope to see you before you get away.

Yours sincerely,

(Signed) J. LEIGHTON STUART.

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NORTH CHINA MISSION OF THE METHODIST EPISCOPAL CHURCH
43 HATAMEN STREET,
PEKING

YENCHING February 23, 1926.

Rev. Morris W. Etness, D.D.,
New York City.

Dear Dr. Etness:

Your letter of December 15, 1925 reached me in January. Realizing that my letter of November 24th was at least a partial reply to yours of the 15th of December, I delayed in the expectation of receiving your word in reply to mine of November 24th. We sent a cable on February 1st in reply to your inquiry as to handling a mortgage on the East City properties here. In discussing the matter with others, our reply was as per cable "No". The principal reason for the reply is the fact that here we have no power to enter upon a mortgage, it requires power of attorney to do so. Such a power of attorney would need to go somewhat into detail and also give liberal enough powers to make it possible to handle the matter satisfactorily. The legal undertakings are between our Board and the Trustees of the University, so it seems to us far better to make such arrangement or agreement in regard to the payment of the balance there in New York, also as regards rate of interest on the same.

Paragraph No. 3 of your letter outlines the plans re handling matters while the University is still occupying parts of the property. As stated in my letter of November 24th our folks here still urge that the matter of handling the local items of rent and interest be left to us here as earlier arranged with Dr. Stuart.

In this connection, I am sending you herewith copy of a cable that has been sent to Yenching by Dr. Stuart on the matter. In this he expresses his full approval of handling rent and interest as outlined in my letter, namely, the University pays rent to our Mission on properties used as residences of staff, but does not pay rent on properties used in actual college work; that we cover the interest on our borrowed funds from these and other incomes from the East City property. Enclosed is also a letter I wrote to Dr. Stuart on the matter and a copy of his reply. I believe these will help in further clearing up the matter.

In your statement of the plan of adjustment you mention taxes. In Peking we have not paid taxes on these properties at any time; as to upkeep of property by the University, we feel that this has not been done as full as it should have been done on the part of the University; so that we should not wish such an arrangement continued.

You mention the amount agreed upon as G. \$222,398. This is correct so far as the accounts in New York are concerned; but as mentioned in a former letter there is an additional amount of \$11,475.04 in local currency due the University on these properties; this amount we are planning to handle here so as to clear the entire property account.

Referring to your letters of January 11th and 15th, the matter of registering the properties is being actively undertaken at the present time. Conferences with the authorities have resulted in assurances that there would be only the usual registration fee to pay, viz., 6.9 per cent. This is as the matter stands now. It is our plan as necessary to borrow funds to cover the additional expense. The fees will be on the values shown in our records and deeds. It will require quite a while to get all the properties registered.

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PEKING

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TRANSFER

PEKING UNIVERSITY

February 26, 1926.

The Reverend Frank D. Gamewell, D. D.,
Board of Foreign Missions of the
Methodist Episcopal Church,
150 Fifth Avenue,
New York City.

My dear Dr. Gamewell:

Some time, when you are settled, it would be a great satisfaction to the Trustees of Peking University if you would write for us a rather full statement of your recollections concerning the organization of the original Methodist School and the history of the University as you know it from your early connection with it.

The Trustees some time since took formal action requesting us to ask you to do this, and we should certainly be much delighted to have as full a statement as you might feel you could write.

Cordially yours,

Secretary,
Peking University.

EMW/L

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PEKING

TRANSFER

PEKING UNIVERSITY

February 26, 1926.

The Reverend Frank D. Gamewell, D. D.,
Board of Foreign Missions of the
Methodist Episcopal Church,
150 Fifth Avenue,
New York City.

My dear Dr. Gamewell:

Thank you for your note of February 19th advising of the release of Gift #23 to the amount of \$3,368.64, bringing the total amount of the contribution of John Doe for the Wende Divinity Hall memorial at Yenching University to the sum of \$40,000.00.

I have no doubt that in course of time the release of the other gifts will be accomplished.

You will be interested to know that I have received a cablegram from President Stuart stating that the proposed adjustment of rent, interest and the administrative arrangements in connection with the city site, as described by Mr. Krause in his letter of November 24th to Mr. Ehnes, has his hearty approval.

Cordially yours,

Secretary, Peking University.

EMH/L

P. S. At this time, I also wish to acknowledge the receipt of the payment of \$3,368.64 since this letter was first dictated.

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This copy to be filed with Mr. Ehnes Papers.

PEKING

PEKING UNIVERSITY.

INDEXED

TRANSFER

March 11, 1926.

Memorandum of Conversation with Dr. M. W. Ehnes concerning
Wallace Campus Fund Interests.

This memorandum is to record a conversation of Mr. McBrier and the undersigned held in the cafeteria at 150 Fifth Avenue in December, 1925.

In an effort to secure cash for continuing building operations the question had been raised whether it would be possible for the Endowment Account to purchase from the Plant Account an interest in the Wallace Land Contracts, the interest thereon to be applied to current accounts as regular interest on Endowment Investments. The question was raised as to whether it was Mr. Wallace's desire that all of the interest should accumulate to the capital of the fund and Mr. Ehnes expressed the judgment that Mr. Wallace would be entirely satisfied if the accumulation of interest was sufficient to bring the total Campus Fund to the figure of \$100,000, and that there was no reason why the interest beyond that should not be used in the manner suggested.

EMA
ERIC M. MORSE
Secretary,
PEKING UNIVERSITY.

EMN/G

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RECEIVED

The Peking files

PEKING

UNIVERSITY OF NANKING

TRANSFER

March 18, 1926.

The Reverend Frank D. Gamewell, D. D.,
Board of Foreign Missions of the
Methodist Episcopal Church,
150 Fifth Avenue,
New York City.

My dear Dr. Gamewell:

In connection with the action of the Board of Foreign Missions of the Methodist Episcopal Church in making the guaranteed appropriations to the universities 60% of what they were 1st year, with the hope that the 40% might be secured by designated gifts, I wish to call attention to the fact that the fiscal years of the universities end June 30th, and that for designated gifts to make up the cut which the universities will feel in their present fiscal year, it will be necessary for one-half of such designated gifts to be secured and paid to the universities before June 30th.

I am wondering whether any progress has been made in securing such gifts. It would be a very genuine help to the state of mind on the field if this could be done, particularly in the case of the University of Nanking, though, of course, in the case of the other schools also.

President Bowen has raised some money locally which he is putting in to sustain the quota, and has asked some of the Methodist members of the staff who are on furlough to try to secure further funds, but he plans to have these funds sent directly to the field, presumably because of a fear that if the designated gifts reach the Board, they will be a long time in becoming available to the University.

A representative of a Board which is interested in both Peking and Nanking has raised the question as to whether they are under any obligation to maintain their appropriation at the original level, and Dr. Endicott, of West China, has just stated that the appropriation of his Board was made on the condition that three other Boards, of which the Methodist Episcopal Board is one, should match it.

If there is any way in which Mr. Lewis, Mr. Yard, or I can cooperate in this matter, we should be most happy to do so.

Cordially yours,

Secretary, University of Nanking.

EMN/L

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PEKING

INDEXED

TRANSFER

PEKING UNIVERSITY.

April 21, 1926.

The Reverend Frank D. Gamewell, D. D.,
Board of Foreign Missions of the
Methodist Episcopal Church,
150 Fifth Avenue,
New York City.

My dear Dr. Gamewell:

The Trustees of Peking University at their September meeting expressed themselves as in favor of an amendment to Article IV of the Constitution providing for a reorganization of the Board of Managers to provide for a majority of Chinese members.

In accordance with the instructions of the Trustees, this was conveyed to the constituent Mission Boards and to the Board of Managers on the Field.

Favorable action was taken by the Board of Foreign Missions of the Methodist Episcopal Church and by the American Board of Commissioners for Foreign Missions. The Field Board of Managers has, however, returned to the Board of Trustees recommendations for the modification of the form of the amendment, and after consideration of these modifications, the Trustees at their meeting on April 13, 1926, adopted the amendment in the form stated on the enclosed sheet.

The provisions for the amendment of this part of the Constitution include the requirement that a majority of the cooperating Mission Boards shall concur. The amendment is, therefore, in order for the consideration of your Board in its revised form. We hope that the Board will find it possible to act favorably on this amendment at an early date.

I think I need not outline in this letter the considerations which have led to the making of this amendment, as you and other Methodist members of the Board of Trustees are familiar with them.

Faithfully yours,

Secretary, Peking University.

FMM/L
ENC.

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PEKING

TRANS

INDEXED

April 22, 1926.

✓ The Reverend John R. Edwards, D. D.,
The Reverend Frank D. Gamewell, D. D.,
Board of Foreign Missions of the
Methodist Episcopal Church,
150 Fifth Avenue,
New York City.

My dear Dr. Edwards and Dr. Gamewell:

A recent letter from President J. Leighton Stuart of Peking University indicated that the Methodist Mission and the Methodist Board were giving some consideration to the question of the reduction of the number of their missionaries who teach in Peking University by raising the question as to the return of Professor Breece and Professor Davis. I have from President Stuart a letter urging emphatically that they be returned. This letter was presented at the recent Annual Meeting of the Trustees of the University, and the Trustees strongly endorsed the request of President Stuart that Professor Breece and Professor Davis be returned without fail.

Professor Breece is the Head of the Department of English and has been doing very effective work. When one realizes that 164 hours per week of instruction in English are given, one realizes the importance of this department and of the continuance of its head. Furthermore, the department is not now so well manned that we can afford a vacancy, as in addition to the return of Professor Breece, we have to arrange to fill for next year three vacancies.

The return of Professor Davis is also urgent because of the fact that his associate in Geology, Professor Barbour, of necessity, next year will be handling the Department of Physics, because of the loss of the Head of the Department, and there is no one who can take the work of Professor Davis's department. Dr. Gamewell can bear testimony to the great value of Professor Davis, not only in the professional field, but also in his relationships with the students and his general services to the causes in which the Board and the University are both interested.

I understand that the approach to the problem from the point of view of the Board is altogether a financial one and because of the qualifications of the men concerned, I am sure that this is the case. It would seem, however, that the

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John R. Edwards
Mr. Frank D. Gamswell

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April 1

accident of these two men being on furlough at the time that reductions are being considered is disproportionately to the disadvantage of this University, for because of this fact, it is apparently being called upon to bear a cut which is not being spread over the other colleges - their men all being on the field.

There have been some indirect intimations that the contribution of the Methodist Board to the University might be reduced because of the presumed inadequate religious program of the University. In view of the figures and records presented in the Handbook of the Christian Colleges and Universities in China, issued in 1926, I believe that that criticism, so far as it can be justified on a comparative basis with other colleges, cannot be supported. The record given in this report shows that while 38% of the students come from Christian homes, 66% of them are Christians, and that this standing is superior to that of other institutions concerning which this question, so far as I know, has not been raised by the authorities of our church. This is not to say that the religious influence of the University is all that its own faculty and Managers desire that it should be, but I venture to hold that nowhere in China is more persistent and increased attention being given to the development of the Christian life and the Christian ideal among students in the complex intellectual life of modern China than in Peking University.

It seems to me also that there is a word to be said from the Methodist point of view which, being a Methodist, I venture to express. When one considers the long historical connection of the Methodist Church with this institution, the investment spiritual, as well as personal and financial which the church has made in it, and the influence that this institution will undoubtedly wield within the future Methodist Church in China, I, for one, cannot but feel that the Methodist influence in the University should increase, rather than decrease, and the most potent way in which that influence can be exercised in the life of the University is through the men whom the Methodist Board appoints to the staff of the University.

Already a conditional cut has been made in the cash appropriation of 40%. As there is a vacancy in the Methodist quota, the Methodist appointees upon the staff would be only three, instead of six, if Professor Breece and Professor Davis did not return. This is especially important as the University moves to its new quarters this fall and as we seek to develop there, in new and permanent surroundings, the Christian and evangelical character of the University.

All these factors, together with the definite request of President Stuart, seem to me to justify also the request of the University that Mr. D. C. Baker whom the Board already knows well, be appointed to the vacancy in the quota. Mr. Baker's demonstrated skill in the teaching of English would mean that he and Professor Breece, both Methodists, together would, because of the extended requirements of the teaching of English, have, perhaps, as large a classroom contact with the student body as any other two members of the faculty.

I may add that I have had a cablegram from President Stuart, under date of April 20th, as follows: "Return of Breece Davis is imperative".

I need not add that from still another point of view the University must look with grave concern upon any reduction in the current grants from the Methodist Board to the University. Three of the Mission Boards, the Presbyterian, the Methodist and the American Board, have steadily kept step in providing for staff and current grants, each of the three being now committed, from the point of view of the University, to six members of the staff and an annual cash grant of US\$3,500., at "two for one". The beginning of a reduction on the part of one of these Boards will, because of the cooperative nature of the arrangement, make it very difficult for the University to hold the other Boards to their full program whenever any degree of financial pressure arises.

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PEKING

Board of Foreign Missions
Of the METHODIST EPISCOPAL CHURCH

CORRESPONDING SECRETARIES
RALPH E. DIFFENDORFER
JOHN R. EDWARDS

SECRETARY-COUNSEL
FRANK MASON NORTH

ASSOCIATE SECRETARY
FRANK D. GAMEWELL
EASTERN ASIA

150 Fifth Avenue
NEW YORK CITY

CABLE ADDRESS, MISSIONS PHONE, CHELSEA 2130

PRESIDENT
BISHOP LUTHER B. WILSON

TREASURER
MORRIS W. EHRES

TRANSFER

INDEXED

April 23rd, 1926.

Dr. Eric M. North, Secretary
Peking (Yenching) University,
150 Fifth Avenue,
New York City.

Dear Dr. North:-

I write to report formally that at a meeting of the Executive Committee of the Board on the 15th instant, the following action was taken in response to your request of April 14th for the action of our Board regarding the modification of the Form of Amendment of Article IV of the Constitution of Peking University:-

"Approval given to the adoption of the amendments to the Constitution of Peking (Yenching) University, in their revised form."

I am sure that your clear, condensed statement of just what constituted the modifications, so that the members of the Executive Committee could clearly grasp its purpose, and your added statement that these modifications were really more conservative than the original Constitution, helped carry the approval vote.

With kindest regards,

Sincerely yours,

FDG
MEW

Frank D. Gamewell

0250

Board of Foreign Missions
Of the Methodist Episcopal Church

150 Fifth Avenue
New York City

SECRETARY
FRANK WALTON HORTON
TREASURER
FRANK W. DAYTON

April 24, 1926

Dr. H. L. H. Horton, Secretary
Peking University
150 Fifth Avenue
New York City

Dear Dr. Horton:

I am glad to hear that you are interested in the
mission of the Board of Foreign Missions of the
Methodist Episcopal Church. The Board is a
non-profit organization which is engaged in
the promotion of Christian missions in
foreign lands.

The Board is a non-profit organization which is
engaged in the promotion of Christian missions
in foreign lands.

I am glad that you are interested in the
mission of the Board of Foreign Missions of the
Methodist Episcopal Church. The Board is a
non-profit organization which is engaged in
the promotion of Christian missions in
foreign lands.

Very truly yours,

FRANK WALTON HORTON

RECEIVED
UNIVERSITIES
APR 24 1926
JOINT OFFICE

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CORRESPONDING SECRETARIES
RALPH E. DIFFENDORFER
JOHN R. EDWARDS

SECRETARY—COUNSEL
FRANK MASON NORTH

ASSOCIATE SECRETARY
FRANK D. GAMEWELL
EASTERN ASIA

Board of Foreign Missions
Of the METHODIST EPISCOPAL CHURCH

150 Fifth Avenue
NEW YORK CITY

CABLE ADDRESS, MISSIONS PHONE, CHELSEA 2130

PEKING PRESIDENT
BISHOP LUTHER B. WILSON
TREASURER
MORRIS W. EHNS

INDEXED

TRANSFER

May 10th, 1926.

The Rev. Eric M. North, Ph.D.
Secretary and Asst. Treasurer
Peking University
150 Fifth Avenue
New York City, N.Y.

My dear Dr. North:-

Your joint letter to Dr. Edwards and myself of April 22nd has been duly received and carefully considered. Personally I greatly regret the necessity that has led to the possible reduction of the Methodist Board quota in Peking University and the possible question regarding the return of Professor Davis and Professor Breece.

It is not necessary that I write you at length regarding the situation that has led both to consideration of reduced quota of representation and to reduced funds. You know the financial situation of the Board intimately. While it was necessary to make a reduction of 40%, we hope that the amount will be made up from special resources. Concerning this, however, we can give no definite assurance.

As regards the return of Professors Breece and Davis I think we can be reasonably sure that they will be returned. We have made tentative reservations for their outgoing based on this expectation. I am to see Bishop Grose in Washington in a few days and will take up the matter again with him and will see that he fully understands the situation from both the viewpoint of President Stuart and of yourself as one intimately familiar with the demands of the University.

Cordially yours,

Frank D. Gamewell

FDG:MEK

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Board of Foreign Missions
of the Methodist Episcopal Church

150 Fifth Avenue
New York City

RECEIVED
UNIVERSITIES
MAY 15 1926
JOHN W. ...

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PEKING

INDEXED

TRANSFER

Peking University

May 15, 1926

Mr. Van Santvoord Merle-Smith
120 Broadway
New York, N. Y.

Concerning Peking University City Site.

My dear Mr. Merle-Smith:

Dr. Ehnes has been away a good deal and we have been delayed in going over Mr. Krause's letter of February 23rd to Dr. Ehnes and of February 16th to President Stuart, copies of which were sent to you under date of April 8th. After going over the matter it has seemed to us that on the whole the best thing to do is to go forward substantially on the basis of the arrangement which they have made on the field, and we wonder whether this would not be your judgment also. As I see it, the salient points then involved would be the following ones:

1. We would go on the basis that the property changed title and the transaction was completed in the summer of 1925, rather than the summer of 1926. This is of course in accord with the technical fact that the title of the property was transferred at that time.

2. The University is to pay rent (from the date of transfer of the property, or from July 1, 1925, as the President of the University and the North China Mission may agree), for such residences as are occupied by members of the University staff other than those occupied by members of the staff supported by the Board of Foreign Missions of the Methodist Episcopal Church, the rate of rent to be approved by the President of the University and the North China Mission.

3. The University is to pay no rent for the use of such other buildings than residences on its former property as it may need to use prior to its vacating of the property and moving to the new site; the North China Mission (or constructively the Board) to be responsible for repairs, upkeep and taxes, if any, upon all the property.

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Mr. Van Santvoord Merle-Smith---2

4. The Board and Mission to take over and pay off the University's bank overdraft of Mex. \$11,475.04 on this property. This Mex. amount represents part of the original expenditure for the property which has been floated in bank balances in Peking and has never been converted into a Gold payment. It has long been understood that instead of converting this into a Gold rate and then turning around and converting it back again into Mex., the simplest thing to do was for the Mission to take over this overdraft, and, as the second paragraph of page 2 of Mr. Krause's letter to President Stuart indicates, this process has already begun.

5. The Board to pay the University interest at 5% on the balance of U.S. dollars, 5% per annum on the balance of U.S. \$97,398.15, the interest payments to begin three months after the University vacates the property.

6. The Board to give to the University notes for the amount of \$97,398.15; these notes to be of a specified term to be renewable if necessary.

With reference to the beginning of interest payments three months after the University vacates the property, it seems to me that this is a very fair thing to do, as the probability is that the University will vacate most of the property by July, and it would be impossible for the Mission to secure new tenants easily during the summer. Furthermore, this early vacating of residences reduces the cost of rentals of the University and decreases to a large extent the income of the Mission, and earlier than would be the case if the University were to occupy the property until the latter part of the summer.

What do you think of this proposition? If you approve it will you not modify the proposed agreement so that at the next conference of Dr. Eames, yourself and myself, we can come to what will be, I hope, a final understanding as to the terms of this contract.

Thank you very much for securing from Mr. Kingsley the judgment upon the investments of Peking University. This will be taken up at the next meeting of the Finance Committee. It has been my thought that as the chief criticism is as to the distribution of percentages, it might be possible to adjust this when we come to investing the very much larger amount from the Hall Estate.

I was sorry to hear the last time I was in touch with your office that you had been ill. I hope that you are now fully recovered and are in first-rate trim.

Faithfully yours,

EMM
ELH

0255

BENJAMIN B. McALPIN, COUNSEL
TALBERT W. SPRAGUE
VAN SANTVOORD MERLE-SMITH
PAUL HURLBURT SMART

SPRAGUE, MERLE-SMITH & SMART
COUNSELLORS AT LAW
57 WILLIAM STREET
NEW YORK

TRANSFER
TELEPHONE: JOHN 5330
CABLE ADDRESS: "SMARVAN"

July 20, 1926
YENCHING

Dr. Eric M. North,
150 Fifth Avenue,
New York, N.Y.

Dear Dr. North:

In order to hurry matters which have been delayed, I have drafted hurriedly a form of a contract between the Board of Foreign Missions of the Methodist Episcopal Church and Peking University covering the sale of the City Site properties. It is for your consideration and I think perhaps we had better have a talk about it before it is submitted to the other parties.

You will notice that I have had the interest on the purchase price begin to run from August 1, 1926 because I don't see, under the general agreement, why the Board should be excused from paying interest for three months after the University vacates the property, particularly since the University is apparently to pay rent for the residences from July 1, 1926 or from the date of the transfer of the property. There are arguments, of course, on both sides but I think it might be tried out in this form. The contract is somewhat vague and indefinite but it seems difficult on the information we have to treat it in any more definite fashion.

Very truly yours,

VSMS/HS
Enclosure

Van S. Merle-Smith

0256

APPROVED JOHN BROWN
CANTON, MASSACHUSETTS

WILLIAM B. SMITH & COMPANY

ATTORNEYS AT LAW
100 FIFTH AVENUE
NEW YORK, N.Y.

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UNIVERSITIES
JUL 21 1928
JOINT OFFICE

Handwritten notes:
a copy
[Illegible scribbles]

Dear Mr. [Illegible]
100 Fifth Avenue
New York, N.Y.

[Faint, mostly illegible typed text, likely the main body of the letter]

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Very truly yours,
[Handwritten signature]

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JUL 20 1928
JOINT OFFICE

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(PROPOSED)

MEMORANDUM OF AGREEMENT between the BOARD OF FOREIGN MISSIONS OF THE METHODIST EPISCOPAL CHURCH, a corporation organized and existing under the laws of the State of party of the first part (hereinafter called the "Board"), and PEKING UNIVERSITY, a corporation organized and existing under the laws of the State of New York, party of the second part (hereinafter called the "University");

W I T N E S S E T H :

WHEREAS, the Board has agreed to purchase and the University to sell all of the real estate, the buildings thereon and appurtenances owned by the University and situated within the limits of the City of Peking, China, known as "Peking University City Site"; and

WHEREAS, the purchase price based upon the original cost of the property to the University in gold has been fixed by the parties at Two hundred twenty-two thousand three hundred and ninety-eight Dollars (\$222,398), payable in instalments and on the dates hereinbelow provided; and

WHEREAS, the title to the property has already been transferred to the Board in order to facilitate contemplated loans from banks in China to the Board to finance the payments due on account of the purchase price; and

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WHEREAS, loans for this purpose have been obtained by the Board in the United States and Seventy-five thousand Dollars (\$75,000) on account of the said purchase price has been paid to the University, the receipt whereof is hereby acknowledged; and

WHEREAS, it has been agreed that the University may remain in possession of the property at its option until August 1, 1926;

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter set forth, it is agreed between the parties as follows:

1. The Board agrees to pay to the University One hundred forty-seven thousand three hundred and ninety-eight Dollars (\$147,398), American currency (the unpaid portion of the said purchase price), in New York, or at the option of the University in Peking, China, in dollar exchange, in instalments and on the dates below provided:

- \$25,000 on or before October 1, 1925;
- \$25,000 on or before January 1, 1926;
- \$97,389 on or before August 1, 1926.

It is understood and agreed that in respect of the instalment of \$97,389, payable on or before August 1, 1926, that the Board shall use its best efforts to pay this amount prior to August 1, 1926 and shall proceed with an at-

tempt to raise money for this purpose to be applied upon the said obligation in instalments and on dates from time to time to be agreed upon between the parties hereto.

2. The Board agrees that the University may, at its option, remain in possession of the said property until August 1, 1926, provided, however, that until the University surrenders possession of the said property,

(a) The University pay the taxes upon the said property which shall become due and payable during said period of occupancy. It being understood and agreed that the University, upon surrendering the possession of the said property, shall pay to the Board its pro rata share of the taxes accrued during the current tax period.

(b) The University, at its own expense, maintain the property in good condition, make all necessary repairs in accordance with the practice of the two years immediately preceding the date hereof, and carry at least the present amount of insurance upon the property and pay the premiums thereon.

(c) The University, during said period of occupancy, in lieu of rental, pay to the Board semi-annually on January 1 and July 1, interest upon each instalment of the purchase price paid to it at the rate of five and one-half per cent. ($5\frac{1}{2}\%$) per annum, computed from the date of the payment of each said instalment, provided, however, that

the purchase price having the latest maturity dates, and that if the amount of the purchase price remaining unpaid is insufficient to cover the amount of the loss not covered by insurance, the difference shall be paid by the University to the Board within a reasonable time after the determination of the amount.

3. After the surrender of possession of the said property to the Board, whether upon August 1, 1926 or on some prior date, and whether at the option of the University or on demand of the Board on account of a breach of the conditions provided in paragraph "2" above, and from the date of such surrender, the Board shall pay to the University in New York semi-annually on or before January 1 and July 1 of each year, interest at the rate of five and one-half per cent. (5½%) per annum upon that part of the purchase price remaining unpaid.

4. To secure to the University the amount of the purchase price remaining unpaid, the Board agrees to mortgage the said property to the University and forthwith to execute, deliver and register the proper documents, and to take all the necessary steps to place upon the said property a binding and effectual mortgage lien in accordance with the laws and regulations applicable thereto to secure the payment to the University of the purchase price and the interest thereon, as hereinabove provided.

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TRANSFER

November 4, 1926

*see copy of
file "Meth China"*

Dr. John R. Edwards,
Board of Foreign Missions
of the Methodist Episcopal Church
150 Fifth Avenue
New York, N.Y.

My dear Dr. Edwards:

I have to acknowledge with much satisfaction the receipt from your Board of check for \$1400., bringing the appropriation of the Board to the full level of \$3500. for the calendar year 1926, and enabling the University to credit the account of the Board with the annual appropriation in full to December 31, 1926. The University's authorities will view this action on the part of the Board with great satisfaction, both because of the effect of this upon the other boards and because of the maintenance of the interest of the Methodist Board at the full level. I do not hesitate to say that I look with apprehension upon any step upon the part of the Methodist Board or upon the officers of the Methodist Episcopal Church in China looking to a withdrawal in any degree of the Methodist constituency from the most intimate touch with a cooperation in the work of the University. The heritage of the University from the old Methodist institution incorporated in 1889 and the importance of the most complete cooperation on the part of all Christian forces in China, with a view to the maintenance of the closest touch between the Christian Church and its institutions, make us feel glad for every evidence that the Methodist Board will be in the fullest harmony and cooperation with the University.

Faithfully yours,

Secretary

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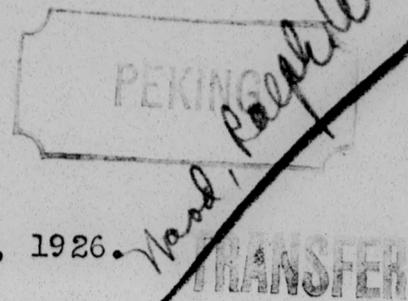
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C O P Y

Anglo-Chinese College
Foochow, China.

November 24, 1926.



Doctor Leighton Stuart,
Yenching University,
Peking.

see also
Stuart, J. R.
11/26/26

Dear Leighton:

Yesterday I sent you the following telegram in code which, translated means, "Replying to your telegram of November 19th this year impossible for myself to America immediately. Writing. Ward."

From the standpoint of the "other fellow" it may have easily seemed that I should have had no difficulty in deciding this question - or, rather these two questions, for you proposed that I join the University for an indefinitely long period or at least for a few months of service on your present emergency.

But, as is normal with most people, your invitation comes when I am in the midst of a stream of current work and obligations. The annual conference is approaching with a number of serious readjustments here in which I am somewhat involved. I agreed to remain at the Anglo-Chinese College until Mr. Havighurst's return, provided that it were not too long delayed. Foochow is in a state of unstable political and social equilibrium with the Canton forces expected soon and with dire predictions of the attacks which will be made on Christian schools in general and in this College in particular. Students who led in violence against the College in 1924-5 have not forgotten their hate. Some of them joined the southern army and are expected to be swept into Foochow with its advance. Some of their fellows were put in jail here and some were killed by the existing government. It is easy for radicals to assert that the death of these, their comrades, who had assailed the Anglo-Chinese College was due to the College and therefore to seek vengeance. Thus runs the uneasiness among students and teachers. I could not drop things at once.

Furthermore, I am in China because Bishop Brown opened the door. That is one of the chief reasons why I am here. I cannot lightly turn away from Foochow. Thus far he has been strongly opposed to my going.

Despite what can be said on the other side, there are obligations to a large group of loyal friends and fellow workers here and an organization with which I have worked for upwards of twenty years. Going to you permanently means leaving this organization for one's most active service, whatever his technical relationship may continue to be. Going to you for a short time

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means going to America for money when one's own immediate organization is in sad need of money. These things need to be carefully weighed.

Then, again, I seriously doubt the wisdom of going to America on a money raising effort at the present time if I am to be most useful along that line in the future. If I am to now enter inter-denominational money raising permanently then a delay in going to America is not so necessary, though a little longer out here will increase my usefulness in Methodist circles for any inter-denominational effort which I might undertake.

More fundamentally, I have not yet been again in China long enough for my subjective preparation for the most vigorous "home-base" service.

On the other hand I have been strongly challenged by your emergency. And I have been attracted in ways you cannot fully know by the opportunity to be associated with you and with Yenching. And there are family reasons why we very much want to go to you both for the shorter period and for a longer relationship.

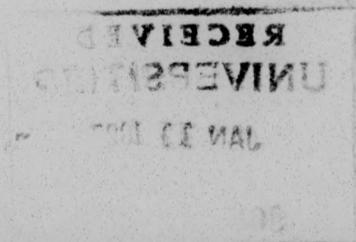
No appointment which the Bishop may make for us at the forth-coming annual conference, which begins December first, will materially alter our basis for decision. Yet I cannot fairly accept any obligations with you until he and to a limited degree my brethren here have had an opportunity to consider my going in the light of the work here in which I have accepted service.

I am trying not to be too much the victim of compulsion from immediate duties and interests. The easiest thing is to break at once from Foochow. Staying is hard.

I shall write you again soon. I felt that my telegram said all that I could say at the present moment and yet that it did not imply more than my present situation here warranted.

Fraternally yours,

(S) Ralph A. Ward



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said all that I could say at the present moment and yet that it
did not imply more than my present situation here warranted.

Tristramly yours,

(2) Ralph A. Ward

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Peking University

December 22, 1926

Dr. Frank D. Gamewell,
150 Fifth Avenue,
New York, N.Y.

My dear Dr. Gamewell:

You will recollect the difficulty in which we were last year in connection with the provision of the Bashford Memorial funds for Peking University. If I am not mistaken, approximately \$60,000. of this designated gift is still in the hands of the Board as the method by which the Board was enabled to provide for the payment last year was inadequate to yield the sum necessary. When the Board was facing the problem of making its appropriation for the year 1927 I agreed to endeavor to satisfy the University authorities with a payment of \$25,000. more with the understanding that interest upon the balance would be paid from the time the building was completed. This is because the original plan was that the fund raised should cover not only the cost of the building but some endowment for its upkeep.

We would very much desire that, if practicable, the Board would find it possible to make available the \$25,000. by action at its January Executive Committee meeting. It would be very helpful to us in financing the completion of the building if this could be done at this time.

It had been my expectation that this would have been taken up at the December Executive Committee meeting, but I judge I overlooked carrying the matter through for action at that time.

Faithfully yours,

Secretary
Peking University

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PEKING UNIVERSITY

YENCHING
December 27, 1926

Memorandum of Conversation with Mr. Ehnes, Treasurer of the
Board of Foreign Missions of the Methodist Episcopal Church

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Consideration was given to the matter of settlement by the Board for the balance of US \$97,398.15 due through the sale of the old city site of the University to the Board. Mr. Ehnes stated that the decrease of the income of the Board, together with the pledges to banks for reducing the debt of the Board, made it extremely difficult for the Board to meet the situation, and they were anxious to find some way in which the matter could be handled to the satisfaction of the University but without creating a direct or contingent obligation on the part of the Board. E.M. North stated that the University recognized the fairness of not calling upon the Board for the payment of the principal in view of the assistance which Mr. Ehnes had given to the University in securing the James Wallace Campus fund of approximately \$100,000. He stated that it was necessary for the University to have some definite form of record and agreement accepted by the Board, recognizing the debt of the Board or of the Mission to the University for the balance named, and that the University was anxious to have this acknowledgment in some form which it could use if necessary in borrowing funds or securing advances from time to time.

Mr. Ehnes stated that the Board would prefer not to give time notes or demand notes and would also prefer not to endorse the notes of the North China Mission. He raised the question as to whether, if a mortgage agreement were signed by the North China Mission, this would be satisfactory to the University. It was agreed that E.M. North would explore this matter with the Finance Committee of the University and that Mr. Ehnes would endeavor to find out from the bank the extent to which a form of agreement of that kind would be looked upon by the bank as a satisfactory substitute for collateral in making loans.

E. M. North

EMN-H

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December 27, 1926

Memorandum of Conversation with Mr. Ehnes concerning further payments
on account of the Bashford Memorial Building Fund.

TRANSFER

There remains in the Treasury of the Methodist Board approximately \$60,000. for this building. It was understood at the time the fund was raised that the balance over and above the cost of the building would be used for the upkeep of the building. Under these circumstances and because of the difficulties the Methodist Board has in making payments, E.M.North had agreed to try to work to the following program:

The Board to provide \$25,000. more in January, making a total for the construction of the building of approximately \$136,000; the Board further to provide interest at 5% on the balance beginning with the time that the building is completed, the transfer of the principal upon which this interest is paid being left to a later date.

Mr. Ehnes agreed to provide for the payment of this \$25,000. in January if the University should require it, and in any case for \$10,000. in January, \$10,000. in February, and \$5,000. in March.

E. M. North

PEKING

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