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UBCHEA ARCHIVES
COLLEGE FILES
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Yenching
Corres.
Shattuck + Hussey
1917-1921

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Doc 272

June
Twenty-second
Nineteen Seventeen.

Messrs. Shattuck & Hussey,
19 South La Salle St.,
Chicago, Ill.

Dear Sirs:

At a meeting of the Board of Trustees of Peking University held May 14, 1917, the following action was taken and was confirmed in the approval of the Minutes at the meeting held June

21, 1917. Resolved: That the Board retain the services of Messrs. Shattuck & Hussey as architects on the following basis: That they are to act as our architects and confer with any commission that may be appointed and make any preliminary sketches which may be desired by us or such commission, without remuneration except the actual disbursements, and in addition thereto, they will make complete designs and specifications and do the field superintendence of any building or buildings we may desire to construct for a remuneration of 7½% on the cost of such building, it being understood that the retaining of them for the general plans shall not bind us to retain them for the construction of any building and it being further understood that if we retain them for the construction of any buildings, it shall not bind us to retain them for future buildings.

It gives me great pleasure to convey formal intimation of this action and to request a reply from your good selves as to whether the arrangement suggested is satisfactory.

I would add also that the Trustees have appointed a Commission to pass upon the question of site, Bishop Herbert Welch, LL.D. of Seoul, Korea, being Chairman of the Commission, and the Hon. Paul Reinsch, United States Minister to China, the Rev. J. C. Garritt, D.D., of Nanking, the Hon. C. T. Wang of Peking, Mr. F. H. Hawkins, Secretary of the London Missionary Society, now in China, and Mr. Roger S. Greene of the China Medical Board of Peking, being members.

We have intimated to the Trustees that we have retained your

0676

firm as our architects and that the Commission may feel free to call upon you for architectural services such as the preparation of sketches or the submission of advice as they may desire.

We shall not feel free, however, to send this intimation until we have received word that the arrangement is confirmed by you.

Anticipating the favor of an early reply, believe me
Very sincerely yours,

Secretary.

GHJ
RLB

SHATTVCK · & · HVSSEY
ARCHITECTS · · · CHICAGO
19 · 50 · LA SALLE · STREET
W · F · SHATTVCK · — · H · H · HVSSEY

June 25th,
1917.

Geo. Heber Jones, Sec.,
Board of Foreign Missions,
Methodist Episcopal Church,
105 - 5th Ave., New York.

My dear Mr. Jones:

I have your letter of June 22nd regarding the action of the Board of Trustees of the Peking University in retaining our firm as their architects for the New University Buildings in Peking.

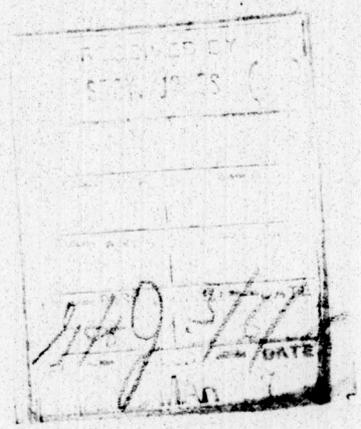
The suggested arrangement entirely meets with our approval and we will take much pleasure in working with your trustees and men in China.

We believe this University is one of the most important enterprises in China and will always consider it an honor to be connected with it. I leave for China July 5th of this year and will be prepared to make any drawings that may be required by your present committee or any future committee. In all our work we will do our utmost to make this project a success. I am,

Very truly yours,

Harry H. Hussey

HHH/RT



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COPY

Peking, China, October 8th, 1918.

Rev. William H. Gleysteen, Secretary,

Peking University,

Peking, China.

Dear Sir:-

I have conferred with the proper authorities here in Peking regarding our conference last week affecting my contract with your Board of Trustees.

They assure me that this contract cannot be cancelled by your Board without paying me for my expenses up to date and a fee or commission proportionate to the size of the work for which I was retained.

We have also examined my contract with the China Medical Board which you mentioned in our discussion. By this contract I am permitted to fulfill all contracts I had taken previous to August 1st, 1918. My contract with your trustees is positively mentioned as one of my previous obligations which I am to complete.

I am able and willing to prepare all plans required by your Board. As your contract has already put me to a large expense and as the cancellation of this contract at the present time would seriously affect my prestige here in China, I cannot agree to cancel it without a full payment from your Trustees.

I wish also to point out to you that until we do come to some understanding you are not free to enter into any other contract for plans or have plans prepared for this work without further obligating yourself to me financially.

As this commission affects only the Peking office of Shattuck and Hussey, Architects, any settlement will have to be made through this office.

If you wish to examine this contract or I can give you any additional information, I will meet you at this office at any time convenient to you.

I am,

Yours sincerely,

(Signed) Harry H. Hussey,

I am enclosing copy of contract with your trustees.

H.H.H.

0679

#13

January
~~December~~ seventh
1919.

Mr. Harry Hussey,
Peking, China.

Dear Sir:-

A cable has just been sent you as follows:
"Hussey, Peking. The Trustees of Peking University
hereby notify you that your services as architect
will no longer be required and your employment as
architect is hereby terminated to take effect immediately.
Jones, Sec'y".

I am writing to confirm by mail this cablegram
and to say that the trustees were unanimous in their
conclusion that under all the circumstances, no other
course was open before them than to take this action.

Yours very truly,

(Signed) Edward Lincoln Smith
Chairman Executive Committee.

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北京東單三條胡同
何士工程司
上海黃浦灘第四號

SHATTUCK & HUSSEY Architects
Peking China Five San Tiao Hutung East
Shanghai China Union Building The Bund
Chicago Ill. U.S.A. Nineteen S. La Salle St.

*This letter was handed to
me by Miss Newcomb
who found it in
my files old papers
4/1/19
4:20 PM*

#15

TRUSTEES OF
PEKING UNIVERSITY

Boston, March 21, 1919.

Dr. George Hubert Jones
Secretary to Board of Directors of Peking University
105 Fifth Avenue, New York City.

My dear Dr. Jones,

I have been notified by our Peking office that your Board has broken its contract of June 22, 1917 with our firm for architectural services in connection with your proposed buildings in Peking.

I am enclosing you a copy of my letter of October 8, 1918, to your Secretary in Peking, Mr. Gleysteen, a copy of which was given to Dr. Lincoln Smith while he was in Peking. This letter, I think, makes it clear that we have been at all times prepared to spend any amount of time you required in Peking and we could do so without interfering with any other contract with other parties.

As you undoubtedly are aware, our firm has been put to a considerable expense up to this date, in keeping its part of this contract. We have taken to and maintained in China a large and expensive organization in order to do your work. We have prepared plans and spent considerable time with the Government officials in Peking in protecting your property. Because of our previous contract with your Board, we have been unable to enter into other contracts which would have been very remunerative to us, and we have had to accept less desirable contracts from other clients because we had previously contracted with you for part of our time.

This makes it necessary for us to collect from you for the above expense and such profits as would be reasonable for work of the magnitude as publicly explained by Dr. Smith, while he was in Peking. We will, as pointed out in our letter of the eighth, also expect to collect the regular architect's commission for any work done on your plans up to the time you are released from this contract. Although I have not the latest data at hand, I understand

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北京東單三條胡同
何士工程司
上海黃浦灘第四號

SHATTUCK & HUSSEY Architects
Peking China Five San Tiao Hutung East
Shanghai China Union Building The Bund
Chicago Ill. U.S.A. Nineteen S. La Salle St.

Dr. Jones -2-

from our attorneys, that our business interests are under the protection of the British Government, and any action that becomes necessary for us to take will be with the assistance of the officials of the British Government.

Before leaving China, I discussed with several prominent Chinese and foreigners the possibility of your Board breaking its contract. They pointed out that individuals and organizations deliberately breaking contracts in China, without regard to the other party concerned, were even less popular in China than they are in America, and some of the Americans added that something should be done to emphasize to the missionary societies that they should keep to the intent of their contracts as closely as a business organization would, or as closely as the Chinese would, whom they are expecting to help. They were very insistent that if your Board, knowing the facts, deliberately did a thing so unjust, that we should take such action as would not only protect our firm financially, but would also show to the people in China as well as to the donors in America exactly what your Board is attempting to do.

As I know some of the members of your Board, the only explanation that I can think of that would account for such an unjust action on the part of this Board, is that you cannot be properly informed regarding all the facts. As Dr. Smith was evidently not well informed concerning the facts while he was in Peking, it is barely possible that he might have made some errors in his report to you regarding actual conditions in Peking.

To avoid against any possible misunderstanding in the matter which is so vitally important to your mission work in China, and also one in which the financial loss is liable to be large, I would suggest that you have me meet with your Board while I am in America. I am now working in Boston, and it would be rather inconvenient for me to do so, but I will meet with you

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北京東單三條胡同
何士工程司
上海黃浦灘第四號

SHATTUCK & HUSSEY Architects
Peking China Five San Tiao Hutung East
Shanghai China Union Building The Bund
Chicago Ill. U.S.A. Nineteen S. La Salle St.

Dr. Jones -3-

at any time you suggest this coming week, if notified two days in advance.

As I have made rather large investments in mission work myself, and have advised and persuaded several of my friends and acquaintances also to make large investments, I feel very strongly in this matter, and hope that I may find that some mistake has been made, as I dislike very much to have to change my opinion regarding your work, and also to have to acknowledge to my friends that I have advised them wrongly in their investments.

My address for the next week will be,
Copley Plaza Hotel, Boston.

Very truly yours,

Harry D. Hussey

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Peking
May
Twentieth,
1919.

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Dr. J. Leighton Stuart, President,
Peking University.

My dear Dr. Stuart:-

I understand that you have accepted the Presidency of the Peking University. I am sorry our first correspondence should be on rather a disagreeable subject but I want to place before you for your consideration all the data regarding a little difficulty I am having with the Trustees of your University.

Although I acknowledge I have lost considerable faith in the past management of this Institution, still I am most anxious to exhaust every means possible to secure a peaceful settlement of our difficulty as I realize a settlement along the lines I am urged to take by friends both here and in America might do considerable harm to the Institution even after the management comes into the hands of more efficient men.

During May and June 1917 I met in New York with members of the Building Committee of the University helping them to solve the problem of their building site. Before leaving America July 1st 1917, your committee submitted to me the contract for the Architectural services and the construction of the buildings a copy of this contract I am enclosing to you. At that time I was under the impression that the construction work would start in the near future as I was told to be prepared to assist the local committee with plans so I brought to China with me a large organization sufficient to do your work and the detailing of the Buildings for the Rockefeller Foundation. I was called on several times to assist the committee in small things but was disappointed in that I could not get started on the plans for the main buildings.

In August 1918 the Rockefeller Foundation was anxious to secure a larger part of my time but as your contract antedated their contract I was only able to contract for such part of my time as was not required by my contract with your Trustees. My contract with the Rockefeller Foundation was made under these conditions and with the understanding that I was to give all the time necessary to your work and give them the remainder of my time. Because of this I naturally was not able to receive as much commission from the Foundation as I

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could have if I had no contract with you. These facts were explained I believe by Dr. Houghton to Dr. Smith. I also wrote Dr. Smith of these conditions and also assured him that I was willing to give all my time if necessary to your work.

When Dr. Edw. Lincoln Smith came to China he met Mr. Murphy of Murphy and Danna Architects, and was most anxious to have his firm do your Architectural work even though they have no office here in Peking. While your Trustees were still under contract with me Dr. Smith had Mr. Murphy meet with your Building Committee.

Although Dr. Smith at that time was evidently not very familiar with our contract I could not get him to even read the contract with your Trustees or my contract with the Rockefeller Foundation. He stated to me that he did not care about any contracts as his Board had voted to change architects and that finished it. Fortunately a contract cannot be changed in this way.

About February 1st I received the cable copy of which I am enclosing cancelling the contract. I hardly think you will note that the wording of this cable is hardly a form used by business men. While in New York last February I suggested to Dr. Smith (as Dr. Jones was out of this city) that it might be advisable while I was in America to have me meet the Trustees to discuss this question. Dr. Smith objected to this and we had no meeting although I did meet several member of the committee. From them I could see that the action was in no ways unanimous nor was Dr. Smith's memory of facts any better in New York than it was in Peking.

My attorneys tell me that the contract we have with your Trustees is perfectly binding and that I can collect not only for the expense I have been put to on this work but also a reasonable profit on the entire work contemplated under the contract. As Dr. Smith made public statements while in Peking of spending millions for new buildings you can see a reasonable profit for the architectural work would mean a considerable amount of money.

Although under ordinary circumstances I would naturally feel very kindly towards any Missionary work especially as I have personally made rather large contributions to the Work in China I now feel that the action of Dr. Lincoln Smith and the Trustees has been so unjust, unbusiness like and unnecessary that I am prepared to take the advice of my attorneys and friends and collect my expenses and an amount equal to a reasonable profit if the entire work had been carried out.

0686

But as I stated in early part of letter I am writing you as I want to feel that I have first taken every possible means for a more peaceful settlement.

If you wish to verify anything in this letter I believe Dr. Henry S. Houghton of the Rockefeller Foundation Peking is familiar with the facts. I hope you will pardon me for taking the liberty of writing you this long letter.

I am,

Yours sincerely,

(Signed) Harry H. Hussey

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COMMENTS ON MR. HUSSEY'S LETTER, MAY 20, 1919.

1. The "large organization" spoken of in letter consisted of Mr. E. F. Pennett, Engineer in charge of Rockefeller work, Mr. Wirt Smith in capacity of bookkeeper and accountant, Mr. Booth, construction superintendent for Rockefeller work, and two architects, whose time was all spent on the above work. A month or so later in the fall of 1917, Mr. P. A. Sargent arrived from U. S. to take charge of mechanical work.

As time went on, other men were added to the staff at Yu Wan Fu, but all, excepting the two architects and Mr. Hermons, were on the pay roll of the Rockefeller Foundation. (C.M.F.)

To those on the work and familiar with the actual situation, the staff which Mr. Hussey brought out with him in the fall of 1917, was inadequate to even handle the work of the China Medical Board. The assertion that he (Mr. H.H.H.) lost a considerable amount of money by having brought out a large staff is very much an untruth. The entire staff, aside from the two architects above mentioned, were brought out at the expense of the C. M. P. and in fact, Mr. Hussey collected his commission on this item, and as Mr. Hussey demanded and actually collected his commission on the salaries of the staff, it can be readily seen that he made an appreciable gain by having brought out the staff.

It is a fact that Mr. Hussey had only three foreign architects on his own private pay roll, besides a few Chinese tracers and assistants, and these were the only men who were working on the details and plans of the Rockefeller job, for several months in 1917 and 1918. It is also a well known fact that these men were very much underpaid.

Had the University work started as Mr. Hussey says he so desired, he would have had to increase his staff greatly, for his plans on Rockefeller job were always behind the construction work.

2. In August, 1918, it is a well known fact that Mr. Hussey's contract with C. M. P. was cancelled, and he was given a considerable amount of money as a settlement. He retained only a slight connection with the Rockefeller work, and that in the capacity of "Advisory Architect". So his statement that the Rockefeller Foundation was anxious to secure more of his time appears slightly exaggerated, to say the least.

In the first paragraph (of page 2), Mr. Hussey actually admits that he had altered his connection with the Rockefeller Foundation. It seems absurd that he should reserve a part of his time for the University work, because his contract with the Trustees ante-dated the new contract with the Rockefeller Foundation. Good architects with efficient staffs are capable of carrying on numerous jobs at the same time and this is customary at home.

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Comments on Mr. Hussey's letter, May, 20, 1919. (2)

The assertion that Mr. Hussey could have received more commission from the Rockefeller Foundation had he not had the contract for the University is another gross exaggeration. It is a well known fact that Mr. Hussey made enough out of the Rockefeller Foundation as it was to retire from business.

The statement that Mr. Hussey "was willing to give all my time to your work" proves that his connection with the Rockefeller Foundation had undergone a drastic change, and it is absurd for him now to try to prove that he has lost commission from the Rockefeller Foundation because of your work.

3. Re what Mr. Hussey says about the breaking of the contract, this does not appear to be the usual contract, but it seems to me to be more on the line of an appointment for architectural services. There is nothing said as to the amount of the work, nor as to the time when the work would begin. Mr. Hussey was not justified in organizing a large force (even had he truthfully done so) for this work until he had had this in writing from the University authorities.

As to what he says about "spending millions", this would hardly be considered grounds as a base for assessing his commission.

The "contract" seems to be the usual one that Mr. Hussey adheres to, and prefers. His policy is to get the job some way, then trust to his ability of bluffing to win out in the end.

The appointment says "any building or buildings"--this seems to convey the idea that the original intention of the Board of Trustees was not to become involved in a binding contract, but to reserve the right to sever the connection at any time conditions might warrant such action.

SUMMARY:

The fact that Mr. H. H. Hussey lost both the American Bank and the Rockefeller Foundation jobs, as well as other works he had had promised him, for well known reasons, seems to be reason enough for the action of the Board of Trustees in cancelling their working agreement.

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(COPY)

SHATTUCK AND HUSSEY, Architects
Peking China Five San Tiao Hutung West
Shanghai China Union Building The Bund
Chicago Ill. U.S.A. Nineteen S. La Salle St.

#25

Peking
June 9th, 1919.

Dr. J. Leighton Stuart
Peking.

Dear Dr. Stuart:

I am very sorry that your letter of the 6th was not received until this morning. I hope this reaches you before you leave Peking.

We estimate that the expense of services furnished the University and the overhead cost of carrying the contract with your Trustees is \$12,000. Gold. But on account of the lack of consideration given me by your Trustees I see no reason why we should settle this account for the actual expenses to our firm. I believe we are entitled to and can collect a reasonable profit for all the work contemplated under the contract.

I have the most friendly feeling towards you, Dr. Lowry and the local staff, but I do feel that we have received most unjust treatment from the Trustees in America.

I would like very much to discuss this with you personally if you have the time while you are in Peking. My phone number is 1288 E. and office is at 1 Nan Chih Tze. I am,

Yours sincerely

(Signed) HARRY HUSSEY

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June 14,

1919

Copy
Mr. Harry H. Hussey,
5 San Fiao Hutung East,
Peking.

Dear Mr. Hussey:

My time in Peking was so occupied with other duties that I was not able to call on you.

I note that you have estimated your charges against the University as \$12,000.00. I should like to repeat my request, however, that you furnish me an itemized statement of what these charges are. This is the only way in which it seems to me that I can enter into the issue at all. In the light of these items, I might be able to make recommendations to the Trustees, but as it is, I am wholly ignorant of the reasons for this figure.

Any further questions will, of course, be taken up by you with the Trustees as they are the ones with whom you have had the previous relations.

Very sincerely yours,

JLS:R

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北京東單三條胡同
何士工程司
上海黃浦灘第四號

SHATTUCK & HUSSEY Architects

Peking China Five San Tiao Hutung East
Shanghai China Union Building The Bund
Chicago Ill. U.S.A. Nineteen S. La Salle St.

Peking February 14th. 1921.

Dr Eric North, Secretary,
Board of Trustees Peking University,
Peking, China. New York. U.S.A.

Dear Sir,-

I have been asked to again point out to your Board that the contract between the Board and Shattuck and Hussey, Architects, for the Architectural services in connection with your proposed Peking University is still in force as no agreement has been made between the two parties for the cancellation of this contract.

I hardly need to point out to you that the cable sent to me personally by your Board and signed "Jones secretary" received in Peking January 13th. 1919. stating that my services as Architect would not be longer required, has no bearing on the contract with Shattuck and Hussey, Architects.

Although we feel that this firm has already made every effort possible to have this contract settled I feel personally that I should again write you, as I am anxious that your Board should not be put to any needless expense, and point out to you that as long as this contract remains as it is our firm is entitled to the regular commission on all the Architectural work done for the buildings of this University irrespective of who prepares the plans.

Mr associates are now prepared to and are determined to spend any amount of time and money necessary to collect the money they feel is due them on this contract as they feel they have been very unjustly treated by your Board. I will be in New York about the 15th. of next April. If you should wish to communicate with me you can write me care of Mr W.M. Chadbourne of Chadbourne, Hunt and Jackel, Attorneys, 165 Broadway, New York.

I am,

Yours sincerely

Harry Hussey
Shattuck and Hussey,
Architects

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From Minutes of Trustees Meeting of April 14, 1921

The case of Shattuck & Hussey

"The Secretary presented a letter which had been received from Mr. Harry Hussey of Shattuck & Hussey, Architects.

T 1031 - VOTED: That the whole matter of conducting our dealings with Mr. Hussey be referred to the Finance Committee, with the understanding that competent legal advice be obtained, and that their steps in negotiating with Mr. Hussey be ordered accordingly.

Eric W. North, Secy."

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Memo by Mr. Wheeler

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Record of interview of July 14 - on 6.3

The case of the settlement of charges with Mr. Harry Hussey, for architectural services given to Peking University, is before the Peking University Trustees at the present time. In brief the situation is as follows:

By action of the Trustees the firm of Shattuck & Hussey were engaged as architects of the University, the official vote being recorded May 14, 1917. A copy of this vote was sent to Mr. Hussey and acknowledged by him, and stands as the contract in the case. It was worded as follows:

" That the Board retain the services of Messrs. Shattuck and Hussey as architects on the following basis:-

That they are to act as our architects and confer with any commission that may be appointed and make any preliminary sketches which may be desired by us or such commission, without remuneration except the actual disbursements, and in addition thereto, they will make complete designs and specifications and do the field superintendence of any building or buildings we may desire to construct, for a remuneration of 7 $\frac{1}{2}$ % on the cost of such building, it being understood that the retaining of them for the general plans shall not bind us to retain them for the construction of any buildings, and it being further understood that if we retain them for the construction of any buildings, it shall not bind us to retain them for future buildings. "

As representative of the firm of Shattuck & Hussey, Mr. Hussey went to China, where he had obtained various other contracts, in the fall of 1917. He set up an office in Peking, where his chief work was in relation to the Union Medical College of the Rockefeller Foundation. It is uncertain just how much actual work he did for Peking University, as the site had not yet been secured and no final decision had been made concerning the number or the type of buildings to be erected. There was much criticism of Mr. Hussey's work for the Union Medical College, and open accusations of mismanagement of funds and of extravagance in expenditure. Finally the situation developed so that Mr. Hussey was discharged from the work and a new architect was placed

0694

in charge of the building. At the same time his services were dispensed with by the American Bank in Peking, for which he had also contracted as architect. They paid him a certain amount for his services already rendered, but refused to pay the larger amount which he demanded.

In a letter dated May , 1919, Mr. Hussey wrote to Dr. Stuart, the newly appointed President of Peking University, accusing the Peking Trustees stating he was entitled to $7\frac{1}{2}\%$ on all future buildings, of unfair methods and sending in a bill for \$12,000. for services which he had rendered. Dr. Stuart replied on June , 1919, asking for an itemized statement and referring the whole matter to the Trustees in America. Subsequently letters were received at various times from Mr. Hussey, but the answer was given him that the Trustees' position had been outlined to him and that they would take no further action until he sent in an itemized account.

This was the situation when Mr. Hussey called upon Dr. North and Mr. Wheeler on July 14th, 1921.

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Memorandum concerning the conference between Mr. Harry Hussey, formerly of the firm of Shattuck & Hussey, Architects, and Dr. Eric M. North, Secretary of the Trustees of Peking University, and Mr. William R. Wheeler of the faculty of Peking University, July 14th, 1921.

Mr. Hussey called at Dr. North's office the morning of July 14th, 1921. Mr. Wheeler was invited to be present. Mr. Hussey stated that he wished to confer concerning a settlement of an account between the University and himself for architectural services rendered during the last part of the year 1917, the year 1918 and the first half of 1919. He stated that this account had run for two years and that he was very desirous of having it settled as soon as possible. Dr. North replied that he understood the delay was due not to any reluctance on the part of the Trustees to pay the just charges for his services, but his repeated refusal to send his itemized statement which might be considered and if correct paid. Mr. Hussey stated that he had never received such a request from the Peking University. Mr. Wheeler replied that he was in Peking in June 1919 and was present at a meeting of the Board of Managers there when this matter was discussed. He stated that Dr. Stuart, with the consent of the Board of Managers, had said that he would send to Mr. Hussey a request for an itemized statement of his account, a bill having been presented, with a letter from Mr. Hussey, for a lump sum of \$12,000. Mr. Hussey again stated that he never received such a request from Dr. Stuart. He repeated this statement several times during the conference.

(Note: In the Peking University files are copies of correspondence between Dr. Stuart and Mr. Hussey. On June , 1919, Dr. Stuart wrote Mr. Hussey stating that he was repeating his request for an itemized bill. On June , 1919, Mr. Hussey replied acknowledging receipt of this letter.)

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Dr. North stated that the matter then came down to a question between the word of Dr. Stuart and that of Mr. Hussey, and that the Peking University Trustees would be ^{as} much inclined to accept Dr. Stuart's word as that of Mr. Hussey.

Mr. Hussey wanted to know who were the responsible representatives of the University in order that he could confer with those who had the authority for final decision in this matter. Dr. North stated that he was Chairman of the Finance Committee, that the matter rested in the hands of the Finance Committee, representing the Board of Trustees, who had the ultimate authority in all questions affecting the University. Mr. Hussey stated that he would like very much to meet this Committee and he cited alleged attempts of Dr. Smith, Dr. Stuart and others to avoid meeting him when he desired to discuss with them the settlement of his architectural charges. Mr. Wheeler again pointed out that they had stated their position in June 1919, and were waiting for an itemized account from him. He suggested that if Mr. Hussey would send in such a statement before the next conference with him it would facilitate decision in the matter. Mr. Hussey responded in some heat stating that this would only delay matters all the more and accusing the Peking representatives of lack of good faith in bringing it up. Dr. North stated that he would arrange the meeting of this Committee and that they would take up the question with Mr. Hussey next week if he so desired.

In answer to an inquiry by Mr. Wheeler concerning the present situation of the land purchase to the west of the City, Mr. Hussey remarked that there was considerable opposition on the part of the Chinese in Peking to the University project, especially among those who had had a part in buying up the land west of the City, where the University had hoped to build. He mentioned that he was regarded by these Chinese as anti-University and that they

told him of their opposition to the University project when they would not reveal this attitude to Dr. Reinsch.

(Note: In view of the difficulty of securing a site in this section note Mr. Hussey's relation to the Chinese and to this whole matter.)

Mr. Hussey described the unbusinesslike methods of Dr. Smith in breaking off his contract with him and the remarks of certain Chinese friends of his in New York who had been witnesses of this action. He stated that apparently Murphy & Dana had gotten the job with a great deal more ease than some individuals who received contracts through the gift of a cigar. He made further remarks of the unbusinesslike methods among missionaries and stated that no one related to the University seemed to know the facts in the case or the record of events in Peking. Mr. Wheeler stated that at least they knew him and his record very well.

Mr. Hussey stated that he had always been interested in missionary work and might ^{have} help^d to obtain some money for the Peking University through some individuals that he knew. He also stated that he would wager that he had given more money to such work than either Dr. North or Mr. Wheeler. Mr. Wheeler questioned his statement.

Mr. Hussey stated his attorneys were eager to take up this case and were impatient with him for having settled another such case out of the courts. Mr. Wheeler asked if this was the case of the bank building in Peking (The American Bank) which had had somewhat the same relation with Mr. Hussey as the Peking University. Mr. Hussey replied in the negative and stated that that was merely a \$3,000. affair, while the matter to which he referred was a \$100,000. affair, and Mr. Wheeler must have known when he asked the question that this was the case.

0698

Mr. Hussey said he would rather settle the whole question by an informal conference with those in authority. He stated that he was planning to go to England; that he would not be in the City long. He mentioned next week as a possible time for a conference. Dr. North replied he would be glad to take up the question with the Committee and arrange for a conference next week with Mr. Hussey.

Mr. Hussey stated that he would hold himself in readiness to meet this Committee and would expect to hear from Dr. North concerning it.

Mr. Wheeler wrote a note to Dr. North and suggested that they make no commitment to come to a final decision at the proposed meeting. *Mr North said to Mr. Hussey that in such a conference the parties to it could only go as far toward a final decision as they in conference might be able. Mr. Hussey agreed.*

Dear Eric:

This sounds very impolite, and there is much that is irrelevant. But it may help to reveal the low situation at present.
WPM

PEKING UNIVERSITY
Peking, China.

PEITAIHO.

July 19, 1921.

Dear Dr. Stuart:-

Yours of yesterday arrived this morning. In reply I have not much to write, because I understood that Mr. Hussey did what he did rather in indication of possible plans in the future, and, of course, nothing would be in nature of contract unless and after the Trustees approved what was suggested.

A preliminary rough draft was made with a large circular building in the center, with various buildings arranged around. They were not expected to be permanently used, and as I was just going to America I wanted something that would indicate a possible outlay of the campus. The plans were simply ridiculed by the engineer on the Board of Trustees, and I had to use all the persuasion I could to make them understand that the drawing was NOT a plan to be followed- but a sketch to talk over.

Beside that drawing of the plan with a central building with others surrounding it, he made several "blue prints" from a survey that I had done privately, and which he had not part in whatever. He said to me to send to the office any time we wanted more drawings, and we could have all we needed without cost.

I should say that I not remember any other work he did, and that it would seem to me a liberal allowance for the work would be one hundred dollars. Of course he had a right to expect to get the work if the plans were approved as merely temporary and he should draw the future plans.

Very sincerely yours,

H. H. Lowry,

Extract from a letter of Dr. Edward Lincoln Smith,
July 22, 1921.

As to # 4 (The reason for severing the contract), I think the word distrust - not of architectural ability- but of the man himself answers the question.

If you wish to get at the reasons for this, I suggest that you find out just what the experience of the Rockefeller people was in connection with Mr. Hussey with building of the Union Medical College in Peking. It ought to be easy to do that through Drs. Brown and North as both are members of the Board of Peking Medical College.

The action of the Trustees of Peking University was based on the conviction that that experience was unsatisfactory and that it had demonstrated that Mr. Hussey was hard to control in the matter of expense incurred and unsatisfactory in other business ways. Having these facts pretty clearly in mind, they could not justify themselves in continuing the relation. They thought the time to change was before they fairly began. It was a pity they did not know more of the facts before they made their contract and a pity also that their contract included no provision for its termination. But they were convinced they could not go on with Mr. Hussey. They sought an amicable settlement and termination of the contract but without success. The moment the question was raised they were met with threats of lawsuit to collect commission on all the architectural work the University might ever have done. The spirit shown then and ever since has been such as to confirm the opinion that Mr. Hussey is not the man he was at first tho't to be, not one to be trusted with spending missionary money.

After inquiring of the China Medical Board, I suggest that some further light may be obtained by asking the International Banking Corporation (the National City Bank in N. Y.) of their experience with Mr. Hussey in Peking. It was reported in Peking that they employed Mr. H. but lost confidence in him and discharged him. They may be willing to confirm that statement and to give reasons.

These various reports were so generally known and believed in Peking as to make the vote of the Board of Managers unanimous in recommending a change to the Trustees.

Mr. Hussey has done some work, just how much I am unable to say. The work done has been asked of him by the Managers in Peking. I think it is mostly included in the blue-printing of the City site and in some simple designing of the temporary buildings.

Three hundred dollars would seem to me from present knowledge adequate pay and one thousand generous. That for actual work done. Just how much we ought to pay him to relinquish his claim

is another matter - perhaps another thousand. I should be glad to see the matter arbitrated by some wise and unbiased person. The Trustees might well pay what such a person thinks just but we ought not to forget that these dollars are all sacred and that no-one ought to be allowed to exploit the University at the expense of the Chinese or the missionary givers."

CORRESPONDING SECRETARY
FRANK MASON NORTH

Board of Foreign Missions
Of the METHODIST EPISCOPAL CHURCH

PRESIDENT
BISHOP LUTHER B. WILSON

TREASURER
GEORGE M. FOWLES

PROPERTY
G. A. HOLLIDAY

150 Fifth Avenue
NEW YORK CITY

ATTORNEY
WILLIAM O. GANTZ

CABLE ADDRESS, MISSIONS PHONE, CHELSEA 2130

July 27, 1921

Eric M. North, Secretary
Peking University
156 Fifth Avenue
New York

re Controversy with Shattuck & Hussey

Dear Dr. North:

Herewith is the promised report. I had a talk with Dr. Frank Mason North last night and got his viewpoint. It is important that I talk with either Doctor Brown or Doctor Barton before Friday. It is my belief that you should, at your Finance Committee meeting Friday morning, determine, if possible, a figure which you will pay in settlement of the controversy, upon condition that it is entirely settled and will leave no bad taste, but I do not think you can do this except by rule of thumb.

The wiser method, if possible, will be to get all of the information suggested by Mr. Hussey in his interview and not to attempt to get a settlement while Mr. Hussey is in New York. I expect to arrange a luncheon engagement with Mr. Hussey for Friday, at noon time, in company with Doctor Ward and he can bring in the report of the committee, if that be your pleasure, giving me such authority to reject or not, as you may decide to be best. I shall not be available on Friday morning until after one o'clock and shall go directly from my other appointment to the luncheon, if it is arranged.

Yours very truly,



WOG/CEY

Enclosure

0703

Report of Conversation with Mr. Hussey,
Concerning Architect's fees, Peking University.

I met Mr. Hussey at 10 a.m. pursuant to appointment and discussed with him the general situation, giving him an opportunity to tell his story and to reveal the points at which there was controversy and difference of opinion. It soon appeared that we did not have all of the letters, but the only one that Mr. Hussey read did not seriously change the status, being a copy of a letter of his to Doctor Smith, showing his willingness to consider adjustment.

I asked him for an itemized statement and he stated that the only difficulty was that there was one itemized statement outstanding and he did not know whether it had gone to Doctor Stewart or to Doctor Smith. We discussed the items. He claims, which claims are somewhat new to me, that:

(1) The services extending over three months time, which he rendered at Doctor Lowry's request to save the University from the result of its conflict with the Chinese, was rendered before the passing of the resolution of the trustees, May 14, 1917, upon which the contract is based, and that a claim for a considerable sum in compensation for that work was given up, upon condition that the contract for the architect was received. He says that this Chinese opposition was quite formidable and that Doctor Lowry and the University authorities were quite helpless in the face of it.

(2) The form of resolution was fully discussed before it was passed on May 14th and that it was clearly understood by Colonel Hodge and those with whom he discussed it, that the part of the resolution which I would call the third section, beginning, "It being understood" related, not at all to the architect as architect, or to the architectural commission, but to the architect as constructor and to constructors profits".

(3) The personal conversations with Doctor Jones, secretary, and Colonel Hodge, Chairman of the Building Committee, represented the urgency of his immediately proceeding to the field with a force sufficient to take care of the architectural needs under the contract.

(4) Accordingly, he took with him one man by the name of Schrock, who was not at any time employed on any other work, who was paid a salary of \$3,000. and his outgoing expenses, and who was held at all times available for this work.

(5) He had no difficulties with the China Medical Board until after he was discharged by the Peking University and had no difficulties with any bank at any time.

He admits that the other men whom he took out were employed on other architectural projects. His claims, therefore, group themselves into four or five classes as follows:

1 - Services rendered at Doctor Lowry's request to keep the Peking City authorities from cutting streets through the University grounds, involving a major portion of his time for three months, probably involving a compensation of \$2500. to \$10000.
(He admits that this, as the matter now stands, was of no benefit, but a detriment to the value of the property).

2 - Salary paid out by him to the man in Shanghai, (Mr. Schrock), which was never covered by earnings and done at Colonel Hodge's urgent request, not less than \$2500.

3- Expenses in connection with offices, committees commissions and meetings of various sorts, preparation of diagrams, amount Not fixed and no account kept.

4 - Expenses in connection with the work at Peking after resolution and before discharge, amount Not fixed and no separate account kept.

5 - Consultation with committees in relation to location of site, properties involved, suggested layouts and plans for building as a part of the general architect's services, amount Not fixed

Mr. Hussey's interpretation of the contract is clear that there were three separate lines:

- One - Preliminary, for which there was made no charge, except disbursements,
- Two - Contract, definite for the preparation of all the plans of the University at a fee of 7-1/2 per cent. of the cost and good indefinitely, not subject to revocation, and available as a claim for damages if breach made,
- Three-An optional agreement to engage Mr. Hussey's firm as construction engineers, which bound him to do the construction work, but was not binding upon the University except as definitely contracted for.

I stated to Mr. Hussey that I did not regard his inter-

pretation of the contract as valid, but I believe he has no doubt as to his interpretation being the result of the understanding that was reached by him in conversation with the Trustees and the Building Committee, prior to the passage of the resolution.

In many digressions, Mr. Hussey revealed his antagonism to the methods that are being employed in the promotion of the University. He hinted at Chinese opposition, indicated his own lapse from a pro-missionary to an anti-missionary feeling and reiterated his loss of faith in many of those who are conducting missionary enterprises in China. He stated among other things, that he was the designer of more than one half of the Y.M.C.A. Buildings in the country (U.S.A.); that he made his first two trips to China at the request of John R. Mott; that he had been working in close touch with Fletcher Brockman; that he was privileged to read the manuscript of Bishop Bashford's book before its first publication and was engaged in writing two new chapters of the book at the time of the Bishop's death, and that he received much inside information as to the working of the University plans and was kept advised of what was going on by people who were more loyal to him than they were to the University, etc..

After two hours of general consultation, I stated to Mr. Hussey that I did not think there was any chance that we could get together, that evidently he was committed to a demand on account of his services of a sum much larger than there was any possibility of getting and I thought it would be the finest kind of strategy for him to meet the situation by a straight gift of his services to the University, realizing that any compromise would be most unfavorable to him and that any litigation would not only involve enormous expense, but might not result in the recovery of any sum which would be at all a vindication such as he had hoped to get.

I reminded him that, insofar as the Methodist money was concerned, it came from poor folks in the majority, who had very little knowledge of the way in which it was being spent, but who would be seriously disturbed by the payment of even such a sum as the trustees might agree upon and that he, himself, who did not need the money could be at once generous and helpful. He was good enough to say at the close of the conversation that this presentation of the matter had influenced him to do what he did. He said at the time that he regarded his suggestion of \$12,000. as a very generous one; that the damage to him had been not less than \$40,000. and while he realized that he could not prove this latter amount, he was sure that when he accepted \$12,000. he would be making a substantial contribution. I told him that I could not agree with his premises as to what the contract meant, therefore, could not, naturally, reach the conclusion that he reached and despaired of making any counter suggestions and asked him to make a suggestion, which would represent his final view in the matter. He said that

he had thought the matter over and had concluded that he was doing all that anyone could expect and much more than he ought if he would accept \$10,000. Realizing that this was impossible, I stated so to him and was about to courteously end the interview but brought up the question as carefully as I could of the effect of litigation, the absolute need of defending against claims which would not meet with the approval of the party who was attacked and citing some instances in our own experiences, again referring to the attitude of the Chinese if he proved himself generous and made no claim whatever. This brought out the claim from him that he had been very badly slandered by representatives of the University and that the persons who had done this would crow over him in Peking, reporting that he had had no case and had withdrawn his claim.

After numerous citations of incidents, back and forth across the table, I secured one further consideration from him of the matter of compromise and he stated that without its being regarded as a starting point for further offers in compromise, but as final from his standpoint, he would take \$5,000. and release all claim, wanting to know whether I did not think that he was now more than generous as I had asked him to be. I told him frankly that considering the contract and his services from his standpoint, that I thought he was, but added that I did not agree to his interpretation of the contract and did not believe that a court would so interpret it, unless he had a body of supporting testimony which was different from anything I knew about.

I asked him, since he charged the officials with so much that was objectionable in the management of the funds, that he permit me to present this to them as his offer, if they (the official representatives) paid this or any part of it themselves, but that he would not take a cent of missionary money and told him that I would recommend it on that basis. This he refused and stated that he would not take anything from the trustees or managers under any circumstances.

After some further conversation as to his plans, it was understood that I should present this matter as his final offer and advise him.

W. O.  CANTZ

CEY

The matter of the compensation to be made to the firm of Shattuck & Hussey, for services rendered and disbursements made in connection with the building of the University buildings at Peking, was brought up and after discussion and presentation of report from William O. Gantz on his conversation with Mr. Hussey, which report is dated July 26th, the following Resolution was submitted and unanimously passed:

WHEREAS, it has always been the desire of the Trustees to pay Messrs. Shattuck & Hussey reasonable compensation for services rendered and disbursements made, consistent with the understanding of the Trustees, ^{and that} there was no obligation, except for such services ^{and disbursements} made, and

WHEREAS, request has been made, at least twice, for an itemized statement of such services and disbursements, which statement has not been received by the Trustees, and

WHEREAS, the Trustees have always been ready to act promptly upon receipt of such itemized statements, and

WHEREAS, from the reports of the Managers and Officers of the University, there exists, as between Mr. Hussey and the University authorities, a wide difference of opinion as to the actual services rendered, and the value thereof, and of disbursements necessarily made, under authority, and

WHEREAS, the Finance Committee is not now in possession of such itemized information as will enable it fairly to appraise the value of the services rendered and the disbursements necessarily made;

RESOLVED: That the matter of further negotiations for the purpose of reaching an adjustment, be committed to William O. Gantz; and be it FURTHER RESOLVED, that the Finance Committee, under its authority, will accept an offer, if made by Mr. Hussey, on behalf of Shattuck & Hussey, to settle all differences upon the payment by the Trustees, of the sum of \$ _____ and FURTHER RESOLVED, that if Shattuck & Hussey, through Mr. Hussey, do not see their way clear to accept this sum in full of all service rendered and disbursements made, they shall be notified that immediately steps will be taken, requiring probably months, to secure the necessary data upon which the Finance Committee can act in determining what would be a reasonable compensation and proper disbursements to be paid in settlement of the claim.

PEKING UNIVERSITY
File
Shattuck & Hussey

TO ALL TO WHOM THESE PRESENTS SHALL COME or may concern,
 GREETING: Know Ye, That we, SHATTUCK and HUSSEY, a co-partnership
 composed of W. F. SHATTUCK and HARRY H. HUSSEY and the said HARRY
 H. HUSSEY, individually, for and in consideration of the sum of
 THREE THOUSAND DOLLARS (\$3,000.), lawful money of the United
 States of America, to us in hand paid by PEKING UNIVERSITY, Incor-
 porated, the receipt whereof is hereby acknowledged, have remised,
 released and forever discharged and by these Presents do for our-
 selves, our executors, administrators and assigns, remise, release
 and forever discharge the said Peking University, Incorporated,
 its successor, successors and assigns, of all and from all,
 and all manner of action and actions, cause and causes of actions,
 suits, debts, sums of money, accounts, reckonings, bonds, bills,
 specialties, covenants, contracts, controversies, agreements,
 promises, variances, trespasses, damages, judgments, extents,
 executions, claims and demands whatsoever in law or in equity,
 which against it, we or either of us ever had, now have or which
 our executors, administrators or assigns can, shall or may have
 for, upon or by reason of any matter, cause or thing whatsoever
 from the beginning of the world to the day of the date of these
 presents. And I, Harry H. Hussey, do hereby bind myself to hold
 the said Peking University, Incorporated, harmless from any and
 all claims or demands on behalf of anyone connected with the firm
 of Shattuck and Hussey for any services rendered to or disburse-
 ments made for the said Peking University at any time.

IN WITNESS WHEREOF, I have hereunto set my hand and seal
 the 23rd day of November, nineteen hundred and twenty-one.
 Sealed and Delivered in the Presence of

Approved
[Signature]

Louis G. Baker

Shattuck & Hussey
 By Harry H. Hussey
Harry H. Hussey
 Individually

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STATE OF NEW YORK

COUNTY OF NEW YORK ss.:

On this 23rd day of November, 1921, before me personally came HARRY H. HUSSEY, to me known and known to me to be the individual described in, and who executed, the foregoing release, individually and as one of the partners of the firm of Shattuck and Hussey, and he duly acknowledged to me that he executed the same in the manner aforesaid for the uses and purposes therein set forth. The said Harry H. Hussey being by me duly sworn did depose and say that he was and is duly authorized to make such execution on behalf of the firm of Shattuck and Hussey.

Arthur M. Blade

NOTARY PUBLIC IN
COUNTY 1400
NEW YORK COUNTY No 211
NEW YORK REGISTER No 3104
MY COMMISSION EXPIRES MARCH 30, 1923

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