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HUA CHUNG (CENTRAL CHINA) COLLEGE
Wuchang, ChinaOffice of the
TreasurerFebruary 1, 1944
L-9Mr. Oliver S. Lyford
230 Park Avenue
New York, N.Y.

Dear Mr. Lyford,

Will you please pay into the National City Bank of New York, Farmers' Branch, 22 William Street, New York, \$1,000. for the credit of Mrs. Anna Andrews, account no. 21,129. (I assume that this is probably a savings account but it might be well to check with the bank.) The above amount should be debited to the college account and I will make the proper entries on my books here.

Last week Dr. Wei wrote you in regard to certain matters in regard to Dr. Lo. He talked the matter over with me. Since then the thought has occurred to me that the funds to cover this might be found by taking of portion of the local contribution from Kunming to which I referred in my letter of Dec. 29, 1943 (L-8) under item 7. I believe that it will be possible for the college to cover its expenses for the year with the income in sight and reported and still cover Dr. Wei's proposal for Dr. Lo from this source.

Up to the present I have received in cash or in promises (which are to be redeemed before the end of this month) a total of c\$170,000. from the sale of old tires and truck parts. There is a possibility that there may be a bit more coming in from this same source. I believe that this sum should be earmarked as for transportation on the return trip when it comes as it comes from the sale of assets which were purchased for the move out here.

Dr. Wei has received a letter from Dr. Fenn giving his impressions of his visit here to the college. Dr. Fenn is sending this report to the Associated Boards in New York and I trust that you will be seeing a copy of it. I have read it over carefully and agree with the main points taken up by Dr. Fenn though how it will be possible to carry through some of them remains to be seen. Also when Bishop Gilman was here last September some of the same points which Dr. Fenn raised Bishop Gilman also raised and his conclusions and those of Dr. Fenn were along the same line.

I have not yet cabled for funds from New York and am holding off till the middle of this month as there are reports that the government may increase the exchange subsidy about that time. The earlier reports which we had about an increase at the first of the year proved untrue. We are too far off to know exactly what is going on in this line and the latest information, I had, was that if possible it would be wise to hold off till the middle of this month. The money I have received from the sale of truck parts has enabled me to keep going.

With best wishes,

Yours sincerely,
(signed)
John L. Coe

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HUA CHUNG (CENTRAL CHINA) COLLEGE

WUCHANG, CHINA
Temporarily in Hsichow
Via Tali, Yunnan, China

Office of the Treasurer
March 1, 1944.
L-10

Received April 6, 1944

Dear Mr. Lyford,

Your letter of December 22, 1943, O-4, arrived yesterday. I had been intending to write for several days, so will take up the points in your letter and also other matters. The matter of the loss of the library books will require a bit more work, and so I will send that information a little later.

The government is still continuing loans to students who were receiving them last year and the monthly loan is now over C\$400. per month. I am afraid that not many students are taking very seriously the question of repaying them after the war. Starting with the present academic year, the government has changed its policy and is making no loans to new applicants, but under certain circumstances is granting a scholarship to cover living expenses. This does not affect us so seriously as the bulk of our new students are now Yunnan students who have a sufficiency of money. Last September there were only six freshmen who applied for government loans. One has already dropped out, and the cases of the others in reference to a large government scholarship are still pending.

Miss Zenk's salary is carried as one-half from the Reformed Church as she married on Feb. 1, 1943 and thereafter was carried as a volunteer worker in the college.

In reference to the discrepancy reported by Mr. Greiner on the summary sheet of my report of Aug. 1943, the following is the explanation: In the detailed report for the School of Science there was an expenditure of US\$250.; in the School of Arts there was an expenditure of US\$150; in the School of Education there was an expenditure of US\$250. When I made the summary sheet, instead of including these three items separately, I reckoned them into C\$ at the rate of 23 to 1 and added them to the C\$ amount. Thus in the School of Science the C\$ expenditure charged to Yale-in-China was C\$99,815.02 plus US\$250 at 23 or C\$5,750 or a total of \$105,265.02, and the differences would be accounted for in the same way in the Reformed Church summary and ACM Miss Johnston.

The matter of the relation between the last item of US\$8,225.59 in the US\$ balance sheet and the first line in the C\$ balance sheet of \$292,671.26 is as follows: When needed during the year, US\$ are sold to cover the current needs of the college. Also because of the conditions under which the college is operating, it is necessary to exchange a considerable amount in advance of the time it is actually needed. Also at the end of the college fiscal year an average of the exchange for the year is made, taking into consideration that there is a considerable balance sold in advance for the following year. When exchange is sold during the year, it is credited to the account of the Board of Founders C\$ a/c. At the end of the year it is credited to the various accounts, such as Yale-in-China, Harvard-Yenching etc. to cover expenses during the year, and is at the same time debited to those same accounts in US\$ at the

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average rate of exchange. The balance remaining in the Board of Founders C\$ account is carried forward to the next year as equivalent to the amount of US\$ sold during the year, less the amount that has been debited to the various accounts.

The other items on the C\$ balance sheet have no equivalent on the US\$ balance sheet as they consist of the balances of money received in China or in accounts which were not closed as of the first of Aug. The item of deposits on the C\$ balance sheet covers money which has been left by individuals with the college for safekeeping or in balances in the hands of the college treasurer for other organizations for which he is acting as agent. The deposit account on the US\$ balance sheet does not correspond with that on the C\$ balance, but represents money for individuals and does not represent college funds.

Item #2 on the Chinese dollar balance sheet is the money received by the college in late June as the second grant from the British Relief Fund, being the equivalent of £ 500. When it was received it was not that if was for the year 1943-44. The item #3 on the Chinese \$ balance sheet is the gift of C\$60,000 from Commissioner Li. These two sums were undesignated and thus would be available for increased subsidies during the year 1943-44. The £ 406-0-5 from the Conference of Missionary Societies London, which I referred to in my letter of early August was on its way to the college when that letter was written, but had not been collected and hence does not appear in the C\$ balance sheet of that date, but it was collected early in August.

Effective as of January 20th of this year, the government is now granting an additional subsidy on the exchange rate which makes the total subsidy equivalent to 100%. From transactions that have been done through the Central Bank in Chungking since that date, the effective net rate to us is 39.02. On the basis of the exchange business which was done earlier in the year, the balance on hand in August, the exchange business which was done early in February and the business which will have to be done between now and the close of the college fiscal year, I estimate that the average rate for the college during the year will be about 35. Assuming that the income from the various sources abroad is as expected, and using the average given above it is possible to figure the approximate income of the college as follows:

Yale in China	US\$5,000.
Harvard-Yenching	5,000.
Miss Johnston	5,000.
American Church Mission	7,000.
other missions	4,500. some of this is in [£] sterling and some in C\$ but it has been roughly converted US\$ for convenience.
sustaining fund	\$30,000 to \$32,000.

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In addition there are the items listed in my letter of Dec. 29, 1943 L-8.

1-the gift of £500. from the British Relief fund equivalent to	C\$63,586.95
2-the gift from Commissioner Li of Yunnan	60,000.00
3-the gift of £ 406-5 from the Conference of Missionary Societies, London	48,246.25
4-gifts from the United Committee in Great Britain-total £1125.	133,533.00
5-grant from Mr. Tung for rice subsidy- 5mos. at \$15,000./7 mos at \$20,000.	215,000.00
6-increased grant from the Methodist Mission-included in US\$ summary.	
7-local contribution from Kunming.	<u>300,000.00</u> 820,366.20

With the exception of #5, these gifts are once for all and are not on an annual basis. The change in this list over that in L-8 is item #5. When I wrote L-8 there was some question of whether or not Mr. Tung was going to continue his grant beyond the first of January. Within the past few days word has come from him that he is continuing it, and is also increasing it from \$15,000. to \$20,000. per month starting with January. I expect to collect the January and February installments within a day or so.

I have included the Methodist Mission grant in the summary of mission grants given above and hence dropped it out of the lower list.

In addition there have been special gifts designated as follows:

- a-Mr. Li Jui for scholarships \$10,000.
- b-From the Associated Boards for special commodity grant US\$2,000. C\$ 58,299.40
- c-the gift to Dr. Wei from Bishop Page to which he referred in his last letter to you US\$400.
- d-two gifts from alumni totaling C\$2,300. which Dr. Wei proposes to use as the nucleus of an alumni fund.

There is also a small grant from the government earmarked mainly for science work which would enter on both income and outgo.

I have not received any information as to the use of the \$95,000 which we received from Chungking at the end of December, which I wrote about then. When that information comes I will let you know.

I hope that I have given you sufficient information to form a clear picture of the college finances at present. My present estimate is that the total expenses of the college for the year 1943-44 will be between C\$2,000,000 and C\$2,250,000. It may be necessary to make an additional grant to the faculty later this spring hence the uncertainty in the figure.

I have been working for the past ten days or so over the preparation of the budget for next year. We had word from Dr. Fenn that it should be in his hands before the first of April and in New York before May first. The work is nearly completed and Dr. Wei will be cabling you in regard to it and writing very shortly. It is certainly hard to make estimates for a year ahead with conditions being such as they are in this country. Prices are still rising and one feels that there is no end in sight. Postage rates for domestic matter have been doubled, effective today. Other prices have been rising, and probably something more may have to be done in the way of raising subsidies shortly. The purchase of rice by the college last fall has worked out well so far.

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The college purchased rice around \$93 per shen and is reselling it to the faculty at cost. At the present time the market price is from \$110 to \$120. Assuming that an adult uses about 2 1/2 shen per month, for a family of the size of Dr. Hwang Pu, the saving per month is considerable. We estimate that out purchase should be enough to sell to the faculty through the month of August.

Late last week, we received your cable of the 22nd in regard to Ruth Earnshaw Lo. A cabled answer will be included with the budget cable, which we expect will go off before the end of this week. I have talked with the Los about the matter and they have asked me to write you. Mrs. Lo is planning to leave here somewhere towards the end of June. From the experience of other people who have gone out, there should be little difficulty in her being able to get passage from Kunming to India. Mr. A. J. Allen of the American Church Mission in Kunming will be able to help her make arrangements there. She has also told me that she does not wish to have any funds sent to China as they expect to have sufficient cash on hand here. In any event, if she should run into difficulties in Kunming, Mr. Allen could make the necessary advances. However, she will want money in India both for any stay there and also for her passage from there. I do not know the best way of getting money to her there, but would suggest that it be sent by Mr. Whitney at 281 in the same way as money has been sent by him for members of the mission, such as the Millers who have returned via India. In any case Mr. Allen will know of the method, and so can give her full information about that. Mrs. Lo in talking with me the other day mentioned the sum of US\$800. as being needed, but that is merely a guess. Probably either Mr. Whitney or Mr. Allen will be in a position to give better information, and Mrs. Lo will of course require more than is needed for one adult. In Calcutta Mrs. Lo will be staying with her brother-in-law Mr. Lowe Chuan-hwa, 29 Stephen Court, Park Street. It is not possible for anyone to make arrangements for passage from India until arrival there. However, from information from people who have gone, it is not difficult to make such arrangements after arrival there. The American Red Cross in Chungking has recently sent a letter to Mrs. Low asking if they can help. I feel sure that arrangements can be made from this end all right if funds are available which can be sent to her in India by Mr. James Whitney at the Church Missions House.

I have noted that I made a mistake in the matter of the Stechert Bill of Aug. 26, 1942 and will see that the correct amount is entered on my books namely \$48.89.

Will you please make the following two payments for us:

Mr. Leroy P. Ruller, 224 Bellinger Ave., Herkimer, N.Y. US\$400.

Mr. Albert W. Schaufler, Sr., 108 E. Yates St., Ithaca, N.Y. US\$900.

This should be charged to the college account, and I will make the necessary entries here.

The total received to date from sale of tires and truck parts is C\$167,000. Another C\$55,000. is due by the middle of this month. There may be a few more sales which will be reported when they are made. There is little question about it, but that the things which have been sold would have been useless within a year or so and it was far better to realize on them now.

With best wishes,

Yours sincerely,

John L. Coe (signed)

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Hua Chung College, Hsichow via Tali, Yunnan, China, April 28, 1944

Dear "Swifty:"

The "Special" of December 29, 1943 of U.S.\$52.03 which came to me, via the Kunming treasurer's office, seemed to be done through your auspices. Many many thanks for "routing" the money in our direction. I was quite overwhelmed that anyone would think I had the wisdom to disburse such a large sum for the work. As a matter of fact, John and I thought over the wisest use of the money, and have decided to let Carl Liu, our Sheng Kung Hui chaplain here, and Dr. Francis Wei, our college president, decide upon whom to bestow this very generous gift. I hope I have written an adequate note of appreciation to the St. Luke's Missionary Society of the Sewanee Seminary. It is enclosed herewith, and you are more than welcome to read it.

As we are still on a fixed exchange rate, with daily soaring prices, it takes vast sums from the United States to make a great deal of impression with relief. That makes it discouraging for us in acknowledging people's hard-earned gifts from America. Even at forty-to-one exchange, one catty of lard untried is about U.S.\$2.75 a catty. Pork is slightly less a catty than that. Beef is just over U.S.\$1 a catty. Rice jumped again at the last market, and at present street prices it costs U.S.\$4.75 a sen (three sen per month for an adult is required). Oil is about U.S.\$2.50 a catty, and you know Chinese food takes a lot of oil. These prices are still well behind Kunming's, but are rather surprising for our rural town near the source of supply. Cloth, I believe, has dropped slightly, but khaki decent enough to use for trousers is about U.S.\$7.50 a Chinese foot -- it takes eight feet to make John a pair of trousers -- and blue cloth, to which the Chinese as a race are addicted, is not so far below the khaki price. There are persistent rumors that the two governments may jump the exchange rate appreciably -- possibly let the poor missionary and their works get on to the Black Market -- but until that day comes, we still have to live.

However, I am not going on at length about the cost of living -- how tired you must all be with the subject in America. Mother writes, quoting Boston prices, and they are getting worse all the time too. Only, Americans at home hate to wear old clothes, well patched, but we here in West China prize anything that will hold together -- no matter how checkered the effect from frequent mendings.

The western households in Hsichow have been running a series of "Do Drop Inns." As the western man in China become more numerous and the western households become fewer (as seems to be the case since women cannot get out from home to set up kitchens, etc.), we find more-and-more people grateful for our hospitality. We love having them -- and have benefited with some very nice delicacies -- but our servants are not so enthusiastic. Your ex-cook, Hsu, simply loathed Hsichow; he turned out the most toothsome delicacies from our crude products, but left me last summer to join the ranks of those making their fortunes working with the U.S. army. He refused to cook for the army, because cooking was too hard in this part of the world, but the last I heard he was doing laundry work fairly near the front lines. (When he was with me, he said he hated washing!) I really was very fond of Hsu -- and have often thought longingly of his victuals. We have staggered along with an ex-coolie of the school's -- a Hupsh man -- who is somewhat blind, deaf, and stupid -- he carried a Yunnan woman, who produced Junior, and she is the dirtiest and laziest woman that any Hupsh man ever took unto himself. At a time when I need a staff of trained

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servants, I have my weak brother in the kitchen and a sly sister part time doing the washing and extremely casual cleaning. The combination of housekeeping, teaching a course in Business English, doing Dr. Wei's stenography, odd jobs of typing for the college and Arthur Allen -- and playing the hostess to guests who drop in any time day or night -- agrees with me, but there are nights when I fall into bed and never know that I have touched the pillow. IT DOES look now however, as if a goodish number of our guests would not be dropping in any more -- and we shall miss them (even if the cook does not)

John keeps very busy. His job of treasurer involves hours and hours of counting money. Every six days (after a big market here in Hsichow) HE BUYS with Hsiakwan or Kunming checks enough cash to carry on the college. He averages about C.M.\$30,000 every six days, but some days are more -- and some providentially, are less. Lately he has been selling off old parts of the college trucks, parts not needed by the power plant, and that takes lots of time for the bargaining. Whereas he did not go out and actually buy the large store of rice last autumn that the college laid in for the faculty and staff, he had to measure it as it came in -- and he has to work pretty hard on measuring it out when it is distributed every so often. Not to mention buying up oil for the college community too. Incidentally he is teaching three courses too -- so he finds it hard to get a day off to go up into the high peaks, which he simply loves to do. He has brought me down many colors of rhododendron-- and lots of the pink camellias which grow very tall high in the mountains. The mountain climbing is ruinous on shoes and trousers, but he cannot bear to stay home. We have lovely white orchids in September.

Father Morse is still in Kunming, as far as we know, waiting for his ton of drugs to come in from India. We wish he would pay us a visit in Hsichow, but unless one is lucky the trip is difficult and costly. Occasionally one can get a free ride, with comfortable accommodations along the way -- possibly with movies thrown in -- but that is due to good luck rather than good management.

Our Sheng Kung Hsi group here thrives well under the Rev. Carl Liu. Easter week-end became so full with things that we did not have our moonlight service down by the lake -- sometimes those moonlight services are not too successful because a wind and fog is almost sure to come up just as the service is about to start. When the evening is perfect, however, with a moon rising over the lake out of the mountains -- it really is a grand "setting" and inspiration for all of us.

Logan Roots and his family hope to set off in June. Ruth Lo left last Friday for America -- Gertrude and Walter leave here in June sometime too. At the moment I am still feeling bereft without Ruth and her child -- and I hate to think what it will be like next summer with the Constantines (English Methodists) gone too. Oh well, maybe somebody else will come to take their places -- but it is most unlikely that any more western women will come our way. The Andersons, Miss Bleakley and Mrs. Sidney Hsiao expect to be here with me anyway.

We have had to hunt and fight bedbugs, fleas, and rats, but our F.A.U. guests of last week-end have left us rather worried about lice. Some of them had been at an army hospital where typhus was frequent. (In fact a lot of the F.A.U. have had typhus.) The man staying at the Andersons' suddenly found he had eleven lice on him, which had come off a bundle of hospital pajamas put on the truck, in an unfortunately unde-

loused condition. As the F.A.U. men with us had all brought in their own bedding -- plus a lot of other duffel off the truck, we felt we had to do something about the guest-room that they had used. Logan is giving us typhus shots, and we do not have many fears -- but a louse is a louse, and an unpleasant animal. The guestroom, which is also the storeroom, (at least a part of it), is probably benefiting from the cleaning it is now getting -- we are sunning and airing the bed and two camp cots that were used.

That seems to complete Hsieh's news. Nothing very startling I must say. Just remember that the smaller the institution the more "stir" it takes to keep it going -- and you will have a pretty good idea of life at Hua Chung.

Our kindest regards to your wife and to yourself

Sincerely yours,

(Signed) Mary Coe

P.S. Tell Jim Whitney I was so delighted to receive his letter of March 21 on April 24, but I have not the face to write him until I have a few "Thank Yous" for the specials waiting on Arthur Allen's list to be acknowledged.

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HUA CHUNG (CENTRAL CHINA) COLLEGE
Wuchang, China
Temporarily in Hsichow
Via Tali, Yunnan, China.

Office of the Treasurer- *Col*

May 6, 1944
Letter No. L-11

(Rec'd. June 13, 1944)

Copy for Mr. Powder

Mr. Oliver S. Lyford,
54 Dana Place,
Englewood, N. J.

Dear Mr. Lyford,

Thank you for your letter C-5 of March 25, 1944 which arrived a few days ago. It was a mistake on my part in the numbering of my letters which resulted in your inquiry about L-6. Actually there was no L-6 written and the series goes from L-5 to L-7. Thus you had had all of mine.

In your letter C-4 you asked about the figure of US \$180,000, in the statement of losses for library books. The figure was arrived at in this way by Dr. Wei. The number of books was taken from a copy of an official report which was sent to the Ministry of Education in 1936. There were slightly more than 5400 English reference books by title, ranging from one volume Dictionaries to encyclopedias. These were reckoned at US \$10 per title on the average, making a total of US \$54,000

Chinese reference books by title, again ranging in size, with one consisting of 1600 volumes were averaged at US \$10 per title for 3500 titles	35,000
other English books at US \$4 per title, 20,000. (in cases several volumes)	80,000
other Chinese books at US\$1 per title, 11,000. (in " several volumes)	11,000.
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	180,000.

Mrs. Le left here about two weeks ago travelling with the assistance of the American Red Cross and should be leaving Kunming very shortly. I have heard that the Red Cross will be advancing her sufficient funds to be settled later, so there was no need to draw ahead. Also she had left before your letter arrived about the US \$25 for her. Will you please pay over that to her in the United States (the money which you mentioned in the second page of your letter C-5.

Mr. Tan Jen-yi seems to be in good health at the present time and to have

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entirely recovered from his illness of two and three years ago. Mrs. Tan runs a bakeshop restaurant here in town which helps their family income considerably.

I was very much interested in all that you had to say in reference to exchange and the future possibilities. I have been keeping in touch with the situation as closely as possible, and so far no definite word has reached us as to what the procedure is to be. Should events turn in the way you suggest I can see that the position of the college should be considerably eased. It is necessary for me to keep considerable balances on hand because of the time which it takes me to move money from Kunming or Chungking to Hsiakwan and then accumulate the cash here for payments. That is one of the disadvantages of being so far away here in the country. I do not anticipate having to exchange more money till sometime in June, and then not sell more than needed for the moment.

The problem of faculty subsidies and how to increase them in terms of C\$ is becoming an increasingly complicated one. As long as the present Chinese dollar remains, it will be necessary to reckon subsidies in terms of it. Some people have suggested to me that it might be possible to use an outside unit, but the complications resulting therefrom would far outweigh its advantages. The college is definitely taking up the policy of buying ahead rice and vegetable oil for cooking, and selling them at stated times to the faculty at cost. The rice purchase about which I wrote you earlier has proved successful, and the price of rice on the local market is about double what we paid in December. We will have enough to carry the faculty and staff and their families through to the end of August. The new harvest will not be till November, but there are so many difficulties in trying to carry a large quantity of rice in storage through the wet season that we felt it wiser not to buy any more. The oil on hand will not last beyond November when the new crop comes in. We have considered the question of storing charcoal for the faculty, but the difficulties seem quite large. Other things are not easy to obtain in large quantities or store far in advance, so the college will probably confine its activities to the storage of rice and oil planning on large purchases of both in November, December and January.

Prices of many things have continued to rise, and it is hard to know just what to expect. The price rise is not uniform, with seasonal influences making

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their effect felt. Rice is now double which it was in December though subject to considerable fluctuation. It has fallen at least ten per cent during the last few days as some rain has come, which has improved the condition of the wheat crop which will be harvested within a month or six weeks. Meat has risen a good deal in the last few months. On the other hand eggs have not gone up so much in price. Potatoes have about doubled, but then it is now just the beginning of a new crop and there has been considerable demand which has drained off the supply from the valley. Strangely enough charcoal has shown a contrary tendency in that this past week it has been actually cheaper than it was six months ago. Charcoal is very seasonal depending upon whether labor is busy in the fields or not. In December (a good month to buy) it was around \$350 per hundred cattles. Over China New Year and the wet winter season it touched over \$500. Then in March (another good month for charcoal) it dropped again to around \$350 which had been more or less expected. Our guess was that it would start to rise again in April when more labor was needed in the fields for the bean harvest and getting ready for the rice. To our surprise it did not rise and then dropped, and a couple of days ago it was selling for \$310 to \$300. I feel that one explanation may be that the demand for it (which had been unusually heavy) from the lower end of the lake has suddenly dropped and there may be extra stocks around. On the other hand government monopoly products such as salt have been increased in price. The other day I was talking with a man who has been running the board for a group of men. They have been in the position of doing their exchange on the open market, and the final accounts have been turned into US currency. He said that over the past six or seven months, taking account of the changing open market rate the bill per day per man worked out at the same amount in US currency, namely US \$1.25 per man per day at the present time, as it had six months ago. In other words the "exchange rate on the open market had followed the fluctuation in prices quite closely. I do not know whether or not the same is true in other places.

There is no question about it, but that the open market rate for exchange and prices has followed a close relation right through with the open market rate at the present moment somewhere around a hundred and fifty to one in contrast to the rate of forty which we have been recently working on. Under the circumstances if we should be

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able to have such conditions for exchange as you mention in your letter, I believe that the college would be able to get through next year without undue strain, with approximately the same income from abroad as it has received during the current year.

Mrs. Coe and I took a short trip up to the second valley north of here during the spring vacation. It is certainly interesting in going through these valleys to see how the people have taken advantage of practically every drop of water to help their cultivation. In both of those valleys to the north there are small streams which come down out of the mountains. These streams have been carefully diked and have gradually built up their river beds higher than the valley. Every year the people dig out gravel from the stream beds and add it to the dikes. As a result the streams are now flowing along between huge dikes several feet above the plains. At intervals the stream is tapped for small streams running out over the plains, thus insuring a supply of water to the fields. Large trees are growing on the dikes and one certainly appreciates the amount of hand labor which must have gone into this business in the first place. With this plain every stream that comes out of the mountains is diverted into irrigation channels, so that at this season of the year when water is short the main stream beds are dry, while water is being fed into the fields.

With best wishes,

Yours sincerely,

/signed/ John L. Coe

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HUA CHUNG (CENTRAL CHINA) COLLEGE

室 長 校

CO-OPERATING UNITS

- BOONE COLLEGE
- GRIFFITH JOHN COLLEGE
- HUPING COLLEGE
- WESLEY COLLEGE
- YALE-IN-CHINA COLLEGE

WUCHANG, CHINA

TEMPORARILY IN HSICHOW

VIA TALI, YUNNAN, CHINA

XXXX
OFFICE OF THE PRESIDENT
treasurer.

May 27, 1944.

L-12.

Mr. Cliver S. Lyford,
54 Dana Place,
Englewood, N. J.

*Copy for Mr. Sherman
Mr. Fowler
Mr. Bruner
Original for Lyford file*

Recd Aug 3

Dear Mr. Lyford,

Mrs. Lo left here before the end of April and left Kunming at the end of the first week of May. We have not heard as to how long a stay she had in India, but know that she reached Calcutta safely and was proceeding to Bombay without delay. While in Kunming Mr. Allen advised her to have an extra US\$500 with her in case of emergencies. Mr. Allen arranged to get this for her and charged the amount back to me here. I am charging this amount to Mrs. Lo's travel advance which Dr. Wei has arranged with you. I am crediting the equivalent in C\$ at the rate prevailing at that time (40 to 1) to the Board of Founders on my books here and debiting them for US\$500. Will you please settle with Mrs. Lo out of the money which Dr. Wei has authorized you to advance to her.

As I mentioned in my letter L-11 of May 5, prices were rising quite rapidly at that time and have continued to rise. Rice is now selling at over \$1.80 per shen where it was \$1.10 at the beginning of March. Other things are rising in varying proportions and even charcoal which had dropped in price late in April has joined the procession. The psychology of people in this country at the present time is that there is going to be a continuous rise in prices. All of this is making it more and more difficult to set a fixed rate of subsidies for the faculty and staff.

In March we made a budget for the academic year 1944-45, figuring subsidies on the basis of those in effect at that time. Then we made a rough estimate of the probable increase during the year and added an extra million Chinese to the budget. For the last two months Dr. Wei and I have been studying the situation and getting all the information we could in regard to matters to see what could be done. It looks as though prices were starting on a rise which would be steeper than before. Also we felt that the subsidy scheme, which with frequent additions and amendments, had been in force in the college during the past four years, was getting more and more cumbersome to handle and also more difficult to revise when it came to a matter of making revisions. We began to think that the exchange situation would alter so as to give us enough leeway to make the necessary changes. Dr. Wei did not feel that it would do to wait too long as there was the matter of reappointments and ~~xxx~~ the question of new appointments to fill some of the existing vacancies. He sent you a cable asking about the probable income from the Associated Boards so as to have as much information on hand as possible before taking the final decision. We decided to scrap the existing subsidy scheme and put into effect a simpler one which to my mind has eliminated some of the inequalities and complaints against the old one.

In terms of C\$ the new scheme calls for a larger sum than was anticipated in March. The salaries and subsidies alone for the year 1944-45 under the new scheme would call for an expenditure of between C\$4,000,000 and C\$4,250,000. In addition there are the non-salary items which we estimate would double over our March estimates in terms of C\$. This would envisage a total of around C\$6,000,000 for the year. On the basis of US\$32,000 from the Associated Boards, we reckoned on a total of about US\$58,000 for the income for the year 1944-45. This total is slightly higher than that of your cable of middle of May which said US\$57,000. The difference is accounted for by the fact that the two English missions while continuing to make their grants in C\$, are adjusting them in accordance with exchange conditions. In addition we expect about C\$400,000 from local sources. Thus we reckoned that if exchange were to average 100 for the year, that

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we could swing it.

Your cable of the 18th confirming the above figures arrived last night. We had had earlier in the week a telegram from Kunming giving reassuring word in regard to exchange. Thus we felt it would be possible to swing the above scheme within the limits of the income in sight for the coming year.

The new subsidy scheme was presented to the executive committee at their meeting on Thursday and approved. Furthermore, the scheme has been tied to the exchange rate in the following way. A base rate of 100 is set up, that the scheme as passed then will be paid as long as exchange is at 100 or less. If exchange should go over 100, any deficit incurred if the rate has previously been below 100 will first be made up, and then a bonus will be paid on the subsidies, the percentage of the bonus being calculated by the percentage the rate is over 100. This scheme would seem to have the advantage of our living within our income and at the same time giving the faculty the benefit of an increase in the exchange rate.

The total realized to date from the sale of old truck tires and other parts, not necessary for the running of the power plant has amounted to C\$250,000. I am converting that at the rates prevailing when the sales were made to US\$ to hold against our transportation when the day of moving arrives. The things sold would have been of no use then.

* I am also studying out with some of the departments the possibility of disposing of some of their things here with the idea that it will be possible to realize enough on these things at the present time to replace them with better and more up-to-date things after the war. This will also eliminate the expense of risk of transportation of some of these things over the roads in this part of the country. Nothing will be sold which will hamper our present operation and the prices will not be bargain prices at the present time. For instance we are at present negotiating with the hospital in Tali for the sale of a microscope which will net us about three times the prewar price in US\$. It is the idea of the executive committee that the proceeds of any such sales will be held in US\$ for the equipment account of that department.

With best wishes,

Yours sincerely,

John L. Lee

PS. Since writing this and before getting it into the mail, Frank Fulton has arrived. He is staying for several weeks and should get a good idea of conditions here at the college. He also brought word from Allen that Allen's original telegram in regard to exchange was slightly optimistic and it now looks as if exchange might move slower than we expected earlier in the week. I hope that things will work out ~~so~~ all right. Certainly the new subsidy move will probably do much to stabilize conditions here at the college.

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Mr. John L. Coe, Treasurer

June 12, 1944 C-6

Dear Sir:

I note from Dr. Wei's letter that you did not receive my C-5 and I have told Dr. Wei, in a letter which accompanies this, what the probable explanation is. I am enclosing with this a copy of my C-5 with the paragraphs omitted to which the censor probably took exception.

As to future remittances, you probably know by this time that, with the consent of the U.S. and Chinese Governments, a United Clearing Board has been established in Chungking to handle the sale on the open market of foreign exchange drafts and telegraphic transfers for the China relief work. There probably will be a branch of this Clearing Board in Kunming. I hope you have already been in communication with Arthur Allen and E. H. Cussy about this. This plan will afford great benefit to the China colleges and missions. It probably will be put into effect by cable before this reaches you.

It seems best that I continue to send money to you through Mr. Whitney unless the arrangements of the United Clearing Board will interfere with this. Under the procedure now expected, you will notify Arthur Allen each month the amount of U.S. funds which you will need for the following month. Allen will then notify the United Clearing Board of his total monthly requirement which will include yours. Allen will then be instructed by the Clearing Board to cable to the National Council the amount to be deposited in the National City Bank in New York. This will cover both mission and college requirements. Tentative instructions have been issued in New York and I presume that Allen also will have received full instructions before this reaches you. I am keeping in close touch with Mr. Whitney about this.

It is possible that eventually you may be able to return to the former practice of drawing checks on the Joint Account, using the check blanks which you have on hand. In that event I will begin again to keep the Joint Account provided with funds.

John Greiner has been appointed Assistant Treasurer of Central China College Foundation and has power to sign checks on the Reserve Account and the Foundation Account together with the President, Treasurer or Secretary. He is taking over all the details of the Treasurer's office and this is a great relief to me. The first thing he did was to find a bull in my reporting to you regarding the Sustaining Fund in 1942-43. I told you at the beginning of that year that there was \$7,000 in the Foundation Account which belonged to the Sustaining Fund, and as of August 1, 1943 I told you there was \$1,000 left in that account. He now finds that the correct balance to be credited to the College as of August 1, 1943 is \$1,936.11 instead of \$1,000. We are transferring \$1,936.11 from the Foundation Account to the Reserve Account which will make the total in the Reserve Account as of today \$33,375.97. Hereafter all receipts for the account of the College will be placed in the Reserve Account and it will be unnecessary for you to include in your record any report of the Foundation Account in the Bank of the Manhattan Co.

The copy of my C-5 includes a record of the operation of the Joint and Reserve Accounts from November 21, 1943 to February 21st, 1944. I now enclose a corresponding record for the period from February 21 to May 18, 1944.

I quote the following from a memorandum to me by Mr. Greiner: "You may also mention that we thorough understand his explanation regarding the differences in his detailed reports and the general summary for the year 1942 to '43. We also discovered after writing him for information regarding the relation between the last item on the U.S. dollar balance sheet and the first item on the Chinese dollar balance sheet, that these particular items as well as all the other items in both balance sheets were explained in his letter of March 9, 1943. We can now understand why the balance of N.C. in the Founder's Account as shown in the Chinese dollar balance sheet is also a U.S. dollar item."

This relates to the information in your letter L-10 of March 1st. I am sure it will be easier for you to have Mr. Greiner in our team and it will save time if hereafter you will kindly address your reports to him at 281 Fourth Avenue. He will have them copied immediately on arrival and will send a copy to me at Englewood.

These are tense days for people all over the civilized world. I hope the war will not get any closer to Hsichow and that before 1945 it will be much further away.

My warmest regards to all my friends, especially to Mrs. Coe.

Yours very sincerely,

Later - Since dictating the above, I have received your L-11 and know that my C-5 arrived after Dr. Wei's N.Y. 84 was written. I am glad you have known for some time the basis of my mysterious cablegram about the 1944-45 budget. Now you will have in the above paragraphs the report of developments regarding exchange since March 15.

All that you report regarding costs of living, subsidies, etc. is very interesting and important for us to know. You certainly have plenty of problems to work on. Mr. and Mrs. Arthur

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Mr. John L. Coe, Treasurer

- page 2 -

June 12, 1944 - C-6

Allen must have your problems multiplied greatly. I have recently seen copies of letters from her to her family. She must have courage and a sense of humor much like the similar qualities of Mrs. Coe. They are both wonderful women. Their husbands are pretty good too.

I am glad you and Mrs. Coe had that trip to the north which must have been very interesting and a welcome change for you both. I hope that, as opportunity offers, every member of the faculty will get away from Hsiehow occasionally. Any surplus funds of the College would be well expended on such trips, if a fair distribution can be arranged.

I note the basis of Dr. Wei's estimate of U.S. \$180,000 as the cash for replacing the library books. This will be a good record for future claims, etc. but I think we should have a list of the first books which should be available as soon as possible after you get back to Wuchang. Dr. Addison has secured a room at the General Theological School where donated books are being stored, but we should begin to collect and store with these the kind of books which you will need most.

With the U.S. \$1200 which I sent to Calcutta and the money which the Red Cross advanced to her, Mrs. Lo must be well supplied with funds. I note your request that we pay to her the U.S. \$25.00 which her friends provided. I will hold this until I can get matters adjusted with her and her parents. At present I think this should be applied as part of the \$1200 which she received at Calcutta.

I am greatly pleased to learn that Mr. Tan Jen-yi has recovered his health. During your last furlough, he handled the accounts very competently and I knew he must be a great help to you.

Yours very sincerely,

P.S. The figure of \$33,375.97 given above as the balance in the Reserve Account is the correct figure before deducting the Holmes Scholarship Fund of \$4755.00. In accordance with instructions from the Finance Committee of the Foundation this money is being invested this week in U.S. Bonds, Series G. These Bonds pay only 2-1/2% but our Committee considers that, under present conditions, nothing but Government Bonds should be purchased.

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Dean's Report

Dr. Francis C. M. Wei, President,
Hua Chung College

Dear President Wei,

I have the honor to present the following report for the academic year 1943-44.

We have been able to offer during the year all the courses required by the Ministry of Education, but owing to the shortage of teachers, it has involved almost superhuman efforts by some members of the Faculty. Particularly are those teachers to be thanked who took courses out of their own departments in order to meet the emergency, namely, Dr. Wei who in addition to his other courses and heavy administrative duties, taught a course in the Economics Department, and Drs. Hsiao and Bien who taught courses in Chemistry. The Senate took action to commend these and other teachers as follows:

That the Board of Founders be asked to give special recognition to Dr. Hsiao for his extra-ordinary load of 27 credit hours during the first term.

That the names of the following teachers, who combined heavy teaching and administrative duties, should be recorded:

Miss Bleakley	20 credit hours.	Dr. Wei	19 credit hours
Dr. Lo	16 credit hours.	Dr. Bien	17 credit hours.
Mr. Coe	15-1/2 credit hours.	Mr. Constantine	16 credit hours.

The table below by no means gives a complete picture of the work of teachers for many activities do not come under the heading of administrative duties; for example, Mr. Carl Liu carried on duties as Warden of the Men's Hostel and as Sheng Kung Hui chaplain; Mr. Anderson has heavy duties as secretary of the Chapel Committee, Secretary of the Executive Committee pro-tem and choir leaders and many other teachers have similar duties.

The hours, even of those with heavy loads, may not seem excessive compared with the extra burdens shouldered by teachers in American Universities under the pressure of war, but I wish strongly to emphasize the adverse conditions under which they are working: lack of domestic help, primitive conditions of life and total lack of any modern conveniences; poor food; financial problems caused by inflation, and intellectual starvation due to the isolation of China. These things do not keep a man at his most efficient level, and in view of such circumstances, the extra work given is very meritorious.

Teaching Load of Faculty. First term 1943-44.

(This list includes official administrative duties, but does not include research work or general duties.)

<u>Chinese Dept.</u>	<u>credit hours</u>
Mr. Pao	6
Mr. C. T. Ling	6
Mr. F. L. Ying	7
Mr. Deng	9
Mr. P. M. Yang	6
Mr. C. C. Che	3

<u>Department of Foreign Languages</u>	
Miss Bleakley	20
Mrs. C. F. Lo	11
Mr. H. F. Liu	10 1/2
Mr. W. P. Allen	14
Mr. M. Y. Kao	14-1/2
Mr. D. Wang	13
Mrs. Constantine	6

History Department

Mr. Constantine	16
Mr. F. S. Ma	10
Mr. Y. C. Wang	8

Economics-Commerce Department

Mr. J. I. T'ian	14
Mr. T. M. Ngan	12
Mr. G. H. Wu	3
Mrs. Coe	3

Mathematics Department

Mr. Coe	15 1/2
Mr. O. H. Shen	12

Education Department

Dr. P. Hwang	11
Mr. Anderson	8
Mr. Paul Wu	2
Mrs. Allen	8
Mrs. Anderson	11

Courses Given in each department

Chinese	15
History and Pol. Science	10
Philosophy, Psy. and Rel.	8
Chemistry	8 (Lab. work sep.)
Mathematics	7
Music	9

Philosophy, Psychology, and Religion

Dr. F. C. M. Wei	19
Dr. C. F. Lo	16
Dr. W. K. Tsai	6

Biology Department

Dr. S. D. Hsiao	27 (Biol. and Chem.)
Miss H. O. Wang	5

Physics Department

Dr. R. P. Bien	17 (Physics and Chem.)
Mr. C. F. Ying	10
Mr. P. N. Wei	10
Mr. C. Y. Ling	11

English	25 (including divisions of courses)
Economics-Commerce	10
Biology	11 (lab. work listed sep.)
Physics	13 " " " "
Education	6 " " " "

In some departments, such as Chemistry and Economics-Commerce, it has been a year of emergency, and while such make-shifts may do for a year, students will leave unless new teachers are found.

Students. At the beginning of the year a number of students were admitted on their middle school records only, according to the regulations of the Ministry of Education. This proved to be very unwise as their middle school records were completely unreliable as guides to their academic standing. Apart from these students, most of the others have found it impossible to keep up with the standards required of the freshman class. The college is striving to maintain a high academic standard in face of many difficulties. The five year course continues to prove useful to students who are of a lower standard.

It is still necessary to pay attention to discipline, and to keep a strict watch over examinations and over the general behavior of students.

During the year we lost some of our best students because they volunteered for service as interpreters with the United States Army. Many of our graduates are also serving in this way, and we are well qualified to prepare students for this necessary piece of service.

Conclusion. The college has successfully survived another year of progressively hard conditions. This has only been possible by the loyal cooperation of all the members of the Faculty and Administrative Staff.

Respectfully submitted,

L. Constantine

Dean of Faculty.

HUA CHUNG (CENTRAL CHINA) COLLEGE

WUCHANG, CHINA
Temporarily in Hsichow
Via Tali, Yunnan, China

Office of the Treasurer.

July 18, 1944
L-12.

Dear Mr. Lyford:

When Dr. Wei left for Kunming a little more than a week ago, he left the various reports of the Deans and chapel committee to be copied and sent on to you. I am enclosing herewith a copy of the Dean's report, the reports of the Deans of the various schools, the Chapel Committee and the Registrar's report. Dr. Wei has sent you his own report under separate cover and my report will be sent some time in the beginning of August.

Early this week I received C\$63,340, the equivalent of £ 400. as a gift to the college from the British Aid to China fund. I am assuming that this is for the year 1944-45 and it will be handled by the executive committee at its next meeting.

I have no further information in regard to exchange and Dr. Wei is going to study the situation while he is in Kunming and doubtless something will come out of that. Prices are still rising and there seems to be no limit and we are only hoping that exchange will to a considerable extent at least follow prices. Our present scale of subsidies is sufficient and more than sufficient for the members of faculty and staff with the exception of four families with a large number of children. In case exchange does not rise rapidly enough for us to follow out the scheme as suggested in May the first need will probably be to give added assistance to these large families.

I have done a considerable bit of work on my report for the year but it will not be possible to complete it before the end of the month. The college has come through the year alright financially and I will say more about this when the figures are complete.

My present plan is to sell US\$ each month in a volume sufficient to cover the needs of the college for about a month. I estimate at the present time that I will need somewhere between C\$400,000 and C\$500,000 per month in order to carry on with and will make arrangements with Mr. Allen to cover this. If the financial campaign which the students are putting on in Kunming this summer should prove a success I may have sufficient in the way of C\$ on hand to carry me for a while. Also in a recent letter from Chengtu it would look as though the UCR funds for the sustaining fund were being sent direct to Chengtu and then distributed from there monthly in which case my requirements per month will be to some extent met.

Not as many students have remained here for the summer as some years as there are only about forty staying in Hsichow this summer. The larger the proportion of Yunnan students in the college, the fewer students stay here during the vacations.

With best wishes,

Yours sincerely,
John L. Coe (signed)

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HUA CHUNG (CENTRAL CHINA) COLLEGE

Wuchang, China
Temporarily in Hsichow
via Tali, Yunnan, China

July 18, 1944
L-12.

Mr. Oliver S. Lyford,
54 Dana Place,
Englewood, New Jersey

Received at Faust, N.Y.
August 22

Dear Mr. Lyford,

When Dr. Wei left for Kunming a little more than a week ago, he left the various reports of the Deans and chapel committee to be copied and sent on to you. I am enclosing herewith a copy of the Dean's report, the reports of the Deans of the various schools, the Chapel Committee and the Registrar's report. Dr. Wei has sent you his own report under separate cover and my report will be sent sometime in the beginning of August.

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Not as many students have remained here for the summer as some years as there are only about forty staying in Hsichow this summer. The larger the proportion of Yunnan students in the college, the fewer students stay here during the vacations.

With best wishes,

Yours sincerely,
/signed/ John L. Coe

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HUA CHUNG COLLEGE
BALANCE SHEET - JULY 31, 1944

ASSETS

Cash in Banks

National City Bank of New York (Reserve a/c).....	\$38,307.26	
National City Bank of New York (Joint a/c).....	3,616.08	
The Bank of Savings	<u>882.49</u>	\$ 42,805.83

Investments

Government Bonds	4,800.00	
Domestic & Foreign Missionary Society (Government bonds & uninvested cash)	<u>141,263.89</u>	146,063.89

Receivables

Central China College Foundation	936.11	
*Imperial Bank of India, Calcutta, India (Advance for Mrs. Ruth Earnshaw Lo, plus cable charges)	<u>1,209.68</u>	<u>2,145.79</u>

TOTAL \$191,015.51

LIABILITIES

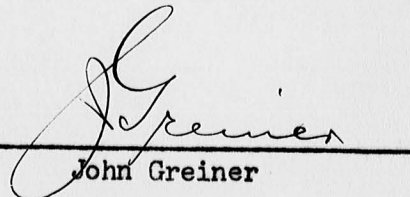
Special Funds and Accounts

Proctor-Johnston Fund	\$141,263.89	
Holmes Scholarship Fund	4,800.00	
Dr. Francis C. Wei Special Fund	882.49	
Specials: For Ruth Earnshaw Lo	<u>375.00</u>	147,321.38

Surplus Account (see schedule #2)		<u>43,694.13</u>
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TOTAL \$191,015.51

* The Imperial Bank of India has been instructed by the National City Bank of N.Y. to return the \$1,200 which was deposited for Mrs. Lo. The \$9.68 represents the cable charges which will be adjusted when the \$1,200 is returned.


John Greiner

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Schedule #1

Budget Income 1943-44

Associated Boards	\$ 33,622.40*	
Harvard-Yencheng Institute	5,000.00	
Yale-In-China	<u>5,000.00</u>	
	Total	\$ 43,622.40

* The Associated Boards secured and distributed \$1,622.40 beyond the \$32,000 allocated to Hua Chung in addition to the \$2,000 distributed in China for the Faculty Relief.

Schedule #2

Reconciliation of the Surplus Account

Aug. 1, 1943	Balance due from Central China Col. (Bk of Man) ..	\$ 1,936.11
Aug 1 "	Balance as per National City Bk, NY (Reserve)	29,287.54
Aug 1 "	" " " " " " " (Joint)	3,616.08
Sep 29 "	Associated Boards	5,298.60
Nov 10 "	From Hsu & Haskins	4,210.00
Dec 8 "	Associated Boards	4,000.00
Jan 11, 1944	" " " " " " "	4,000.00
Feb 23 "	" " " " " " "	4,000.00
May 9 "	" " " " " " "	4,000.00
May 10 "	Harvard-Yencheng Institute	5,000.00
May 25 "	Associated Boards	4,000.00
June 28 "	" " " " " " "	5,622.40
July 14 "	Yale-In-China	3,000.00
July 21 "	" " " " " " "	<u>2,000.00</u>

\$ 75,970.73

Disbursed

Oct 21 1943	To National Council for J.L. Coe	10,000.00
Dec 13 "	To Dr. P.V. Taylor	197.50
Feb 5 1944	To National Council for J.L. Coe	10,000.00
Apr 3 "	To Mrs. Anna Andrews (Nat. City Bk NY)	1,000.00
Feb 15 "	To National Council for J.L. Coe	5,000.00
Apr 25 "	To LeRoy Ruller	400.00
Apr 25 "	To W. Mecklenburg	24.10
Apr 25 "	To A.W. Schaufler	<u>900.00</u>

27,521.60

\$48,449.13

Transfer

Aug 1, 1943	Holmes Scholarship Fund	<u>4,755.00</u>
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Balance as shown on BALANCE SHEET \$ 43,694.13

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HUA CHUNG COLLEGE

(Central China College)

CO-OPERATING BOARDS

DOMESTIC AND FOREIGN MISSIONARY
SOCIETY OF THE EPISCOPAL CHURCH
BOARD OF FOREIGN MISSIONS OF THE
REFORMED CHURCH
ENGLISH METHODIST MISSIONARY
SOCIETY
LONDON MISSIONARY SOCIETY
YALE-IN-CHINA ASSOCIATION, INC.

WUCHANG, CHINA

Temporarily located at
HSICHOW, VIA TALI, YUNNAN

OFFICERS OF BOARD OF TRUSTEES

ARTHUR M. SHERMAN, *President*
802 Broadway, New York 3, N. Y.
WILLIAM C. DEVANE, *Vice-President*
Yale University, New Haven, Conn.
JOHN WILSON WOOD, *Secretary*
402 West 20th St., New York 11, N. Y.
OLIVER S. LYFORD, *Treasurer*
54 Dana Place, Englewood, N. J.
J. EARL FOWLER, *Acting Associate Secretary*
281 Fourth Ave., New York 10, N. Y.
John Greiner, *Asst. Treas.*
281 Fourth Ave. New York

No. C-7

August 4, 1944

Mr. John L. Coe
Hua Chung Central China College
Hsichow, Via Tali
Yunnan, China

Dear Mr. Coe:

In Mr. Lyford's letter to you dated June 12, C-6, he suggested that hereafter you may address all reports to me. I likewise was asked to write to you and send along the statements from our office.

I have known the name of John L. Coe for many years being that I prepared the National Council budgets and of course your name appears in the Hankow schedule. I got to know more about you through Arthur J. Allen but now I feel I will know you even better through corresponding with you.

Enclosed herewith is a copy of the balance sheet as of the end of the fiscal year July 31, 1944 also schedules giving in detail the "Surplus Accounts" and the "Total Amount of Budget Income" we received during the fiscal year 1943-44. As all the receipts for the College is now being deposited in the Reserve Account we did not include herewith a report on the account in the Bank of Manhattan. You will note however that there is still a balance of \$936.11 to be transferred from the Bank of Manhattan to the reserve account of the National City Bank. Mr. Lyford did state in his last letter to you, C-6, that we were now transferring the full amount of \$1,936.11, but actually we have only transferred \$1,000 up to this time. The balance however, \$936.11 is included in the surplus College income available.

You probably were advised by Mr. Allen that the United Clearing Board is now in full operation. The procedure for you people to follow at your end was explained in Mr. Lyford's last letter to you and as far as I know there has been no changes. Mr. Allen will advise the Board the amount he will need each month including the amount you will require and on instructions from the Clearing Board he will cable us the sum to deposit with the National City Bank of New York.

With best wishes,

Yours very sincerely

JG:O

John Greiner, Asst. Treas.

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Dear Mr. Gräner,

Aug. 8, 1944.

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I am sending you herewith the detailed financial report of the college for the year 1943-44 together with a covering letter to Mr. Lyford. A duplicate will be sent next week. This is being done in accordance with Mr. Lyford's request in his letter of June 12, 1944 to me.

Yours sincerely,

John L. Lee

DOMESTIC AND FOREIGN
MISSIONARY SOCIETY
SEP 21 1944
FINANCE DEPARTMENT

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HUA CHUNG (CENTRAL CHINA) COLLEGE

室 長 校
 XXXXXX
 OFFICE OF THE PRESIDENT
 Treasurer

CO-OPERATING UNITS
 EGOONE COLLEGE
 GRIFFITH JOHN COLLEGE
 HUPING COLLEGE
 WESLEY COLLEGE
 YALE-IN-CHINA COLLEGE

WUCHANG, CHINA
 TEMPORARILY IN HSICHOW
 VIA TALI, YUNNAN, CHINA

L-13.

Aug. 8, 1944.

Mr. Oliver S. Lyford,
 281 Fourth Ave.,
 New York, N. Y.

Dear Mr. Lyford,

Thank you for your letter C-6 of June 12 with the enclosures which arrived early last week just in time to give considerable assistance in the preparation of my report. I enclose herewith my report for the year 1943-44, containing detailed reports for administration, arts, Education, and science, a consolidated report in which I have converted to US\$ the income side including foreign salaries. I have not so converted the expenditure side because of complications with exchange rates but the sheet does give a complete picture. Also enclosed please find US\$ balance sheet and C\$ balance sheet. The US\$ balance sheet I have divided into three classes, namely current funds, semi-permanent equipment funds, permanent funds. As I have also attached an extra column to this, showing the balances in the same funds as of Aug. 1, 1943. As you will note, there has been only a slight increase in the funds in Class A, in the sustaining fund. This can be easily explained in the light of the fact that some faculty members left us before the end of the academic year. Had they remained to the end of the academic year there would have been a deficit rather than a surplus on this account. I have assumed that the entire grant from Yale-in-China, Harvard-Yenching, Miss Johnston, American Church Mission was used. In class B there are some increases because of the sale in some cases of equipment, (in cases of books there were some lost which students were charged for and money thus credited to the proper account) and also appropriation for books which were held over as they could not be obtained. In class C the big increase is in the transportation item, which represents the sale of truck parts, to be held for transportation back. Also there is the Alumni fund item which represents contributions from various alumni during the year.

In my attempted reconciliation of the Reserve account I have used such figures as I have on hand here. The last three items are from the Foundation account. In August 1941 you sent Hsiao in San Francisco \$100 from the Foundation account which has been settled here and charged properly. The other two items were charged to the Foundation account and I have not been able to find any record of where the Foundation account had been reimbursed for them. I note in your letter C-6 that the Reserve account was due \$1,936.11 from the Foundation account. According to my figures here the Reserve account was only due \$798.66 (\$1,000. less Hsiao, Stechert, draft to London). That would represent a difference of \$1,137.35. I do not know where this sum should be credited and hence have left it out of my summary. I have been wondering if this sum of money represents money which Dr. Wei received for his lectures in America during one of his trips and which was deposited in the Foundation account at that time.

In reference to the Sustaining Fund I am assuming that the total to the college for the year 1943-44 was US\$32,000. I have therefore shown an item of \$4,000 receivable there. In reference to the Reformed Church Mission, so far I have not received the second half of their US\$ grant to the college and I understand indirectly that that will have to be paid from Philadelphia. (I am awaiting direct word on that, but mails from Yunnan are very slow at the present time). It might be well to communicate with Philadelphia in regard to it.

Mails between here and Kunming have been slow lately and Mr. Allen has been very busy, so I have not had as much information in regard to the exchange situation as I wish I had. Dr. Wei said that Mr. Allen had sold US\$5,000. on our account during July and so I presume he has drawn on you through Mr. Whitney for the same, and hence I have included it in the account. Mr. Allen's letter to me in regard to it has been delayed, and so I have had to include it at an arbitrary rate. (Recently I have been financing myself by cash locally from people who wish to transmit money to Kunming and I have

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L-13. Aug. 8, 1944.

[2]

been doing that by orders on Allen to pay in Kunning so that I am in funds even if he has not settled the final exchange with me). I have therefore had to go on the best information I could get in regard to the rate and also figure the balance remaining to the credit of the Board of Founders in C\$ at a rate which would be somewhat in accord with present conditions. From what information Mr. Wei could get in Kunning when he was there, it would look as if the rate for the next few months should be somewhere around 80 and hence I have valued the ~~RM~~ credit in C\$ at that rate. Again the only connection between the C\$ balance sheet and the US\$ balance sheet is in the first line of the C\$ balance sheet corresponding to the last line of the US\$ balance sheet.

I believe that the comments at the bottom of the various sheets should clear up any obscure points there. The total of expenses is up over earlier estimates because of the large increase put into effect on June 1st and the increase of everything in cost. As you suggest I am sending this to Mr. Greiner at 281 Fourth Ave. New York. In the US\$ balance sheet I have included the item for Mrs. Lo as made up of the money you sent her to Calcutta, plus the \$500 which she took on leaving Kunning. I will send a duplicate of this and the report sometime next week. I am sorry that I have been a bit slower in getting this report out at the present time, but there have been a number of unavoidable delays.

With best wishes,

Yours sincerely,

John L. Loe.

P. S. Will you please pay Mr. E. P. Miller US\$19. This represents the proceeds from the sale of a few other things here belonging to him. I am crediting the equivalent amount on my books here. Someone at 281 Fourth Ave. will be able to give you his address.

John L. Loe.

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HUA CHUNG COLLEGE, SUMMARY OF INCOME AND EXPENDITURE OF OPERATION FOR 1943-44.

Income <i>used in operation</i>			
	C\$	Foreign Salaries.	U.S.\$
A. Western Sources			
American Church Mission	x 280,000.00 ✓	3 → 9000 ✓	16,000 ✓
" " " Miss Johnston	195,000.00 ✓		5,000 ✓
London Mission	x 11,000.00	2 → 4500 ✓	4,782 ✓
Methodist Mission	x 63,464.00	1 → 3000 ✓	4,626 ✓
Reformed Church Mission	x 57,118.94		1,474 ✓
Yale-in-China	x 195,000.00 ✓		5,000 ✓
Harvard-Yenching	x 195,000.00 ✓		5,000 ✓
Sustaining Fund - Ass. Bds.	1235,857.00 ✓		31,688 ✓
Other sources	306,396.20		8,039 ✓
Special of April, British Relief	x 125,650.00		3,200 ✓
Special Commodity grant of Nov.	x 59,200.00		2,000 ✓
	<u>2,723,686.14</u>	<u>6</u>	<u>86,809.</u>
B. Local Sources			
National Government	42,027.33 ✓		
Miscellaneous fees	15,619.80 ✓		
Bank Interest	16,062.32		
Contributions for Scholarships	33,900.00		
Government loan for students	312,896.41		
Rice subsidy	176,640.00		
Li Jui special gift	49,982.00		
Wu Tai School	8,388.00		
	<u>655,515.86</u>		<u>16,806.</u>
Grand Total Income	3,379,202.00	6	103,615.

Expenditure			
Administration	619,476.54	2 1/4	
Operations and maintenance	487,995.25		
Physical Ed. and Mil. Training	65,092.00		
Scholarships and student aids, loans	346,796.41		
School of Arts-personnel	946,659.20	2 1/4	
equipment and books	56,038.40		
School of Education personnel	203,018.50	1	
books and equipment	22,240.00		
School of Science - personnel	494,680.00	1/2	
equipment, books	137,205.70		
Grand Total Expenditure	3,379,202.00	6	103,615.

Note: The third column under US\$ under Income has been formed by converting the first column at 39 in most cases, (in some cases of special grants the money was received in C\$ as equivalent to a certain amount of foreign currency and hence that amount has been used rather than that at the rate of 39), plus an amount for the foreign salaries in the second column of U.S.\$3,000 for married men and U.S.\$1500 for single workers. No attempt has been made to carry this through for ^{back the on} the Expenditure side because of the varying rates in some cases, but this does give a picture of the complete expenditure reduced to US\$. This is larger than the total might have been expected to be, because of the fact that the figure of C\$312,896.41 for government loans to students is included for which the college acts nearly as a disbursing agent. Also all special gifts are included and also foreign salaries.

Aug. 8, 1944.

John L. Lee.
Treasurer.

On duplicate sent to Mr. Lyford, Joe claims a error in original

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Income.

0\$

Foreign salaries.

A. Western sources

American Church Mission	261,467.	1 1/2
London Missionary Society	11,000.	1/4
Methodist Mission	30,164.	1/2
Sustaining Fund	711,335.67	

1,013,966.67

2. Local Sources, or special gifts.

Miscellaneous fees	14,907.80
Bank interest	16,062.32
Government for salary	9,094.00
Contributions for scholarships	33,900.00
governments for students loans	312,896.41
Rice subsidy	57,240.00
Li Jui for spec. faculty gift	13,352.00
Ass. Bds. Commodity grant	16,133.59
Brit. Aid. Spec. in April	31,808.00

505,393.53

2 1/4

total income

1,519,360.57
20

Expenditure.

A. Administration.

Admissions and Promotion	36,675.00	31,675.00
Alumni Office	3,700.00	
College Functions	3,296.00	
Entertainment	5,861.50	
Offices- President	16,582.00	
Dean-Registrar	13,544.20	
Treasurer-BussOff.	1,868.00	
Postage and Telegrams	16,730.34	
Travel	8,760.00	
Medical	14,374.00	
Infirmary	10,485.00	
Administrative Officers		
President 2/3	47,462.00	
Dean 1/2		1/2
Registrar 1/4		1/4
Treasurer 1/2		1/2
Ass. Treas. 1/3	20,780.00	
Asst. Librarian	19,946.00	
Asst. in Library	79,342.00	
Warden Women's Hostel	34,932.00	
" Men's "	86,142.00	
Chinese secretary	87,742.00	
English Sec. 1/4	9,160.50	
clerk 1/12	5,650.00	
Asst. Registrar	43,142.00	
Business Manager 1/3	13,160.00	
clerk in Pres. Off.	37,492.00	
Physician		1
Nurse 1/12	5,650.00	

619,476.34

2 1/4

2. Operations and Maintenance.

Grounds	7,164.97
Power and Light	225,278.50
Library	21,858.00
Repairs	57,940.00
Rentals	44,307.50
Wages	48,358.79
Hostel wages	53,639.99

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Administrative account page. 2.

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Sundries	3,644.00	
Furniture and equipment	25,804.50	
	<u>487,995.25</u>	
3. Physical Education and Mil. Tr.		
Military Instructor	54,692.00	
" equipment	1,070.00	
Physical Ed. equipment	9,830.00	
	<u>65,092.00</u>	
4. Scholarships and Student aids.		
Scholarships	33,900.00	
Government Loan to student	312,896.41	
	<u>346,796.41</u>	
grand total expenditure.	1,519,360.20	

*John L. Lee. Aug. 8, 1944.
Treasurer.*

Hua Chung College, School of Education financial report for 1943-44.

	Income.	Foreign salary
	0¢	
Reformed Church Mission	57,118.94	
London Mission		1
Wu Tai School	8,388.00	
Music fees	612.00	
Book fees	100.00	
Rice subsidy	16,320.00	
Comodity grant	4,000.00	
April special grant	10,800.00	
Li Jui gift	4,476.00	
National government	2,300.00	
Sustaining fund	121,143.56	
	<u>228,258.50</u>	

	Expenditure.	Foreign salary
Personnel.		
Dr. Hwang	122,792.00	
Mr. Anderson		1
Music-2 volunteer		
Paul Wu	50,302.00	
H. Y. Hwang	28,752.00	
Rentals	1,172.50	
Education office	2,540.00	
Music	612.00	
Books and magazines	9,750.00	
Primary school	9,338.00	
	<u>225,258.50</u>	1

Aug. 8, 1944.

*John L. Lee.
Treasurer.*

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	Income C\$	foreign salaries.
American Church Mission	18,533.00	1
London Mission		3/4
Methodist Mission	33,300.00	1/2
ACM-Miss Johnston	195,000.00	
Harvard-Yenching	195,000.00	
Ministry of Education-Nat.Gov.	20,522.22	
Rice Subsidy	70,000.00	
Nov.Commodity grant	26,267.00	
April Special grant	57,942.00	
Li Jui special gift	23,202.00	
Sustaining fund	362,931.38	
	1,002,697.60	2 1/4

Expenditure.

Chinese Dept.		
L.P. Pao	81,092.	
C.T. Lin	57,642.	
F. L. Yin	55,642.	
P. M. Yang (1/20)	18,350.	
C. P. Teng	57,542.	
M. C. Fu	61,254.	
C. C. Chey	35,692.	367,214.
English Dept.		
M. Bleakley (3/4)		3/4
W.P. Allen		1
R.E. Lo (5/6)	36,642.00	
T.E. Wang (3/4)	27,481.50	
M.Y. Kao	36,542.00	
L.C. Tung	3,180.00	103,845.50
History-Sociology.		
L. Constantine (1/2)		1/2
F. S. Ma	57,892.00	
Y. C. Wang	55,542.00.	113,434.00
Economics-Commerce		
J. I. Tang (2/3)	41,662.	
T. M. An (2/3)	28,482.	
C. H. Wu	34,932.	105,016.00
Philosophy-Religion		
C. M. Wei (1/3)	23,730.	
C. F. Lo	62,842.	
W.K. Tsai	57,042.	143,614.00
Travel for new appointees	113,535.70	
Chinese Dept. books and research	42,388.40	
Books for other departments	13,650.00	
total expenditure	1,002,697.60	2 1/4

Aug. 8, 1944.

John L. Lee.
Treasurer.

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	Income	C\$	Foreign salary.
Yale-in-China		195,000.00	
American Church Mission			1/2
Rice Subsidy		33,080.00	
Nov. Commodity grant		12,800.00	
Apr. special grant		25,100.00	
Li Jui gift		8,952.00	
Government Ministry of Education		10,111.11	
Sustaining fund		346,842.59	
		631,885.70	1 1/2

Expenditure.			
Personnel,			
Biology,	Heiao	71,392.00	
	H.C. Wang (1/2)	11,380.00	82,772.00
Physics,	R.P. Bien	69,292.00	
	C. F. Yin	43,592.00	
	P. N. Wei	36,992.00	
	C. Y. Lin	35,692.00	
	F. C. Tung (3/4)	39,800.00	225,368.00
Mathematics,	C.T. Shen	70,922.00	
	J.L. Coe (1/2)	70,992.00	1 1/2.
		379,132.00	
Biology-equipment/ and maintainance		30,034.60	
Chemistry-	"	24,163.50	
Physics-	"	70,957.60	
		125,155.70	
Research		2,300.00	
Books for all depts.		9,750.00	
Travel for new appointees		115,548.00	
		127,598.00	
Grand total expenditure.		631,885.70	1 1/2.

*John L. Coe
Treasurer
Aug 1, 1944.*

Sustaining Fund for 1943-44.		
	Income.	C\$
from commissioner Li		\$60,000.
from British Relief Fund \$500.		63,586.95
Conference of Miss. Societies London		
£ 408-		48,246.25
United Committee in Great Britain		133,533.00
balance of April gift		1,030.00
Associated Boards US\$31,688.64		1,235,857.00
		\$1,542,253.20
	expenditure.	
Administration		711,835.67
Arts		362,931.38
Science		346,842.59
Education		121,143.56
		\$1,542,253.20

Assuming that the total from the Associated Boards for the year was US\$32,000, there would thus be a balance on the sustaining fund of US\$311.36. At the rate of exchange which prevailed during the year (39) this would have amounted to C\$12,143.04. During the spring term one faculty member of the Chinese department left, the machinist in the Physics Dept. left the middle of April and one member of the English department left in May. Had all of these people remained to the end of the term, it would have cost the college approximately \$40,000 more than was actually paid out and thus there would have been a deficit on the sustaining fund instead of a slight surplus. Other special gifts during the year such as \$800 from the British relief fund in March were distributed as a special grant and hence do not appear in the sustaining fund, except in the case of the \$800 where a slight surplus is in the sustaining fund.

Aug. 8, 1944. John L. Coe. Treasurer.

Hua Chung College, US\$ balance sheet as of Aug. 1, 1944.

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	Dr. US\$	CR. US\$	CR. US\$ Aug. 1, 1943.
A. Sustaining Fund		5,208.33	4,896.97
Johnston Fund, School of Arts		21,306.86	21,306.86
Harvard-Yenching Chinese Dept.		11,526.62	11,526.62
Yale-in-China, School of Science		16,154.38	16,154.38
American Church Mission		5,500.00	5,500.00
B. President's Discretionary Fund		796.12	559.12
Practice School		4,218.17	3,734.89
Relief Fund		152.00	152.00
Scholarships		300.99	300.99
Arts Books		889.55	682.41
Education Books		668.67	418.67
Music		635.78	635.78
Biology		1,566.63	725.30
Chemistry		1,033.78	1,033.78
Physics		223.25	223.25
Science Books		359.41	184.00
Thorne Fund		461.42	461.42
Science Museum		200.00	200.00
C. Page Fund		400.00	
Transportation		9,245.92	
Alumni Fund		530.00	
Board of Founders Special		278.57	
Procter-Johnston Land and Bldg.		1,207.43	
Deposit account		872.66	
R.E. Lo	1,709.68	375.00	
ACM Special China Funds	11,514.89		
Dom. and For. Miss. Society	30,000.00		
Equivalent of Hongkong Dep.	1,580.00		
" " Rangoon "	9.90		
Joint account NOB	3,603.17		
Reserve " NOB	22,483.52		
Receivable Yale-in-China	5,000.00		
" Reformed Church M.	750.00		
" Sustaining Fund	4,000.00		
Equivalent linel. C\$ balance	3,460.38		
	84,111.54	84,111.54	
	84,111.54	84,111.54	

Reconciliation Joint account. Balance shown on Statement June 5, 1944. *o/s* \$3,616.08
 outstanding cheques 12.91

Reserve account. Balance ~~shown~~ on statement June 5, 1944. *o/s* 3,603.17
 less, Holmes Fund \$4,755.

remittance July to Allen	5,000.	
Foundation payment to Hsiao '41	100.	
Stechert bill	48.89	
draft to London '42.	52.45	
plus due from Foundation a/c		9,956.34
		1,000.00
		<u>8,956.34</u>
		bal. <u>22,483.52</u>

The above has been divided into three sections: A. appropriations for current needs of the college even though restricted to certain schools. B. money which has accumulated for special departments for books and equipment which definitely is not current and will all be needed to ~~be~~ build up departments. In some cases this has come from the sale of extra things with the idea it was better to dispose of them and then replace after the war with better equipment. In the case of the Practice School fund this is very clearly earmarked for the Practice School and current income from that is only used for Paul Wu who is kept on for practice work for the education students. C. Funds of a more permanent nature. The first item here comes from the sale of tires, springs and other parts of the trucks which are not needed to operate the power plant. This fund should be available to help in the eventual moving as it came from sale of truck parts.

Aug. 8, 1944.

John L. Lee.
 Treasurer.

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	Dr. C\$	Cr. C\$
Board of Founders		276,993.69 <i>on US Bal Sheet</i>
Remittance of Jan. 1944 from Chungking		94,765.00
\$400 from British Aid to China		63,340.00
Gift of July 1944 in Kunming		200,000.00
American Church Mission		152,596.03
Ministry of Education		48,419.73
Miscellaneous fees		1,700.00
Military training		2,850.00
Scholarships		21,417.06
Government Loan		13,807.47
Rice Subsidy		17,477.40
Faculty Aid		8,718.26
English books	165,000.00	616.05
Promotion Education		356.49
Biology British Boxer		1,078.11
Chemistry " "		897.14
Deposit account		7,968.98
Pres. Disc. Fund		2,805.04
Income tax		2,491.25
Alumni		1,000.00
Rice and Oil Purchase account	110,392.02	
Faculty Loan	31,117.98	
Student Loan	1,902.76	
Balance Bank of China, Tali	249,329.29	
" " " " , Hsiakwan	36,996.59	
" " " " , Kunming	176,776.33	
" SCSB, Kunming	69,895.19	
" Central Bank, Hsiakwan	8,401.24	
cash on hand	68,616.30	
	919,497.70 <i>OK</i>	919,497.70 <i>OK</i>

Notes: line 1 is related to the last line of US\$ balance sheet.
 line 2 was received in January, and several inquires to Chungking as to the source or use of this money have brought no response.
 line 3 was received early in July 1944.
 line 4 was received by Dr. Wei just before he left Kunming.
 line 5 American Church Mission, does not represent anything in the way of a grant from the mission but merely represents the balance in my hands on the Aug. 1, 1944 as due to Mr. Allen for remittance business which I have been doing here. Because of the slowness of the mails between here and Kunming I have decided to finish this statement off in this form and the settlement of this item with Mr. Allen will be made later. However that will not affect any of the rest of the report. This is covered by the college deposits in the Kunming banks as recently I have been writing more orders on Mr. Allen than I have been writing Kunming cheques.
 Rice and Oil purchase a/c is covered by rice and oil on hand to be sold to the faculty next month. The stock on hand will be sold at prices which will cover the debit item above.
 Ministry of education balance arises because the ministry works on the calendar year and have sent us the grant to December 1944 and hence the credit. ~~There is~~
~~balance~~ Other balances cover advance payments to us, or in the case of military training the officer left in July before collecting the second half of his July salary. From our experience this will be called for later.
 The item for promotion represents the advance to the student committee for their expenses for the campaign in the Tali valley and Kunming. There is every expectation that this will be repaid before the end of August.

Aug. 8, 1944.

John L. Lee
 Treasurer.

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August 25, 1944

Rev. Arthur M. Sherman,
Rev. A. V. Casselman
Rev. E. C. Lebenstine
Mr. Earl Fowler
Yale-in-China

AUG 28 1944
J. EARL FOWLER

Enclosed please find letter of July 18 from Mr. Coe with annual reports of the Deans, Registrar and Chapel Committee for the year ending July 31st.

You will note that Dr. Wei's report had been sent before Mr. Coe's report, but it has not been received as yet.

No report from the School of Science is included with these papers. I assume that Dr. Wei will include this in his report.

I expect to circulate Dr. Wei's report to the entire Hua Chung Board as soon as it is received. This present report is going only to you who are addressed.

I presume that these reports for 1943-44 will be the record for the bottom year of history of Hua Chung College. At least let us hope so. The main evidence is of the great courage and loyalty of a consecrated faculty.

Oliver S. Lyford

Oliver S. Lyford
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Hua Chung College,
Hsichow,
Aug. 26, 1944

Received October 4.

Mr. Oliver S. Lyford,
54 Dana Place,
Englewood, New Jersey.

Dear Mr. Lyford,

My last letter was L-13 which contained the financial report for the year 1943-44 which I sent in duplicate. I hope that it will reach you before the October meeting of the board and be in the proper form. I am afraid that possibly there may be one point of difficulty. In that report I said that I understood that Mr. Allen had sold US\$5,000 on the college account in July but had not yet settled with me. From your letter of July 21st to Dr. Wei I am wondering if Allen had drawn on you in New York for the money or not. I had drawn on Allen here so had funds in hand. One of these days I will probably have word from Allen in regard to the matter and will see that it is straightened up, and make the proper adjustments.

I understand that sales by the clearing board were going fairly well in July and I think that the average rate at which the board was paying out was 100 but have not had final verification of that. How things were going in August I have not yet heard.

Because of the gifts for the college which Dr. Wei received while in Kunning I asked Allen not to sell for our account in August. The local committee of Yunnan students which was raising funds for the college has been quite successful and are expecting to turn over about \$500,000 by the end of this month or early next month. This should be enough to see me pretty well through September so I have written Allen not^{to} sell in September. This of course will involve a bookkeeping transaction as that money was raised for endowment. By sometime in September I should know the result of the campaign in Kunning and then can plan accordingly. My present guess is that \$5,000 will have to be sold by the end of September to cover October, \$5,000 by the end of October to cover November; then probably \$15,000. in November to cover December and also finance the purchase of rice and oil for the coming year. The procedure of purchasing rice last November and December has worked

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out well and we are selling rice to the faculty and staff at the present time for less than half of the price it sells for on the street. November and early December is the time when the new rice comes on the market after the harvest and we propose to purchase enough to pretty well carry the faculty through the year to the next harvest. This year's experiment has proved satisfactory and the college has no loss to stand. How far we will be able to purchase rice ahead on the student account is another problem. The amounts which I mention above to be sold are merely tentative at the moment and I intend to draw through Allen so you need not have any concern about our being in funds. The way things seem to be working at present is that I have the funds here in advance of Allen drawing on New York.

Prices are still continuing to rise and there does not seem to be any limit in sight. The rice harvest through this valley looks as though it would be much better than last year but the price will probably stay up because the labor costs are high and also there is considerable demand drawing rice from the valley. Our costs here run from a third to a half of the costs in Kunming. With the jump in exchange to 100 in July, that was the first month in nearly two years in which the mission has not paid me a bonus on my salary due to the costs here. In other words the jump in exchange to 100 brought my own salary up to the point of where I was able to a little more than break even for the month. With the rise in local prices, a bonus will be needed again very shortly unless exchange rises more (I do not expect that there will be much more of a rise in exchange during the next few months.) All of the missionaries in Kunming are still needing large bonuses in order to carry on at all.

We see considerable of our own people off and on. There is no telling when some of them will be dropping in on us and it certainly gives us a good chance to see a cross section of American life. We have had people here all the way from coal miners from West Virginia to technical men from Hollywood. Last evening we had in a builder's assistant from New England and a chemical man from Detroit and so it goes.

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goes.

Here at the house we seem to be running off and on a bit of a rest place for members of the FAU. These Friends' Ambulance people are doing a good job of it here in China under rather difficult circumstances and have rather a tough time of it all in all. During July they asked if a couple of their people who had been laid up and were convalescing could come down for a month's rest and we had them here. I just had word a couple of days ago that a couple more would like to come along here in September and we are expecting them early that month.

It begins to look as though we would have almost a larger enrollment this fall than we could comfortably handle here in the college though I am not quite as optimistic as Dr. Wei is about the number of new students who will probably turn up. However it does look as though we would have more students than we had last year. Transportation along the road is not quite so difficult at the present time for students as it was a year ago. There are also plenty of students or would be students in Kunming who have enough in the way of money to finance themselves pretty well. The thing is that there is no use in taking in too many students who are too far below standard and then having to ask them to withdraw after a term's work or have them find out for themselves that the grade is too stiff for them and have them draw out themselves before the end of the term.

There are rumors around ever so often about when the road will be open but there would seem to be little prospect of much going along it in any case until the end of the rainy season in October. From all that we have heard it would seem that our people and the Chinese forces have been doing a very good job under difficult conditions in the campaign in northern Burma and the western part of this province. In an airline the distance covered does not look much but when it has been a matter of hacking through jungle or combing up and down muddy mountain trails the distance has multiplied itself several times.

Dr. Wei had a good trip of it to Kunming and it was good for the college that he

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made the trip. However think that he is still a bit tired from last year and the number of problems which he has to face does not seem to decrease in the least. Think however that the faculty during the year just past pulled together better than during any year that we have been here in Hsichow. The big exodus in the summer of 1943 was in some ways a good thing for the college and there was not such an exodus this past summer. None of the new members of the staff have arrived as yet but they will probably drift in during next month.

With best wishes,

Yours sincerely,

/signed/ John L. Coe

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October 8, 1944

Hua Chung College
Hsichow via Tali
Yunnan, China

From Mary Cox

Col. Spencer Cosby
c/o J. E. Whitney, Esq;
231 Fourth Avenue
New York City, 10, N.Y.

Dear Col. Cosby:

This is a very belated thanks for one-half of a U.S. \$50 which, as I understand, you sent into our New York office to be sent to two missionary families in China. The Arthur Allens in Kunming took one-half, and early in July sent us the other half. But July was a bad month on the mails for us, and many letters which left Kunming in the second week of July just never made the 250 mile trip west to Hsiakwan and the final 22-mile horseback trip north to Hsichow. So, it was not till September that we ever heard a murmur of your generous gift, and only more recently has another statement come through transferring the money to my husband's books here in Hsichow. Such are the state of communications every so often in Western Yunnan.

We are not so far off from groups of our U.S. army boys. They come by Jeep to see us off and on--four times in the last two weeks actually. They are a breath of the outside world to us, and they seem to enjoy our somewhat simple home life. We try to feed them cookies, and persuade them to stay to a meal if they can. It is a pleasure to see them "warm up" to an atmosphere which includes a tablecloth, napkins and glass tumblers. We have learned not to feed them much rice, but if we give them toast, cookies, plenty of jam--and coffee if we have had enough recently presented to us--they are happy. Needless to say, this all takes money, and in China under the present inflationary conditions it takes more money every week. I wanted to do something pleasant for the boys at Thanksgiving, but I knew that we could not do anything adequate on our own salary. At the same time it hardly seemed fair to "touch the mission treasurer" for a higher wartime-living subsidy. Therefore, your U.S. \$25 is the answer to our wishes. I hope we can ask a number of men to come over that evening in Jeeps, perhaps provide them with group singing or a solo or two from our college Music Department, and then present them with pumpkin pie, mince (mock) tarts, candy, fruit and nuts--on as much of a Thanksgiving setting as I can produce in Hsichow.

It is still a little early to make definite plans for the great day--in fact I am still trying to find out just which Thursday is Thanksgiving now anyway-- but with your kind gift, I think we can do it all right.

Our college year has started well, with a record enrollment, but we had to wait for our students to come in because communications suddenly became very difficult but of Kunming early in September. We had our opening meeting yesterday of the Episcopal Fellowship, and some of the new boys told me they took seven days on the road from Kunming to Hsiakwan--and in nearly as many different vehicles. We have 211 students in the college now, and one or two more may come in a day or two. If they can prove that they left Kunming by September 30, the college will accept them.

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Our rainy season was the worst for some years, and even now, I am still trying to get the mold all out of the books, although the rains stopped about 16 days ago. Everyone's house leaked practically, and ours was a positive flood. Fortunately we have a whole side of a Chinese courtyard, so we were able to move downstairs when the upstairs became impossible. There was some fear that the rains might hurt the rice crop, but the crop remains excellent in these parts. We read in a recent "Time" that because the rice crop was so good this year, the price of rice would be going down, but our part of China does not understand that kind of economics because all our prices continue to go up regularly.

The Chinese news from Hunan and Kwangsi leaves us very heavy-hearted but for ourselves we go on quietly here--not so far from the front lines, but not really in close touch with them.

Sincerely yours,

(Signed) Mary Richards Coe
(Mrs. John L.)

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C O P Y

HUA CHUNG (CENTRAL CHINA) COLLEGE
WUCHANG, CHINA

Temporarily in Hsichow
Via Tali, Yunnan, China

November 8, 1944
I-16

Mr. Lyford
Mr. Oliver S. Lyford
54 Dana Place
Englewood, New Jersey, U.S.A.

Dear Mr. Lyford:

I have recently had word from Mr. Arthur Allen in Kunming that he drew on you through I. B. Franklin for U.S. \$10,000 late in September or early in October. U.S. \$5,000 of this represents the money which I thought Mr. Allen had drawn in July, which I charged at that time. The other U.S. \$5,000 is on this year's account. I will make this whole matter clear in my accounts here.

In my letter I-15 to Mr. Greiner, I mentioned the matter of the payments from the campaign out on by the Yunnan students. Actually up-to-date I have received N.C. \$1,000,000 from them. There may be more money coming in on this account, and I understand that this matter will be taken up at the next meeting of the Executive Committee Pro-tem as to the use of the money. I will give you further details later.

A short time ago we received a letter from the Rev. A.B. Coole, treasurer of the Associated Mission Treasurers in Chungking, saying that the grant to the college for the current year for the Sustaining Fund from United China Relief through the Associated Boards was coming out to Chungking and would be handled through his office. He notified us that the grant for the months of July, August, and September were then available. I have sent him word asking that this money be sent to us at Hsiakwan. I presume that this money will be coming every month in this way. As a result, about one-half of my requirements for money will be met, and therefore, I shall not be drawing through Mr. Arthur Allen on you as heavily as I had expected.

After consultation with Dr. Wei we have decided to allow any member of the faculty who wishes to buy U.S. dollars at the rate current. This money is to be held as a deposit in the college account.

Will you please make the following payments for us in the United States:

Mr. Harold M. Millier-----U.S. \$502.50
North Wales National Bank
North Wales, Pa.

Mrs. Thomas Marion Grotes-----U.S. \$541.00
1509 East 3rd Street
Pueblo, Colorado.

Mrs. Henry Raymond Calvin-----U.S. \$469.50
5131 El Verano Avenue
Los Angeles, 41, Calif.

Mr. Bernard Selkin-----U.S. \$223.00
553 Hopkinson Avenue
Brooklyn, 12, N. Y.

Also two missionaries who are shortly proceeding to the United States have turned
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over some money here to me. I am giving them receipts for the same, and will make arrangements for them to collect the same from Mr. Greiner upon their arrival in the United States. They are:

Rev. James H. Andrews-----U.S.\$2735.
Miss Elise Scharten-----U.S.\$1107.

As Dr. Wei wrote you, we increased faculty and staff salaries and subsidies by 20%, as of October 1. In all probability a further increase will be necessary beginning with December. From business done so far this year I would estimate that most of the money used during August and September would work out at a rate of about 100. During the month of October and November the rate will probably work out at a little over 120. At the present time the rate is around 140. But prices are going up faster than the exchange rate has gone up so far. It is, therefore, difficult now to say exactly how the scheme as outlined in my letter of May 28 to you is going to work out. The college has so far purchased about three-quarters of the stock of Walnut Oil for the use of the faculty during the coming year, and the balance of the purchase I hope will be completed within the next two weeks. It might be interesting to note that whereas last year the college purchased oil at N.C. \$72 per catty, which was equivalent to approximately U.S.\$2 per catty at the rates prevailing during the time of purchase, we are now purchasing at N.C.\$200 per catty, which is equivalent to approximately U.S.\$1.45 at our present rate. The rice purchase has not been made as yet. Last year we purchased rice at N.C.\$96 a sen, which was equivalent to U.S. \$3.20 at the rate prevailing at that time. It is our hope that we shall be able to make the purchase this year at a price which will be equivalent to somewhere between U.S.\$2 and U.S. \$2.50 a sen. In case of both purchases this year, the funds which I am using have come at the rate of 140. The oil purchase will entail about N.C.\$350,000, the rice purchase somewhere between N.C.\$750,000 to N.C.\$900,000. The results of the purchases made last year are not yet complete, as the final distribution of rice is to be made this week; it is my present estimate that on a total business of N.C.\$400,000, the amount of loss to the college in the purchase and resale will not amount to more than N.C.\$10,000, and we may possibly come out even.

In my letter of August accompanying my Annual Report to Mr. Greiner, I suggested that he get in touch with the Reformed Church in regard to their appropriation to the college for this year. I have recently received word from their mission in Hunan that all college financial business is to be handled with their office in Philadelphia. I have received no money from them for their financial year beginning February 1, 1944. As far as I know, the grant to the college should be U.S.\$1250. from the Women's Foreign Missionary Society of the Reformed Church for the Practice School; U.S.\$250 for books for the School of Education; and an amount usually paid in Chinese dollars for two Chinese salaries. Everything was paid up for the previous year. If nothing has been received in New York from them it might be well to take the matter up with their Philadelphia office.

Mrs. Coe and I join in wishing you and your family Best Wishes for Christmas and the New Year.

Sincerely yours,

(Signed) John L. Coe

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C O P Y

Hua Chung College,
Hsichow,
November 16, 1944

Mr. J. Earl Fowler,
281 Fourth Avenue
New York 10, N.Y.

Dear Earl:

Thank you for your letter of October 6th which came in early this week. Since coming back here I have intended to write you several times but it always seemed to get crowded out but will try to make up for it now. It is good to hear that Jim is better and hope that he will have no further trouble with his TB. He must be getting to be quite a boy now.

You would hardly know the college compared to what it was your last year in Wuchang more than ten years ago now. Francis is still the same old Francis, but one who has aged a lot and is much greyer than when you knew him. He carries the place on his back in more ways than one and is working harder than anyone else. He is teaching eleven or twelve hours in addition to his other work. Hwang Pu is still Dean of the School of Education and about as rotund as ever. Richard Bien who had just come that last year of yours in Wuchang is Dean of Science and holding the Physics department in good shape. Sidney Hsiao is still with us in Biology, but probably the less said in regard to Sidney and Mrs. Sidney in regard to some matters the better. Sidney is a good scientist and keen on his work but he forgets that wartime China isn't Harvard, and one cannot expect to have the facilities and equipment and the kind of students that one would have in the States. John Lo is Dean of Arts and doing a fairly good job of it. Carl Liu is the resident Sheng Kung Hui chaplain. He also has the thankless job of looking after the men's hostels and is doing all right in a difficult position. The Andersons and Miss Bleakley are still with the college, and I think that completes the list of those who were here when you were last in Wuchang. The record enrollment this fall has created a lot of problems and in some ways I think that we could have gotten along just as well with about forty fewer students, particularly as a lot of those taken in came in with at least two conditions. On the average I think that there are more promising students this fall than last fall. I am still trying to pound a bit of mathematics into the heads of the science students and also trying to keep the finances of the institution on a fairly even keel.

There are enough things going on from time to time which make me want to get out and I am sometimes the most unpopular man around here in stepping on some toes. But then I feel that Francis is doing the best that he can and he does his best to check some things. One or two things which last year were getting a bit out of hand, he put his foot down on and has kept it down despite considerable pressure from some of the faculty to make him lift it. In one case, I urged him to put the foot down and his excuse for not lifting it, when he talks to some of the faculty is that I have said that things must be done in the way they should be. This business concerned mainly the matter of making loans to the faculty to buy up things ahead. For a time the system had worked fairly well but some of the people were getting to abuse it and so last spring I urged him to stop it. He saw my point, and the issues involved and then put his foot down and when individuals came to him for large loans simply said that Mr. Coe hasn't got the money on hand to make the loan. The idea was hard to get over at first but

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at present there are still only two faculty loans on the books which remain to be cleared off and they should be removed within a few months and no new ones are going on. The college has little by little gotten itself into the rice and oil business for the faculty. We are buying the stuff up at harvest time when things are cheap and then proceed to sell it out at cost later to the faculty. We have just completed the purchase of walnut oil, which comes to seven drums. That business wound up yesterday and then tomorrow I am off to Hsiakwan to raise money for the rice purchase. This business of running a college at a distance from banks isn't all that it might be cracked up to be. I was fortunate two weeks ago in getting a jeep ride down and back to Hsiakwan when I went after \$400,000., but tomorrow looks like walk and horse-cart for a good part of the business. Ordinarily I can keep running fairly evenly by selling checks here on the street but that doesn't give me enough for extras for tomorrow will see me looking for several hundred thousand. I can get small notes like ten and fives off the street without too much difficulty by selling checks on Hsiakwan but larger notes aren't easy to get here, while they can be gotten from the banks without too much trouble. Notes up to \$200. are in frequent circulation while I know they are now issuing \$500. notes but have seen only a few down in this end of the province so far. I won't bother quoting too much in the way of prices, but eggs at the latest were \$15. each and other things much the same as that. Dollar bills are out of circulation now. The rise in our exchange to 140 the last couple of months has helped out considerably though before exchange rose the mission way paying a considerable bonus. Since the rise in exchange during the summer, we have had two months without bonus and two months with a slight bonus, while the people in Kunming are still drawing a good fat bonus seeing that it costs them a good deal more to live there. We are going down to the college most evenings now to listen to the radio and read by the electric light there so as to conserve our stock of kerosene and candles as long as possible. Using vegetable oil for lighting around the house doesn't appeal to me too much and the longer I can put off that day the better. The college light plant works most of the time which is a great help. The chief fuel that it uses is charcoal and we can still buy that even though it is fairly expensive now. The bulk of the students are comparatively well off compared to the faculty and seem to be spending money quite rapidly around here.

This place certainly has it over Wuchang and central China as far as scenery and climate goes. The rainy season here isn't too pleasant but then it wasn't pleasant in Central China either. But we don't have the steamy heat of the summer or the cold of the winters we had there. The temperature down here in the valley rarely gets down as low as freezing and most of the time in the winter we get nice warm days from the sun. The evenings tend to get chillier and chillier and a charcoal fire in the dining room does help out considerably from the first of December till early in March. We have had one twice so far this fall already. If the houses were better built here it would be easier to stand the cold. This house fortunately has a good western exposure and gets the afternoon sun in the fall and winter which makes the upstairs quite nice on clear days. One of the advantages here is that every so often I can get off to the mountains for a day. They are right in our backyard so to speak and it is only a half an hour's walk to the foothills from the house here. Last week Friday the FAU man who was staying here wanted to get up to the top where he could see over the other side. We went out, leaving here about half past six and went up a peak at the back of the plateau back of here. We got up to a peak somewhere between twelve thousand five hundred and thirteen thousand feet and had a good view of all the surrounding country. It was a nice bright day so at noon time even at that altitude it was not too chilly. We had seen traces of frost on the way up there but there was no snow as yet. We could see west

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to the ridges on the other side of the Salween where there was fighting not many months ago. To the north and northwest we could see two large snow mountains, one about a hundred miles away and other more than a hundred and fifty. All in all we had a satisfactory day of it. It certainly does help to get off for a day once in a while from the round of ordinary things at the college.

I started this letter on Thursday evening and now it is Sunday morning. My trip to Tali and Hsiakwan went off in good style and I was fortunate in getting rides for all of the trip except for the business from here to Tali early on Friday morning. Two of the rides were in horse carts and these horse carts have to be ridden in order to understand them. The body is balanced on one axle running on old auto wheels and the desire is to get the maximum number of passengers into the smallest amount of space, Six is the normal load which would not be too bad if each passenger did not try to take along as much extra in the way of bedding, baskets, etc., as he can manage. On the trip from Tali here, they usually stop for about half an hour en route, ostensibly to feed the horse but actually to give the passengers a chance to stretch cramped legs for a bit. I don't usually take a cart, but did on Friday when I had accumulated so much stuff that it couldn't be managed otherwise. I did manage a jeep ride from Hsiakwan back to Tali, which was the most pleasurable part of the trip.

With best wishes to you people for the Christmas season and a happy prosperous New Year. I have written fairly frankly to you about some matters in the college and they should be considered off the record as I feel that having been out here you will understand them better than one who has not. I get fed up every so often but then I remember that the Bishop sent me here and it is up to me to carry on as best I can.

As ever,

(Signed) John L. Coe.

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John Greiner, Asst. Treas.
281 Fourth Ave, New York, N.Y.

No. C-8
November 22, 1944.

Mr. John L. Coe,
Hua Chung Central China College,
Hsichow, Via Tali,
Yunnan, China.

Dear Mr. Coe:

You will understand when you read the enclosed letter W-50 to Dr. Wei from Mr. Lyford why we did not write to you since receiving your reports.

On September 21st we received both copies of your L-13 with the reports enclosed. You did a wonderful job to complete the statements in such short time and to get them to us before the October meeting. Mr. Lyford received your L-14 on October 5th and I received L-15 on November 1st. These two letters came through in very good time.

I have not analyzed the detailed reports as yet but have attempted to reconcile your U.S. Balance Sheet with our records. Your reconciliation in L-15 has been very helpful in preparing the attached statement of the Surplus Account, which account is your balance on our books. You will also find attached a corrected U.S. Balance Sheet after making the changes you requested. We also think it is a good plan to group the Balance Sheet items under the three classes A B and C and we also think it would be well to list all the balances we have on hand in New York under the heading "Surplus Account Group" and the local balances under "Other Accounts". I think this will help us to keep our accounts in agreement.

With regard to the balances in the National City Bank Reserve Account we could cable you on or before August 1st each year the actual cash balance which you can assume will include full payment of all grants for the fiscal year. The only grants we will receive now, to be deposited in the National City Bank's Reserve Account, will be the items received from Yale-in-China and Harvard-Yencheng Institute. We can keep each other advised as to any adjustments in the other items included in the Surplus Account. You will find that we have deposited in the National City Bank's Reserve Account a balance in the ACM Special China Funds which was on hand at the National Council offices. This was done in accordance with your suggestion: this amount was \$10,278.75 which was \$1,236.14 less than shown on your balance sheet. The difference must be sums you deposited with George Laycock in Shanghai in the latter part of 1941 and which he was unable to report to us. I suggest you carry this amount as receivable until such time as George can give us an accounting. The sums deposited for the College by Allen in the ACM Special China Funds has been accounted for. In the revised U S balance sheet I have set up an Adjustment Account in the sum of \$5,783.66. This figure represents the \$5,000. July payment you received from Allen which was adjusted after July 31st and \$783.66 balance due the College from the Trustees' Account in the Bank

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of Manhattan. After July 31st the \$5,000. will be cleared out by a debit to the Adjustment Account and a credit to the National City Bank's Reserve Account. The \$783.66 balance was originally the \$1,936.11 as shown on my previous statement, but this has been reduced by transferring \$1,000 to the Reserve Account of the National City Bank and by the payments to Hsiao of \$100. and the London Draft of \$52.45. The payment to Stechert was charged to the College before arriving at the balance of \$1,936.11. It seems that the 783.66 would be an addition to your Sustaining Fund in Group A. You will note that the Surplus Account, as per our books, has been brought up to October 31, 1944.

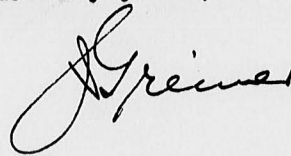
I hope you will find the explanations clear enough and that it will help us both in reconciling our records. In a later letter I will write suggesting the preparation of a Receipts and Disbursements Statement at the end of the School Year in addition to the Balance Sheet.

Mr. Lyford had Eugene T. Hsu at his home yesterday for Thanksgiving dinner and he brought him to the office this morning to make some financial arrangements for his family in Chungking. We are very glad to do this for him for he is a very pleasant person.

We expect Bishop Tsu from the Coast very shortly where he has been for the past month. He will then be on his way to China.

Best wishes,

Sincerely yours,



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Letter No. C-8
November 22, 1944.

Mr. John L. Coe, Treasurer
Hua Chung College,
Hsichow, China.

Dear Mr. Coe:

*Coe rec'd
11/1/44*

Mr. Greiner's letter which accompanies this, covers comprehensively our study of your operating report for 1943-44, so I will not attempt to enlarge on it. Suffice it to say that I am in full harmony with his report and recommendations.

I am sending herewith my letter W-50 to Dr. Wei, in which I discuss at length the recent change in the procedure of United China Relief in making their payments to the sustaining funds of the Christian Colleges. I hope that my letter will be clear to you both and will lead to practice which will keep us all up to date regarding financial matters which will tend to become more complex as time goes on. To this end I am sending to Mr. Evans a copy of W-50 for his comments.

I note that we shall soon receive notice of funds to be withdrawn from the Reserve Account to balance corresponding amounts which you are taking into your operating account. Owing to prevailing financial conditions in this country I am sure that our Finance Committee will direct that this money be put into U.S. Government Bonds, for the present at least. Therefore, this endowment money will be treated in the same manner as the Holmes Endowment Fund, but in a separate category. I am sorry that it is impracticable at present to get a greater income from investment.

We are awaiting with much interest the report of the proceedings at the Twentieth Anniversary proceedings. I hope there was much enthusiasm.

Eugene T. Hsu tells me that you are a good friend of his. I am advising with him from time to time and now he is asking me to help him get money through to his family who are living with his brother-in-law in Chungking. I told him that it would be impracticable for me to send money from him through you at Hsichow, but that Mr. Whitney and Mr. Greiner will be willing to send money through Arthur Allen and Allen's representative at Chungking. We probably shall try this plan at least once. Will you please advise me as to the circumstances under which Eugene's family moved from Hsichow to Chungking?

I had the pleasure of meeting Dr. Roots last week and receiving from him the friendly messages from you and Mrs. Coe and others. He seemed to be in fine condition except that he is pretty thin.

The advance of the Jap army into South China is causing us considerable concern. Should not be surprised if we receive reports that Hsichow is being inundated with refugees.

Yours very sincerely

Oliver S. Lyford

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HUA CHUNG (CENTRAL CHINA) COLLEGE
Wuchang, China
Temporarily in Hsichow
Via Tali, Yunnan, China

Copy of letter from Mr. + Mrs. Coe

December 5, 1944
L-18

Early last week Dr. Wei did not seem his usual self, and talked of running a fever part of the time. On Wednesday, November 29th Dr. Eric Waddington of the Friends' Ambulance Unit, who is spending a short leave with us here, went to see him. He was not able to make a diagnosis of the case at the time. On Thursday and Friday, Dr. Wei did not seem much better, and Dr. Waddington suggested that he ought to be sent to the China Inland Mission Hospital in Tali as soon as proper transportation could be found. Fortunately we were able to get a ride for Dr. Wei to Tali on Friday afternoon. He stood the trip all right. When I was in Tali on Saturday, I saw him for a few moments. The doctors at the hospital were still a bit uncertain as to what his illness was. On Sunday I had a note from Dr. MacDonald, saying that it looked as though Dr. Wei had typhus. Dr. Waddington went to Tali yesterday, and I expect he will be back sometime today. At the end of this letter I will add any information he may have in regard to Dr. Wei's condition.

I know that Dr. Wei had been intending to write you this week in regard to the meeting of the Executive Committee which was held on Saturday, November 25. At that time a letter was received from the Committee of Yunnan students who had raised money during the summer. They asked that N.C.\$200,000 of the money they had raised be distributed to the faculty and staff. The remainder of the money is to be divided between an endowment for scholarships for students from Yunnan and an endowment for research into problems of the Border Region of the Southwest. A full report as to how the money is to be divided for these two latter projects, and the exact amount, will be sent later. The Executive Committee voted that the N.C.\$200,000 be divided among the faculty and staff, paying each one of them 54% of the total amount of salary and subsidy received in November.

The Executive Committee further considered the question of subsidies, and after careful consideration voted to increase as from the first of December the subsidies of the faculty and staff by a further 30%, of the basic salary and subsidies as adopted last June. Thus, starting with December, the faculty and staff will be receiving 150% of the total amount they received last June. This last increase follows very closely the principle which was tacitly approved by the Committee last May when the new scheme was put into effect: viz., that as exchange increased, the college would increase the amount received by each faculty member. The exchange rate for the college money received in October was 140. At the time of the Executive Committee meeting we did not know what the rate was for November. Because of the slowness of communications, it is necessary for me to sell money a month to six weeks ahead, and hence money sold in October would have been used to cover the end of November and a portion of December. The Executive Committee considered both the question of exchange and the question of the rise in prices here and considered the increase to 150% necessary for the faculty and staff, and at the same time felt that exchange should catch up very shortly.

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One of the reasons why it was necessary to increase at this time was that the oil and rice which had been purchased last year by the college were entirely exhausted, so that it was necessary to increase a good deal the price of rice and oil sold to the faculty.

Since the meeting I have received word from Kunming that the rate for our exchange actually went to 160 before the end of November. However, the college did not do much exchange business in November, and I do not know what will happen in December. I have just received word from Chungking that £500. (Of the £1,000. special gift from the United Committee in Great Britain) has been received and there is being sent to us. This money comes at a very favorable rate of exchange -- N.C. \$874. to the pound sterling. The other half should be coming very soon. I know that it is Dr. Wei's idea to continue the regular salaries and subsidies from month to month on a basis very close to the exchange we are getting for U.S. dollars. Such special gifts as I have mentioned above will be distributed from time to time as extras to the faculty.

Early in November we had an opportunity to purchase walnut oil for cooking purposes for the faculty and staff for the coming year at an advantageous price. That purchase is entirely completed and cost between N.C.\$300,000 and N.C.\$400,000. The purchase of rice for the next nine months has been started and about two-thirds completed. I hope that within a week it will be finished. The total cost of this will be somewhere between N.C.\$8-9000,000. We have found that purchasing these two commodities ahead, and then selling them to the faculty, worked out well last year, and also gave the faculty an idea of what these two commodities would cost them over a number of months. It has also enabled us to eliminate the faculty coming to the college and borrowing ahead in order to purchase rice and oil. The matter of loans to the faculty was raising very serious problems, and I am glad that they have been largely eliminated.

Will you please at your convenience send to the Rev. G. A. Sutherland, China Inland Mission, 235-237 West School Lane, Germantown, Philadelphia, Pennsylvania, U.S. \$1667., and ask him to credit it to the Tali Hospital Account. Mr. Arnold Snow of the C.I.M. Hospital in Tali will be writing him in regard to it. (Attended to - O.S.L.)

It is not easy for us to get definite information as to the developments in Eastern and Southeastern China. We have heard a number of disturbing rumors and are keeping as well informed as possible as to what is going on. We hope that we shall not be disturbed here. Kunming was apparently very excited late in November, but the latest word is that the excitement in Kunming has quieted down somewhat now.

Dr. P. V. Taylor arrived here last Friday after a somewhat tedious journey from Kunming. He is only making a short visit here now as he wants to try to get east to see his son and the other work of the Reformed Church Mission.

According to the constitution of the college, whenever the President is away for a short time or is ill, the senior dean automatically becomes acting president. Dr. Hwang P'u is, therefore, acting president and will carry on as long as Dr. Wei is ill. He has asked that I attend to Dr. Wei's foreign correspondence. We shall be much interested to know of the decision of the Board of Founders in regard to the United

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Board at the meeting on December 8.

Will you please tell Dr. Sherman that his letter of October 18 to Dr. Wei was received yesterday, and will be given to Dr. Wei as soon as he is able to attend to business.

With best wishes,

Sincerely,

/signed/ JOHN L. COE

Tali - Dec. 7 10 A.M. - Dear Mr. Lyford: I took a jeep ride in last night and spent the night with the Snows. This is Dr. Wei's third day of "crisis" - he seems slightly better, but the doctors are not yet willing to "predict." Dr. Wai-Ling Laai also came into the Tali Hospital yesterday - the hospital thought she had typhus yesterday, but she is much better this morning - it may be only relapsing fever - diagnosis still uncertain. Dr. Waddington through kindness, F.A.U. & American Army got typhus vaccine for 200 - he started injections yesterday - college nurse, Miss Liang, will carry on.

Faculty is pretty hard hit with Peter Kar-min Yuen knocked out entirely by T.B. hemorrhage - he was full-time English teacher; Dr. Wei, and now Dr. Laai - but hers may be a shortish convalescence. News from around Kweiyang is a further cause for anxiety.

Sincerely yours,

/signed/ MARY COE

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EXTRACTS FROM A LETTER FROM MRS. JOHN COE TO MRS. MILLER DATED DEC. 8TH and 10TH, 1944.

"Miss Burr our new member of the English Dept, and our boarder is about to collapse under the strain of 18 hr. of teaching a week. She is altogether too conscientious and is just wearing herself to a frazzle. Miss Bleakley is not far from the breaking point, and the death of her precious nephew in Italy has been a greivous loss to her. *****

"J. Has to go to the bank in Hsi Kwan nearly every week now- he carries his office money in two suitcases now. The oil merchants hound us in the dining room while eating, etc. It's a great life if you do not weaken. J. spent from 9 a.m. - 4 p.m. today in the rice room.

On Nov.29th a Jeep came in and invited the foreigners of the community down for Thanksgiving dinner with the men. Then they asked if some of the girls could go along. As we had taken the girls along to a big dinner given by a Chinese General and on an entertainment up and down the road, I said I thought they could - but would find out, and would send through a message. Alas and alack- Dr. Wei said "No" to the girls going, albeit it was a heavily chaperoned party in which we would be called for and delivered, in very insulting terms (he went to bed with his typhus that afternoon, so all must be forgiven for typhus has that effect on every body.) On the 30th a Jeep and two Weapon Carriers arrived for the party - the message had been so garbled that they could not understand it. I have rarely had a worse time explaining - and in a state of high dudgeon, the captain in charge would take none of us. The whole affair was pretty nasty from beginning to end. John went down the line to do what explaining he could to the colonel in charge, but I can assure you that Sino-American relations got one more nail in their coffin.

We may not be going through an anti foreign atmosphere at the moment, but there is so little love on both sides - and so much recrimination on both sides - that our loyalties are sorely tried. There is a movement on to get college students to go into the armed forces - so far nine brave young people have signed up, two of them girls. Feelings are very sensitive at the moment on the faculty, tempers are firey, and we are having to walk a rather tight rope. Anything the Chinese can get from the American Army they have no hesitation in taking - such as vaccine, transportation, Jeep rides, clothes etc - but they are very quick to sit on their dignity. To be truthful, the American Army has not acted too well here - the drinking has been scandalous - but I felt badly because they were trying to put on a decent party on Thanksgiving and give everybody a good time - and they were cut to the quick by the college attitude toward the American Army. G. I's are good enough to die for China but not good enough to be polite to. All the old-school Chinese felt the same way Dr. Wei did however. It was a Jeep that took Dr. Wei into Tali - the Army Chaplain was terrified at the then undiagnosed fever too.

The great 20th Anniversary Celebration (of the College) seems to have pleased the Chinese considerably. John is determined to be on furlough when the 25th comes along ***** Erica Hsiao is having a sale on the 16th - about $\frac{1}{4}$ of her things I believe - and she hopes to get in a very goodish sum. It will be hard for Sidney (her husband) when she goes home. I don't know when that is.

I understand Logan is coming back to the Tali Hospital (C.I.M.). If our various and sundry medicos arrive (Mrs. Bien and the Jewish refugee) it will be alright for Logan to be in Tali.

Note: By A.M.S. "The Jewish refugee" is an M.D. named Pinoff - his wife an English Methodist.

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Hua Chung College, Hsichow,
December 26, 1944.

L-19

Received Feb. 9

Dear Mr. Lyford,

Christmas for us here at the college was especially joyful as Dr. Wei returned here last Thursday from the hospital in Tali. It was fortunate that he was able to get a ride all the way back, which took him right to his front door. I had been in Tali four days previously and knew that the doctors approved of his coming back when he did. He had been free from fever for over a week when he returned and was feeling weak, but looked better than when I saw him in Tali. His son is able to look after him here and seems to be doing a good job of it. When I saw him at noon on Christmas day, he was looking better and said that he had walked a few steps about his room in the morning. He has definitely given up any idea of doing any work before the beginning of next term. Dr. Hwang has taken over as acting president and will handle all routine matters, and then when he considers it necessary, refer matters to Dr. Wei. Dr. Wei told me this morning that he is thinking of doing some reading starting with the new year. There is no question about it but that he was a very sick man and will need a long period of rest and recuperation. He realizes that and is prepared to rest, which is a good thing. After he had gone to the hospital in Tali I delayed sending a cable to New York about his condition, as I knew that it would be a matter of a few days then before we could tell about the outcome of his case and I preferred to send word definitely as I was able to do when I cabled on the 12. I had seen the doctors in Tali the day before I sent the cable, and they both told me that day, that he would pull through which was more than they had been willing to state three or four days previously. In some ways it might be a very good thing if Dr. Wei was able to go away for a good long rest, but at the present moment with the present upset conditions in this country, it is a big question of where he could find a place to go. As it is, he is in his own rooms and his son is doing things for him and also is keeping down the number of visitors until his father gets stronger.

Your letter of November 6th arrived last week just before Dr. Wei returned. The general letter has been turned over to Dr. Hwang and your personal letter to Dr. Wei in regard to the Los has been passed on to me. Dr. Wei is still a bit slow mentally, and so I did not bother him with all the financial details in the letter. I am sure that whatever arrangements you make in the matter will meet with his approval. He feels that it is not wise to take the matter up in any form with the executive committee here. Before he wrote you last January in regard to the business, he talked it over with me, and so I know more or less his ideas about it.

Last Friday Dr. George Bien and his family arrived at the college after a long tedious trip through from Kansu. One of the chemistry assistants also arrived with Dr. Bien and another one is on the way, so that the Chemistry department will be in condition to function again in good shape. Mrs. Bien will probably take up duties as college physician and fill a need which has become more pressing each month since the departure of Dr. Roots.

The College is also expecting the arrival of Dr. and Mrs. Pinoff of the Methodist mission sometime in the near future. Dr. Pinoff is a refugee German doctor who was employed by the Methodist Mission in east China and has only recently arrived in Kunming. Mrs. Pinoff is English and came out as a missionary in the Methodist Mission. It is expected that she will teach English in the college, and he may help with the medical work. They will come to us as regular appointees of the Methodist Mission.

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A letter just in from Bishop Hall says that he is sending to the college a Miss Langford of his mission to help out in the teaching of English. Thus it looks as though we might be going to fill some of the vacancies in the English department, though probably one more additional person will be needed when Miss Bleakley goes on furlough in the summer.

Dr. Taylor left Hsichow on the 8th of December after receiving a telegram from his son who was in Kunming at that time, saying that Edouard was ill and was leaving shortly for India for an operation. Since then we have heard from Dr. Taylor in Kunming saying that he was taking up his work with the Church Refugee relief committee which means he will not be coming to the college for the present.

I have had little further word in regard to exchange since I wrote you early this month. The tendency seems to be for the rates to work higher. The last remittance I had from Kunming was at 160, but I heard that the Clearing Board in Chungking was asking considerably more than that figure, but do not know what success they were having in getting it. My needs are covered for the next month at least unless something unexpected should arise.

Prices continued to jump here during the month up to the last market or so when there has been a slight drop. Early in the month the rice price was holding at slightly under the price at which we were going to have to sell the college rice in order to come out even. Then about ten days ago the price suddenly jumped from around \$300 to \$370 to \$380. Then the last market on Saturday it dropped back to from \$330 to \$350. The drop may be only temporary, and on the other hand may hold through the month before China New Year. Charcoal had jumped to \$1250 to \$1300 and we were laying in a good supply for the power plant as there was a large supply coming in. Charcoal is very seasonal when it comes on the market, and this month or six weeks is a good season for it. We had bought more or less what we needed (I didn't dare hold off looking for anything in the way of a price drop as when bad weather comes on, the supply will drop off and we had to have it.) Then on Saturday's market the charcoal ladies came around to see Tan more than once and begged him to buy as they had a lot on hand they couldn't sell. However Tan told them that we wouldn't pay more than \$1100, and finally late in the afternoon they delivered it to us. It is a pleasure once in awhile having the upper hand of these people and being able to see them come to your price instead of having to pay theirs. I feel that these recent drops in price are nothing more than seasonal with a bit of an oversupply and the desire of the merchants to raise cash before China New Year. After that, prices will probably be climbing worse than ever. I doubt if the projected opening of the road will have much effect on either prices or on civilian goods for some time, as it will be needed for military needs.

The scare which hit Kunming and other points further east in this country when the Japanese advanced in the direction of Kweiyang was hardly felt here. In many ways we are probably in the safest part of China at the moment, and with the continued progress of the allied forces in northern Burma our position becomes still better.

With best wishes for the New Year,

Yours sincerely,

John L. Coe (signed)

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C O P Y

Hue Chung College,
Hsichow via Tali,
Yunnan, China.

December 29, 1944

Mr. J. Earl Fowler
281 Fourth Avenue
New York 10, N. Y.

Dear Earl:

Your nice letter of October 6th came through in good time, reaching here November 14th. I certainly have taken long enough to answer it! The enclosed letters to Miss Longfellow and Mrs. Guerry I hope fill the bill. I believe there is a saying that "Many a mickle makes a muckle," but it takes an awful lot of U.S. "mickles" to make many Chinese "muckles". Even with exchange going somewhat in our favor through legal circles, still everything costs so that U.S. \$25. is pretty hard to use in a way that will represent the effort and saving that went into the gift in the U.S.A. Clothing is the crying need of everyone of us, but at Chinese \$300. a foot for the cheapest kind of cotton cloth, you can see why most of us are patching and patching and sink into depression when it seems impossible to patch any more. Recently John has been very lucky and has been given two pairs of worn G.I. boots, an old weather jacket, a raincoat, and a somewhat smellish coat. His need for trousers is desperate, as his everyday suit is just falling to pieces, but J. is a little tall for many pair of cast-off trousers. Our student body, many of them that is, go about like tailor's dummies with the most elegant outfits of G.I. this-and-that, for which most of them paid a very good price. John's, at least, cost him nothing. The Chinese faculty cannot indulge in clothes, as can the students, and certainly their somewhat bedraggled appearance testifies to the fact. I really don't know what big families do. The trouble is that Chinese \$2-3,000. is only a starter, and to give one child out of all the faculty children a pair of shoes or a new pair of trousers means that everyone else is very unhappy. We have great difficulty in finding enough dust cloths and dish rags these days, for they are all serving as underwear or pajamas. Oh well, we don't suffer, which is a lot more than can be said for most of mankind!

John has just received a certificate from the Ministry of Education which states that he has been working in or for the college for twenty years. Dr. Wei was the only other person to receive the same certificate. The best of it is, though, that it includes a present of Chinese \$10,000. to each one of them. John's goes towards two pair of khaki trousers, or I shall know the reason why!! Unfortunately we started reckoning up the month's damages last night, and J. seemed to feel we might need that \$10,000. to bail ourselves out. We have been buying up nearly 3 months charcoal, and we have got to get flour before the end of January - and sugar is running down. Still somehow I am going to see to it that he gets those two pair of trousers.

Dr. Wei is being very sensible about his convalescence. George Bien with his wife and three children have at last reached Hsichow from Kensu, and as Mrs. George Bien is a P.U.M.C. trained M.D. (with Northwestern University for her A.B. work), our medical situation is easing. In fact we are expecting the English Methodists to send us a couple named Puroff -- the wife English, the husband a German-Jew refugee M.D. - and then we shall certainly be taken care of medically.

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The English Methodist wife is a university graduate with Education as her specialty, but she will be put to work teaching English. "Put to work" is a good phrase, for I consider correcting compositions and expounding the intricacies of English grammar one of life's more boring and exhausting processes, especially as our classes are in the 20's and 30's now - and some of them pretty dumb, even in the A section that I am given.

This has been the warmest early winter since we have been here. The mountains do not yet have their winter topping of snow. The wild pink camellias are easy to find, and the flowering wild cherry trees gave us their usual pink branches for decoration. John went up several thousand feet and brought me home plenty of red berries for the Christmas wreaths. We plan a picnic for tomorrow up at the "mausoleum" of one of the wealthy families here -- about a five mile walk -- with a grand view of the valley after we get there.

We do not see so many of our G.I.'s now, for the war is moving on to bigger and better fronts. However, enough come our way to cheer us up and give us some little "tidbit" from America, which Haichow does not offer on its market. In fact, we had a chaplain here over Tuesday night who popped corn for us over his gasoline stove with all American products, and then for noon the next day he provided all homside ingredients for Italian Spaghetti - and Sunmaid Raisins for a raisin pie. The only trouble is that I often am stumped as how to cook these precious viands. We were unexpectedly invited to a Christmas dinner in Tali on the 21st, cooked by the C.I.M. Snows, but provided by the G.I.'s who were there. I have never seen so much good food at once, and throwing discretion to the winds, I just "sailed in." Our own Christmas was adequate, but nothing could come up to that Snow repast.

John works like a beaver, as do a good many of the staff. As I have said, he does everything from international exchange to carrying messages like the humble coolie. It would probably be easier to hire a man in Haichow who fancied himself as an international financier than one who fancied himself as a coolie! We women wash, cook, scrub, teach, stenog, patch -- and try to play the gracious hostess at the same time -- which means that we skip a good deal here and there. Still we do nothing to compare with the war workers at home who work in the factories 12 hours a day and run a home the other twelve -- we are just old softies!

My very best to Dot.

Sincerely,

(Signed) Mary Coe.

P.S.: Tell J. E. Whitney I will answer his letter of Nov. 3rd. soon, I hope.

P.S.S.: Tell Gladys Barnes I will answer her letter of Oct. 23rd. soon, I hope.

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