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CU
January 2, 1934.

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

I have found in practically all of the institutions with which I have raised the question of cooperation, a very strong desire to do something toward exchanges. It is very difficult, however, for me here to work out any scheme, even a tentative one, without a full knowledge of what your plans and desires are there. It is for this reason that I have left the question entirely open until I can secure from you some general outline upon which to work. The matter has been raised in our Board of Trustees here, and a committee appointed, but such a committee cannot do anything that would be satisfactory without having from you at least some basis upon which to work. I am enclosing copy of a letter from Dr. Deutsch of California which is quite typical of the general reaction which comes in almost every case.

Under present conditions none of the colleges have any funds to put into such an arrangement but it has occurred to me that possibly you might be able to work out with Mr. Dawson of the States Steamship Line, who is to be in Peking in April, some plan for transportation that might bring to Yenching from time to time some outstanding teacher from an American university who would be of real service to Yenching.

I should be very glad to have you send to us some general basal principles upon which we can work here.

With every good wish for the new year for you and the many friends in Yenching, I am,

Very sincerely.

NGG.A
Encl.

N. Gist Gee,
Vice-President.

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January 2, 1934.

Dr. Allen C. Blaisdell
International House
Piedmont & Bancroft Streets
Berkeley, California

Dear Dr. Blaisdell: -

I regret that I was unable to see you during my visit to Berkeley in November. I did have an opportunity, however, to talk with your secretary, Miss Parker, concerning possible fellowships for Chinese students at the International House for the coming year. Miss Parker suggested that literature was at that time being prepared and that she would see that we got copies of it upon its completion. I am wondering if this is yet available and if you have sent us copies.

Would you be so kind as to send a copy of this directly to Dr. Stuart at the University in Peiping and also let me have a copy for our office here.

We have been discussing transportation arrangements with some of the steamship lines and find that there are possibilities of some aid in this direction. It looks then that we might be able to secure a Yenching fellow for the University of California at a comparatively small cost if we should get a fellowship in the International House. I wonder if you would kindly discuss this with Dr. Deutsch of the University as he is very much interested in some form of exchange between Yenching and the University of California.

Very sincerely,

N. Gist Gee,
Vice-President.

NGG.A

CC JLS

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YENCHING

Yenching

January 2, 1934

President J. Leighton Stuart
Yenching University
Peiping, China

My dear Dr. Stuart:

In your letter of September 19th you asked the Trustees to give further consideration to the method of charging Dr. Gee's salary this year. At the present time this \$4,200 is a part of the deduction made ~~for~~ the general University fund for the expense of home base administration and promotion, and thereby reduces by this amount this sum available for carrying on the field program of the University. You suggest that this \$4,200 be charged against the surplus now being set aside for the work in Natural Science.

This matter was brought before our Yenching Finance Committee on November 2nd and the Committee, after discussing the matter, voted to refer it to the officers of the Board for final decision. Immediately after that meeting Mr. Barber had to leave on an extended tour throughout the west. He returned to New York only a week or two ago. As soon as he arrived we took up the matter immediately with him and with the other officers of the Board. After considering all the different elements in the situation they adopted the following resolution:-

"RESOLVED that the field authorities of the University be informed that the Trustees of Yenching University are unable to approve the suggestion that the salary of Dr. Gee be transferred from the regular budget and made a charge against the Natural Science surplus funds which are now being set aside as a reserve for future needs; and that the field be reminded that after June 30th, 1935 we have no assurance whatever that the income for Natural Science will be more than the interest accruing on the Endowment Fund of \$500,000 and that it is therefore imperative that this reserve fund now being built up must remain absolutely intact in order to provide a measure of assistance in this impending emergency."

In connection with this action, we must keep in mind that the College of Natural Science is not receiving this year income on the full \$500,000 fund. Deducted from this amount is income on the Endowment transferred by the Yenching College for Women approximately \$70,000. The remaining \$430,000 is necessarily producing somewhat less than normal rates of income, for the investment situation just now is such that it would be a grave violation of trust to risk the safety of our principal in an effort to obtain a purely temporary advantage of 1% or 2% in income. The Investment Committee is very actively endeavoring to

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to make investments which will in the course of time mean an appreciation in principal, as well as a satisfactory rate of income, but these results cannot be accomplished hurriedly.

When these considerations are kept in mind it will be realized that the surplus which we will have available for a transfer to the Natural Science reserve this year will not be large. I doubt whether it will be more than \$4,000 or \$5,000. If, therefore, we charge Dr. Gee's salary against this surplus it would be wiped out, almost completely, and would leave us facing 1935-1936, with no reserve as yet laid aside for the impending drop in income.

Very sincerely yours,

BAG:MP

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YENCHING

Yenching

January 2, 1934

Dr. J. Leighton Stuart
Yenching University
Peiping, China

INDEXED

ack - 1/14/34
in post

My dear Dr. Stuart:

We had a meeting of our Committee on the McBrier Foundation for Biblical Instruction and Christian Work on the morning of December 29th. I will be sending you a copy of the minutes in the next regular mail. But I will summarize herewith the actions taken, so as to give you the information as promptly as possible.

Financial Items. I attach hereto a statement and forecast showing the financial situation of this fund here in New York. The Committee recognized the necessity of continuing its support of Mr. and Mrs. Harry Price as was agreed to last year. After deducting this \$1500 from the funds in hand leaves us with a fund estimated at U.S. \$5129.65. Your letter of October 6th shows that you have ample funds on the field to meet the obligations you will have during 1933-34, and will probably have a balance of about L.C. \$3853.79 as of June 30, 1934. The Committee agreed, therefore, that no ~~fund~~ ^{extra} appropriation of our balance here toward the 1933-34 budget was necessary, and it was voted to request our investment Committee to make a temporary investment of approximately U.S. \$4,500 of our cash balance until this amount is required. At the present time the income on the securities in this fund is only about U.S. ~~\$1,500~~ ^{\$1,700} per year, so for the present we are spending our income much faster than it is being received.

Information requested from the field. In order to have a clear understanding of just what use is being made of this fund on the field the Committee voted to ask you to give us more detailed information as to what, specifically, the students receiving scholarships from these funds are doing in line with the definite terms under which this foundation was established. You are intimately familiar with what those terms are, so I need not repeat them. We recognize, of course, that the situation with which you have to deal is a peculiar one and we know that your own tact and judgment in handling it is far superior to that of the Committee. We would be grateful, however, if you would give us a clearer picture of just what these men receiving support from the fund are doing to advance the definite causes Mr. and Mrs. McBrier had in mind. How far, if at all, have you found it wise to inform the students either as to the exact source whence their support is coming, or at least as to the general Christian aim which the funds supporting them are intended to promote?

In the same way, will you inform us as to what specific services Mr. and Mrs. Price are able to render to the aims for which the McBrier Foundation has been created. I believe that Mr. and Mrs. Price are fully aware of the conditions of this Foundation, and of the source whence their support comes, so there is no embarrassment in discussing with them the definite contributions they

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are to make. The Committee has expressed a desire that at least once a year Mr. Price send them some report as to just what he is doing in this field.

As to Support of Dr. P. C. Hsu. The Committee reviewed with very sympathetic care your letter of November 22nd suggesting the possibility that Dr. Hsu be supported, at least in part, from the McBrier Foundation funds so as to permit his devoting his time to definite religious work among the student body. The Committee voted that if Dr. Hsu undertakes specific work among the Yenching students in line with the provisions of the McBrier Foundation, the Committee would approve the payment of whatever fraction of his salary is proportionate to the share of his time that is actually devoted to definite religious work. In doing this, however, they re-emphasized the fact that none of the income from the McBrier Fund is to be used for the payment of salaries earned in carrying on the regular curriculum of the University, even though that curriculum may be in definite religious subjects. This action in regard to Dr. Hsu's salary applies to the fiscal year 1934-35 and makes no commitment beyond that date.

Estimates for a 1934-35 Budget. The Committee voted to inform the field that they would approve the expenditure of approximately L.C.\$4,000 by the field during 1934-35, including any payment you may make toward Dr. Hsu's salary. Since we understand that you will have almost this amount on hand at the beginning of the fiscal year 1934-35, this would involve the sending out of practically no additional funds.

Possibility of Securing a man for Religious Work among Students. The committee was informed that the Y.M.C.A. is having to recall a number of its younger men on account of financial difficulties. One of the most outstanding of these seems to be Mr. Lyman Hoover, now Student Secretary of the Y.M.C.A. in Peiping. The Committee wondered whether, if Mr. Hoover is available, he might not be able to render a very fine service in Yenching, devoting himself frankly to Christian work in the student body. Whether or not Mr. Hoover will be available is still an open question that we are now discussing with the Y.M.C.A. If it develops that Mr. Hoover is available we may send you a cablegram before this letter reaches you.

Very sincerely yours,

BAG:MP

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YENCHING

Confidential

INDEXED

January 3, 1934

Dr. J. Leighton Stuart
Yenching University
Paiping, China

My dear Dr. Stuart:

Your letter of October 21st was delayed in reaching me because of my absence from the city for a number of weeks.

Immediately after my return I consulted with the Committee on Promotion, and with others, as to the continuation of our relationship with Dr. Gee.

Let me say at once that all of our Yenching Trustees are very warm and hearty in their praise of Dr. Gee's loyalty to Yenching, his devoted service, and his fine personality. In the midst of the most vexatious and disheartening conditions he has carried on in a courageous, Christian manner. The Trustees all like and respect Dr. Gee very much indeed, and wish to show him every possible consideration.

But the moment we consider our future relationships with Dr. Gee, we find ourselves confronting some major problems of policy to which the Trustees have given a great deal of serious study. We can settle this particular question satisfactorily only as we treat it in harmony with these larger issues. Yet at the same time we must, in fairness to Dr. Gee and to ourselves, reach a prompt and definite decision.

The primary question still before us is one which the Trustees have raised many times during the past eighteen months, but which is as yet unanswered. It is this:- Just what is Dr. Gee's position? Is he to be considered a responsible administrative officer of the University? Or is he merely a solicitor of funds? This question must be clarified before we can make any intelligent plans for the future.

The Trustees have on many occasions and in various ways expressed their judgment that Yenching should have a responsible and thoroughly competent administrator who will work with and under the direction of our President, and who will be qualified to take the wheel in any emergency. The urgency of the need for such a second-in-command becomes greater as Yenching grows in size and administrative responsibilities increase.

The impossibility of having our President both in China and in the west at the same time is only one of the factors that has necessitated a second individual to represent the University here in America. The need is much larger than this. There are many points at which such an officer (whom for convenience we may refer to as the Vice-President, though this need not actually be

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his title) would be of great value. When it is desirable to have the President come to America, or when he is absent from the campus on prolonged journeys in China, there should be such a Vice-President ready to carry on the burden without having to call some over-worked staff member from his other responsibilities. Within the regular administrative work of the University there are undoubtedly many places at which such a Vice-President, if he were the type of man we have in mind, could do much to relieve the President and make it possible for him to turn his attention to larger matters of University policy, relationships with staff and students, and contacts with Alumni and Chinese friends.

Then there is always the very real necessity of having a trained understudy ready to go on the stage at any moment the principal may not be able to carry on. We are constantly seeing how disastrous it is for any institution to operate as a "one man organization" without having a trained administrator ready to step in whenever illness, disability, or other misfortune befalls its executive head. This seems particularly true in China today, for I understand that several of our China colleges have suffered serious losses during the last few years when men who have had a dominant influence in building them up have had to give up their work because of ill health or other causes, and no thoroughly qualified successor for them has been available. The increasing share our Chinese colleagues are taking in the administration of the University makes it all the more necessary that whoever may in future be the chief Western administrator at Yenching (whatever title he may then hold) shall be a man who has unusual capacities and large experience, and who has already won the confidence of both the field and the Home Base constituency. (For this reason I believe that we cannot for the present think of a younger member of the staff, you once mentioned in this connection. A decade hence such a man may be the one we are seeking, but in the interim an older and more experienced man ought to be available.)

All this ties up very intimately with the problem of a Yenching representative here in America. Such a Vice-President as we have described, a man having a very real place in the organization of the University, would be the ideal person to represent Yenching in its promotional work here in America. And only this type of man can be of real use here in promotional work. This is a judgment in which both our Trustees and Mr. Hedrick heartily concur. Any man who is given some nominal title merely to conceal the fact that he is a financial solicitor for the University, is bound to lose his effectiveness in a very short time. Intimate acquaintance with the University, procurable only through years spent on the campus taking an active part in the work of the institution together with very recent presence on the field, are indispensable assets when it comes to approaching prospective donors here.

It seems, therefore, that the best solution of the problems both of administration on the field and of promotion at the Home Base is that of having a Vice-President who is chosen for the administrative service he can render to the University, as well as for his ability as a promotor. With such a man dividing his time between America and China, and with occasional visits from our President, we should be able to do our best promotional work. Through our Yenching promotional organization as already built up, together with growing assistance from the Associated Boards, we should be able to do far more effective promotional work than if we spent this same amount of money, and possibly more, in employing a man purely as a money-getter.

The most important question then is whether Dr. Gee is the man who best fits into the position we have described. If he does, we should keep him, with the understanding that it is as a real Vice-President, and not merely a solicitor. But if Dr. Gee is not the one who best fits in this position, then it is fair neither to him nor to the University to retain him. In this latter case it would be much more effective to use the salary now being paid him to secure some other man, preferably one of the present staff of the University, to carry on these larger responsibilities as Vice-President. We would like your own suggestions as to who would be the best man for these responsibilities. Dr. Galt has been frequently suggested as not only a logical man for such a position, but also one who is particularly well qualified. We presume that he would be reluctant to make any substantial shift in his present work, but with the amount now spent for a Vice-President's salary it should be possible to strengthen the work in the Department of Education sufficiently to permit his release there. But this is offered merely as a suggestion to stimulate your own thinking on this important problem.

While the question of having Dr. Gee remain for one more year for purely promotional work has not been settled in any formal way, I find that our general judgment is that this alone would not be desirable either for Dr. Gee or for the University. Before Dr. Gee ever came to America the Trustees expressed serious doubts as to whether his particular background of training and experience would fit him for the highly specialized task of raising funds in North America. The conditions of the last eighteen months have of course not given a fair opportunity for any solicitor to demonstrate his ability to secure money. But it is still the judgment of the Trustees that from the standpoint of money-raising alone, without relation to this larger problem of administrative responsibilities, they would not favor the permanent employment of Dr. Gee.

In any event, the economic conditions are such that during the next year the actual new money obtained is likely to be so little as not to justify the expense of a salary and travel. And, if Dr. Gee's relationship were to terminate on June 30, 1935, the value of contacts he would be making during the next year would be largely lost, and might in some cases produce embarrassments somewhat similar to those we experienced after Dr. Luce resigned. From the standpoint of Dr. Gee himself it would seem much more considerate to give him the opportunity at this time to seek some other type of work, than to have him remain a year longer in a position which would not help him in any way in getting established in his own field of scientific interests, and might even prove a handicap to him.

You will see that we cannot reach any final decision as regards Dr. Gee until we receive your reply to these questions we have raised above. Will you please let us know very promptly and very definitely your own personal judgment, and the general attitude on the field, with regard to this question of a Vice-President with real administrative ability, and Dr. Gee's possible relationship to this post?

Very sincerely yours,

Lynd - George I. Barber
President Board of Trustees

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COPY OF CABLEGRAM

January 3, 1934

Mr. E. D. McNeely.

STUART, YENCHING UNIVERSITY
PEIPING, CHINA

MCBRIER COMMITTEE APPROVES FIELD BUDGET NEXT YEAR AROUND
MEX FOUR THOUSAND INCLUDING THIRTY EIGHT HUNDRED FIFTY
BALANCE YOUR HANDS NEXT JUNE STOP COMMITTEE SUGGESTS
EMPLOYMENT LYMAN HOOVER MISSIONARY BASIS APPROX HALF
TIME FOR RELIGIOUS WORK YENCHING UNDER MCBRIER FUND
YMCA APPROVES WE PREFER THIS TO YOUR PROPOSAL HSU CABLE
REPLY

GARSIDE
MCBRIER

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INDEXED

YENCHING

YENCHING UNIVERSITY

January 4, 1934.

Dr. J. Leighton Stuart,
Yenching University
Peiping, China

My dear Dr. Stuart:

I enclose herewith a copy of the cablegram which we started to you by Amateur Radio yesterday. I hope that it will arrive by Saturday of this week.

This cablegram is in line with the letter I wrote you on January 2nd with reference to the meeting and the activities of our McBrier Foundation Committee. The development of the last few days have indicated that Lyman Hoover will probably have to be recalled from China unless part of his support can be secured outside the Y. M. C. A. resources. At the present time the Y.M.C.A. has been able to obtain one half of his support from a special source, but there seems no prospects of getting any more. The Y.M.C.A. would, however, be very happy to divide Mr. Hoover's time with the Yenching University, each organization paying one half of his support. We do not know of course whether such an arrangement can be worked out. From the stand-point of the University it would not be ideal, for the type of work that Mr. Hoover would be expected to do among the students at Yenching would be vastly more effective if he could devote himself wholly to this undertaking than if he were to divide his interests. But such an arrangement might be worthwhile as an experiment, with a view to securing Mr. Hoover full time a little later on if he demonstrates during this initial period that he has the capacity for this work.

The judgment of the members of the McBrier Committee is that if such a man as Mr. Hoover seems to be can be secured for definitely religious work among the students in Yenching, this will be far more in line with the provisions of the McBrier Foundation Committee than any such arrangement as you propose for Dr. Hsu. But the Committee recognizes that at this distance, and without any close contact with the trends of thought among our Chinese students, they are not qualified to reach final decisions on such questions, and must look to you for advice.

I enclose herewith a copy of the Minutes of our December 29 meeting of the Committee.

Very cordially yours,

BAG/OP

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YENCHING

Yenching

January 4, 1934

Confidential

Dr. J. Leighton Stuart
Yenching University
Peiping, China

INDEXED

My dear Dr. Stuart:

There have been some further developments since I wrote you yesterday regarding the continuation of our relationship with Dr. Gee.

Mr. McBrier tells me that he has discussed quite frankly with Dr. Gee the matter dealt with in my letter of yesterday and that Dr. Gee has expressed a very earnest desire for a final decision not later than February first. This will of course require a cablegram from you as soon as possible. It may even be necessary for us to cable you before this letter reaches you.

The situation, as it appears to me, is briefly this:- The Trustees do not favor the renewal of Dr. Gee's appointment under the present conditions where he is merely a promotional representative of the University. The only possibility of retaining him is that of making him in actual fact the Vice-President of Yenching University, spending a substantial part of his time in China and with all the responsibilities his title would denote. If the field agrees that Dr. Gee is the man for this position, and would welcome him in this relationship, the Trustees would probably favor his reappointment. (Though this is not something on which I can speak authoritatively at this time.) But if Dr. Gee is not the man for this important executive position, then our only course is to terminate our arrangements with him in as prompt and kindly a way as we can. The cable we request you to send should therefore give a clear-cut answer to this question:- Does the field favor Dr. Gee's appointment as an executive Vice-President of Yenching University with all the administrative responsibilities of that position?

Very sincerely yours,

Signed - George V. Barber
President, Board of Trustees

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INTERNATIONAL HOUSE
AT THE
UNIVERSITY OF CALIFORNIA
BERKELEY

January 8, 1934

PIEDMONT AVENUE
AND
BANCROFT WAY

Dr. N. Gist Gee, Vice-President
YenChing University
150 Fifth Avenue
New York City

My dear Dr. Gee:

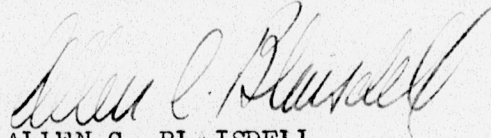
I was very sorry indeed not to have the opportunity of a visit with you when you were here a few weeks ago. I have received rather regularly the news letters from YenChing and have on my desk now a beautiful little Christmas greeting.

I am sending you a copy of our leaflet relative to the International House Fellowships for the year 1934-35. It is our intention to appoint at least one Chinese student. I have written directly to Dr. Stuart in regard to them, forwarding him several copies of the leaflet. We have set up our own committee for preliminary survey of applications for the fellowship. This committee consists of Dr. Fong Sec, whose address is 34 Scott Road, Shanghai, and Mr. Julien Arnold, whose address is #3 Canton Road, Shanghai. The actual selection will be made by our committee here. I should be very happy to receive applications from some outstanding students from YenChing. We are cooperating with the Dean of the Graduate Division of the University of California in the matter and if we can assure him of the exceptional scholastic quality of the students appointed to these fellowships he will in turn waive the non-resident tuition fee. This fee amounts to some \$150.00 for the year and we are, therefore, going to appoint only students who have attained scholastic standing that would justify this procedure. Dr. C. W. Luh, who is studying at the University of Chicago, wrote to me in regard to a Mr. Y. Hsia. I have suggested him to Dr. Stuart. I, of course, am not at all familiar with Mr. Hsia's work or scholastic standing.

We at International House are interested that the student selected shall be one who will have a friendly and open personality, that he may be an interpreter of China in our student group. From the description I have given you will assume, I am sure, that what we want is not a student but a god. Well, the nearer we can get to the finest that China has to offer, the more satisfied we will be.

With very best wishes to you for the New Year, I am

Very sincerely yours,


ALLEN C. BLAISDELL
Director

ACB:BP
Encl.

c 6 JLS

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Yenching University
Peking, China

YENCHING

(Sent by Dr. Strand
letter 1/9/34)

January 8, 1934.

To the Board of Trustees:

During the past few months I have had occasion to write you regarding the financial outlook for the College of Arts and Letters and of Natural Sciences and for the School of Religion. These communications all had special reference to the coming academic year. It is not too early, however, to bring to your attention the situation which we may be facing after June, 1935. In the case of the College of Natural Sciences, if the Rockefeller Foundation does not renew its conditional grant or we find ourselves unable to meet it, we shall presumably be left with only the income from \$500,000, this being dependent on whatever the rates of interest in America and of exchange in China will be, and probably with other charges against. This will mean the disruption of the work of the College as at present conducted and its limitation in the main to pre-medical or other relatively elementary courses. As a natural consequence the enrollment of this unit will be substantially reduced. This means increased overhead and per capita costs with reduced income from tuition fees. The College of Public Affairs (which for the present purpose will be treated as including Sociology) will by June, 1935, have ceased to benefit by the sliding grant from the R.F., and unless the present application for a renewal is approved, will be dependent wholly on Princeton contributions which have been dwindling rapidly. Until Princeton support can be restored to a figure approximating what it once was and put on a basis less precarious than at present, it is problematic as to how many of the staff can be maintained and how large an enrollment could be expected. Here again there would be disproportionate overhead and instructional costs. The College of Arts and Letters in its present depleted condition (eliminating Journalism which has its own uncertainties) has become not very much more than a division supplying instrumental and supplementary courses to the other two colleges which contain the major part of our vocational or functional training, and represent the main features of the distinctive contribution we have endeavored to make to the needs of China. The College of Arts and Letters might therefore almost be included along with Administration and Operation and Maintenance of the Physical Plant as part of a huge overhead for the other two colleges and a shrinking amount of graduate work. In the event that these two colleges will have their scope materially impaired, the question arises as to whether it would not be preferable temporarily to close the institution. A full enrollment under such conditions could scarcely be counted on or properly cared for. Standards could not be maintained. The per capita instructional costs would mount up and the overhead subject us to just criticism. Furthermore, there would be the more searching question of Why? as well as How? What advantage would there be in carrying on under such conditions, and to whom?

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One possible alternative would be that we as a temporary measure develop a senior middle school along with the remnants of our present college courses. Apart from such problems as keeping good faith with the existing Christian middle schools in this vicinity, government regulations, etc., there would be many undesirable internal adjustments.

It may be that the time has come for the Trustees to consider even more fundamental solutions. If the present controlling bodies cannot maintain a really creditable university, the question as to what other possibilities might be explored will sooner or later be forced upon us.

The Christian colleges of China will soon be falling into one or another of some such categories as the following: 1. Because of denominational backing or promotional skill or luck, success in carrying on somehow; 2. Specialization in some one field sufficiently notable to win support; 3. Maintenance of formal Christian control but with mediocre equipment and academic standards; 4. Transfer either by deliberate policy or by opportunist drifting to some type of secular management. The tendency toward 3 and 4 is already manifest in not a few formerly mission middle schools. The mention of "Christian" as against "secular" control refers to the form of organization rather than to any possible religious consequences. Under which of these categories Yenching will come to be classed is the burden of the present memorandum.

Although we have publicized our intention to raise an endowment fund in China there is no likelihood that substantial immediate relief will come from this source. The country is in desperate economic straits. Our own natural constituency is narrowly restricted and possessed of very limited resources. There are always numerous appeals being vigorously promoted. Even though the opportunity came to interest some wealthy philanthropist there would probably be the necessity for structural changes which the Trustees would hesitate to approve.

There remains therefore the constructive phase of this issue. You will be in a better position than I to judge when it will be practicable to renew our own efforts toward recovery, and what form these should take under post-depression conditions. But we are doubtless all of one mind as to the desirability of having our plans perfected without delay and our cultivation program steadily maintained. It is scarcely necessary to add anything to your appreciation of the crisis we are facing more than is contained in the preceeding paragraphs. All of us by cooperating to the utmost of our endeavor in an intensive effort first to discover and then to apply whatever personnel and process will secure results in the United States during the next eighteen months will be doing more to conserve the distinctive values which have been created at Yenching than through any other form of service to the institution.

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I have been trying to give a realistic description of the issues we shall soon be facing without allowing my own emotions to creep in, but shall at this point remove this restraint to the extent of remarking that never perhaps have the various non-monetary aspects of our affairs seemed more full of satisfaction or of promise than now.

More specifically, we may expect a decision from the Rockefeller Foundation regarding our Social Sciences by next April, probably before your Annual Meeting. If this is favorable, my recommendation would be that we proceed to concentrate on the Natural Science endowment, hoping that this vitally important unit can also be maintained without serious interruption, meanwhile making plans for renewing Princeton support of the Social Sciences and for acquiring additional resources for the other most essential features. As to my own part in this task, I am as hitherto entirely at your disposal. The chief hesitation I have in offering to spend a large part of the coming year in the States - apart from uncertainty as to general economic conditions - is in regard to making arrangements for reducing or reorganizing or closing entirely by the fateful date of June, 1935, in the event of our failing to secure the hoped for funds upon which our continued operation depends. It will be no light responsibility to provide promptly and helpfully for the teachers, foreign and Chinese, who have depended upon us, and for the students who have come here assuming our stability. We should want all such adjustments to be carried through in a way that brought no avoidable discredit to the cause for which we have been established. But as to this and other details you will be able to reach a decision in the light of future developments. As we reflect upon the anxieties and achievements in which we have all shared in the past we need not be too unhopeful that the problems we now confront will also in due time find their adequate solution.

J. L. S.

0627

General Board of Directors of the University of California
The Board of Directors of the University of California
has the honor to acknowledge the receipt of your letter
of the 10th inst. regarding the proposed change in the
constitution of the Board of Directors of the University of California.

The Board of Directors of the University of California
has considered the proposed change in the constitution of the
Board of Directors of the University of California and has
decided to recommend to the Board of Regents the adoption of the
proposed change in the constitution of the Board of Directors of the
University of California. The Board of Directors of the University of California
has the honor to acknowledge the receipt of your letter of the 10th inst.
regarding the proposed change in the constitution of the Board of Directors of the
University of California. The Board of Directors of the University of California
has considered the proposed change in the constitution of the Board of Directors of the
University of California and has decided to recommend to the Board of Regents the adoption of the
proposed change in the constitution of the Board of Directors of the University of California.

RECEIVED
UNIVERSITIES
FEB 8 1934
JOINT SERVICE

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C O P Y

YENCHING

January 9, 1934

Dear President Stuart:

I feel that it is opportune to make certain comments on the situation in regard to prospective budgets in the College of Natural Sciences. I sent you our first tentative draft for the year 1934-35 under date of December 29, 1933. You will recall that this was prepared on the basis of dropping three permanent members of the staff together with many other economies. Even with these savings there was a prospective deficit of LC\$15052. We have since learned that there was an error of G\$700 in the radio-gram from the trustees. This will increase the deficit to LC\$16802. It is not always possible to dismiss faculty without certain obligations and we may find ourselves compelled to make payments to men who have been dismissed at this time. Should such obligations arise we would have further difficulties in making ends meet.

Further reductions in personnel will remove permanent staff members who are making real contributions to our work in China. If such men leave us it is practically hopeless to expect them to return later when we obtain new funds and it is a long slow process to replace them by new staff members of equal value. Every possible effort must be made to retain these experienced and proven men and women.

If cuts are made in funds for apparatus and supplies this will result in decreased student capacity. These funds are now at the lowest point where the amount of work of the present standard can be maintained. In fact they should be increased, as the cost of all types of laboratory equipment is rising and all indications are that it is apt to do so still more. We could continue with a decreased student enrollment or we could adopt a lower standard for our work. Either alternative is faced with great reluctance. At this moment the promising youth of China are turning to Science in increasing numbers. The need is limitless and we should be in a position to meet a portion of this great need. A lowering of standards is a betrayal of trust, and perhaps our greatest contribution has been in the standards we have maintained. At first sight it would seem possible to confine our work to narrower limits but it is extremely difficult to find how to carry this further than we already have. Our graduate work is rather unique and has been the lever by which we have obtained new money. Besides we are to a certain extent under obligation to the Rockefeller Foundation to continue this. It might be possible to abandon work in industrial chemistry. But here again this seems to be a unique opportunity and a service by which we are helping to meet the real needs of the country.

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We therefore feel that we should find means to continue the work for next year on the limited scale which the planned budget would permit. If at the end of the year new funds are in sight we will have preserved our permanent staff and retained the essential parts of our work and we will be in position to move forward. If funds are not then available we would have to make drastic cuts which would place the college in about the position where it was in 1926-27, the first year that we were on the new campus. You will recall that this was a year of extreme financial hardship. There would be adequate opportunity to give warning to the faculty that they must find new positions. There would also be opportunity for major students to transfer to other institutions in order to continue their work.

I feel therefore that if further funds are available for the College of Natural Sciences such funds should be used for the year 1934-35. The College is fully aware of the possible necessity for the drastic cut at the end of that period.

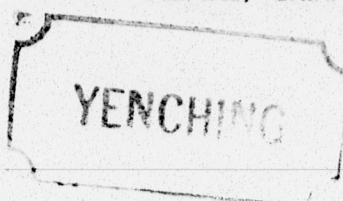
Sincerely yours,

(Signed) S. D. Wilson

0630

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT



TELEGRAPH ADDRESS
"YENTA"

January 9, 1934

date 2/15/34

Mr. B. A. Garside
150 Fifth Avenue
New York, N.Y.

INDEXED

My dear Mr. Garside:

note
Amateur Radiograms - I am enclosing a memorandum from the Chairman of the Department of Physics, Mr. Band, which is perhaps more satisfactory than my attempting to summarize it. You might add this station to the one mentioned in your letter: "W6 G H D - George Bennett, Box 25B Walnut Creek, San Francisco, California."

will report to F.C.
S. J. Chang - I regret very much that no way has as yet been found to clear up the deficit of \$256.66 on this account. If I had not already done so much toward advancing money for various University needs, I would try to clear this off myself and shall keep it in mind to be attended to when, or if, I can recover on some of the outstanding projects. Much to my regret, therefore, I request that this item be kept in suspense for a while longer.

write
Miss Mary Cookingham - She is planning to leave on furlough next summer and to spend a large part of the period in study at Columbia University with special reference to equipping herself more thoroughly for her prospective work as Treasurer or Bursar. Could you make inquiries of the American Board as to whether it would be possible for her to receive a grant from an educational fund which we understand is held for just such use as this? The claim she would have would of course be because of her connection with this institution, and this might be somewhat strengthened by the fact that the Board has been forced to reduce its help to us in other ways. //

write
Dr. Clara Nutting - As the medical officer of the Women's College this former missionary of the American Board is now on the regular budget of the Women's College. Would it be feasible for the American Board to take her again as one of their regular missionary appointees in place of the cash grant that we understand they are making to your office? The supposed equivalent in cash is actually not of the same value to us as the assignment of a person, and here again, since reductions have been made in other ways, the comparative small increased cost to the Board might be offset by the attempt to restore something of the loss to us in other ways, together with the moral advantage of the direct Board connection.

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FEB 8 1934
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Rate of Exchange on Last Year's Budget - It has seemed very strange to us that the Trustees showed such irritability and felt it necessary to pass resolutions and have you write a letter which expressed this in such violent language. Mr. Galt has made his comments as reported in a letter from the Treasurers. In my letter of July 7 I make it quite clear that this is a request. None of us can see how we could have made our recommendations in any other language or by any other process than we did, and this request could have been refused without the asperity which it seems to have generated. We in our turn could complain that the Trustees had adopted a policy of making grants in gold and leaving it to us to dispense this according to our best judgment. The issue is probably a dead one since there seems little likelihood of further benefits from exchange surplus, and there is the demand upon all of us to be sympathetic and patient because of the consequences of the depression upon over-strained nerves and haunting anxieties at both ends. We, therefore, are taking the scolding in this spirit and only ask that the Trustees try to think of us as reasonably conscious of the financial difficulties in the situation and as endeavoring to administer affairs in cooperation with them and the best interests of the institution here.

Enclosed Memorandum - With this in view I have prepared a communication which may be thought of as my report at the coming annual meeting. I hope it will be taken in the spirit in which I have tried to write it. It is an attempt to be frank and foresighted and to place clearly before the Trustees factors and trends in the situation of which I am conscious because of my observation of what is actually happening elsewhere, or can be sensed from contacts with my own colleagues here. There is nothing, therefore, intended in the nature of threats, or complaints, or grievances from me personally, and I continue ready to put every ounce of time and strength that I possess into working for Yenching according to whatever program the Trustees adopt. All that I insist on is that we do not drift along on the assumption that the institution can continue indefinitely regardless of losses in income, and that the time has come for creative, constructive, well-conceived, and rather adventurous financial efforts, or an alternative which none of us want to contemplate.

Very sincerely yours,

J. H. Johnston

JLS C

P.S. We question whether it is worthwhile to pay the postage on so many copies of the Minutes you send here. A small number for the administrative offices will be sufficient.

P.S. No.2. The enclosed letter from Dean Wilson gives further details on the problem of the Natural Science budget.

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Notes by Mr. Band

YENCHING

(Sent by Mr. Stuart)
under 1/9/34

Significant factors:

International traffic is costly, so commercial interests are jealous of amateur activity transpacific.

Previous regulations stipulated that "no international amateur exchange of messages should take place between USA and any countries objecting to such ~~inter~~-national exchanges". China has never objected. Proposed regulations as from Jan 1 1934 stipulate "It shall be absolutely forbidden to licensees of amateur stations to transmit international communications emanating from ~~third~~ parties. The above provision may be modified by special arrangements between the interested countries."

China is the only country to which this new form makes any difference, and it was devised specifically to prevent traffic handling by AC2RT. The amateurs in USA feel that for some time they can ignore the ~~fact~~ new regulations, and are fighting for non-ratification by the US govnt.

Our New York Office can help at their end to prevent ratification, but the fact that they save expense on commercial cables will weaken their fight against the commercials.

Stress should be laid on the Philanthropic purposes of our Institution; we are not a business concern but truly amateur in spirit, and it should be ethical for us to use amateur radio channels to save needless expense.

At this end we could approach the Chinese Govnt to permit our traffic activities even tho the new regulations are enforced in USA. The US commercials hope that China's Govnt is not willing to permit our work, but if formal permission is obtained we get round the new regs.; this would be the best solution, because a final reply to the commercial interests.

The only interests opposing our activities in China are spasmodic attempts by local militarists who use our frequencies (against all international agreements, by the way). International traffic is not handled by these interferers! There is no law about radio at all in China other than that private "broadcasting" stations should be ~~licensed~~. The Chinese Govnt simply hasn't faced the question of amateur radio operation, and what their reaction will be if we press them for a decision we cannot tell.

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學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT

RECEIVED

TELEGRAPH ADDRESS
"YENTA"

January 10, 1934

Mr. B. A. Garside
150 Fifth Avenue
New York, N.Y.

My dear Mr. Garside:

Handwritten: (B) also all other letters

The enclosed letter explains itself. The only relief that seems to me at all possible would be to ask our constituent mission boards each to make a special grant specifically for scholarships to theological students. If there is one thing that these boards ought to undertake to make provision for, it would seem to me to be this, and it ought to be one of the causes which would most eagerly find a response among their people. Exchange should be estimated at 2.50. Even by cancelling either the one-half salary of J. F. Li or the scholarships, this School still has a small deficit to face. Please cable as soon as possible whether or not this suggestion can have favorable consideration in order that Dr. Li can be informed without further delay as to his future.

The radio message regarding the McBrier Fund and recommending Mr. Lyman Hoover for part time, reached me last night. I have replied stating that I still much prefer the original proposal regarding P. C. Hsu. He is a Chinese which in many ways is an advantage. He has a definite status on our faculty which counts more in China than we western people quite realize, especially under present conditions of student thinking. He is quite familiar with the internal conditions, and lives here. Mr. Hoover on the other hand, would presumably continue to live in the city and would find himself hampered by the fact that he was professionally in this type of work. The chief consideration in my own mind, however, is that if, or when, the School of Religion funds permitted, P. C. Hsu would go back on that budget, and we can then find a more permanent use of the income from the McBrier Foundation, whereas otherwise we lose Dr. Hsu, perhaps permanently. It has only been my personal efforts this past week that he has not replied favorably to the presentation by Dr. Willard Lyon of the claims of the Y M C A and his own literature program. It is quite possible that Mr. Hoover would later on be our solution, and I shall not fail to keep this in mind.

Very sincerely yours,

Handwritten signature: Highton Stewart

JLS C

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RECEIVED
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FEB 6 1934
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January 13th, 1934

Mr Allen C. Blaisdell,
International House,
University of California,
Berkeley, Cal.

Dear Mr Blaisdell:-

I regret very much that I did not have an opportunity to see you when I was in Berkeley some weeks ago. I hope I shall have better luck another time, possibly this spring.

I want to thank you for your letter of the 8th which came yesterday. I am communicating with Dr Stuart also and urging him to see that we have an application put in for one of our students who comes as nearly as possible to your specifications. They are high but I know many young men in China who would qualify for the place. I hope that there will be one from Yenching to meet the case.

I am sending with my letter a copy of yours and this will give him the information which you have sent to me. Dr Stuart will be much interested in the relationships which you suggest and we realize the value of such an arrangement ^{as} a means of giving Yenching the proper standing with the International House and with the University.

With every good wish for the New Year, I am

Very sincerely,

N. Gist Gee.

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WGG wrote
Y.P. Mei re this "CU"
matter - see 3-29-34

January 13th, 1934

Dear Dr Stuart:-

I am enclosing with this a copy of a letter from Mr Blaisdell of the International House, Berkeley, Cal. He has already written you and sent you information about the fellowships available and I hope that we may be able to put in an application for one of Y.U.'s outstanding students for one of these fellowships. I believe that if one were put in that it would stand a splendid chance of being successful.

A connection begun in this way might develop into something more later on. It has been one of my definite plans to try to open up some kind of relationship between the larger institutions wherever I have gone and Yenching and it would be well for us to follow these up with a view to something larger in better years. The papers are full of better times ahead but this has not yet overcome the fear that people have of the future. It will take some time to get them back into a more normal frame of mind.

I have heard nothing more from Mr Clute, the Geology man from Los Angeles. He may have written you and failed to send me a copy of his letter as he agreed to do. I am writing him again to-day, asking him to communicate with you at once directly. In this connection, I have recently had a conversation with Prof. Barbour saying that he is to be in China for four months this coming summer doing some work for Dr Davidson Black. I know you will see him and talk over matter with him. It would be wonderful if he could be persuaded to return to Y.U. soon. Do not speak of this until it is announced by the P.U.M.C., please.

Very sincerely,

WGG

WGG

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YENCHING

Yenching

January 15, 1934

President J. Leighton Stuart
Yenching University
Peiping, China

INDEXED

My dear Dr. Stuart:

We enclose herewith a copy of the minutes of the Finance Committee meeting held on January 12th. This letter will comment on matters discussed at that meeting.

Report on \$25,000 raised check. As you know, we have been in constant touch with the National City Bank for several months in an effort to secure action on the forged check for \$25,000. Progress has not been rapid due in part to the time involved in the exchange of communications between Peiping and New York. Perhaps also there has been a tendency on the part of the men in the National City Bank to let things drift along, in order to see what would happen. About a week ago we began to bring pressure to bear from various sources to obtain some speed in action by the men in the bank responsible for settling the affair.

A month or so ago our Yenching Trustees retained the law firm of Harper and Matthews as our counsel in the case. They have been in frequent communication with the counsel of the National City Bank. Our lawyers have been of the opinion that so long as Yenching can demonstrate that the check is a forgery, it has a clear right to the \$25,000, and will ultimately win a favorable decision in any suit brought under American law. Of course Harper and Mathews make no claim to being familiar with Chinese law. We understand, however, that since Yenching University and the National City Bank are both American corporations, that any action taken by the Kinchong Bank would have to be settled on the basis of American legal procedure.

On Thursday of last week we received the cablegram from Yenching quoted on the first page of the minutes. We immediately communicated the message to our legal advisors and asked them what steps we should take. They got in touch with the counsel representing the National City Bank, and were informed that the Bank had also received a message from their Peiping Branch stating that Yenching University had offered to make a compromise with the Kinchong Bank wherein Yenching would accept 10% of the loss involved,

that is, L.C. \$2,500. This complicates the situation considerably, for ob-

viously, if both the field and the home base begin negotiations we are apt to find ourselves working at cross purposes in a manner which would defeat our case entirely. Therefore, we immediately sent you the following cable:

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"REGARDING FORGED CHECK TRUSTEES NEGOTIATING NATIONAL CITY, BASIS FULL REPAYMENT UNIVERSITY, HOPEFUL ULTIMATE SUCCESS, BANK REPORTS YOU OFFERED TEN PERCENT COMPROMISE, WHICH COMPLICATES SITUATION, WIRE FULL FACTS"

At the time of our meeting on January 12th no reply to this cable had been received. As a matter of fact, we have not had any answer as yet. The Finance Committee therefore voted to appoint a special sub-committee consisting of Mr. McBrier, Mr. Rounds, and Dr. Gee with full power to decide what course of action shall be taken with regard to the raised check. As soon as we have your reply the Committee will take whatever steps seem desirable, and we will communicate with you again.

It has been the judgment of the Trustees, of our legal counsel, and of all others with whom we have consulted, that the best position for the University to maintain, for the present at least, is one of "watchful waiting". The University's position is that it has no responsibility for this \$25,000 check, and that it is expecting the National City Bank to restore the L.C. \$25,000 credit due it. Whether the National City Bank or the Kinchong Bank is to bear the loss, or whether the loss is to be divided between the two institutions, is for them to decide. We recognize that the withholding of this \$25,000 has been a serious embarrassment to the field treasurer's account, but the National City Bank is willing to restore this credit tentatively and we could take steps to that end before the close of the fiscal year if the matter were definitely cleared in the meantime. In matters of this kind, both in the west and perhaps even more in China, there is always apt to be a good many gestures made, and possibly threats of one kind and another, largely for the purpose of driving the waiting party in the matter to make some commitment or offer some compromise. But of course the moment any commitment is made, or any compromise offered, one's case is apt to be greatly weakened. But we frankly recognize that here in New York we do not have enough facts in hand to justify any conclusion.

Rug given by Mr. Hamilton. As yet the Trustees have not actually received custody of the rug Mr. Hamilton is turning over to us in lieu of his pledge, and it is somewhat uncertain just when the rug will be transferred to us, since it is now a part of an assortment of household goods being held in a Long Island storage warehouse with charges due on it. Even when the rug is turned over the possibility of making any early sale is highly improbable. So for the present we cannot count on any actual cash on this pledge.

Clearance of Plant Accounts. Actions FC-3261 and FC-3262 were taken in accordance with the request sent from the field treasurer's office. I wrote Miss Cookingham in detail regarding these minutes last week so need not comment any further at this time.

Reallocation of Natural Science surplus. You will note that to date we have received U.S. \$9,009.90 from outstanding Natural Science pledges above the goal of \$500,000 and that approximately \$33,000 more in pledges is still outstanding. Half of this surplus is being returned to the Harvard-Yenching Institute. If all outstanding pledges are received there would thus be approximately U.S. \$20,000 available for reallocation. On page four ^{of the minutes} is set

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forth a list of the four conditional gifts which the Committee felt were most deserving of consideration in making this reallocation. You will note the actions taken.

By action FC-3263 the Finance Committee informs President Stuart and the Board of Directors that the conditional gift of U.S.\$1,000 which you are now holding on the field will not be required to complete this Natural Science endowment fund and that the field is therefore free to use it for the special purposes indicated by the donors of this fund. By this action the Yenching Trustees relinquish any claim on this \$1,000 and leave it entirely in the hands of the Board of Directors.

By action FC-3264 we are asked to confer with Mr. Henry Luce to ascertain his wishes in regard to his gift of \$5,000. You are already familiar with his hope that he may be able to make this the initial payment on a more substantial gift to the University for some objective in honor of his father. We will try to get in touch with Mr. Luce in the near future and ascertain his wishes.

When the two above objectives have been cared for there will remain a total of not more than U.S. \$15,000 to be received from outstanding pledges. It was the judgment of the Committee that this should be restored to Yenching Colleges for Women to replace as much as possible of the endowment funds, approximately U.S.\$70,000, which they have turned over to us.

Support of the School of Religion. The Committee gave very careful consideration to President Stuart's and Dean Chao's letters telling of the urgent financial needs of the School of Religion. We reviewed all of the correspondence and conversations with Miss Munger, and found that nowhere, so far as we could discover, had she expressed any definite desire that her \$50,000 gift be allocated to the School of Religion. Nor have any promises been made by the Trustees either to Miss Munger or to the field, that such an allocation could be made. The question of setting aside income from the Natural Science Endowment for the benefit of the School of Religion, covering all or part of Miss Munger's \$50,000, was also considered. In the judgment of the Committee we would not have any right to make such a transfer of income, for it would be an arbitrary diversion of money from a designated fund for an entirely different object.

The Committee is, however, very solicitous as to the future support of the School of Religion, and by actions FC-3266 and FC-3267 takes preliminary steps looking to conferences with the corresponding secretaries of the Methodist Board with reference to the support of the School of Religion in Yenching University, and later on with reference to the whole problem of the training of religious leaders throughout China.

Journalism overdraft. The discussion and action on page five of the minutes with regard to Journalism funds shows that we are now facing squarely the situation in our Journalism finances which has been impending for some time. We had hoped that our Journalism resources would be adequate to carry us through June 30th, 1934, at least. But two things which have happened within the last year have made important changes in our calculations.

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Dr. J. Leighton Stuart

1/15/34

The item of Mr. Nash's travel expenses in returning to China last summer, and the amount we must set aside to bring him back this year if there is no further support for his work, totals around U.S.\$4,000. Also there has been a marked falling off in collections on outstanding Journalism pledges, and it now appears that we will have around \$4,000 of uncollectible pledges. Thus far the Missouri-Yenching Foundation has not begun operation, and it appears that it is not very hopeful that there will be any early developments. Dr. Gee has been following up this matter, and is one of the members of the proposed Foundation, but he states that as yet very little has been accomplished. So far as I can judge, there does not seem much likelihood of any early activity by the Foundation which will produce any large new income. By action FC-3268 (incorrectly numbered FC-3266 on the copy already sent to the field) we are instructed to inform both the field and the Missouri-Yenching Foundation with regard to the state of the Journalism finances and to point out that the Yenching Trustees are not in a position to assume any liability beyond the actual cash received for this purpose. When the treasurer of the Yenching Trustees dispenses all the Journalism funds in his hands he will not be able to make any further payments on the Journalism account.

*ack
by
G. J. J.
1/11/34-19*

Gift of \$1,000 from Mr. Lloyd. In accordance with the wishes of Mr. Lloyd, this gift of U.S.\$1,000 is being transmitted to the Board of Directors at this time. In taking this action the Trustees are placing the amount unreservedly in the hands of the Board of Directors, and are not including this \$1,000 in the capital funds which the Board of Trustees are responsible for.

We have discussed at some length the best procedure for getting this U.S. \$1,000 into the hands of the Board of Directors. The exchange situation is so uncertain just now that any course we pursue may prove to be the wrong one. However, President Roosevelt's message to Congress today seems to indicate pretty clearly that the price of silver is apt to rise still higher. Before this message came out this morning I consulted with the foreign exchange experts around New York, who have been in direct touch with Washington and have had advance information as to the news that became public at noon. They strongly advised that we take advantage of the rate prevailing at that time and make our purchase immediately. Therefore, we purchased a draft at the rate of 35-1/8, or Paiping L.C.\$2,346.98. I am enclosing this draft herewith in Mr. Tsai's copy of this letter. I sincerely trust that this course will prove to have been the wise one.

Will you please send us information in due course as to the receipt of this \$1,000, so that our records of the transaction will be complete.

As a matter of general interest our Trustees would also welcome more definite information as to how our Board of Directors is organized for receiving and investing a fund of this nature. What committee of the Board

of Directors has responsibility for investments, and what is the personnel of that Committee? We ^{all} earnestly hope that during the next few years there will be much work for such a committee.

We enclose herewith a copy of the letter with which Mr. Lloyd remitted his \$1,000 gift, so that you may know the exact conditions under which he gave it.

0644

Dr. J. Leighton Stuart

1/15/34

✓ Interest on Wheeler Chapel Fund. Four actions on page six of these minutes deal with the matter of the Wheeler Chapel Fund. You will note that the Committee has followed out as closely as possible the recommendations of both President Stuart and Mr. Wheeler. (We enclose a copy of Mr. Wheeler's letter for your information.) The Committee has, however, ^{clar} qualified one aspect of the matter which is not specifically referred to in either Dr. Stuart's letter or Mr. Wheeler's letter. That is, the fact *that* the U.S.\$6,250 of the Wheeler Chapel money came from the Laura Spellman Rockefeller Memorial fund. We would not be within our legal rights to take this part of these funds and place it in trust for Mrs. Wheeler. The only portion we can properly use in this way is the remaining 84% of the fund given by Mrs. Wheeler and two of her children.

You will note that the Board of Directors is given authorization to invest the funds held in China "in such readily marketable securities as the Directors may choose in consultation with Mr. W. R. Wheeler." The reason for mentioning marketability is that it is quite possible, under these fluctuating conditions on exchange, that a situation may arise which would make it desirable to transfer these funds back to America for investment here. This is contemplated in Mr. Wheeler's letter on the subject.

We must clear with Mr. Wheeler the question of interest on the \$5,000 loan which the Trustees gave him in 1932 before we can discuss intelligently the allocation of the income received on the field and here in New York. We will send Dr. Stuart a copy of any communications which the sub-committee appointed by action FC-3273 may send.

Very cordially yours,

BAG:MP

Copy to Mr. T. M. I.

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YENCHING

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January 15, 1934.

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

Your letter of December 18th and enclosures have been received.

I have just seen Dr. Needham of Cornell and he tells me that Dr. Wu is making splendid progress in his work and making definite plans now to return to Yenching for the Fall. I have not been able to see him since his arrival but hope that I will be here in June as he comes through on his way to Europe.

Plans are being made for my return to the west coast, going first to San Diego and Los Angeles, with the hope of trying to make some contacts there which will yield us some funds as soon as the pick-up in affairs begins to have its effect. I am afraid that this early in the Spring will be a bit too early for the upward trend which we feel here to have reached the coast. People are still uncertain and are not likely to give money to things as far away as China until conditions here become a bit more stable.

We are much encouraged by the success of your undertaking to raise money in China. We hope very much that the students will secure their \$400,000.

Further negotiations with Mr. Scott are awaiting a reply from you concerning definite plans. Possibly it would be wisest to get Mr. Scott in touch with Mr. Gunn when he arrives. I shall discuss this with the people in the office.

The Mr. Jones who is coming to China is not the man who has charge of the Failing Estate, but he is his son, and any little favor shown him will doubtless react on his father. The real man responsible for action in the case, however, is a lawyer, Mr. Cabell.

With kind regards and best wishes, I am,

Very sincerely,

NGG.A

N. Gist Gee

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YENCHING

INDEXED

Yenching

January 16, 1934

President J. Leighton Stuart
Yenching University
Peiping, China

My dear Dr. Stuart:

A few days ago Dr. Jenney came to the office and reported on a visit he had just made to Miss Jessie Munger. It is Dr. Jenney's hope that Miss Munger will give Yenching this year a contribution amounting to about 20% of the income she will have available for philanthropic contributions. How much this will amount to is of course undetermined, but Dr. Jenney hopes that Yenching's share will be approximately \$10,000.

Dr. Jenney believes that Miss Munger will give this \$10,000 without any specific designation. But he also feels quite strongly that if we have any hope of Miss Munger repeating this contribution from year to year it will be necessary for us to use the amount in some way that will catch and hold her warm personal interest. He states that she is very definitely interested in young women, and in the development of character rather than purely academic training. He suggests, therefore, that if we can devote this year's gift, either directly or indirectly, to some particularly worthwhile objective related to the training of Chinese young women, it is quite likely that Miss Munger will repeat her gift ^{from} year to year.

Dr. Jenney asks me to convey to you the following specific suggestion:- That as soon as you receive word that Miss Munger has paid this contribution, in whole or in part (but not before) you write her a letter describing in as interesting a way as possible the work for young women which this gift will help to make possible. Dr. Jenney recognizes quite clearly that it may not be at all possible to say that this particular gift and no other, is actually used for the specific piece of work you describe. He says that matters of adjustment within the budget, and reallocation of funds to equalize the support for all departments of the University, are matters in which Miss Munger is not interested and that it will be quite sufficient if we can simply say that her contribution is going in a definite way to make possible the work we are describing to her. Dr. Jenney also says that in this letter we should not specifically ask Miss Munger to renew her contribution from year to year, though the tenor of the letter should be such as to encourage her to do so.

Dr. Jenney further suggests that just as soon as we receive a check from Miss Munger, (which may be either for the full amount of her contribution or else half of the amount) we send you a cable immediately. Upon receipt of this cable you can then send your letter to Miss Munger so she will receive it about a month after her payment is made. We will

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1/16/34

be glad to send you such a cable as soon as any check from her comes in.

Having now communicated Dr. Jenney's message let me add a word of caution from the standpoint of the Treasurer's office. This gift from Miss Munger is not yet in hand. We have no written pledge from her. We can not count this as assured income until the amount is actually in hand. We should not begin to make any new plans for spending \$10,000 or \$5,000 or even \$1,000, unless and until these funds are actually in hand. We have had too many unfortunate experiences resulting from the failure to receive gifts which were already spent in the expectation that they would be received in due course to make any further mistakes along that line. We earnestly trust that Dr. Jenney's hopes are justified, but it will be time enough to begin spending this money when it is actually in hand.

Very cordially yours,

BAG:MP

0649

INDEXED

YENCHING

Shanghai,

January 22, 1934

Ack 3/7/34

Mr. B. A. Garside,
150 Fifth Avenue,
New York City.

Dear Mr. Garside:

I am writing to report to you the action and attitude of the Council on Christian Higher Education insofar as it affects the statement presented by Yenching University. This had been mimeographed and included in the material supplied to the delegates, and came up for discussion early in the meeting. Mr. Cressy will doubtless send you a copy of the official action passed, which was a request that our Faculty Executive Committee and Board of Managers reconsider the position taken.

Since, however, this position was not hastily arrived at, and since nothing seems to us to have happened at this meeting of the Council to change it, it can be assumed that the action of the Council will have no effect. It will, of course, be presented to both bodies and the Trustees may, if they wish, delay their own action until this formal procedure has been completed; or this letter may be taken as a report to the Trustees, confirming the original action in the light of the results of this meeting of the Council.

The spirit of the Council's members was excellent, and there is apparently a growing realization that some further steps in correlation must be effected. Despite the fact, however, that the Associated Boards had met last April, and there had been not a few months in which the regions especially mentioned as requiring further adjustments could have acted accordingly, virtually nothing was reported in this direction. There are some developments taking place between the University of Nanking and Ginling College, which, although primarily due to financial exigencies, do indicate some readiness for more genuine consolidation; and this will probably be fostered by the enforced adjustments in progress. This is, therefore, all to the good.

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Page Two
January 22, 1934
To - Mr. B. A. Garside

Nothing substantial was reported from Fukien, and the report from the East China group gave convincing evidence of the hopelessness of any intention thus far so to relate these institutions as to justify any presentation to the American public of a joint campaign on the assumption that this represents any really comprehensive and well coordinated scheme. The reference to Cheeloo by the Associated Boards was disapproved, and is an instance of the embarrassment inherent in such a body as the Council taking an action to which one of its members makes objection. This is accentuated by the traditional instincts of the Chinese in facing such an issue. Despite, therefore, a general spirit which is reassuring, and a patient determination to continue efforts toward correlation, and the evidence of both of these in the reports which will reach you officially, I am compelled to insist that nothing occurred which would lead us to change the statement we presented.

It was difficult to make clear our position without causing misunderstanding, and most of what I said was in the attempt to clearaway these misconceptions. We have no intention of withdrawing from the Council or even from discussion of the correlated program when Yenching is involved - still less from the Associated Boards. All we ask the Trustees to do is to withdraw from a joint financial campaign which we feel is unjustified if on the underlying assumption that it represents an appeal for a program of Christian Higher Education so well integrated and so free from needless waste and duplication that we have a right to ask for its adequate support from the American contributing public. It was urged in the meeting that the present effort is at present educational and promotional rather than directly financial, and our reply was that it is precisely for this reason that we object to it.

The material which has reached us implies that the ten colleges concerned all have a place essentially as they are now being conducted. Furthermore, the fact that this campaign has actually been inaugurated is unquestionably encouraging the Executives in the illusory hope that their financial needs and ambitions are in process of not only being approved but provided for. This tends to aggravate seriously the already great difficulty of enforcing adjustments at this end. It is, therefore, from our standpoint, a moral issue; and on this ground we earnestly hope that the Trustees will assist in helping forward the only presentation that seems to us defensible by temporarily withdrawing from the campaign as it has already been projected.

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Page Three
January 22, 1934
To - Mr. B. A. Garside

Furthermore - regard it as sordid if you will - the relatively large amount of money that Yenching is putting into a campaign year after year, to which we on the field object, under delays for which we are in no way responsible, and in the face of disastrous shrinkage in resources which is seriously impairing the work that we have attempted to maintain, is a further consideration that weighs with us very strongly. If we felt that this money was really contributing to the interest of Christian Higher Education in China as a whole, we would suffer the loss without complaint and even with hearty endorsement, but when it injures by so much the work we are committed to carry on and at the same time seems to us actually to hinder the larger interests involved, we plead with the Trustees to join with us in an action which we are thoroughly convinced will in the end help accomplish more effectively the objects in view.

Nothing in our statement was challenged, and the only question raised concerning it was as to the feasibility of appointing "a competent and authoritative body". Quite a little time was spent on this subject, but we urged that until the institutions concerned agreed to take the necessary step of wanting such a body and being ready to abide by the consequences, the details of procedure were rather irrelevant. Several speakers expressed hearty endorsement of the ideals underlying our statement but urged the difficulties in making further progress.

This, again, seems to us a reason for holding up any promise of financial efforts until these difficulties have been sufficiently overcome to present a well-conceived program to the American public.

I hope that the Trustees will read very carefully the whole of this statement. It is intentionally restrained and could be put in much stronger language. It also aims to be thoroughly constructive and to aid toward the solution of the problems involved rather than to disrupt or delay an achievement which Yenching has perhaps desired from the beginning more than any other institution in the group.

It may be pertinent to remark that there is already evidence that this forcing of the issue has ~~already~~ had a noticeable tendency in this direction. I have taken part in some intimate discussions which may yet lead to a solution of the baffling East China problem. As to Cheeloo and other places, economic necessity may bring about what idealistic considerations have thus far failed to attain.

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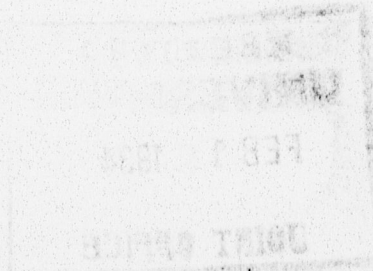
Page Four
January 22, 1934
To - Mr. B. A. Garside

Finally, let me make it as clear as this can be put in writing that we on the field are not only ready but eager to join with the Trustees in the proposed joint financial campaign - whatever the loss or gain to ourselves - as soon as we can do this with hearty conviction in the rightness and wisdom of the correlated program toward which we shall all continue to work.

Very sincerely yours,

J. Hightonsworth

JLS:RPM



0653

Page Four
January 23, 1934
To - Mr. W. A. Garside

Finally, let me state it as clear as this can
be put in writing that we on the field are not only ready
but eager to join with the trustees in the proposed joint
financial campaign - without the loss or gain to ourselves -
as soon as we can do so with hearty conviction in the
rightness and wisdom of the concerted program toward which
we shall all continue to work.

Very sincerely yours,



JWS:RPM



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COPY.

University of Missouri
Columbia

School of Journalism
Office of the Dean

January 25th, 1934

Dr N.Gist Gee, Vice President
Yenching University
150 Fifth Avenue,
New York City.

Dear Dr Gee:

I have been considering the whole problem of the Department of Journalism at Yenching University and have not yet come to any decision regarding plans of solution. It has occurred to me that possibly we had better arrange a conference at which time we can go over thoroughly the matter of budget for the present year, consideration of the information we have in regard to the prospects of obtaining financial aid in China as well as the prospects of collecting from those who have not paid their pledges in this country, and other matters.

I do not know whether or not you think it advisable to use any money from the Yenching journalism funds to pay the expenses of a trip to some middlewestern point or for your coming here or for my coming to New York. My thought was we would want to have Mr Evans or some one with us at our conference.

If you do not think it wise to use Yenching Department of Journalism funds for such a trip, it might be that I could persuade the University here to pay at least the railroad fare, provided I could spend a day or two extra in the East on other work.

In any event I should like to have you write me your opinion as to whether or not you believe we should have such a conference. It seems to me that a crisis affecting the future of the Department exists at the present time.

I have just had a visit to-day from Dr Herman Liu, President of Shanghai University. You will be interested to know that he seemed to have rather definite information as to the situation of the journalism department financially at Yenching and talked with me about the possibility of arranging for its transfer to Shanghai. However, you doubtless saw him while he was in New York City.

I would be glad to hear from you at your earliest convenience.

Very sincerely yours,

Signed Frank L. Martin

FIM:WM

original to Mr. Board
copy " " Mr. Board
" " Mr. Board

1/29/34

0655

Shanghai,

January 29, 1934.

Miss Louise McCoy,
Room 903,
150 Fifth Avenue,
New York City.

Dear Miss McCoy:

I am sending you under separate cover several copies of recent editions of the China Press which contain articles about Yenching. These are written by one of the Journalism students and may be of interest to some of our friends. Please see that Dr. Gee and Mr. Hedrick have copies.

If there are a few extra copies of the pamphlets used for publicity purposes during recent years, would you send these to us? Also any more recent stuff of this kind? We are finding opportunities for the use of such material. It is also of help in getting out similar publicity for use in China. It is interesting to note how the same problems are coming up as we start serious financial efforts in this country.

Yours very sincerely,

JLS:RM

J. Highton Stewart

*sent
2-20-34*

0656

January 29th, 1934

Dear Dr Stuart:-

I am sending you with this a copy of a letter which has just come to me from Professor Martin. I think that we should have a discussion here about the finances of Journalism, but I also think that we should know definitely just what you people on the field think about the further efforts of Yenching in this department. We cannot act here without some very definite instructions from the field in the light of the fact that efforts are being made there to try to raise funds to carry on the work at Yenching. I do not feel that the Board of Trustees here will assume any financial responsibility whatever for Journalism and the prospects of funds from other sources are not good now.

I do not think that Dr Liu should have taken this matter up in the way he did with Professor Martin without having discussed it with the representatives of Yenching here at least before going into it there. He never mentioned the matter to me and I did not get to the meeting which I was asked to attend as Soochow's representative as Dr Park came in and I spent the time with him on Yenching matters and felt that this should come first. I think it likely that the question may have come up that afternoon from something that Mr Carside said this morning after I had showed him the letter from Prof. Martin.

It would be helpful to have an amateur radio message from you there to guide us here in our actions. It seems wise to me that we should await the results of a conference between you and Dr Liu before going into any radical actions here.

Very sincerely,

W. Gist Gee.

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