

284 4461

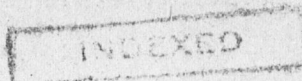
UBCHEA ARCHIVES  
COLLEGE FILES  
RG 11

WCUU  
Corres.  
Beech, Joseph 1935

2  
8  
4  
4  
4  
6  
1

05 10





January 7, 1935

*ack 5/29/35*

✓ Dr. Lincoln Dsang  
✓ Dr. Joseph Beech  
West China Union University  
Chengtou, Szechwan, China

My dear Dr. Dsang and Dr. Beech:

We attach hereto a copy of the absolute charter of West China Union University as granted by the University of the State of New York.

Although the charter was actually granted on October 18th, 1934, the engrossed copy of it was not sent us until some weeks afterward.

We are very much pleased that the University was given authority to confer the degrees of Doctor of Medicine and Doctor of Dental Surgery as well as the degrees of Bachelor of Arts and Bachelor of Science.

Very cordially yours,

B A GARSIDE

BAG:MP  
Encl.

2  
8  
4  
4  
4  
6  
1

0511



Copy for Mr. Albertson



January 7, 1935

ack 5/9/35

Dr. Joseph Beech  
West China Union University  
Chengtu, Szechwan, China

My dear Dr. Beech:

We enclose herewith three copies of the form for the report to the Regents of the University of the State of New York which is to be prepared on June 30th, 1935. As we have written in previous years, this report should be completed immediately after June 30th and should be in the mail bound for New York before July 15th. This means that any academic information required must be prepared before the faculty and academic officers begin to scatter for the summer. Where the financial information required is not available in absolutely accurate form, it may be necessary for the bursar to use approximate figures, to avoid delaying too long.

So far as I can discover from our records here in the office, we have not yet received a copy of your report to the New York Regents for the year ending June 30th, 1934, and I am very much afraid that a copy has not yet been sent to Albany. The Department wrote us about the middle of September 1934 that at that date the report had not been received. We wrote West China on December 4th, 1933 and again on May 9th, 1934 urging upon you the great importance of getting off the 1933-34 report promptly so we can hardly imagine that the matter was overlooked. If the report was sent to our office last July, it must have been lost in the mails, and in that case duplicates should be sent us at once. If you mailed the report direct to Albany, please send a duplicate to our office for our files. As I have said before, the sending of these reports promptly is of the greatest importance as our friends in Albany naturally become very restive and critical if our universities in China are negligent at this point.

As we informed you last year, the Regents have now agreed to the university officials in China forwarding these reports to us simply with the signature of the presidents, and without the execution of the affidavit printed at the bottom of the last page. Our office here in New York then affixes a special affidavit for the Regents which is accepted in lieu of the regular one. This avoids the trouble and delay involved in securing an American consul's attestation

05 12



Dr. Joseph Beech

1/7/35

- 2 -

of these reports.

Please help us clear up immediately this uncertainty with regard to the 1933-34 report and even though the heavens fall, be sure to get off the 1934-35 report before July 15th.

Very cordially yours,

B A GARSIDE

BAG:MP

2

8

4

4

4

6

1

05 13





January 25, 1935

Dr. Joseph Beech  
West China Union University  
Chengtu, Szechwan, China

Dear Dr. Beech:

We were glad to learn from your letter of November 17th that the Ministry of Education had not only granted \$20,000 Chinese currency for special purposes at West China, but had actually paid over the first monthly installment of their grant. We had previously received from Shanghai information that the \$20,000 had been given West China but did not know for what purposes it was designated.

In none of the budgets of our China Colleges have we considered these special grants of the Chinese Government as reducing the regular items of expenditure. We do hope, however, that this special assistance from the Chinese Government will indirectly assist with the pressing financial problems in all our Colleges. If these grants are made only for the one year, and require that additional staff members must be secured in certain departments, the net result is apt to be that a year hence we will be in worse financial condition than if the grant had not been made.

We are glad that you have been able to see a few bright spots along the stormy horizon of political affairs in West China. Certainly you have been having more than your share of communism and military disturbances during recent months.

With all good wishes, I am

Very cordially yours,

B A GARSIDE

BAG:MP

05 14



## West China Union University



INDEXED Old style New Year  
CHENGDU, WEST CHINA  
Feb. 4th, 1935.

Dear Mr. Garside and Mr. Evans:

Since this treats of matters relating to each of you, both are addressed.

1/ A letter from F.C. Atherton, Honolulu, with copy of letter addressed to you, Dec. 11, with contribution of \$1600 at my disposition. Please apply this according to its original intent. - To my salary account. (You will recall that I have reported that these friends thought my salary inadequate for my needs and so began the gift that has continued. Sorry it is not \$1800, but extremely grateful it continues to come with so much of affection with it)

2/ Acknowledge yours of Dec 24th, financial statement as of Nov. 30, 1934 (With Christmas gift of Irving Trust Co. Check for US\$ 123.25, gift of £ 25 for Womans College): I supposed this was to apply on your current funds, but since you have sent it here, it will go to the right parties, and endorsement will liberate you and me.

3/ A letter from Dr. Anderson, London, Canada, wants news of the university. He states no Executive and predicts Governors Meeting in April. I have been reporting most doings here to you and neglecting the Chairman and the Secretary of the Board. When you deem it informing will you pass on items that you get.

Some time ago the Secretary of the Hospitals Board sent to you a request that I be at home this next year, not later than summer, to head up our staff members on furlough next year in the effort to make a good start on the clinical hospital as included in our correlated scheme. I will write him, and will you see that the matter gets on the Agenda. Then wire reply as I want to put some time in making connections in Shanghai, and Chungking. Our Directors will meet about that time, give me the date of yours and we will fix our Directors meeting shortly thereafter. \* See the item (\*) below.  
3/ A.

4/ If Mr. Main has not drawn the general balance on the year/year 1933-4 of \$449.79 and H.Y. \$2000 before your annual meeting please send it. Until a better system is adopted, please follow this plan of sending out all unused balances of the year before the Annual Meeting of the next year. I will write W.A. Main to draw on you for the above/ amts. Will you second our request that all HY. monies sent out be in a separate account so as to keep exchange item on record as M.Y. exchange.

\* 3/ A ----- \* 3/A. Continued. By reference to my files I find that the minute from the Hospitals Board re my homegoing was not enclosed in my letter to you, Oct. 15. Will you send this letter or a certified copy of it to Dr. Anderson, and elsewhere if you desire to do so.

*This letter had  
not come  
back to  
file -*

5/ The matter of Military Training has received entirely undue publicity. If Gilbert and Sullivan were still entertaining people, this subject would be appreciated, if Gilbert lined it and Sullivan scored it. It's neither military nor training as I observe it, but some folks see it as high tragedy instead of troublesome farce. The friends having administration positions in the faculty or on committees resigned. This I judge to meet the views of the some. Will you circulate the enclosed to those seeking light on this.



West China Union University



OFFICE OF THE CHANCELLOR

CHENGDU, WEST CHINA

RECEIVED  
UNIVERSITIES  
MAR 18 1935  
JOINT OFFICE

2

8

4

4

4

6

1

05 16



FEB 4 1935

6/ Your comment in Dec. 8th letter together with the telegram received containing advices re finances suggests instability and insecurity. But where oh where. I note in this letter and a former general statement that you regard the investment held in the name of the Governors as \$100,000. You will remember that this is what I urged the Board to make the amount. But you will remember that the suggestion was not greeted with approval for the Boards needed to draw on this account and have since then regarded the interest on ~~income~~ as part of the current income and appropriated it, or the expected income from it. See Mr. Starretts balance sheet at the end of his term as Bursar for the amount of gain in exchange as \$88,000. In that statement he states that there was \$100,000 on deposit, but they included other funds. I do not know what other funds unless they were current budget not drawn at that time. Mr. Main has gone on the idea that there should be \$100,000, and confusion has worked into the accounts on deposit. For example he quoted the Notman gift as deposit recently. That has been corrected. When I get to Shanghai I will try to get this item cleared up before the transfer of the funds to the 2% basis. Meantime, what about the deficit in the current grant of the Governors? Is it to be taken from the principal? If so it will soon be beyond possibility of loss. Your telegram was sent to Mr. Main. I very much hope that the fear-psychosis regarding everything Chinese financial - repeated in London telegrams - ~~in~~ regard to Shanghai finances, though no one in Shanghai banking circles seem to know it, does not continue in our inner circles. The reliable banks in Shanghai invest their funds in similar and often the same enterprises. Some pay stock holders on the basis of 6% on face values. or 7% and are able to declare dividends of 9-12% on that basis. One bank must make it at 40% <sup>on</sup> face value. Some give the depositors Some and the owners Less, others give the owners Much and the depositors Less than their due in all regard to gilt <sup>clad</sup> security. But alas! One thing must be gotten out of the mind of our company. It has been stated "We sympathize with your desire to have income but security etcetc." Believe it or not your emphasis is entirely in the wrong place. We seek first and foremost safety, then, a reasonable interest in this country.

7/ I note your item re the Hodgkin Memorial. We recently received from The British Committee, per Mr. Silcock suggestions re the use of this fund. The Directors remnant met and approved the suggestions, with slight additions. The report of the Br. Comm. will probably be before you by Annual Meeting.

8/ The communists get no nearer to Szechuen despite reports to the contrary in down river telegrams. Our information, and we have a "runner service" to missionary stations and an understanding for fast mail or wire if things call for it from all fronts, allows us and the people to have a happy and good Chinese New Year despite too much military <sup>paper</sup> abroad in Chungking. So rest at ease about us till you get word for real concern.

I regretted to form that letter re the use of H.Y. funds for general increase of salaries as I feared the impression might be bad in H.Y. circles. You will see we passed that up to you since you are in a better position than we are in regard to estimating the probable and final result from approaching them. It was not supposed that it would become a bad habit, I mention this good intention or expectations on our part.

The times are bad, but missions, still a concern of some. For the past year I have been trying to secure money for the rebuilding of the Goucher Practise School. I now have US\$6000 in hand,

please me for going behind  
in the bottom of these papers.

Yours sincerely  
Joseph D. Beach

0517



FEB 4 1935

... your letter together with the letter  
... containing advice to financial institutions  
... I hope in this letter  
... statement that you regard the investment  
... of the Government as \$100,000. You will remember that  
... I urged the Board to make the amount. But you will  
... the suggestion was not accepted with approval for the  
... on this account and have since then regarded  
... as part of the current income and expenditure  
... income from it. See Mr. Stewart's balance  
... sheet at the end of the year as Bureau for the amount of gain in  
... exchange as \$88,000. In that statement it states that there was  
... 100,000 on deposit, but they included other funds. I do not know  
... what other funds unless they were current funds not drawn at that  
... time. Mr. Latham has gone on the idea that there should be \$100,000  
... and confusion has worked into the account on deposit. For example  
... the Notman gift as deposit recently. That has been correct  
... the transfer of the funds to the 2nd party. What  
... about the deficit in the current grant of the Government? Is it  
... to be taken from the principal? If so it will soon be beyond  
... responsibility of loss. Your telegram was sent to Mr. Latham. I  
... very much hope that the fear psychosis regarding everything Chinese  
... financial - repeated in London telegrams - in regard to Shanghai  
... finances, though no one in Shanghai banking circles seems to know it,  
... does not continue in our inner circles. The reliable banks in Shanghai  
... invest their funds in shares and often the same enterprises. Some  
... pay stock holders on the basis of 5% on face value. Or 7% and are  
... able to declare dividends of 2-3% on that basis. One bank must make  
... it at 40% face value. Some give the shareholders some and the owners  
... least others give the other much and the shareholders less than their  
... are in all cases to the credit of the country. But also! One thing  
... must be gotten out of the mind of our country. It has been stated  
... "be sympathetic with your desire to have income but security etc." I  
... believe it or not your emphasis is entirely in the wrong place. We  
... seek first and foremost safety, then a reasonable interest in the country

... I note your letter to the Honorable Committee. It was recently received  
... from the British Committee, per Mr. Silcock's suggestion to the use  
... of this fund. The Directors' consent was and approval of the suggestion  
... before you by mutual consent.

... the committee get no nearer to reaching despite reports to  
... the contrary in your river telegrams. Our information, and we have  
... "runner service" to missionary stations and an understanding for  
... at all or wire if things call for it from all fronts, allow us  
... and say a happy and good Chinese New Year festival  
... in Shanghai. No rest at all about us  
... for real concern.

... I note your letter to the use of U.S. funds  
... of salaries as I feared the impression might  
... You will see we passed that up to you since  
... position then we are in regard to estimating the  
... It was not supposed  
... I mention this good intention or  
... expectations on our part.

... but missions still a concern of some.  
... for the past year I have been trying to secure money for the rebuilding  
... of the Chinese Bible School. I now have US\$6000 in hand.

RECEIVED  
UNIVERSITIES  
MAR 13 1935  
JOINT OFFICE

... your letter together with the letter  
... containing advice to financial institutions  
... I hope in this letter  
... statement that you regard the investment  
... of the Government as \$100,000. You will remember that  
... I urged the Board to make the amount. But you will  
... the suggestion was not accepted with approval for the  
... on this account and have since then regarded  
... as part of the current income and expenditure  
... income from it. See Mr. Stewart's balance  
... sheet at the end of the year as Bureau for the amount of gain in  
... exchange as \$88,000. In that statement it states that there was  
... 100,000 on deposit, but they included other funds. I do not know  
... what other funds unless they were current funds not drawn at that  
... time. Mr. Latham has gone on the idea that there should be \$100,000  
... and confusion has worked into the account on deposit. For example  
... the Notman gift as deposit recently. That has been correct  
... the transfer of the funds to the 2nd party. What  
... about the deficit in the current grant of the Government? Is it  
... to be taken from the principal? If so it will soon be beyond  
... responsibility of loss. Your telegram was sent to Mr. Latham. I  
... very much hope that the fear psychosis regarding everything Chinese  
... financial - repeated in London telegrams - in regard to Shanghai  
... finances, though no one in Shanghai banking circles seems to know it,  
... does not continue in our inner circles. The reliable banks in Shanghai  
... invest their funds in shares and often the same enterprises. Some  
... pay stock holders on the basis of 5% on face value. Or 7% and are  
... able to declare dividends of 2-3% on that basis. One bank must make  
... it at 40% face value. Some give the shareholders some and the owners  
... least others give the other much and the shareholders less than their  
... are in all cases to the credit of the country. But also! One thing  
... must be gotten out of the mind of our country. It has been stated  
... "be sympathetic with your desire to have income but security etc." I  
... believe it or not your emphasis is entirely in the wrong place. We  
... seek first and foremost safety, then a reasonable interest in the country

2  
8  
4  
4  
4  
6  
1

0518



Reply to Mr. Heath's letter  
for information in view

of published reports re Military Training in Schools & Colleges

December 19, 1934.

Sent by Mr.  
Beach's  
letter  
-14/35

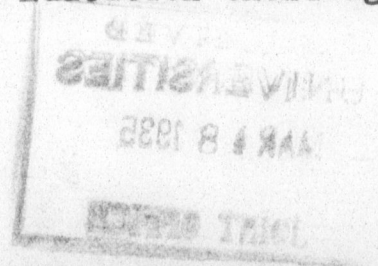
Mr. Carl Health,  
General Secretary,  
Friends Service Council,  
London, England.

My dear Mr. Heath:

Allow me to thank you for your letter of November 2nd relative to military training. It is difficult to write a satisfactory reply to your questions because there is such a lack of compliance to these orders in various directions that it gives grounds for the suspicion that they are not as mandatory as they appear to be on the surface, despite the repeated and apparently explicit instructions regarding military training in Middle Schools and colleges and the penalties listed for non-compliance.

First, there is what appears to be divided authority and responsibility in the issuance and enforcements of these orders. The Middle Schools are registered under the provinces and are responsible to them, the Colleges have national registration and receive their orders direct from the National Government. I use the word "direct" notwithstanding the fact, as a matter of procedure, they are passed thru the provincial government authorities. The provincial authorities have, if one may judge by what we observe here, received orders for Middle Schools military training and passed these on to the various schools administrative bodies, but they are apparently making little effort to enforce compliance, and consequently, there is some ground for supposing that the provincial authorities will not refuse to stamp students' diplomas because the students have not taken military drill. Graduates from colleges and universities must secure the endorsement of their diplomas and degrees from the National Government itself, consequently, you can perceive that there appears to be more pressure upon the University than upon the Middle School on this campus.

Not only is there divided authority and responsibility between national and provincial authorities, there also appears to be a difference of opinion within the central authority departments. The China Recorder just to hand contains a statement as follows: "Last spring the Army Headquarters sent to the Ministry of Education an order that all students must take a prolonged period of drill during the summer vacation". The Ministry of Education challenged



05 19



Handwritten notes at top left, including "1-1/2" and "1-1/2".

of published reports in which training in Middle Schools  
for information in view  
Reply to Mr. Heath's letter  
December 19, 1934

Mr. Carl Heath,  
General Secretary,  
Friends Service Council,  
London, England.

My dear Mr. Heath:

Allow me to thank you for your letter of November 2nd relative to military training. It is difficult to write a satisfactory reply to your questions because there is such a lack of compliance to these orders in various directions that it gives grounds for the suspicion that they are not as mandatory as they appear to be on the surface, despite the repeated and apparently explicit instructions regarding military training in Middle Schools and colleges and the penalties listed for non-compliance.

First, there is what appears to be divided authority and responsibility in the issuance and enforcement of these orders. The Middle Schools are registered under the provinces and are responsible to them, the Colleges have national registration and receive their orders direct from the National Government. I use the word "direct" notwithstanding the fact, as a matter of procedure, they are passed thru the provincial government authorities. The provincial authorities have, if one may judge by what we observe here, received orders for Middle Schools military training and passed these on to the various schools administrative bodies, but they are apparently making little effort to enforce compliance, and consequently, there is some ground for supposing that the provincial authorities will not refuse to stamp students' diplomas because the students have not taken military training. Graduates from colleges and universities must secure the endorsement of their diplomas and degrees from the National Government itself, consequently, you can perceive that there appears to be more pressure upon the University than upon the Middle School on this campus.

Not only is there divided authority and responsibility between national and provincial authorities, there also appears to be a difference of opinion within the central authority departments. The China Recorder just to hand contains a statement as follows: "Last spring the Army Headquarters sent to the Ministry of Education an order that all students must take a prolonged period of drill during the summer vacation." The Ministry of Education challenged

RECEIVED  
UNIVERSITIES  
MAR 18 1935  
JOINT OFFICE

0250

2  
8  
4  
4  
4  
6  
1



DEC 19  
1934

this order, but as so often happens, it was considered inadvisable to rescind the order or openly refuse to promulgate it, consequently delaying the dispatch of the order until after the schools had closed, thus in fact, annulling it, although making a gesture of compliance. I am enclosing in this letter a few of the many regulations which have been received by the President regarding military drill. You will observe that these orders cover a considerable period of time and that the last of these orders is of such a character that compliance is practically impossible. This regulations calls for two months of military training in the spring term to be taken not later than the first week in May, and, then it goes on to add, that this course must be so arranged so as not to conflict with existing courses. There is also a clause added to it; 'in case it is difficult to carry out this order, it may be deferred until next term.' Since our curriculum is already overcrowded, it is impossible to obey this order without disobeying others. The question arises, is this another order similar to the one issued to the Ministry of Education above, and is it being promulgated in a similar manner, regarding its enforcement. I mention these phases of the question together with the division of the authority in the province and the National Government because I believe that these aspects should be as seriously considered as the orders themselves. As you will see by the Faculty minutes enclosed herewith, this institution is endeavoring to delay compliance, meantime also endeavoring to secure exemption. There is a possibility that similar efforts are being made in Government and educational circles and that the resolutions may not be mandatory in the near future. The two Minutes which I enclose were prepared by the Cabinet and were adopted by the Faculty after considerable discussion. There were a few persons who did not vote for the resolutions, but I did not observe any persons voting against them. We all recognize that this does not solve the question for this University, that we intend to defer the institution of military training allowing us time for negotiation with the Government with the hope that a degree of exemption could be secured or non-compliance could be made possible.

I also enclose a letter which I addressed to Dr. Sherwood Eddy at Nanchang where I expected he would meet General Chiang Kai-shih. From this letter you will see that we are endeavoring to go beyond the Ministry of Education to the military authorities. We also called Mr. Silcock to interview the Chinese Minister asking that the Minister explain our situation to the Minister of Education. There are many conflicting elements in the Government Departments and I am inclined to believe that the present Ministry of Education would welcome support which comes to him through such channels as the Chinese Minister to Great Britain and the Generalissimo. It is my opinion that an open protest to the Ministry of Education would not be productive of desired results, and it is pretty doubtful if an open statement of our case to the Minister of Education would not be harmful to our case also.

In your letter you request my advice on this matter of Military drill in our University. I am hardly in a position to give



0521



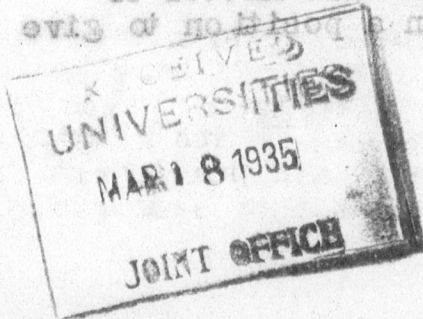
DEC 19  
1934

-2-

this order, but as so often happens, it was considered inadvisable to rescind the order or openly refuse to promulgate it, consequently delaying the dispatch of the order until after the school had closed, thus in fact, annulling it, although making a gesture of compliance. I am enclosing in this letter a few of the many regulations which have been received by the President regarding military drill. You will observe that these orders cover a considerable period of time and that the last of these orders is of such a character that compliance is practically impossible. This regulation calls for two months of military training in the spring term to be taken not later than the first week in May, and, then it goes on to add, that this course must be so arranged so as not to conflict with existing courses. There is also a clause added to it: 'in case it is difficult to carry out this order, it may be deferred until next term.' Since our curriculum is already overcrowded, it is impossible to obey this order without displacing others. The question arises, is this another order, similar to the one issued to the Ministry of Education above, and is it being promulgated in a similar manner, regarding its enforcement. I mention these phases of the question together with the division of the authority in the province and the National Government because I believe that these aspects should be as seriously considered as the orders themselves. As you will see by the Faculty Minutes enclosed herewith, this institution is endeavoring to delay compliance, meantime also endeavoring to secure exemption. There is a possibility that similar efforts are being made in Government and educational circles and that the resolutions may not be mandatory in the near future. The two Minutes which I enclose were prepared by the Cabinet and were adopted by the Faculty after considerable discussion. There were a few persons who did not vote for the resolutions, but I did not observe any persons voting against them. We all recognize that this does not solve the question for this University, that we intend to defer the institution of military training allowing us time for negotiation with the Government with the hope that a degree of exemption could be secured or non-compliance could be made possible.

I also enclose a letter which I addressed to Dr. Sherwood Hobb at Nanchang where I expected he would meet General Chiang Kai-shek. From this letter you will see that we are endeavoring to go beyond the Ministry of Education to the military authorities. We also called Mr. Sirook to interview the Chinese Minister asking that the Ministry explain our situation to the Minister of Education. There are many conflicting elements in the Government Departments and I am inclined to believe that the present Ministry of Education would welcome support which comes to him through such channels as the Chinese Minister to Great Britain and the Generalissimo. It is my opinion that an open protest to the Ministry of Education would not be productive of desired results, and it is pretty doubtful if an open statement of our case to the Minister of Education would not be harmful to our case also.

In your letter you request my advice on this matter of Military drill in our University. I am hardly in a position to give



2250



DEC 19 1934

-3-

advice. The best that I can do is to express opinions that I hope may be helpful to you. In addition to the foregoing statements it should be noted that our Chinese President is in a very awkward and difficult situation. On the one hand, he does not wish to act contrary to the principles of the Friends and many other members of our Staff who are opposed to the institution of military drill in this University. Neither does he wish to be placed on the black books of the Government by refusing compliance to Government orders. The political situation in this province is such that a Chinese in an administrative or teaching position in a Christian Institution is compelled to act very circumspectly lest he give occasion for attack by subversive influences and parties. Neither does he wish to place himself in a position that would leave him open to attack from students who might hold him responsible for their failure to receive Government stamps upon their diplomas, because he failed to institute military drill as ordered by the Government. As you will see by reference to the regulations, this could easily become a very difficult situation for the President. He has informed us that he has already been waited upon by students in regard to this matter.

Since the initial orders of the Government specified physical training and loyalty to country as motives for instituting military drill, we are endeavoring to carry out these phases of their orders by instituting a two hour course a week in physical drill and one hour of good citizenship.

This is being done in accordance with the two Minutes passed by the Faculty, but since it is an attempt to carry out part of the Government regulations requiring military drill, it is being referred to by some of the members of the Staff and some members of the Student Body as military drill, so that there has come to be a difference of opinion in our own institution as to what we are doing and what we are proposing to do. What we are doing, as I understand it, is to comply with the Government orders insofar as we can in instituting a form of drill that is not necessarily military and that is devoid of all implements of warfare, and while doing this we are hoping and working for one of two possible things to happen. One, that we may secure exemption, secondly, that the situation may arise whereby the orders are now recorded as dead letters in general, and non-compliance would bring no penalty. I expect to be in Shanghai not later than next summer and since I am acquainted with the Minister of Education, Mr. Wang Shih-chieh, I shall endeavor to interview him on this subject, if consent for exemption has not been secured by that time. We will also make every effort that appears promising of results to secure exemption.

Before I close this letter I feel called upon to say that the members of the Friends Service Council on our Staff here have done and are doing everything that is possible for them to do to express the position of the Friends in this matter and aid in its solution. Since the Government orders appear to be of such serious import for them and for you, it is a natural sequence for them to seek advice

0523



DEC 19 1934

-3-

advice. The best that I can do is to express opinions that I hope may be helpful to you. In addition to the foregoing statements it should be noted that our Chinese President is in a very awkward and difficult situation. On the one hand, he does not wish to set contrary to the principles of the Friends and many other members of our Staff who are opposed to the institution of military drill in this University. Neither does he wish to be placed on the black books of the Government by refusing compliance to Government orders. The political situation in this province is such that a Chinese in an administrative or teaching position in a Christian institution is compelled to set very circumspectly lest he give occasion for attack by subversive influences and parties. Neither does he wish to place himself in a position that would leave him open to attack from students who might hold him responsible for their failure to receive Government stamps upon their diplomas, because he failed to institute military drill as ordered by the Government. As you will see by reference to the regulations, this could easily become a very difficult situation for the President. He has informed us that he has already been waited upon by students in regard to this matter.

Since the initial orders of the Government specified physical training and loyalty to country as motives for instituting military drill, we are endeavoring to carry out these phases of their orders by instituting a two hour course a week in physical drill and one hour of good citizenship.

This is being done in accordance with the two minutes passed by the Faculty, but since it is an attempt to carry out part of the Government regulations regarding military drill, it is being referred to by some of the members of the Staff and some members of the Student Body as military drill, so that there has come to be a difference of opinion in our own institution as to what we are doing and what we are proposing to do. What we are doing, as I understand it, is to comply with the Government orders insofar as we can in instituting a form of drill that is not necessarily military and that is devoid of all implements of warfare, and while doing this we are hoping and working for one of two possible things to happen. One, that we may secure exemption, secondly, that the situation may arise whereby the orders are now recorded as dead letters in general, and non-compliance would bring no penalty. I expect to be in Shanghai not later than next summer and since I am acquainted with the Minister of Education, Mr. Wang Shih-chieh, I shall endeavor to interview him on this subject, if consent for exemption has not been secured by that time. We will also make every effort that appears promising of results to secure exemption.

Before I close this letter I feel called upon to say that the members of the Friends Service Council on our Staff have gone and are doing everything that is possible for them to express the position of the Friends in this matter and aid in its solution. Since the Government orders appear to be of such serious import for them and for you, it is a natural sequence for them to say that

JOINT OFFICE

DEC 19 1935



DEC 19 1934

-4-

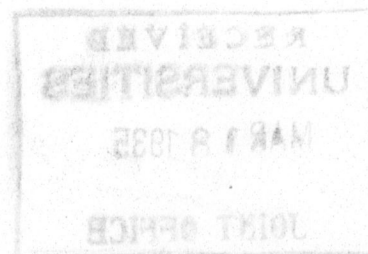
from the Society to which they belong. While that appears to be the natural thing for them to do at this stage of the proceedings, I cannot possibly conceive of a wise decision being arrived at by persons who are not on the field and familiar with the various cross currents, the confusion and the uncertainties that prevail here. Consequently, I believe that you will be following a right course if you take no action until such a time as we are able to see more clearly just what will be required of us, or until such time as a course of action is submitted to you from your representatives here.

Respectfully yours,

(SIGNED) JOSEPH BEECH

Chancellor

JB:R



0525



DEC 19 1934

-4-

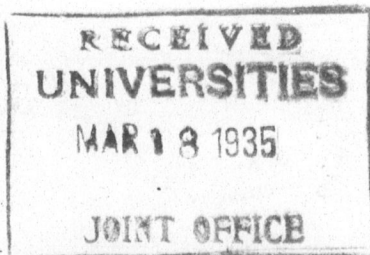
from the Society to which they belong. While that appears to be the natural thing for them to do at this stage of the proceedings, I cannot possibly conceive of a wise decision being arrived at by persons who are not on the field and familiar with the various cross currents, the confusion and the uncertainties that prevail here. Consequently, I believe that you will be following a right course if you take no action until such a time as we are able to see more clearly just what will be required of us, or until such time as a course of action is submitted to you from your representatives here.

Respectfully yours,

(SIGNED) JOSEPH REICH

Chancellor

12:18



0526

2  
8  
4  
4  
4  
6  
1



*Mr. Cohn, Office*  
GOVERNMENT ORDERS DEALING WITH MILITARY TRAINING

1928, June 19 Order #7322.

An order number 377 was received from the Bureau of Higher Education of the National Government as follows:

"The main causes of the weakness of China probably are, the lack of progress in culture and the weakening of the economic situation, but it is because the people overlook the need of physical education and military discipline that we have our country's shame. We have all kinds of trouble from outside and all the citizens are aroused for national salvation, especially the youth who are full of energy and enthusiasm but one must know that he must have a strong body and strict discipline before he can undertake such a responsibility and do anything for national protection.

Therefore, according to this order, all Middle Schools and Colleges must have military training three times a week. *for two years*

1928.....

"The purpose of military training is to train and strengthen the body and mind in habits of obedience to law and a sense of responsibility, to create physical endurance, etc....To promote a spirit of sacrifice to their nation and to encourage national self defense...."

1928, October 28, No. 1427. Article 9.

"The President and Principal of the Middle Schools and Colleges must cooperate with the Government order in carrying out this military training. If he fails to carry out the spirit of this order, he may be reported to the Government thru the Bureau of Education and against his name and the institution will be placed a demerit ("great black mark".) If he fails continuously and a second demerit is reported against him, the Government may order the Bureau of Education to confer disgrace or punishment for these failures...."

1930., January 7th (167) Courses for Military Training.  
These are four. 1. Class work, general nature; 2. Field drill,  
3. Lectures, political science. 4. Class work on military tactics.

1930, December 9th. Order #1110

"The Educational Bureau has received an order from the Department of Military affairs #1822 saying that they have received an order from the Headquarters of the Army, Navy and Aerial forces, No. 508, which states that since the time of the Japanese invasion of Manchuria, all the interior provinces and schools and the other groups of people are all aroused in a great anti-Japanese movement. Their enthusiasm is good, but the mass spirit is not organized and there is no unity of opinion and so there is a danger of being misled specially among the youth who are liable to extremes.

If care is not taken, they may become the dupes of agitators and they will cease their classes and cause trouble creating great difficulties in foreign relations. Therefore, for the purpose of sustaining order and to keep the students at their studies and to direct their anti-Japanese movement in an orderly way, this order is sent by the Department of Military affairs to all schools throughout the country, to add military training to their curriculum and to fix a place in their time table for military drill and similar courses. In this way they

0527



1928, June 19, Order #7322.

An order number 377 was received from the Bureau of Higher Education of the National Government as follows:

"The main causes of the weakness of China probably are, the lack of progress in culture and the weakening of the economic situation, but it is because the people overlook the need of physical education and military discipline that we have our country's shame. We have all kinds of trouble from outside and all the citizens are aroused for national salvation, especially the youth who are full of energy and enthusiasm but one must know that he must have a strong body and strict discipline before he can undertake such a responsibility and do anything for national protection. Therefore, according to this order, all Middle Schools and Colleges must have military training three times a week.

1928.....  
"The purpose of military training is to train and strengthen the body and mind in habits of obedience to law and a sense of responsibility, to create physical endurance, etc.....To promote a spirit of sacrifice to their nations and to encourage national self defense....."

1928, October 28, No. 1427, Article 9.

"The President and Principal of the Middle Schools and Colleges must cooperate with the Government order in carrying out this military training. If he fails to carry out the spirit of this order, he may be reported to the Government thru the Bureau of Education and against his name and the institution will be placed a demerit ("great black mark"). If he fails continuously and a second demerit is reported against him, the Government may order the Bureau of Education to confer disgrace or punishment for these failures....."

1930, January 7th (127) Courses for Military Training.  
These are four. 1. Class work, general nature; 2. Field drill; 3. Lectures, political science. 4. Class work on military tactics.

1930, December 29th, Order #1110

"The Educational Bureau has received an order from the Department of Military Affairs #1823 saying that they have received an order from the Headquarters of the Army, Navy and Aerial Forces, No. 508, which states that since the time of the Japanese invasion of Manchuria, all the interior provinces and schools and the other groups of people are all aroused in a great anti-Japanese movement. Their enthusiasm is good, but the mass spirit is not organized and there is no unity of opinion and so there is a danger of being misled specially among the youth who are liable to extremes.

If care is not taken, they may become the dupes of agitators and they will cease their classes and cause trouble creating a great difficulty in foreign relations. Therefore, for the purpose of maintaining order and to keep the students at their studies and to direct their anti-Japanese movement in an orderly way, this order is sent by the Department of Military Affairs to all schools throughout the country, to add military training to their curriculum and to place in their time table for military drill and similar courses. In the same way

RECEIVED  
JAN 10 1931  
BUREAU OF EDUCATION  
NATIONAL GOVERNMENT



can lead the students to concentrate on study and also increase their knowledge of military affairs and prevent them from wasting their time by engaging in impractical propaganda. We hope the students will take Education as their means of salvation for their country.

1931..March 17. (278) For military training.

.....all students must have military drill.....

1934. April #317 (1567 Board of Education)

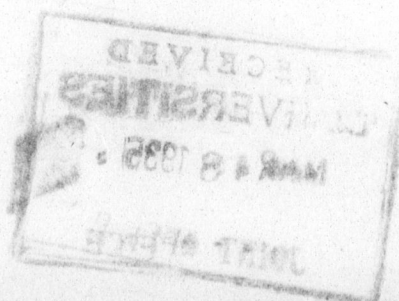
(Hours of teaching) "The Board requires one hour each week for class lectures on military training and two hours each week for military drill..."

1934. August (884) Article 3. Examinations.

"An examination on the subject of military training on the work covered must be given to each student and any **student** who so fails to pass in this work cannot continue along with his class in the following year's work...." and according to Rule 6, recorded in 1931, he cannot graduate from the institution he is attending."

1934., November 5th (1517) Board of Education.

This is a new order from the Government concerning Military Training for Middle Schools and Colleges. "At the first of the second term of the school year, have two months of military training, such training to begin not later than the first week of May, and the courses of study to be so arranged that there be no conflict with existing courses. Since this order might be difficult to carry out, coming at this late date, it may be deferred until the fall term of 1935. ...."



0529



can lead the students to concentrate on study and also increase their knowledge of military affairs and prevent them from wasting their time by engaging in impractical propaganda. We hope the students will take Education as their means of salvation for their country.

1931.. March 17. (278) For military training.

.....all students must have military drill.....

1934. April 317 (1887 Board of Education)

(Hours of teaching) "The Board requires one hour each week for class lectures on military training and two hours each week for military drill...."

1934. August (884) Article 3. Examinations.

"An examination on the subject of military training on the work covered must be given to each student and any student who so fails to pass in this work cannot continue along with his class in the following year's work...." and according to Rule 8, recorded in 1931, he cannot graduate from the institution he is attending."

1934.. November 5th (1517) Board of Education.

This is a new order from the Government concerning Military Training for Middle Schools and Colleges. "At the first of the second term of the school year, have two months of military training, such training to begin not later than the first week of May, and the courses of study to be so arranged that there be no conflict with existing courses. Since this order might be difficult to carry out, coming at this late date, it may be deferred until the fall term of 1935."



0550



(COPY)

FRIENDS SERVICE COUNCIL. CHENG TU

A meeting of the Chengtu group of the Committee of Missionaries held at the home of R.L. and M.T. Simkin, Nov. 14, 1934.

Present:

Jane Dye,  
Hilda Sewell,  
Margaret Simkin,  
Robert Simkin,

Hilda Tomkinson,  
Leonard Tomkinson,  
Arnold Vaught,  
Lois Vaught,

S.C. Yang,  
W.B. Sewell.

After consideration of the minutes of the Sub-committee of the Cabinet and Faculty representatives dated November 13th, the following two minutes were passed.

9. We record our deep appreciation of the continued efforts of the President and University authorities to find an alternative to the introduction of military training into the Union University.

10. In connection with proposed Minute II of the sub-committee we would draw attention to the Resolution of the Temporary Board of Management of the University which was adopted on 9th September 1909, namely:

Resolved: That no military implement of any description be used in any physical exercise, and that the object of the training shall be the physical well-being of the student, and not the inculcation of a military spirit.

While Friends welcome sound physical training, they would not be able to approve of any drill which they feel to be military in its nature.

*Note* The resignation of Friends from administrative positions was owing chiefly to the Faculty minute, agreeing to ~~the~~ a class in the "non-military" part of the required course in military drill. This class was announced as "military drill" when notice of its formation for freshmen was given. JB

0531



RECEIVED  
UNIVERSITIES  
MAR 18 1935  
JOINT OFFICE

RECEIVED  
UNIVERSITIES  
MAR 18 1935  
JOINT OFFICE

0532



Hospital for Men  
Hospital for Women and Children  
Eye, Ear, Nose and Throat Hospital  
Dental Hospital  
University Dispensary  
University Dental Infirmary

成都醫牙醫院協合董事部  
THE HOSPITALS BOARD  
Chengtu, West China

See JPB letter to Home Office,  
Oct 15/34  
and. JPB 7/35  
October 15, 1934 3/3/AX

Mr. B. A. Garside, M.A., Secretary,  
Board of Governors,  
West China Union University,  
150 Fifth Avenue,  
New York City.

Dear Mr. Garside:

In the light of the action taken by the Board of Governors of the West China Union University at the London meeting in approving the erection of three units of the University Clinical Teaching Hospital as soon as funds for this purpose are in hand, the Hospitals Board have asked me to transmit the following minutes to you for consideration and action.

- 34-2. That the members of the Hospitals Board and of the Faculty of the College of Medicine and Dentistry on furlough now and during the ensuing year be requested to work towards obtaining financial support for the erection and equipment of the University Clinical Teaching Hospital and for the completion of the Medical-Dental Building.  
(Note: Group on furlough includes Dr. Lindsay, Miss Wellwood, Dr. L. G. Kilborn, Dr. Janet Kilborn, Dr. R. G. Kilborn, Mr. Hibbard, Mr. Donnithorne, and Dr. Peterson.)
- 34-3. That a request be sent the Board of Governors of the West China Union University asking that the services of Dr. Beech be made available for the direction of the project in conjunction with this group.
- 34-4. That the Board of Governors of the West China Union University be asked to cooperate with this group in securing support for the establishment of the University Clinical Teaching Hospital, requesting that the Mission Board co-operate.

Other minutes at the same meeting of the Hospitals Board on October 4, 1934 related to the formation of a committee on the field of the various organizations of the Hospitals Board, of the Faculty of the College of Medicine and Dentistry, and of the Board of Directors. The committee includes one representative of each organization is to coörelate the detailed plans regarding the Hospital, to determine its relation to various organizations and institutions associated with it, and to work out plans for financial support. Another minute is directed towards securing funds in China towards this project. Publicity material and photographs are being gathered and the Hospitals Report for 1933-34 is to be in the press in January at the earliest date that the collaborating institutions can assemble their sections.

Similar letter sent to  
Mr. Garside re.  
Board of Directors - same date.

Sincerely yours,

R. A. Peterson, Secretary

0533



Hospital for Men  
Hospital for Women and Children  
Eye, Ear, Nose and Throat Hospital  
General Hospital  
University Dispensary  
University Dental Infirmary

THE HOSPITALS BOARD  
Chengtu, West China

October 15, 1934  
Mr. A. Peterson, Secretary  
150 Fifth Avenue  
New York City

Mr. A. Peterson, Secretary  
Board of Governors  
West China Union University  
150 Fifth Avenue  
New York City

Dear Mr. Peterson:

The list of the action taken by the Board of Governors of the West China Union University at the board meeting in approving the action of three units of the University Clinical Teaching Hospital is soon as funds for this purpose are in hand. The Hospitals Board have asked me to transmit the following minutes to you for consideration and action.

34-3. That the members of the Hospitals Board and of the Faculty of the College of Medicine and Dentistry on February 20 and during the ensuing year be requested to work towards obtaining financial support for the erection and equipment of the University Clinical Teaching Hospital and for the completion of the West China Union University Hospital.

34-4. That the Board of Governors of the West China Union University be asked to cooperate with this group in securing support for the establishment of the University Clinical Teaching Hospital.

34-5. That a request be sent the Board of Governors of the West China Union University asking that the services of Dr. Board be made available for the direction of the project in connection with this group.

Other minutes of the same meeting of the Hospitals Board on October 4, 1934 related to the formation of a committee on the field of the various organizations of the Hospitals Board of the Faculty of the College of Medicine and Dentistry, and of the Board of the Hospitals Board. The committee includes one representative of each of the various organizations of the Hospitals Board. The committee is directed to make a study of the field of the various organizations of the Hospitals Board and to report thereon to the Board of Governors of the West China Union University.

RECEIVED  
UNIVERSITIES  
MAR 4 8 1935  
JOINT OFFICE

Sincerely yours,

H. A. Peterson, Secretary

Handwritten signatures and notes at the bottom of the letter.

4534

2  
8  
4  
4  
4  
6  
1



OFFICE OF THE PRESIDENT

West China



Union University

Mar. 8/35  
CHENGDU, WEST CHINA

My dear Mr. Garfield:-

I have been writing Sir Joseph, & also Dr Anderson, in reply to his letter. I learn from his letter that the Annual Meeting will be held in April - I had formed the impression from your letter that the April meeting would be the deferred January Executive. I see my impression, will compel me to hurry material to you. I will hasten to do so.

These enclosures perhaps require no special comment. But I will write fully to you later and I will write at once to London Eng. with the hope of getting a word to them before they give consideration to these Minutes.

We are all "busting" for the General Meeting. She arrived Chungking yesterday

0535



With they might hurry up for we are having  
the coldest weather of the year after a  
long dry spell & a period of cold drizzle  
that soaked to the bones.

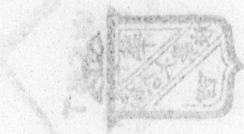
With kin wishes to your  
Company one & all

Yours  
J. B.

RECEIVED  
UNIVERSITIES

APR 18 1935

JOHN F. FICE



University of Wisconsin

1518 MAR 1  
ANIMO TBAW UTOMENO

0536



Copy .

Friends' Service Council .

Committee of Missionaries in China.

*Sent by Dr.  
Beck's  
letter*

*2/8/35*

Minute, 19.

" We have considered the position in relation to the introduction of military training at the West China Union University. We deeply regret that the University authorities have taken this step. We heartily endorse the ~~step~~ action our colleagues have taken in resigning from their administrative positions in the institutions.

We do not think we should take any precipitate action, but, if, at the time of the next meeting of the Board of Governors, military training is still provided at the University, we would suggest that the Friends' Service Council should consider the advisability of giving notice of our withdrawal from participation in the institution. "

Minute, 20.

" On account of the condition referred to in the preceding minute, we consider it undesirable to appoint a representative on the Board of Directors so long as military training is continued."

Signed " W. Henry Davidson,  
Secretary "

Tungliang, Sze.  
9th. Feb. 1935.

To the President and General Faculty,  
West China Union University,  
Chengtu.

...Dear Mr. Garside.

Although no consideration has been given to this communication by the Cabinet or Faculty, it has seemed wise to send this copy forward to you that the information may be before you prior to the communication called for from the Friends' Service Council.

I have sent forward to Mr. Garside a copy of my letter to Mr. Heath, Secretary to the F.S.C., London, with request that he circulate to members of the Board or Executive as he considered desirable. On enquiry, I learn that about thirty or forty students attended, without compulsion, for the month of December and half of January, three times a week. No military implements were used in the drill and according to orders of the Faculty the drill was designated as the non military part of the required course. I did not see this drill, but from others I derive the impression that it was neither "drill" nor "military".

To date the government has not visited us for the purpose of demanding obedience to their orders and regulations. This may be due to the fact that heretofore the Bureau of Education here was under the provincial government. The Central Government now controls.

*Copy sent to  
Mr. Garside, Mr. Heath,  
Mr. Davidson, Mr. Anderson,*

2  
8  
4  
4  
4  
6  
1

*Joseph Heath*

0537



0538

284441

Under the provincial government, the Central Government now controls  
of demanding obedience to their orders and regulations. This may  
be due to the fact that heretofore the Bureau of Education here was  
impression that it is "military".  
course. I did not see this drill, but from others I derive the  
the drill was not as the non military part of the required  
were used in the drill. No military implements  
attended, without military drill. On the 10th of January  
desirable. On the 10th of January that about thirty or forty students  
circulate to members of the Board of Education as he considered  
Mr. Heath, Secretary to the F.S.C., London, with request that he  
I have sent forward to Mr. Heath a copy of my letter to  
the communication called for from the Friends' Service Council.  
copy forward to you that the information may be before you prior to  
tion by the Cabinet or Ministry, it has seemed wise to send this  
Although no consideration has been given to this communication-

RECEIVED  
UNIVERSITIES  
APR 18 1935  
JOINT OFFICE

W. M. Davidson

To the President and General Faculty,  
West China Union University,  
Chengtu.

Tungling, Sze.  
24th Feb. 1935.

Signed "W. M. Davidson"  
Secretary

"On account of the condition referred to in the preceding  
minute, we consider it undesirable to appoint a representative on  
the Board of Directors so long as military training is continued."

Minute, 20.

"We have considered the position in relation to the introduction  
of military training at the West China Union University. We deeply  
regret that the University authorities have taken this step. We  
heartily endorse the action our colleagues have taken in resign-  
ing from their administrative positions in the institution.  
We do not think we should take any precipitate action, but  
at the time of the next meeting of the Board of Governors,  
military training is still provided at the University, we would  
suggest that the Friends' Service Council should consider the  
advisability of giving notice of our withdrawal from participation  
in the institution."

Minute, 19.

Friends' Service Council

Copy

Committee of Missionaries in China



Handwritten copy  
Original to Sir Joseph  
Copy to W. H. H. H. H.

The following is a copy of  
a letter written to a friend re  
Szechuen and University affairs upon  
receipt of the enclosed F.S.C. Minutes.

Sent by Dr.  
Beach's  
letter  
2/8/35

In sending this communication re "military training" (7),  
I desire to take advantage of the occasion to add a more intimate  
line re that subject and other things.

(a) Since the return of the members of our staff who attended  
the Friends Council Annual Meeting, I have gained the impression  
that they agreed with my designation of their action, viz, "tragic."  
In these two minutes there is no recognition of the efforts  
put forth by us to escape compliance with government regulations  
regarding military drill. And there is no suggestion of co-operation  
in any attempt to find a solution of the impasse.

The Friends who are on our staff have co-operated in fine  
manner, and I believe they think that their own action in with-  
drawing from their administrative positions and activities was  
all that was called for at this stage of the matter. Even that  
action was precipitated, largely by what they regarded as an unwise  
or improper announcing of the subject of military drill to the  
student body. They were not alone in that opinion.

I believe the Friends Council have been equally unwise in  
their own announcement as set forth in these two minutes.

(1) Min. 20. The Directors have not given consideration  
to this question. When they do, as I assume they will at their  
coming Annual Meeting, the Friends by their own action have denied  
themselves an official voice on that body. (If they ~~desire~~ desire  
to ~~as~~ aid in this difficult matter, I cannot but ~~believe~~ believe that  
they do desire to aid, I deem this minute unfortunate.)

(2) Min. 19. Should their Home Authorities follow their  
suggestion they may also exclude themselves from participation  
in any constructive actions of the Board of Governors.

I earnestly hope that they will not take such action, for I  
am not without hope that we may secure an understanding with the  
government authorities that will enable the Friends to continue  
with us without doing violence to their principles.

(b) There has been considerable anxiety here lest the commun-  
ists on the Southern border or those in the Northeast section of  
the province break through and reach Chengtu. Their reported in-  
tention was to unite their forces. Chengtu was regarded as a  
fine meeting place. Fearing this not a few prominent residents  
disposed of their silver for Shanghai checks and departed in that  
direction. Since we did not share their fears we have profited  
through the abnormal exchange rate sufficiently to equalize  
the recent drop in Shanghai U.S. exchange.

The situation has so changed that those who departed  
have returned and the communists are now doing considerable  
fearing if their movements may be trusted to reveal their state  
of mind. The Northeast divisions attempted to break through in  
this direction, but were driven back and later evacuated or were  
driven from four of the five counties they occupied. They next  
made an unexpected drive through the mountains into Shensi province.  
They penetrated as far as the city of Ningkiang, but later are  
reported to have fell back toward their old stronghold in the  
N.E. Szechuen mountains. A similar situation prevails on the  
Kweichow-Szechuen border. They have ceased to be a united army.

0539



They appear to have taken refuge in the mountains and to live by occasional raids on Chinese cities and towns that appear to be inadequately guarded. There are indications that both of these major groups may attempt to find a way by which they can penetrate Kansu province and reach the territory of the Sinkiang Soviets.

During their Shensi raid they captured Mr. and Mrs. Frencham and Mr. Hayman and Mr. Bosshardt. We heard of the tragic death of Mr. Frencham two days ago. It was confirmed to-day and the murder of Mrs. Frencham and Messers Hayman and Bosshardt was also reported to us through reliable channels. Some one should page the Christian Century re their editorial on Dr. Eddy's change of front regarding communists. The C.C. would turn white if they met these so called friends of the common man and slayer of all people who are in any degree uncommon.

General Chang Kai-shek is now in Chungking and is expected here with Madam in the very near future. After the agreement with General Liu-hsiang was concluded he rushed troops to this province to prevent the communists entering from Kweichow. His troops now occupy the Yangtze as far as Chungking. This is the nearest approach to unification that China has experienced since the republic was formed. The situation is promising, with the exception of the cloud cast by the Japanese. It is even rumored here that General Chiang will remain in Szechuen for some time to avoid conflicts with foreign interests.

(c) On one of Dr. Goucher's visits to Chengtu he established two primary school units near the university. One of these is now a junior and senior primary school with 400 students. The other developed into a junior middle school and was used as a practice school by the university faculty of education. About two years ago it was burned and the school moved to one of our university buildings until other arrangements could be made. I wrote one of his daughters stating the situation. She responded with a gift of U.S. \$6000, expected to produce \$18,000 silver, to build a modern type of school and larger than the former frame building. The sudden drop in Shanghai exchange reduced the amount to about \$16500 silver. But the panic here caused by people seeking Shanghai checks resulted in a gain of about 20%, which more than compensated for the loss at Shanghai. The foundations are now down and brick work has begun and nearly all the material needed is being delivered. It is an old saying, that it is an ill wind that brings no good. The greatest good in this communist drive in and toward is the swing of this province into the Central Government orbit with its promise of greater unification of China, but we too have gained in some small measure as this building will bear witness.

Life here at the university goes along about as usual, but the story of it should await a future and better time.

With every respect, and prayerful good wishes,

Yours truly,

(Signed) Joseph Beech.

P.S. The paragraph on military training is my personal reaction written to a friend - and is intended to be personal. It was written to Sir Joseph + is sent on to you + I understand that you may have the information + the background to it that I have.

RECEIVED  
UNIVERSITIES  
APR 8 1935  
JOINT OFFICE

0540



West China



Union University

CHENG TU, WEST CHINA  
Mar. 25/35

ack 5/28/35

My dear Mr. Garside and Dr. Anderson  
Secretaries,

INDEXED

Owing to a late awakening as to the time of the Meeting of the Board of Governors and a regular three ringed set of events, the communist scares, the coming of the Central Government into Szechuen, and the multiplicity of university activities and correspondence, without the assistance of Mrs. Peterson, now enroute home on furlough, I fear that this letter and enclosed matters will not reach you by the time the Board meets. I have however asked Dr. Ashley W. Lindsay to be present and report in person on the University affairs. He will see from a different angle than the Chancellor and should be the more informing because of that fact.

The city is bedecked in anticipation of the coming of General Chiang Kai-shek and the Madam, and Marshal Liu-hsiang's return. I have received two of the select flags that permits an auto to enter the flying field on their arrival. A reception for them will be held at the University when they address the missionary community. Their coming has not only given confidence in regard to overcoming the communists, but introduced a wave of moral reform that entitles them to missionary recognition. One such item is the closing of 1300 opium shops in the city of Chungking. Chengtu is expecting a similar crusade. Financial stability has come with them and the introduction of the Central Bank, & exchange with Shanghai has fallen from 140 Chungking dollars for 100 Shanghai to about par. Our rate is now 101 and 102 for 100. This par rate, with the fall in exchange rate of U.S. dollars promises difficulties for us, but better times for the business of the province.

I have fully reported re the grant from the government of \$20,000 silver. It was given for specific objects and consequently was not applicable to general budget interests and the much called for raise in teachers salaries. Due to misunderstanding this created not a little trouble among our staff members, and also hopes that on another occasion their wounds might be healed. The new specialist in Chinese provided for has arrived among us from Peiping, and begun his work in hopeful fashion. He is supported by the Government grant. Dr. Lucius Porter, the Executive Secretary, in China, for the Harvard-Yenching Institute is spending this Spring term here, teaching Chinese philosophy and related subjects. We are fortunate in having him for personal reasons as well as profit for our department of Chinese.

Chengtu is now the end of the road by air and car. Consequently we are having many visitors, among them, Mr. and Mrs. Dean Sage Jr. and party who were in the Szechuen woods the past winter in the interest of the Museum of Natural History, New York; Mrs. Florence Ascough and Miss Geneveve Wimsatt both of whom were making a study of Chinese poets, and Professor McNair of the University of Chicago. Bishop and Mrs. John Gowdy have been here for some time awaiting the arrival of Dr. Frank Cartwright of the Methodist Episcopal Board of Foreign Missions, who is due to arrive here on the 26th of the present month. Visits of prominent Chinese from the Coast are now common occurrences. The University is getting much valuable and gratuitous advertising as a result.

The enrollment this term is slightly below the 386 high mark of last term. Communist panic, excessive taxation and an excessive slump in all business are among the causes given.

\* Our latest notable visitor was Captain Galtie U.S.N. who attempted the flight from Chungking, after he established the record of over 61000 ft. He told us the story.

0541





CHENGDU, WEST CHINA

025507

RECEIVED  
UNIVERSITIES

MAY 4 1935

JOINT OFFICE

0542



MAR 23 1935

You are of course aware that the University was established in 1910. That was the year that college work was begun here. That brings us to the 25 anniversary. We have a committee to arrange for a commemorative program to be held at the University at the time of the June graduating exercises. At that time a program to commemorate by campaigning for an advance during the following five years will be announced and in all probability adopted. It includes, tentatively, The University Hospital Units, General and specific endowments, Completion of medical-dental building, Assembly Hall. (The assembly hall is not in the correlated program) Mission Colleges may include items within their own Church constituency. Endowment for upkeep of college buildings, down under this heading.

I have written fully to you regarding the question of military drill as called for by government orders. There is nothing new to add at this time, except to state that when the teacher appears a small number of the freshmen receive instruction. There is no compulsion and without it most of the students will elect to absent themselves. We have talked with some of General Chiang's representatives and they are of the opinion that nothing will be gained by approaching him for exemption. Nevertheless, we will try to approach him on this matter.

There is nothing new that needs to be said in regard to the Central Clinical Hospital at the University. The need is as great as when last reported and the day when a start on it should be begun is at hand. The enclosed body of resolutions brings the question before you as we saw it after two days deliberations on the subject. I sincerely trust that the Board will liberate the cash in bank to go forward with one unit, the plans for which have been prepared. This will allow me to make report to the donors of my stewardship and it will permit the purchase of material before the anticipated boom in building begins, and will allow of Mr. Small finishing this unit before he goes on furlough. As you know it is my intention to solicit funds at Shanghai and at home as soon as I hear from the Board in response to my request to do this. (Perhaps I should state that the date is now April 5th. Many hinderances have come in addition to some much desired visitors that have compelled me to make several beginnings since Mar. 23.)

You will doubtless have seen press items regarding the Red raid. So I had better insert a news item at this time. Since the coming of General Chiang he has had occasion to reprimand general Tien Songyao head of the 29th army very severely. General Chiang had occasion to fly to the capital of Kweichow. In the interim it was reported that the 29th army had sent units to the rear to collect the opium tax and the Reds who have been hemmed-in east of the Kialing River broke through the lines, compelled the evacuation of the cities held by the 29th army, Tsangki, Paoning, Nanpu and rushed through the hills toward Mienyang and Tungchwan. All the missionaries in the former place left the city as the retreating troops fell back into the city. The three Friends at Tungchwan report the situation serious, by wire, and have been advised by Friends in Chengtu to leave if it seems advisable. General Chiang has wired from Kweichow dismissing General Tien and appointing General Sen the second in command in charge of the 29th scattered army. The 28th leader General Den is rushing all available units toward Mienyang and is it hoped that the Reds may be kept from taking that city. Our main army, the 21st has been withdrawn toward the Kweichow border and Yangtze River regions. It is hoped that some of these units will advance north to relieve the situation at Tungchwan. There seems to be supreme confidence here. The price of Shanghai checks has remained at \$102 for \$100 Shanghai throughout these days. This is our best barometer of psychological weather. An action of this kind was not a surprise as the 29th was in bad condition and may have preferred to play into the

x Word received on evening of Apr 6. 5. Red  
10,000 troops were advancing north from  
Chungking toward Chungking-Tungchwan.

0543



1935

MAR 23

6-1-2

You are of course aware that the University was established in 1910. That was the year that college work was begun here. That brings us to the 25th anniversary. We have a committee to arrange for a commemorative program to be held at the University at the time of the June graduation exercises. At that time a program to commemorate by organizing for an advance during the following five years will be announced and in all probability adopted. It includes, tentatively, the University Hospital, the General and specific endowments, completion of medical-dental building, Assembly Hall. (The Assembly Hall is not in the contemplated program) Mission College may include items within their own Church endowment, endowment for upkeep of college buildings, down under this heading.

I have written briefly to you regarding the question of military drill as called for by Government orders. There is nothing new to add at this time. Except to state that when the teacher appears a small number of the freshmen receive instruction. There is no comparison and without it most of the students will elect to absent themselves. We have talked with some of General Chiang's regiments and they are of the opinion that nothing will be gained by approaching him for exemption. Nevertheless, we will try to approach him on this matter. There is nothing new that needs to be said in regard to the General Clinical Hospital at the University. The need is as great as when last reported and the new building is to be begun in at hand. The enclosed copy of resolutions brings the question before you as we saw it after two days of deliberation on the subject. I thought it best that the Board will first be asked to endorse the plan with one unit, the plan for which has been prepared. This will allow me to make report to the Board of my efforts and it will permit the purchase of land for the hospital building. This will be done on the basis of the plan of the Board to build a new building and at least as soon as I hear from the Board I will report to the Board on this. I should state that the date is now April 1st. General Chiang has been very kind to some of our visitors that have been here and to make me a member since May 1st.

Now all I desire is to have the Board endorse the plan and so I have better insert a new resolution. Since the Board at General Chiang has been very kind to some of our visitors and at least as soon as I hear from the Board I will report to the Board on this. I should state that the date is now April 1st. General Chiang has been very kind to some of our visitors that have been here and to make me a member since May 1st.

Now all I desire is to have the Board endorse the plan and so I have better insert a new resolution. Since the Board at General Chiang has been very kind to some of our visitors and at least as soon as I hear from the Board I will report to the Board on this. I should state that the date is now April 1st. General Chiang has been very kind to some of our visitors that have been here and to make me a member since May 1st.

Now all I desire is to have the Board endorse the plan and so I have better insert a new resolution. Since the Board at General Chiang has been very kind to some of our visitors and at least as soon as I hear from the Board I will report to the Board on this. I should state that the date is now April 1st. General Chiang has been very kind to some of our visitors that have been here and to make me a member since May 1st.



RECEIVED  
UNIVERSITIES  
MAY 4 1935  
JOINT OFFICE

0544



MAR 23 1935

hands of the Reds than to await surgical treatment at the hands of the National leader on his arrival at Chengtu. This upset may delay his proposed visit to us, but I hope that the reverse may be true as his coming would add to the morale of people as well as the military generally.

The budget of the university will be no less acute than former years because we received the grant of \$20,000 this year. It is somewhat assuring that the Minister of Education has stated that he would urge the continuance of the grant to the Faculty of Dentistry for an additional professor for that work if the plan of making grants was to be continued. That statement implies the possibility that the grants for private colleges may not be continued. The financial situation in China, the pressing need of funds by government, the consolidation of the Bank of China and the Bank of Communications with the government Central Bank in order to create stability and bring greater funds under government control are not signs of promise that funds will be available for this educational grant this year. I trust that there will be no diminution in the guaranteed income from the Governors. The falling off of attendance this autumn due mainly to lack of money for tuition payments, the further incursion of communists into our students residential areas with destruction of values, the general stoppage of business owing to the uncertainties of the year, all point to a hard year ahead with consequent reduction of tuition income and a possible rise in prices for the necessities of life, due to destruction of crops and the drafting of so many farmers into the armies. I am not unaware of the situation in the homelands, but we must somehow keep our promise to the letter to encourage loyalty and sacrifice of those associated with us in this enterprise.

The idea of getting our churches together in a closer unity is very much in the minds of people in Chengtu. Our vested interests may prove our greatest deterrent and that in the age of poverty for missions. We started at it at the meeting of the Szechuen Christian Council, have followed it up by a representative committee meeting and articles in the West China Missionary News. We expect to have the committee and others together for a month for the summer, for retreats and study of the problems. We have made slow work of it in some other fields, but we may succeed when we face the underlying questions. notable persons here

We are in a fair way to having at the end of this term. I have mentioned the 20th anniversary. The commencement with a large class of graduates will be held on the 23rd and 24th of June. Dr. Mao of the National Christian Council and Dr. Weigle will be speakers on that occasion. Prior to the Commencement, and following, a conference on training of Christian workers will be held under the direction of Dr. Weigle. That may be followed by a month's summer school for Sunday School workers and other Church leaders if the conditions are more peaceful than the present hectic days.

Yesterday was Childrens Day for the Christian schools of the city. They celebrated on the University Campus from morning till late in the afternoon. There were over two thousand of them, each one came bearing his own flag, in varied colors and messages. Since they came from all parts of the city the populace had a demonstration of what we are and what we stand for. If my moving picture photography is worthy of a showing you may look in on the event, minus the color and the songs and the megaphone talks by kiddies no taller than the horn behind which they hid. Many other things there are, but this miscellaneous collection of university doings and thoughts cannot run on forever. They are written with the hope that they may help you to see our daily doings and share our problems and our joys. May they also convey to you our appreciation for your interest and our ardent good wishes for you.

Respectfully yours, *Joseph Beech*  
Joseph Beech, Chancellor.

0545



1935 MAR 23

hands of the Reds when to await...  
the national leader on his arrival...  
his proposed visit to us...  
his coming would add to the morale...  
generally.

The budget of the university...  
years because we received the grant...  
what assisting that the Minister...  
large and continuous or the grant...  
additional professor for that work...  
be continued...  
for private colleges may not be...  
China... the pressing need of...  
of the Bank of China and the...  
and Central Bank in order to...  
under government control are not...  
available for this educational...  
be no diminution in the...  
killing off of attendance...  
further... the further...  
realistic areas with destruction...  
business owing to the...  
year ahead with consequent...  
rise in prices for the...  
and the... of so many...  
of the situation in the...  
into the... to encourage...  
with us in this enterprise.

The idea of getting our...  
is very much in the...  
may prove our greatest...  
missions... we started at...  
Council... have followed...  
and articles in the...  
the... and others...  
to... and study of...  
some... fields, but we may...  
questions.

We are in a fair way to...  
mentioned the...  
another will be held...  
National Christian Council...  
occasion... prior to the...  
visiting of Christian workers...  
to... that may be...  
local workers and other...  
last year the present...  
Latterday was...  
city... celebrated on...  
the... there were...  
seeing his own... in...  
all parts of the...  
and...  
the...  
they...  
of...  
with...  
our...

Respectfully yours,  
Joseph Bech, Chancellor

RECEIVED  
UNIVERSITIES  
MAY 4 1935  
JOINT OFFICE

0546

2  
8  
4  
4  
4  
6  
1



MAR 23 1935

The Hospitals Board's Actions relative to the central clinical hospital.

Two special meetings of the Hospitals Board, held in late February and early March, <sup>sent up Dr.</sup> to consider the report of the Board's committee <sup>Beck's</sup> on more effective co-operation and possible steps to be taken to <sup>utter</sup> realize our objective of the University Clinical Hospital <sup>3/23/35</sup> ~~were~~ attended by the following members of the Board and representatives of the Missions:- Members of the Board; Joseph Beech, Chairman; Dr. R.A. Peterson, Secretary, Dr. E.C. Wilford, Miss A. Tallman, Miss ~~McE.~~ Allen, <sup>Mr. F.A. Smalley,</sup> Dr. Marion Manly, Dr. ~~Morse~~, Dr. H.J. Mullett, Mr. E. Hibbard, Dr. J.E. Lenox, Dr. H.L. Liljestrand; Others representing Missions and Institutions:- Mr. G.S. Bell, Dr. A.E. Best, Dr. E.G. Cunningham, Miss A. Harrison, Bishop John Gowdy, Bishop John Holden, Dr. L.G. Kilborn, Miss Cora Kilborn, Dr. Jean Millar, <sup>Mr.</sup> W.G. Sewell.

Following the reading of the preface of the report the following resolutions growing out of the report were adopted by the group, in committee of the whole, and later adopted by the Board.

Preface,- The "Introduction of the Articles of Agreement of the Hospitals Board states that as a "step preparatory" to the realization of the Central Clinical Hospital the Articles were formulated. We have had four years of preparatory experience and are now ready for a further advance.----- " ~~Therefore be it Resolved:~~

"(1) That it is the opinion of this Board that the best service can be rendered to the community and the College of Medicine and Dentistry if there is unification of administration and pooling of finances and staff of each institution as may be represented on the Board.

(2) That we request the "controlling bodies" as represented on the Hospitals Board to place their properties at the service of the Board.

(3) That in accepting these properties the Board assume the duty of Trustee of the same, but with no authority to place encumbrances upon them.

(4) That the Board be authorized to exercise financial control and to devise ways and means for the support and expansion of the work.

(5) That the Board be authorized to readjust the work of such ~~xxx~~ units as are represented thereon, and in collaboration with the "controlling bodies", transfer departments from one institution to another or move them to the university site.

(6) That the Board expects to have its work self-supporting, but in case of a deficit we request the "supporting bodies" which may be represented on the Board to make a special grant to cover such deficits."

Second Meeting.

"(7) That we ~~prepare~~ request the Faculty of the College of Medicine and Dentistry to prepare a full statement of the needs for clinical teaching in personnel, finances, plant.

(8) That we request the Faculty of M-D to prepare a statement to show how this responsibility is to be shared by the "participating bodies".

(9) That ~~we~~ we request the Faculty of M-D to prepare an ad-interim method of procedure to be followed during the period between the present and the time when the "clinical hospital" will be located on the campus of the University.

(10) That ~~it is~~ we endeavor to make our first project in the "clinical hospital" at the university the erection of the "general surgical building", with the understanding that a part of this building will be used for general hospital purposes until such times as adjacent wings make provision for the other branches of medical work.

(11) That we request the Board of Governors to release the funds now in the Shanghai Banks toward the accomplishment of this purpose

0547



MAR 23 1935

The following is a list of the names of the persons who have been appointed to the various positions in the Department of the Interior, Bureau of Land Management, for the year 1935. The names are listed in alphabetical order of their last names. The positions are listed in the margin of the list.

1. Chief of Bureau, Bureau of Land Management, U.S. Department of the Interior, Washington, D.C.

2. Assistant Chief of Bureau, Bureau of Land Management, U.S. Department of the Interior, Washington, D.C.

3. Director, Bureau of Land Management, U.S. Department of the Interior, Washington, D.C.

4. Assistant Director, Bureau of Land Management, U.S. Department of the Interior, Washington, D.C.

5. Chief of Division, Division of Land Management, U.S. Department of the Interior, Washington, D.C.

6. Assistant Chief of Division, Division of Land Management, U.S. Department of the Interior, Washington, D.C.

7. Director, Division of Land Management, U.S. Department of the Interior, Washington, D.C.

8. Assistant Director, Division of Land Management, U.S. Department of the Interior, Washington, D.C.

9. Chief of Section, Section of Land Management, U.S. Department of the Interior, Washington, D.C.

10. Assistant Chief of Section, Section of Land Management, U.S. Department of the Interior, Washington, D.C.

11. Director, Section of Land Management, U.S. Department of the Interior, Washington, D.C.

12. Assistant Director, Section of Land Management, U.S. Department of the Interior, Washington, D.C.

13. Chief of Office, Office of Land Management, U.S. Department of the Interior, Washington, D.C.

14. Assistant Chief of Office, Office of Land Management, U.S. Department of the Interior, Washington, D.C.

15. Director, Office of Land Management, U.S. Department of the Interior, Washington, D.C.

16. Assistant Director, Office of Land Management, U.S. Department of the Interior, Washington, D.C.

17. Chief of Field Office, Field Office of Land Management, U.S. Department of the Interior, Washington, D.C.

18. Assistant Chief of Field Office, Field Office of Land Management, U.S. Department of the Interior, Washington, D.C.

19. Director, Field Office of Land Management, U.S. Department of the Interior, Washington, D.C.

20. Assistant Director, Field Office of Land Management, U.S. Department of the Interior, Washington, D.C.

RECEIVED  
UNIVERSITIES  
MAY 4 1935  
JOINT OFFICE

0548

2  
8  
4  
4  
4  
6  
1



MAR 23

1935

(12) That we authorize the collection of funds in China and abroad for the erection of a Pediatrics Hospital unit at the University, the same, when completed to be a memorial to Dr. Lu Tsae-ren lately deceased.

(13) That we approve of raising funds for the erection of the Eye, Ear, Nose and Throat unit at the University.

(14). That we request the Methodist Episcopal Mission to allow the Shan Hsi Kai Hospital to be used as a general union out-patient center for work in Chengtu.

(15) That we recommend to the Womans Missionary Society mission that Dr. Jean Millar make special studies in Pediatrics while on furlough in anticipation of returning to Chengtu to specialize in that field.

(16) That we ask the Board of Directors and the Board of Governors to set aside the University land located north, northwest and northeast, and adjacent to, the Medical Dental College building as the site for the Central Clinical Hospital.

(17) That a committee be named, including members of the Board of Directors, the College of Medicine and Dentistry and the Hospitals Board, (not more than three by each body) to study and report on the following: (a) the type of organization of the Central Clinical Hospital -- a federation of separate units, organic union, or separate mission units that may be related to the University some what after the manner of the the present Mission Colleges; (b) the relation of this Central Clinical Hospital to the Board of Directors, the College of Medicine and Dentistry, or Missions, and also its relation to hospital or clinical work carried on in the city under the Hospitals Board or the Missions; (c) the method of organization and administration best adapted for the types recommended.

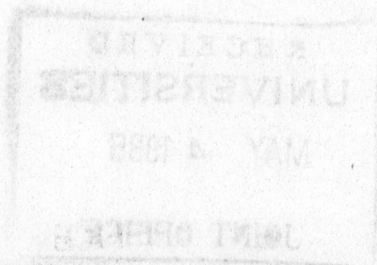
XXX

The other resolutions passed were not concerned with the report of the committee appointed to recommend steps for the realization of the Central Clinical Hospital project and are therefore omitted.

At the meeting of the Board several months ago a resolution was adopted calling upon all members of the Board about due to go on furlough to work for the the realization of the Central Clinical Hospital and asking the Mission Boards to assist them in securing funds for the erection and equipment of the hospital units, and also the Board of Governors were asked to allow the Chairman of the Board-~~and~~ (Chancellor of the University)-home leave to work with them. It was expected that this would constitute a feature of the Centenary of the beginning of medical missions and the twenty-fifth anniversary of the establishment of the University.

Signed, Joseph Beech, Chairman of the Board.

To Dr. Anderson & Mr. Garside  
Secretaries.



0549



OFFICE OF THE PRESIDENT

West China



Union University

CHENG TU, WEST CHINA

RECEIVED  
UNIVERSITIES  
MAY 4 1935  
JOINT OFFICE

0550



pink



West China Union University

INDEXED

April 23, 1935

Dr. Joseph Beech  
West China Union University  
Chengtu, Szechwan, China

My dear Dr. Beech:

I am wiring you today according to the enclosed confirmation copy. These figures should have been sent off to you before this, but the uncertainty of prevailing conditions and the possibilities confronting us for next year made it almost impossible to formulate any definite idea as to where we would stand even approximately. As it is, we have eliminated the special gifts from this year's income. In detail, the following is the schedule as we see it now.

Boards

American Baptist Foreign Missionary Society..	3,000.00
" " Women.....	800.00
Church Missionary Society.....	650.00
Friends Service Council.....	1,850.00
Methodist.....	3,000.00
" Women.....	800.00
United Church of Canada.....	3,000.00
" " " Women.....	1,600.00

Special Gifts

Atherton Family.....	1,600.00
Harvard-Yenching Institute Restricted.....	12,631.57

Endowment Income

Coles Estate.....	2,100.00
General.....	9,259.00

From the endowment income is to be deducted the cost of home administration totaling \$2,900. This makes a net budget of ~~\$12,290.57~~<sub>40</sub> \$9,390.57.

From the foregoing it will be seen there is not much alteration in the figures from the current year. The shrinkage in endowment income is due to the default of \$10,000 Missouri-Pacific Railroad bonds, and the shrinkage of income on the \$10,000 participating certificates in the 125 Eastern Parkway, Brooklyn, property, as well as the failure of the Aluminum Company to return to even a 3% basis. That company is now paying on the basis of \$2.50. The increase in the Harvard-Yenching appropriation was due to the activity of Dean Donham of Harvard-Yenching, who, in connection with Dr. Eric North, made a very exhaustive study of the income over the past five years. This showed that although over the past two years there has been a decided decrease in U.S. dollar appropriations to the field, yet the exchange has been so favor-

0551



Dr. Joseph Beech

-2-

April 23, 1935

able that the field did not materially suffer until within the last eighteen months, with the prospect of a very serious situation developing in the near future. As a consequence, the Board appropriated one-third more, and Mr. Garside wrote you on April 9th giving you full particulars.

Very truly yours,

CAE:RC  
Enc.

2

8

4

4

4

6

1

0552



West China



Union University

CHENGDU, WEST CHINA

April, 30th, 1935.

Dear Mr. Garside:

I will begin this letter today and may hold it open till after the finance committee meeting to-morrow. This is called following receipt of your cablegram re next college year income in U.S money. I am taking advantage of this to send you for the Board of Governors a statement of affairs re the communist affairs. Why and how it has come about that reports have been sent out that all foreigners have evacuated this city I am at a loss to understand. The C.I.M. and the C.M.S. in the N.E. area were <sup>in part</sup> called to this city, so that we had a population in excess of normal. They have all moved on to other stations, as Tzechow Kiating, Renshow, Chungking. Quite a number of the women and children of the U.C.C.M. and the C.M.S. and one of family of the English Friends also left. The single women of the W.M.S. did not leave, except one, and the same is true of the W.F.M.S. who had affairs at Tzechow. None of the families of the Baptist Board left here and the same is true of the M.E.M. (Dr. and Mrs. Taylor left for Chungking but not solely because of danger from Reds, They are of the Baptist Mission.) From this you can ascertain that all our work goes along as usual. Why this falsity in reporting foreigners all evacuated, I cannot understand. It looks like lack of confidence in the governing bodies and too much confidence in the ability of the Reds. After the battle I mention, the Reds had their chance at Chengtu, but evidently were not strong enough to begin an offensive in this direction. But with the first party evacuated and preparations for evacuation of others and action of a few of the missions looking to evacuation, the report of evacuation was in the Shanghai papers. They could have learned from the American Consulate at Shanghai that none of the Americans had evacuated, except as noted, as I saw to it that the American Consul was informed. I suppose the British Consulate had the correct information also, as there is a British Consul at Chungking. It has also been reported that missionaries were all sent from Kweiyang and that the Br. Consul had ordered the British and advised the Americans to leave Yunnan-fu.

I do not want the story I have written published, as from me, but the facts, less names of persons, should be given out to let the world know we are all on the job at the W.C.U.U. and city work. Wives and children, and others not well, were moved on to other stations that we might go on with the work with less concern for them and ease of movement in case evacuation became necessary. So tell it out, its a Red lie and should be bleached early as possible.

The occasion of this letter today is the following: The H.Y. Committee are fearful lest the exchange rate will continue to fall. They therefore suggest that as much as possible of this years grant to H.Y. be sent out to Mr. Main for early exchange. We have adopted the same basis for 1935-36 expenditures, for the first term, as adopted for the present year. Total present year budget is \$28990 L.C. We will therefore plan to spend about \$15000 L.C. next term, if available and cut as needed the term following.

I assume that you will authorize us to spend \$50,000 L.C. in regular budget as per Contractual Agreement. We are certain that our affairs here make it necessary to do that as a minimum this year.

It follows as a matter of course that I will not leave here for US, while the Reds are near, but I await word of the B.G. action re that.

Yours Joseph Beech

0553



West China Union University



CHENGDU, WEST CHINA



2

8

4

4

4

6

1

0554





West China Union University

May 27, 1935

Dr. Joseph Beech  
West China Union University  
Chengtu, Szechwan, China

INDEXED

My dear Dr. Beech:

The minutes of the West China Executive Committee meeting held on May 17th were not received in New York until Saturday morning. It was impossible to get them mimeographed and returned to the Secretary in Canada on such short notice, at the same time give him opportunity to write you in this mail. We are, therefore, sending a copy of the minutes herewith, without any comment thereon, with the understanding that Dr. Anderson will amplify in a later letter such items which he deems necessary.

On second consideration, I will cover those items which have to do with financial matters.

E-1153. The deficit as figured in the financial statement will be reduced by above \$500., which is the extra amount drawn by the Associated Boards this past year, and which could not be authorized by the Executive Committee as no meeting was held. In another action the committee also decreased the appropriation of the Associated Boards for 1935-36. The net effect of this will be that without question the Associated Boards will lop off proportionately a pro-rata amount from the askings of the University, taking the position that West China is not cooperating 100% in the program, and will be allotted the amount for which it will actually assume responsibility. During the discussion, it was noted that no separate checking account was carried in the West China books for plant and endowment funds, and as a consequence, the first part of E-1153 was voted.

E-1154. The committee turned back to the previous year's minutes of the Senate regarding the set up of the budget, and found that ordinarily the budget has been set up in December, but not forwarded to the University to reach us until late in the spring. To be more accurate, the budget last year was received just before Mr. Garside left for the meeting in England, which was held the latter part of June. Figures were presented to the committee, showing the approximate income for next year, but it was felt more advisable to wait until the field had presented its budget before any final action was taken. As a result, it was turned over to the Finance Committee to pass final judgment. Therefore, as soon as this information is received, a meeting of the Finance Committee will be called and proper consideration given.

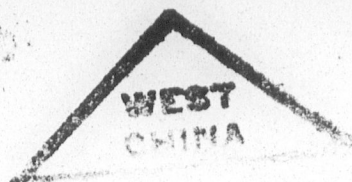
Very truly yours,

CAE:RC  
Enc.

0555

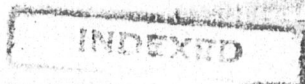


over



West China Union University

May 28, 1935.



Dr. Joseph Beech  
West China Union University  
Chengtu, Szechuan, West China

My dear Dr. Beech:

Mr. Evans has already written to you commenting on the financial items dealt with by our West China Executive Committee at its meeting on May 17th, and no doubt Dr. Anderson has written with regard to the other matters taken up by the group at that time. It should suffice therefore if I comment only briefly on some of the matters dealt with in your recent letters.

It may be said in general that all the members of the Executive Committee present at the meeting on May 17th seemed to be laboring under the accumulated burden of five years of depression. I believe we have never had a series of meetings here in New York where this "depression psychology" was quite as obvious as in all of the meetings of the Associated Boards and of the various College Boards week before last. Our West China Executive Committee, which met the last day of the series, seemed to have absorbed pessimism as they went from one meeting to the other. I myself could be present only during the morning session since I had to meet with the Cheeloo Governors during the afternoon. But Mr. Evans tells me that the psychological state of the group was even worse in the afternoon than in the morning. Undoubtedly this state of mind affected the decisions of the Committee on all the questions coming before them.

News Items of General Interest. Dr. Anderson, Mr. Evans, and I tried to pass along to the group all the news items of general interest which we could glean from your recent correspondence. I hope that these items served to stimulate their courage and optimism a trifle, though I am afraid that the results were not very apparent.

Military Training. This was discussed at some length but final decision was deferred to the fall meeting of the full Board of Governors.

Budget for 1935-36. We were all puzzled that the budget estimates for 1935-36 have not yet come in, since these estimates are usually sent very promptly. We hope, however, that they will be reaching us soon, and that we can promptly inform the field of how far the Governors are able to provide for your needs during the coming year.

0556



May 28, 1935

Matters Referred by Associated Boards. During the past six months our Associated Boards has made a beginning of its efforts to secure additional support for the group of colleges in China as a whole. We all realized, of course, that the securing of new sources of support would be a slow and tedious task, particularly at this time of severe economic depression. As a matter of fact, before we could hope to secure new funds in any substantial amount, it is absolutely necessary that we spend quite a bit of time in quiet cultivation, contacting new prospective contributors and winning their interest in the work of our China Colleges. During our initial stage of promotional work for the Associated Boards we have had to work along two lines,- assisting the promotional work being carried on by representatives of the individual colleges to the extent that the promotional objectives they are seeking are in line with the Associated Boards approved list of askings. Second, making a united appeal for gifts for the entire group of colleges. During these first six months we have been mildly successful in helping to enlist new support where representatives of the individual colleges are available to take a share in this undertaking. The process of securing gifts for the group as a whole must, however, be more gradual. Thus far our undesignated gifts have not been sufficient to cover our promotional budget, although each month is bringing a more satisfactory return.

We have done the best we could for our West China needs, but it has been extremely difficult to make progress, both because there has been no representative of the University here in America who could take the lead in presenting the University's cause, and also because our West China Board of Governors has not as yet been able to give us much assistance.

Our West China Executive Committee seemed very much disappointed that we were not able to report more substantial progress, and even intimated that they felt we had failed in what we undertook to do. I do not know any reason, aside from their depression psychology, which caused the members of the Committee to grow so quickly discouraged, for we have all been warning them consistently that the thing we were undertaking was a gradual and long time development of new support, and not a high pressure whirlwind campaign for immediate cash.

Promotional Work on Behalf of the University Clinical Teaching Hospital. The attitude of the group was revealed again in their action on the proposal that during the coming year we work for the support necessary for erecting and equipping the University Clinical Teaching Hospital and for the completion of the Medical-Dental building. The Committee feels - quite rightly, no doubt - that for the present we should put our major emphasis on securing additional current funds for the bare essentials of our program, and should not be led away by efforts to get funds for additions to our plant and program which would only leave a larger deficit in our current operating budget. I do believe, however, that the Committee was at fault in not seeing that these two objectives could well be sought at the same time and that each would serve to strengthen the other. It appears that for the present any efforts to go forward with promotional efforts on behalf of the hospital in the Medical-Dental building are blocked, though I do hope that the matter can be taken up again at the Annual Meeting.

0557



Dr. Joseph Beech

-3-

May 28, 1935

Date of Annual Meeting. You will note that the Annual Meeting will be held in October, at Groszer Theological Seminary. We will count on you to have all necessary reports and recommendations in hand well in advance of that date.

Situation of University Reserve Fund in Shanghai. We have all been disturbed by the cables telling of the closing up of all Mr. Raven's business enterprises in Shanghai, though we have been encouraged to hope that the affairs of these institutions can be closed up without serious loss to depositors. Mr. Evans has been checking through our accounts and our correspondence with Mr. Main to see just how our University funds stand. As soon as the state of these funds is a little more clearly defined, we may write you further in regard to them.

I hope that this clears up fairly satisfactorily the matters dealt with in your letters of February 4, March 3 and March 23rd.

Very cordially yours,

B A GARSIDE

BAG.A

0558

2

8

4

4

4

6

1



West China



Union University

CHENGDU, WEST CHINA

May 29th, 1935.

My dear Mr. Garside and Mr. Evans:

I address you both for the reason that items in unanswered letters of both of you have consideration herein.

My last letter, as per copy on hand was dated April 30, regarding the general situation and request re the forwarding H.Y. Funds, and items re budget. In this connection let me thank you for the telegram received re next years estimated income "Same as last year except endowment income \$1000 less" We are assuming that the \$50000 B.G. grant will be made as per agreement.

Thank you for the financial statements which have come along in order. Also for Books on Kate Atherton account. The Encyclopedia of Social Sciences and Survey of International Affairs have arrived and are in good use. I will include another order with this mail.

I have talked with Mr. Albertson and written Mr. Main re drawing on you. Aside from drafts to cover purchases we should have only occasional drafts drawn on you and these for limited amounts. I have stated to MR. Main that I would ask you to forward to him monthly credit balances or at least quarterly credit balances, (1) for current general budget (2) for H.Y. budget, always keeping these two accounts clearly marked for accounting and exchange at this end of the line. Therefore I believe you will not be troubled by large drafts falling in on you from Mr. Main or from us here. I have informed Mr. Main as to what can be expected on these two accounts, but wish you would give him that advance information as far as you may have it.

I have received the clergy certificates blanks, but so far little opportunity re use of them.

Have your word re the Regents reports and will endeavor to get the reports to you as requested. Received the word re Absolute Charter but have been expecting some statement of operation under it. None has come and we do not know just how to proceed in regard to diplomas and reports etc. Have you any advices, if so let us have them.

We have again applied for grant from the government and hope we may get something. We have included the salary continuance where that was an added item to our budget, and have asked as last year for grants ex regular budget, such as needed equipment which the regular budget does not permit us to purchase. Dr. Lindsay, dean of Dentistry, can tell you how his large grant was placed. Pharmacy will report later, but after the same general plan.

I note in your statements the "Ronk Fund". It looks like Time to keep repeating this scholarship item. Cannot it be sent to us and applied on scholarship till finished. If it must be continuance why not send the principal with orders to place in our scholarship endowment fund here in Chengtu, and thus get it from forever troubling you.

over

0559



2/ May 29/35 Garside-Evans.

You will doubtless have learned that inability to collect outstanding loans owing to the silver situation in Shanghai and the general depression that has struck that region in particular, and the heavy withdrawals of silver from the current depositors accounts, probably due to speculation in silver and for bootleg export to get the U.S. boom price made it advisable for the American Oriental Banking Co Directors to suspend business on May 24th. In their Dec. statement they had cash on hand of over \$2,000,000, but the withdrawals have been so constant that they were compelled to suspend as it was not in the interest of depositors to borrow at the silver demand prices. I am due to be in Shanghai in the near future and will then report fully regarding our funds in this and associated, but independent companies, Finance Corp; and Raven Trust. Mr. Raven reports that they will be able to meet all claims of depositors in full and I see no reason to question his statement. Time of course must be allowed to call in outstanding loans which aggregate fully \$11,000,000 as per Dec. statement.

General and Madam Chiang arrived Sunday in the big borrowed twin motored Boeing plane belonging to Chang Hsuei-liang of the Manchurian House. He looked the part he holds and the Madam was grace and good looks personified. Only about 40 persons present at the Field, mostly military men, I was fortunate in seeing the act, of great interest to Chengtu. He went at once in conference re the situation and things are moving, but the Reds cannot be stopped from the Wild West of Sze. The threat to Chengtu is I believe over, though the outlying areas will probably have a Soviet or two with the divide all or we take all idea in force. A letter from the Madam in reply to my invitation, states that they will let me know at the first opportunity when they can come and meet with us. That later, Cordially yours,

Joseph Beech



0560





West China Union University

June 7, 1935

Dr. Joseph Beech  
West China Union University  
Chengtu, Szechwan, China

My dear Dr. Beech:

I am acknowledging your letter of April 30th, which is largely a review of political and military conditions in Szechwan. This would be rather amusing reading were it not for the fact that there are so many tragic possibilities.

I believe you have answered the question raised as to why reports reach America regarding the very sudden evacuation by the missionaries by the mere fact that many of the missionaries were removed from danger zones, and that some of the missionaries on your compound actually were moved to places where the balance could be in more mobile condition.

This letter, however, will go out to the Board of Governors as you have written it, and I am sure that they will feel easier to have this word directly from you.

We note what you say regarding the budget figures for 1935-36, but as the details of the budget have not been received, no definite action can be taken. The Board of Governors voted to give the Finance Committee full authority to deal with these figures, and as soon as they are received, they will be given immediate attention.

The authorization, as I believe we have written you previously, will be forwarded to the Associated Mission Treasurers' office, and a copy sent to the Treasurer's office in West China, it being our desire to have full data regarding drafts that are issued. This will in no way hamper you, as a sufficient fund will be held on hand to care for small drafts. I have talked with Drs. Lindsay and Peterson regarding this procedure, and neither one raises any objection, provided a sufficient quantity is held in our office to cover the incidental drafts which are drawn by your office from time to time.

Very cordially yours,

CAE:RC

0561



ENGLISH BAPTIST  
AMERICAN BAPTIST (NORTH)  
LONDON MISSIONARY SOCIETY  
METHODIST EPISCOPAL (NORTH)  
AMERICAN PRESBYTERIAN (NORTH)  
AMERICAN PRESBYTERIAN (SOUTH)  
CHURCH MISSIONARY SOCIETY

ASSOCIATED MISSION TREASURERS

POST OFFICE BOX 251

SHANGHAI

MISSIONS BUILDING, 169 YUEN MING YUEN ROAD, ROOM 602-9  
CABLE ADDRESS: TREASURERS TELEPHONE 15018  
CODE: MISSIONS (ALSO A.B.C., BENTLEY, C.I.M. WESTERN UNION)

ADAM BLACK  
ERNEST HAYES  
W. A. MAIN  
C. M. MYERS  
E. J. OTTEWELL  
H. MAXCY SMITH  
W. ROBT. TAYLOR

Dear Mr. Garrison,

Here, because of troubles in the Raven Interests, At this date it is impossible to state anything as to companies beyond that contained in the enclosed financial statement. Very sorry to state that the deposits in R.T. were renewed before word from me reached Mr. Main. I wrote him that I expected to be in Shanghai in May & he might await my arrival re the May deposits.

The situation re the R.T., considered the most secure of the companies, is far from promising as their

0562



securities are in the other Companies  
Common Stock. Will assure you  
that everything possible will be  
done. Have seen Mr. Raven  
but he is about at his wits  
end. Their depositors were over  
7000 in number. The stoppage in  
business stopped deposits in-  
creased withdrawals. The U.S. silver  
act drew over \$200,000,000 out  
of Shanghai within 12 months.  
Result - Raven could secure no  
silver even on bank real estate  
when compelled to borrow to keep  
silver in vaults. Closure followed.

The value of Common Stocks will  
depend on values received from  
securities & that means time  
so we must wait meantime  
do what we can - More later  
Yours Joseph Beech



# North China Daily News

Shanghai June 14/35

## TO-DAY'S ENTERTAINMENTS

Auditorium: Hal-Alai, 8 p.m.	Metropol: I'll Fix It	Page 9
Cathay Hotel: Entertainment.	Nanking: Cardinal Richelieu	93322
Public Garden: Brass Band, 5.30-7.30	Race Course Cinema: The Little Colonel	84121
Capitol: The Scarlet Pimpernel 17100	Rialto: The Human Side	94110
Carlton: It Happened One Night 35553	Ritz: The Affairs of Cellini	42202
Cathay: The Right To Live 73757		
Grand: Evensong 32223		

## A.-O. BANK FIGURES ARE MADE PUBLIC

Resources of \$11,376,437, Liabilities \$7,772,407:  
Capital Stock Outstanding \$2,575,301

### THE OFFICIAL ACCOUNTANT'S SUMMARY

With only the terse comment that they were not the liquidator's idea of conditions, but merely what the books showed at the close of business on May 23, 1935, Mr. Frank L. Hough, liquidator for the Raven companies appointed by the U.S. Court for China, late last night issued statements concerning assets and liabilities of the American-Oriental Banking Corporation, American-Oriental Finance Corporation and the Raven Trust Company. The statements, long-awaited by depositors, shareholders and the Shanghai public in general, and compiled by Mr. Henry S. De Vault, certified public accountant, reveal many interesting figures which will be gone over with a fine tooth-comb by Mr. Hough, the auditor, and his staff.

The resources of the American-Oriental Banking Corporation, according to the books, total \$11,376,437.76, while liabilities are listed at \$7,772,407.69 with capital stock outstanding at \$2,575,301.19.

At a quick glance at "resources" listed in the statement given in full below, students of finance may grasp the rather important point, i.e., the resources show a sum of nearly \$1,900,000 is owed to the bank by associated companies but no details are given concerning the \$6,775,435.73 owed by "others." This is interesting in view of the fact that the associated companies by their own request for liquidation are known to be in difficulties and what may be reclaimed from "others" is unknown until further details can be produced.

The statement also brings to light that other resources include a sum of \$113,210.49 due from the com-pradore \$45,276.54 in accounts receivable and \$17,541.19 in cash and cash items. Furniture and fixtures, listed as resources, total \$114,623.95.

The American-Oriental Banking Corporation's complete statement follows:

Statement of Resources and Liabilities as shown by the Books of the Corporation at the close of business May 23, 1935 (Expressed in Shanghai Dollars).

<b>Resources:</b>	
Loans and Overdrafts:	
American Oriental Finance Corp., Federal Inc.	
U.S.A. ....	\$ 167,185.37
Asia Realty Co., Federal Inc. U.S.A. ....	1,015,436.71
Raven Trust Co. Federal	

#### Liabilities:

<b>Notes Payable:</b>	
American Oriental Banking Corporation .....	165,444.15
Others .....	537,578.20
Fixed Scrip Receipts Outstanding .....	913,530.21
New York Agents .....	3,296,703.74
Salaries and Wages Payable .....	24,694.14
Accounts Payable .....	69,535.74
Marginal Deposits .....	743,396.01
Accrued Interest Payable .....	62,131.67
Securities Held for Clients (Per Contro) .....	4,814,989.37
Total.....	\$ 10,628,003.23

Capital Stock Outstanding \$ 4,334,140.00

Assets of the Raven Trust Company are:—cash: "None" and stocks owned in the American Oriental Finance Corporation, Asia Realty Company, and "others" amounting to \$4,003,698.22. Only \$450,179.27 of this amount of stocks is in "others." Accounts receivable, listed as assets, total \$9,502.62, and a value of \$8,961.97 is placed on the company's law library. This company, according to its books, claims in assets \$5,793,220.81 and in liabilities \$4,475,619.33. There is \$1,353,431.57 in capital stock outstanding.

Below is the full statement:

Statement of Assets and Liabilities as shown by the Books of the Company at the close of business May 23, 1935 (Expressed in Shanghai Dollars).

#### Assets:

Cash: None.	
Stocks Owned:	
American-Oriental Finance Corp., Federal Inc. U.S.A. ....	\$ 3,451,783.35
Asia Realty Co., Fed. Inc. U.S.A. ....	101,735.60
Others .....	450,179.27
Loans Receivable: .....	226,902.82
Due from Trust Estates: ..	128,919.28
<b>Real Estate:</b>	
Shanghai .....	61,150.18
Portland, Oregon, U.S.A. ....	29,186.79
Accounts Receivable: ....	9,502.62
Accrued Interest and Dividends: .....	128,979.27
Furniture, Fixtures and Motor-car: .....	37,798.26
Library: .....	8,961.97
Deferred Charges: .....	541.28
Exchange Contracts (Per Contra) .....	1,157,580.12
Total.....	\$ 5,793,220.81

#### Liabilities:

American-Oriental Bank-

0564



American Oriental Finance Corp., Federal Inc. U.S.A.	167,185.37
Asia Realty Co., Federal Inc. U.S.A.	1,015,436.71
Raven Trust Co., Federal Inc. U.S.A.	704,994.17
Others	6,775,435.73
Cash and Cash Items	17,541.19
Due from Compradore	113,210.49
Due from Correspondent and Branches	178,749.50
Advances against Bills for Collection	252,972.33
Bills Purchased	235,974.57
Bills Discounted	37,528.72
Customers' Acceptances	802,449.79
Investments	35,927.17
Furniture and Fixtures	114,623.95
Accounts Receivable, Etc.	45,276.54
Contra Items:	
Customers' Liability under Letters of Credit	558,087.42
Bills Receivable for Collection	298,421.33
Travellers Checks on Hand	22,622.78
Total.....	\$ 11,376,437.76

Liabilities:	
Deposits	\$ 5,618,121.98
Drafts in Transit	398,320.80
Due to Correspondents and Branches	523,438.25
Other Liabilities	276,797.35
Accrued Interest Payable	76,597.78
Contra Accounts:	
Bank's Liability under Letters of Credit	558,087.42
Bills Receivable for Collection	298,421.33
Travellers Checks	22,622.78
Total.....	\$ 7,772,407.69

Capital Stock Outstanding \$ 2,575,301.19

How involved the associated companies are in their difficulties is brought out in the statement of the American-Oriental Finance Corporation which lists as assets \$24,950.70 in cash in the American-Oriental Banking Corporation and only \$443.52 in cash in other depositories. Investments totalling \$5,732,388.43 and listed as assets are tied up in the Raven companies, including the Asia Realty Company, with the exception of \$1,391,852.82 listed in "others." Furniture, fixtures, and a motor car are assets to the sum of \$47,590.39, notes receivable, including those from the Asia Realty Company, Raven Trust Company, American-Oriental Banking Corporation and \$478,443.23, from "others," total \$1,134,113.17. Total assets of the American-Oriental Finance Corporation are shown on the books to be \$15,784,205.27, with liabilities totalling the sum of \$10,628,003.23. In this corporation, capital stock outstanding is \$4,334,140.00.

The complete statement follows:—

Statement of Assets and Liabilities as shown by the Books of the Corporation at the close of business May 23, 1935 (Expressed in Shanghai Dollars).

Assets:	
Cash:	
American Oriental Banking Corporation	\$ 24,950.70
Other Depositories	443.52
Investments:	
Asia Realty Co., Federal Inc. U.S.A.	1,938,897.61
American Oriental Banking Corporation	2,235,299.80
American Oriental Finance Corp., Federal Inc. U.S.A.	166,054.50
Raven Trust Co., Federal Inc. U.S.A.	285.70
Others	1,391,852.82
Notes Receivable:	
Asia Realty Co., Federal Inc. U.S.A.	119,219.13
Raven Trust Co., Federal Inc. U.S.A.	429,784.78
American Oriental Banking Corp., Foochow	106,666.03
Others	478,443.23
Customers' Accounts Receivable	3,452,775.27
Foreign Agents	407,434.39
Accounts Receivable	123,550.09
Accrued Interest	45,969.94
Furniture, Fixtures and Motor-car	47,590.39
Securities Held for Clients (Per Contra)	4,814,989.37
Total.....	\$ 15,784,205.27

Liabilities:	
American-Oriental Banking Corp., Overdraft	\$ 623,018.33
Fixed Trust Certificates Outstanding	2,217,318.37
Mortgages Payable	18,126.89
Loans Payable:	
Asia Realty Co., Federal Inc. U.S.A.	62,928.31
American-Oriental Finance Corp., Federal Inc. U.S.A.	130,511.61
American-Oriental Banking Corporation	78,000.00
Others	15,709.97
Salaries and Wages Payable	3,801.75
Accounts Payable	141,037.83
Marginal Deposit—American - Oriental Finance Corp., Federal Inc. U.S.A.	20,076.30
Accrued Interest Payable	8,229.85
Exchange Contracts (Per Contra)	1,157,580.12
Total.....	\$ 4,475,619.33

Capital Stock Outstanding \$ 1,353,431.57

These figures now must be gone through in detail and each item investigated thoroughly, Mr. Hough declared last night. A revaluation will have to be made in many cases, the liquidator said, and some of the questions he will have to answer will be:—

How much is the stock actually worth?

Can the amount in the asset column be realized from the Raven Trust Company's law library?

Just how much of the outstanding accounts can be collected?

Mr. Hough will commence his search for these answers to-day. He intimated that it may take as long as six months before the liquidator's statement of liabilities and assets is ready for release.

## ACROBATIC FLYING TO BE BROADCAST

### Novel Feature at Royal Air Force Display

London, June 12.

One novel feature of this year's annual Royal Air Force display, to be held at Hendon on June 29, will be a description broadcast by a pilot engaged in acrobatic flying.

With a microphone attached to his head, he will describe every movement he makes—when he is flying upside-down, when he deliberately stalls his machine, when he is diving earthwards at a fabulous speed and what he does to escape from these dangerous and unorthodox positions.—Wireless Through Reuter.

## SOVIET BUY SHIPS FROM JAPAN

### Mostly of Small Tonnage but Work Provided

Tokyo, June 12.

The Japanese Shipbuilding Federation reported to-day that Manchoukuo's payment in kind for the Chinese Eastern Railway had resulted in Soviet Russia ordering 24 modern ships in Japan. Most of the ships, it was pointed out, are of small tonnage.

Regardless of the size of the ships, the report said, they definitely improved the employment situation in Japan and also contributed to the improvement of general business in cities where the shipyards are located.—United Press.



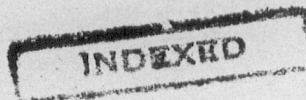
C  
O  
P  
Y

*check*



West China Union University

July 3, 1935



Mr. W. B. Albertson  
Dr. Joseph Beech  
West China Union University  
Chengtou, Szechwan, China

Dear Friends:

We are enclosing the closing entries for the year 1934-35. You will also find enclosed supporting vouchers and journal entries, plus a check for \$5.96, representing income on the Scholarship Fund from July 1, 1934 to June 30, 1935.

The budget analysis shows Accounts Payable due to the field for the year amounting to \$7,170.12. This is arrived at in the following manner:

Local currency due field on 1934-35 budget.....	\$50,000.00
LC\$25,000 at 2 to 1.....	\$12,500.00
Expended.....	17,607.14
LC\$25,000 at 3 to 1.....	\$ 8,333.00
Expended.....	25,000.00
Total expended.....	\$42,607.14
Balance Due Field.....	7,392.86
	<u>\$50,000.00</u>

As the local currency due the field amounted to \$7,392.86, from appropriation at 2 to 1, we have figured the amount payable in U.S. dollars as \$3,696.43. To this amount is to be added the balance of the Harvard-Yenching budget of \$3,473.69, or a total of \$7,170.12.

We are facing a serious handicap in closing our books due to the fact that we have not received word as to the amount of income which the endowment funds held in China are yielding. During 1933-34 a portion of the earnings were reported, there still being an item of \$1,243.50 due from the field on income from this account. The budget for the past year included an item of \$2,500.00, representing the income on this same fund for 1934-35, no report of which has been received to date. It is not at all unreasonable for us to assume that the field has absorbed this income, and that it is perfectly proper for us to charge these items against the field budget. You will recall that we closed the year 1933-34 with some accounts due the field, and at the present closing the standing of these accounts is as follows:

1933-34 budget due the field.....	\$ 449.79
1933-34 Harvard-Yenching budget.....	2,000.00
	<u>\$ 2,449.79</u>

0566

2

8

4

4

4

6

1



July 3, 1935

It is obvious that we will have to have some understanding as to the method used in closing your books for the last two years, and we are hoping this information will be forthcoming at once. We are not giving authorization, however, on either one of these accounts payable, as it is quite possible drafts are on the way which will absorb a good deal of them. In addition to this, the amount due us on endowments held in China offsets a great deal of these obligations. The Accounts Payable and Accounts Receivable on our books are as follows:

Accounts Payable 1933-34 (All given in U.S.\$)

Balance due field 1933-34 budget.....	\$ 449.79
" " " 1933-34 Harvard-Yen.Inst.budget.....	2,000.00
	<u>\$ 2,449.79</u>

Accounts Payable 1934-35

Balance due field 1934-35 budget.....	3,696.43
" " " 1934-35 Harvard-Yen.Inst.budget.....	3,473.69
	<u>7,170.12</u>

Accounts Receivable 1933-34

Due from field on endowment income 1933-34.....	1,243.50
---	----------

Accounts Receivable 1934-35

Due from field on endowment income 1934-35.....	2,500.00
---	----------

We would like to call attention to the fact that one of our Suspense accounts - Dr. Wallace Crawford's account - shows a debit balance of \$30.59.

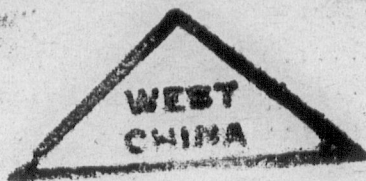
We are anxiously awaiting news from China as to what was done regarding the large sum of money invested in Shanghai in banks which recently have gone to the wall. Inside information we have received here in New York points to the fact that these institutions were in difficulty several years past and that their statements have been doctored to give them a semblance of good standing; although in each instance where we received balance sheets, our judgment was against using the institutions, and we so reported to our official Boards. The clamor from the individual members of the Board of Governors is increasing, and only today a telephone message from one of the Board members insisted that we cable the field for information. We sincerely trust that this will not be necessary, and that full details are now in transit.

Very cordially yours,

CAE:RC  
Enc.

0567





West China Union University

July 3, 1935

Dr. Joseph Beech  
West China Union University  
Chengtú, Szechwan, China

My dear Dr. Beech:

The manner in which we have written is rather mild as compared to the attitude of some of our Board members, who are almost tearing our hair for information as to how the \$100,000. endowment fund held on the field was handled.

The loss of this income means a great deal to the Board of Governors and to the field, and the suggestion that the uncollected interest be charged against the accounts we owe the field is no mere jesture. I am quite sure that did the Board of Governors meet tomorrow to consider this issue, they would take this stand immediately. However, the summer is before us to get some word back from the field, and it is most sincerely hoped that such steps will be taken.

With cordial good wishes, I remain,

Very sincerely yours,

CAE:RC

0568





July 27, 1935

WEST CHINA

Dr. Joseph Beech  
West China Union University  
Chengtu, China

Dear Dr. Beech:

I am replying to your letter of May 29th which is a combination to both Mr. Garside and myself. Apparently you got us wrong on the cable relative to the Board of Governors' grant for 1935-36. These figures were sent out as estimates of the probably amount which the Board would approve for use during the coming year. They did not represent final accounts by the Board of Governors and up to date no budget has been received, neither do we find in any minutes from the field indication of any definite account on the 1935-36 budget. As a consequence I am cabling you today as per the enclosed copy. The previous letters we have written will show you that the Executive Committee was very much chagrined at not having a budget to consider at its last meeting. Up to date no real action has been taken and, as a matter of fact, the authorizations we have sent to the field are apt to cause us a great deal of discomfort in view of the fact that they were sent before properly voted by the Board of Governors. The meeting of the Board is to be October 8th and 9th, but the Finance Committee was authorized to act upon figures, it being the assumption that the budget would be in hand at almost any date.

The fourth paragraph of this letter has been taken care of already through other correspondence which seems to be the only way we can keep our books in alignment.

Your comment regarding the operation under the absolute charter is noted and it is my understanding that the literature issued by the Educational Department of the Board of Regents of the State of New York would give ample information along this line. Briefly, you are allowed to issue your own diplomas either in Chinese or English, whichever you prefer. The wording of the diploma naturally would have to be revised to meet the new condition, and I learn from several sources that there are a number of houses in China which are able to do excellent work in printing and lithographing. The reports regarding the standing of the graduates should be kept in your office and not sent to the states. The reports regarding the standing of the institution, however, as related to its ~~Chinese~~ <sup>finance</sup> and continued operation, must be made out annually as in the past. This is necessary to keep the department informed of your operation. I am thinking that this whole matter should be clarified by some definite action of the Board of Governors, and I will make a note to have it come up on the agenda for the next meeting. If there are any changes at that time from the above procedure we will let you know immediately. I am confident that you will not be able

0569



7-27-35

Dr. Joseph Beech

-2-

to begin operation until action is taken.

We are very glad to learn that you have made the application for funds from the Government and already talked with Dr. and Mrs. Lindsay regarding their work. We hope that there will be a continuance of the Government's interest in this activity.

Your suggestion to have the Rond Fund sent out to the field will hardly "take" with the Board of Governors at the present time. The rather disastrous <sup>use</sup> of the endowment fund is too vivid in their minds at the present time to permit of their sending any more funds to China. This brings me to the place of acknowledgment of your letter of June 13th as well as the next paragraph in your letter of May 29th, both of which deal with the failure of the Raven Banks in Shanghai. We have written during these past weeks sufficient on this situation to pass it by now with very little comment. The many things we have said in the past regarding the large <sup>income</sup> ~~amount~~ from invested funds is fully justified. We have seen it demonstrated too frequently to change our position, not withstanding many of the arguments that are presented regarding conditions in China. We sincerely trust you will keep us informed regarding any developments in the Raven situation as members of the Board of Governors keep writing in or telephoning, asking for information. I have a feeling that it is not going to be a very pleasant hour when this subject is discussed at the meeting of the Board of Governors in October. It is rather interesting that the statement of the official account as published in the North China Daily News brings to mind certain items which were lost in the statement prepared by the company. During our investigation of this failure we were told by one banker that in banking circles it had been known for a year that the Raven interests were in serious difficulty, and while agreeing that undoubtedly the silver purchases of America have made the situation more acute, yet finally that was not the trouble with the organization at all.

It is now too late to continue further discussion as this letter must get into the next mail. We will write you more later on. With kindest personal regards, I remain

Very cordially,

C. A. Evans  
Executive Secretary

CAE  
BBB

0570



OFFICE OF THE PRESIDENT

WEST  
CHINA

West China



Union University

RECEIVED  
UNIVERSITIES

SEP 14 1935

August 12/35

CHENGDU, WEST CHINA

Dear Mr. Garside:

Your telegram re the estimates arrived here at about the same time that I did. (Excessive hot weather and the usual unescapable has kept me from attempting to get together the material on the enclosed sheet till now. First we awaited word from the government re designation of their grant, then we had to get together all the interested parties in Chengtu re understanding of designations re current budget items. We did the best we could, but tentative describes some items. Then again since we have only given to the departments the amount paid them last year under regular budget, their situation may require readjustment when all the parties return from vacation.) Example Arts; Here salaries contracted for exceeds the grant of current budget by \$1700. This seems to be met by government grant of \$1703. But that is fixed for books. Fortunately for this department, financially, and unfortunately scholastically, one engaged teacher has resigned and no substitute is insight. This indicates the kind of problems that must be considered and adjustment that must be made, but in a general way the budget must be about as here presented.

Do not be misled by the excess of receipts over expenditures, You will note that 1935-36 askings in regular budget exceeds regular estimated income by about \$8,000. The special government grants can aid somewhat, but (see over

0571



2/ from other side.--

(but)-

quite a large share of these special grants are for special objects or special equipment and therefore cannot be moved about at will to meet deficits in other departments than those indicated, or for which the grant was specified. Consequently you will readily understand that we have a deficit for the regular work of the university, despite this seeming credit balance in general totals inclusive of government grants.

(In my conversations with the Minister of Education at Nanking, I called attention to the limitations placed upon the wisest distribution of grants by designation. He recognized the condition and implied that we might take some liberties denied to others. I hope therefore that in future grants we may have more liberty in applying their funds as conditions at the moment require. But, red tape there must be in government grants. We are profoundly grateful that they have come to our aid at such a time and have no disposition to direct, except to aid one department more than another. You will note that over 2/5ths of their grant is for salaries in two departments, continued.)

(Intimations from H.Y head office intimates a continuance of the grant from reserve to equal last year's grant. So that is continued at \$28,990 instead of \$28,000, the figure in our "reduced estimate" last year. I will have somewhat to say re the H-Y in my letter to the Board for Annual Meeting. I also am inditing a letter to you and the finance committee re the Raven Co losses and the manner in which we hope to face up to the future in-sofar as these funds are concerned.) I hope that these two matters can be in the post this week.

With cordial respects and good wishes to you all, with the hope that your heat is below ours and that your electric fan outdoes this hand pushed one of mine with the necessary one hand punching it involves.

Yours,

*Joseph Beech*

0572



1935-36

West China Union University, Budget Estimates.

West China Union University, Budget Estimates.  
Adopted on the basis of 1934-35 budget, was \$69,000 for the year '35-'36 but with provisor that the estimates should be revised when the amounts of government grants, if any, were announced. The following table shows the 1934-35 budget, the 1935-36 askings, the totals for salaries, and the modifications, by special committee called for this purpose, Aug. 10th, to allocate government grants to the several departments.

Govt 35-36

## APPROPRIATION.

to allocate government grants to the several departments.

APPROPRIATION.

	Govt	35-36
Department :	grant	total
----- 1934-35 grants-		
1935-36 asking -		
1935-36 salaries,	/	/

Administration;	\$10,878	\$12,500	\$9,346	*\$1,200	\$12,078
Arts	4,200	6,120	5,900	(Books) 1,703	5,903
*** Chinese dept				*** 4,000	*** 4,000
Science ,	14,700	16,870	11,970	2,550	17,250
** special				(600) ** 1,800	** 1,800
Medicine and	---	---	---	5,962	
Dentistry	14,120	17,357	8,432	(salary) 4,000	24,082
** special				** 1,200	** 1,200
Education	5,350	5,560	2,620		5,350
Library, general	5,460	5,460	1,570		5,460
Maintenance (P.C)	9,642	9,842			9,642
Athletic Comm.	1,050	800	550		800
Student Health	1,150	1,150	650		1,150
Scholarships	900	omitted	77-		---
Religion	1,050	995	570		995
Totals	\$68,500	\$76,654	\$41,631	0	\$21,215 \$88,510

Harvard Yen- ching-----0	<u>28,990</u> \$ 97,490	28,990 (Chinese dept-library-museum)	<u>28,990</u> \$117,500
-----------------------------	----------------------------	--------------------------------------	----------------------------

6 Attention should be called to the fact, not indicated under "government grant" column, that \$20000 was received from government, last year, making the total for 1934-35 \$116,500. This \$20,000 was not incorporated in the budget adopted for the year by the Directors, and hence it is omitted in the above totals for last year.

**INCOME.**

INCOME.			
Board of	\$50,000	\$50,000	\$ 50,000
Governors			
Rents	2,500	2,250	2,250
Tuitions	16,000	16,500	16,500
Central Gov't	\$68,500	Total, Reg. Nav.	
(Minst'y Educa	(20,000 0)		\$18,215 18,215
Sze.Edu.Bureau	3		3,000 3,000
Harvard-Yenching	28,990	28,990	28,990
Totals	\$97,490	\$99,740	\$21,215 \$ 118,955
" includ-	( 20,000 )		
ing Gov't			

\* / Gov't fund subject to reallocation later.

7000 10000 20000 30000 40000 50000 60000 70000 80000 90000 100000

\*\*\* Ministrty Education grant for special teacher in dept, Chinese.

\*\*\* Ministry Education grant for special teacher in dept, Chinese.  
Since the 1935-36 totals in final column are arrived at by taking the 1934-35 appropriations instead of 1935-6 estimates, some readjustment must be made that will increase the total expenditures, considerably.









Excerpt from Dr. Beech's Letter of August 12, 1935

Excessive hot weather and the usual unescapable has kept me from attempting to get together the material on the budget sheet till now. First we awaited word from the government re designation of their grant, then we had to get together all the interested parties in Chengtu re understanding of designations re current budget items. We did the best we could, but tentative describes some items. Then again since we have only given to the departments the amount paid them last year under regular budget, their situation may require readjustment when all the parties return from vacation.

In my conversations with the Minister of Education at Nanking, I called attention to the limitations placed upon the wisest distribution of grants by designation. He recognized the condition and implied that in future grants we may have more liberty in applying their funds as conditions at the moment require. But, red tape there must be in government grants. We are profoundly grateful that they have come to our aid at such a time and have no disposition to direct, except to aid one department more than another. You will note that over 2/5th of their grant is for salaries in two departments, continued.

Intimations from H.Y. head office intimates a continuance of the grant from reserve to equal last year's grant. So that is continued at \$28,990 instead of \$28,000., the figure in our "reduced estimate" last year. I will have somewhat to say re the H-Y in my letter to the Board for Annual Meeting. I also am inditing a letter to you and the Finance Committee re the Raven Company losses and the manner in which we hope to face up to the future insofar as these funds are concerned.

0575



~~Copy to office file.~~

OFFICE OF THE PRESIDENT

WEST  
CHINA

West China

INDEXED



RECEIVED  
UNIVERSITIES

SEP 14 1935  
Union University

JOINT OFFICE

Aug. 13, 1935

CHENG TU, WEST CHINA

ack-10/3/35

CaE

Dear Mr. Garside and Mr. Evans:

Since this letter should reach you earlier than one promised I will make an advance statement re some items that will have place in that letter.

You will remember that I once tried to build up a reserve & endowment of Mex\$100,000 against such conditions as the Mission Boards have experienced and as we now have met with in the Raven Co failures.

The first cut into this fund was a return to the Mission Boards of about \$12,000. ( I am writing wholly from memory, so you are at liberty to correct statements if found in error.)

The second is the loss in the failure of the Raven Cos of about \$35,000. Except for later additions this would have been \$30,000 as it was stated in the first instance.

Now, the amount that the Board expected income from was \$88,000. From the first, warning has been given against accepting interest above 5%. But unless my memory is faulty, we were debited with \$5,000 plus, more like 6% in order that you might make up the \$50,000 grant of the Governors.

This is my word to the Board or rather Finance committee in view of the troubles we have met with. When you meet this year consider that you have, potentially, the \$88,000 reserve here in China, at 5% the advised rate fixed by the committee. That should - over

0576



2/ from over page.

realize \$4400 . Very well, charge us with us with that amount, ~~and~~ From the deposits still remaining in Shanghai , (the larger part of which is in the Chartered Bank of India, Australia and China, - believed to be a much better proposition then the H&S Bank of today.) and from other sources and gifts we/ will supply this \$4400 . And I will promise that it will be forthcoming . So with this information you may proceed with the budget question with a larger guarantee from the field than you would have had if the advice of the Committee had resulted in putting the \$32,000 in the H and S Bank at the rate they were paying us on the Moore gift, viz. 2%.

I will write more fully in my next letter why the \$32,000 was not in H&S Bank. There was first cause for hesitation and second a mix-up as regards the date of renewal and thirdly my expected visit to Shanghai , delayed, when I had promised to attend to this matter, and secured permission to do so, despite renewal, from the Raven Company. ( You of course know that I had anticipated being on my way to America before the bank trouble occurred.)

Unfortunately the proceeds of that US\$5000 for the hospital went along with our reserve fund and also two other deposits of smaller amounts. Prophecy is dangerous in times like these and I will not indulge in it before the Board meeting and not even then, other than to say that I expect to respond to the Boards invitation, or permit, to go to US not later than next Spring and shall hope that treble of all our losses will go with me in bank deposits or guarantees.

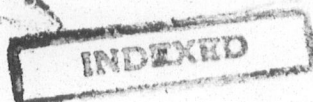
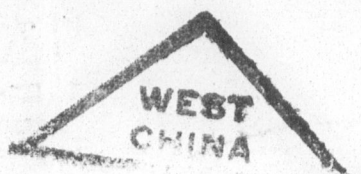
Since I have lost all my possessions in these banks, mostly common stock of 18 yrs standing, that eighteen months ago was rated at 150 for 100 face value, the expected recovery is not from my own beneficence, and accordingly of greater promise. If you have any pessimists in the vicinity of 150, please tell them God is in His Heaven and all is not

hopeless with Christian missions.  
from endville  
J. P. P. P. P.

0577

2  
8  
4  
4  
4  
6  
1





Evans wrote 10/3

Sent to  
com. on  
Finance  
of Bank  
9/2/35

My dear Mr. Garside:

August 14, 1935.

While this letter is not intended to be less personal than my letters generally are it is written with the expectation that it will be shared with the University finance committee and it may rightly be regarded as a supplement to my report to the Governors. As that report may be used for a wider circulation than this information calls for, I am sending this letter dealing with matters which may be stated briefly, or not at all, in the report.

Financial conditions, especially as they relate to our affairs: Deposits. Our deposits are at present in the following banks: The Moore gift for the building of the new hospital is continued with the Hongkong, Shanghai Bank; a new account amounting to \$50,000 has been opened with a fixed deposit for three months, due November 9/35. The balance of our deposits are with the Underwriters Savings Bank, due in December and May. Your advice is sought regarding the future of these deposits. <sup>No clouds are in the Underwriters Bank. They are the depository of a large insurance co. The "New Account" is mainly former Underwriters BK deposit.</sup>

The \$50,000, new account, is deposited with the Chartered Bank of India, Australia and China. You may wish information as to the reason for depositing with the Chartered Bank instead of with the H&S Bank as "advised" in your telegram some months ago.

During my recent visit to Shanghai, I had a long conference with a friend who is exceedingly well informed and on the inside of larger banking circles. We reviewed the banks in groups, Chinese, American, British in that order. In response to the question, "which group would you advise," he replied: "If you will pardon me (He is a Britisher) I would advise the British." Next, I asked "Which British Bank, and why". He answered, "The Chartered Bank" and then proceeded to compare the H&S and the Chartered. For the most part he told me what I had already heard and confirmed the impressions that I had gained by information directly sought and some which had drifted my way from quarters I deemed fairly reliable. It may be unfair for me to recite items relating to any particular bank, but I must state reasons why we have deposited with Chartered Bank, especially as you advised the H&S. <sup>Yes</sup> and may welcome such information as appears well founded that you may expect from me in view of the fact that I am asking you for advice when these deposits mentioned above fall due.

The silver stocks in Shanghai in June were registered at close to \$600,000,000. In August and following rapid depletion brought this sum to below \$350,000,000. To the middle of November \$250,000,000 had been exported. By December the foreign banks had exported \$203,000,000. This was of course by the larger banks, H&S prominent. Tightness of credit to foreign banks followed, step by step with withdrawals and it was reported in Chengtu that H&S Bank was short in cash, whereas in June their vaults were reported full. Commodities remained stationary in price, but Shanghai Native <sup>Bank</sup> interest rate jumped from 7% per thousand per day in October to 40% at the end of November, and 60% near the end of December. That means a rate of 20% <sup>per month</sup>, rushed up by the native banks, so I was informed, chiefly because the H&S must have money. The Japanese did not help the situation by taking silver into the H&S and then calling to demand that repayment be in identical packages. Following words, the silver was removed. <sup>(See photo copy of P. China Silver graph for most figures)</sup>

Sent to Mr Garside per sin J. J. J.

0578



2/ Mr. Garside.

AUG 14 1935

Imports of silver from Hongkong took place early in the New Year and the situation was eased. When I was in Shanghai, "very tight credit" "impossible to get money from banks" were terms heard frequently. Although I believe that money is safe in the H&S Bank, if for no other reason than the prestige of British national and financial interests as regards such a large and established institution, I advised Mr. Main to deposit with the Chartered Bank if he found upon enquiry that the Chartered Bank was preferable, as I felt sure you would approve of that act even if you had mentioned the H&S in your message. He has deposited for three months, as stated, to allow word to reach him re renewal with Chartered or transfer to H&S. Will you therefore cable him "Deposit Chartered approved" or "Transfer deposit to HS". if there is not time to write before Nov. 9th. He states the case as follows: "I fully agree with you that the Chartered Bank is better and the more reliable of the two. It has more government backing, and its branches are more widespread. It is quite well known that the H&S Bank is having serious difficulties in keeping itself supplied with cash. It is clamping down on business concerns owing them money, ----- and has forced several this last week into liquidation. On the other hand the advice from N.Y. was to place the money in the H&S Bank, It is usually better to follow such advice, but in this instance I fear they do not know the present situation with reference to the H&S Bank." In reference to this quotation, perhaps I should state that, Mr. Main was not interviewed re the H&S Bank and I did not report to him the matters re the Bank that I have related to you. I was given information in confidence and have kept it in confidence, except for word to Sir. Joseph and now to you for your understanding of our action and guidance in your decision at this juncture. <sup>(See note kept at 4 page)</sup>

I now come ~~to~~ to the matter of our losses, as I fear they will be, in view of disastrous results from liquidation in the present state of affairs, in the Raven interests. I recall an old line; "Their's not to reason why;" with the frank admission that had I been of similar mind when you telegram advising transfer of funds to the H&S Bank arrived, the University would have been better off today and I would have a lighter load on me than now is borne. But, I reasoned that your word was in the form of advice and I was in doubt as to what your action would have been if in my position. First, I hesitated, and consulted, and finally sent the message on to Mr. Main stating my quandry and seeking his advice/. He replied that the renewal had been made prior to receipt of my letter.

I then wrote to Mr. Driscoll, Secretary-Director of Raven Trust and explained; asking, if in view of your advice and renewal before my letter reached Mr. Main, he would permit me to transfer the money to H&S Bank on my arrival in Shanghai. I stated it thus to him in order to permit enquiry at Shanghai. Here I should state, that I had expected my suggestion re going home to raise funds for the hospital would have action at your expected January meeting. He very graciously replied that despite renewal for the year, the money would be at my call on arrival or when wanted. With this understanding I put the matter out of mind and even ignored the <sup>transferred</sup> \$2000 odd dollars due in early May, as I had planned to go to Shanghai for the work done there this June and August, but I continued to await a letter from your office re the expected homecoming. Then came the shock of Mr. Main's letter calling me to <sup>come to</sup> Shanghai re our interests in the Raven Companies.

I ought to add here that such information as I had led me to believe that the funds were perfectly safe and could await my arrival in Shanghai, and enquiry as to rumors of the situation in the H&S Bank. That was the only bank that had trouble reported and the smaller banks, that had little in ready silver stock to export or have exported, appeared to be less affected by the disturbing silver situation. For eighteen years I had some money invested in the common stock of the American Oriental Bank. It had never failed to pay less than 8%. The Raven ~~Trust~~ Trust Co funds

0579



2/Mr. Garside

AUG 14

1935  
were invested, through the Finance Corp. in AOBank and Asia Realty common stock and in this manner they became the majority owners. My experience with the Bank for 18 years has convinced me that the Trust Co. could pay the 7% on our funds as they have in all these years received more than 8%. Year after year, in addition to paying dividends, they carried aside to undivided profits and to reserve a goodly sum. The profits were so large in some years that questions would have been asked or criticism invited if all paid in dividends. I have talked with Mr. Raven, Mr. Klaffel the manager, and others. Mr. Raven assured himself and others that all would be well up to the day the bank closed. He had many lines out, all of which seemed good to him. They all failed at the crisis. All of them illustrated by the Hardoun case. "The bank owns property opposite the bank on Nanking Road. Hardoun offered \$1,000,000 a year ago. They wanted \$1,200,000. As they approached trouble they offered to accept the offer, which was now agreed to at \$900,000. Then Hardoun called to say they could not get the cash, but would pay it if the Bank could help them collect. The Bank couldn't."

Mr. Klaffel, whom I respect and believe and whose banking ability I certainly admire, along with many others, told me that he had \$240,000 in the bank, mostly common stock, \$40,000 of which was his old mother's reliance. He had not sold or drawn a cent from the bank feeling certain that promised money would come in.

Mr. Walker, one of the bank directors, had as treasurer of the American School, American Church Mission, and St. Luke's Hospital Building fund \$750,000 reported in the bank and companies. Asked if this was correct I received word that like many other things it was greatly exaggerated. But the facts that I learned convinced me that those who were in a position to know believed the bank was sound and would keep open. The causes of the ~~enclosure~~ were, insofar as I could ascertain, loans made a year or so ago that were deemed perfectly good under the conditions that then prevailed were now uncollectable, advances, overdrafts, and mortgages on real estate could not be recovered when needed, a large clientele of small depositors, about 7000, many of whom were suddenly thrown out of employment or otherwise cramped for current cash lived on their bank savings, thus increasing withdrawals and reducing deposits, depositors who saw a chance to withdraw deposits and profit by the abnormal silver interest rates or export rate, fears re the safety of banks in general and the Raven Companies in particular as it was noised abroad that they were short of cash.

So far as I could learn, the bank did not fail directly because of the US silver policy, but it seems to have failed because of that policy, indirectly. Well, so much about what has happened and why, But what shall we do in view of it?

We may of course get something from these deposits, but I think it better to proceed as if we would get nothing, and have a pleasant surprise when "something" arrives, if it does. Hence I suggest the following which points ~~point~~ toward our original condition of \$88,000 reserve. We have a good share of that sum in the Chartered and Underwriters Banks. We can get 6% on funds in the Underwriters and Chartered offers 5% on annual deposit. Assuming that we will get 5% on these deposits, a figure that has found favor with the Board, and that the Board would deem the same rate on the balance of the \$88,000 as a fitting return, the total annual interest would be \$4400. I can guarantee this amount this year and will try to make possible the underwriting of it in future thus restoring the \$88,000 potentially. I hope this may be debated against us in your budget grant of \$50,000, this year and that we can make the \$88,000 actual as well as potential later on.

In setting-up this fund we designated it as a "reserve" of the Board with both principal and interest applicable toward their obligation, to the directors, of \$50,000 Mex. It was not Trust Fund in designation.

0580



AUG 14 1935

The Board of Governors, I think, understood it thus, for they appropriated \$12,000, if I remember correctly, to the Mission Boards.

You will recall that it was accumulated in a number of ways over a period of years, during which time there were about as many bursars as there were years. During these years no indebtedness was incurred, but small balances accrued, some in the Treasurer's accounts, some in the Shanghai accounts and some in the Chungking and Chengtu accounts. Some of this drew interest varying from 2% to as high as 12% paid by Chengtu yearly deposits in local banks. There were exchange losses and exchange gains during a long stretch of years and in not a few accounts some lapsed balances in appropriation grants. When all these things were gathered up and our books balanced for all university accounts, here and at home, for the first time we knew the amount of our credit balances and advised that they be regarded as the foundation of a reserve account administered by the Board of Governors and deposited in Shanghai Banks subject to their order.

During the period of its accumulation and since then, not a penny was lost to us, until the recent silver debacle together with ~~the~~ accelerated business depression destroyed the foundations of business and finance. I find it difficult to bear my personal losses, but feel more keenly the loss that has come to the university. However, for the university, I have this confidence, that ere long it will be as rich as it ever has been, and no discomfiture will come to the Governors because of these troubles here. God is still our strength, and we will, I believe, go forward as heretofore, all of us doing the very best we can for our joint enterprise.

In the estimates that have gone forward the sum of \$28,990 is asked for the work under the Harvard Yenching Fund. This sum of \$28,990 covers the expenses of our Chinese department, the Chinese library, and the University Archaeological Museum. In addition to this the salary of Dr. Graham is paid to the Baptist Society by the N.Y. office from Harvard Yenching funds. Our obligation to the Baptist Society, from our Restricted H-Y Funds, was limited to a total of US \$20,000. It was expected that the three H-Y departments ~~of~~ here ~~at~~ the university would require the total income by 1937 or 1938. Consequently the grant for Dr. Graham's salary was limited to this initial period. We cannot well continue to finance this salary after this initial grant is consumed as the work here promises to absorb the entire H.Y. income. Neither can we be deprived of the services of Dr. Graham as the curator of the H-Y university museum. Consequently, I have already begun negotiations for a grant from the Unrestricted Funds of the H-Y-Institute Trustees to cover the salary of Dr. Graham and other expenses ~~with~~ in connection with our museum. I hope this will have your "Unrestricted" co-operation.

In the notes that went forward with the "Estimates" it was stated that the Notman gift, that would have been due in November of this year, was on annual fixed deposit with the Raven Trust Co. I have seen about forty ~~members of~~ persons, trustees of two Boards that have educational funds to administer. Unless some unforeseen event of national import intervenes, we may expect to recover this hospital building gift several times over. I wish I could use the past tense, but we must await till after January meetings make such language possible. This, however, can be said without misgivings, there are abundant grounds for hope.

Again, with best wishes, Cordially yours,

Joseph Beech

0581



RECEIVED  
UNIVERSITIES  
SEP 14 1935  
JOINT OFFICE



over



August 19, 1935

Mr. Joseph Beech,  
Mr. W. B. Albertson,  
West China Union University,  
Chengtu, Szechwan, China.

Dear Friends:

We acknowledge receipt of your cablegram dated August 19 reading as follows:- "Referring to your letter of July 3, 1935, would say we have not drawn debit what is owing by (of from) field. Send balances Main what is owing to. Have written you on the subject deposits."

Mr. Evans is on his vacation just now, but I have gone over with care his letter of July 3. I have also just completed writing the 1934-35 Treasurers Report for our West China Governors, so have been giving quite a little study to our West China accounts.

I am sorry to say that it seems impossible for us to close our West China books for 1933-34 and 1934-35, or to send any remittance to Mr. Main, without much more information than it is possible for you to crowd into a cablegram. A number of the questions asked by Mr. Evans are still unanswered, and we could not arrive at any accurate figure until more facts are in hand. I am afraid, therefore that we will be compelled to hold the forwarding of this balance in abeyance until more detailed information can reach us by letter.

As I have been studying our West China accounts while writing the Treasurers Report, I have been reminded again that our triangular method of handling accounts - New York, Shanghai, and Chengtu - is not altogether satisfactory. I do not feel that Mr. Main and the Associated Missions Treasurers office in Shanghai are in any way to blame for this situation. Mr. Main and his associates have given a great deal of friendly and intelligent assistance - more, perhaps, than we had a right to ask. The chief difficulty seems to be that our New York office has not quite kept in sufficiently close touch with the office of the Bursar of the University, and that we have not received sufficiently detailed and regular information as to the state of your accounts, what our remittances have produced, what are your needs for the year in which we are working, and what balances and deficits exists and how they can be cleared. We would like your suggestions as to how this situation can best be improved.

With only a little more than six weeks until the date of the annual meeting of our West China Governors, we are increasingly disturbed by the lack of any detailed information as to the facts of your 1935-36 budget. Usually the Board of Directors prepares budget estimates in January, and sends us the detailed facts for use of the Governors in defining their appropriations. This year no such estimates have been received, and about the only references to the matter I can find are in minutes 309 and 315 of the General Faculty where it is voted that the faculty "Accepts \$69,000 for our budget for next year until such time



as money may be received from the Government." That is a most inadequate basis upon which to allow the Governors to define their appropriation. We hope that more detailed facts will be reaching us soon now so that preliminary study can be given the matter before the Annual Meeting.

Very sincerely yours,

2

8

4

4

4

6

1

0584



West China



Union University

INDEXED

CHENGDU, WEST CHINA

August 22, 1935.

Sent by S. Beck's  
letter 8/23/35To the Honored Members of the  
Board of Governors:

In reporting University matters to you at this time, I assume that Drs. Lindsay, Kilborn and Peterson, and perhaps other members of the staff will be present at your annual meeting. Consequently brevity of statement on some matters, by me, will be appreciated, thus permitting greater opportunity for personal statements from them.

Printed reports from the Faculties of Medicine, Dentistry and Arts have been mailed to you, and a similar report from the Faculty of Science will accompany this statement if it can be secured in time. These reports were prepared for presentation to the General Faculty of the University by the Dean of each of the Faculties and consequently self criticism has freer scope than might otherwise find expression. There is occasion for considerable satisfaction in the granting of an Absolute Charter to the University by the Board of Regents of the State of New York as it is a recognition of the high quality of work of our Faculties, especially, appreciated by the Faculties of Medicine and Dentistry in the Boards authorization to grant the degrees of Doctor of Medicine and Doctor of Dental Surgery. We are grateful to you for securing this recognition.

### *The General Situation in Szechuan*

It is also occasion for satisfaction that this statement to you can be written under skies free of the depressing clouds of communism that have darkened Szechuen for the past three years. This applies not alone to the hordes that have ravaged northeastern Szechuan, who have destroyed every discoverable vestige of Christianity in that extensive area, but to the main army from Kiangsi that connected with them in the West of this province. After one of the most amazing treks in the annals of armies they were trapped in what may prove the valleys of death among the precipitous mountains to the northwest of this city. Starting from Kiangsi they moved swiftly to Kweichow and made a desperate effort to penetrate into this province along the southern border. Failing they moved to Yunnan, returning in rapid marches to attack Kweiyang, the Kweichow capital, in an attempt to capture it and the Generalissimo, Chiang Kai-shek its defender. Halted within a few li of the city, they drove for the capital of Yunnan; this drew the border defense troops to the aid of the city, and then they turned north and crossed the Yangtze into the Chientsang Valley and began the march across this province with an army upon their heels that prevented them capturing cities or gathering supplies. Opposed by unfriendly Tribesmen, hindered by swift and swollen rivers and entrenched troops in the high mountain passes, they nevertheless pushed on along the Tibetan borderland toward Mungkung where they were joined by the advance forces of the Eastern Reds. ~~The Eastern Reds~~ who were, in turn, being pressed westward and northwestward into the inaccessible high altitudes to the West of Sungpan. The indications are that they cannot fight their way to the plain before winter, and that many thousands of them will starve in the mountains before Spring. Xenophon's March of the Ten Thousand would lose much of its luster as a classic if these wanderings of the 50,000 had had a master of style to relate their story.

With the coming of Generalissimo Chiang to Szechuen and the departing of the communists from it, a new spirit seems present in the people and an era of prosperity and peace is promised us. But, China appears to have

0585



AUG 22 1935

fallen on evil days . Its courageous leaders face insuperable tasks in their efforts to weld ~~this nation~~ the contending elements into a unified nation, and a foe more dangerous than the communists widens the divisions and threatens to absorb its provinces. Floods , that will be followed by certain famines, cover great expanses of the richest portion of the East , where thousands have perished and ~~thousands~~ tens of thousands are homeless. Many are the people who cast hopeful glances to Szechuen; institutions make plans to move here and even the capital of the nation may be established in Chengtu. Officials in Shanghai and Nanking did not hesitate to ~~to~~ say "We may all come your way soon". At Peiping I was consulted by the Yenching University authorities regarding the feasibility of moving that institution to the campus of West China Union University should evil forces compel them to move. That conference was a confidential one, but Nanking Government Broadcasting Station announced their coming here about a week ago, and Chengtu papers headline it as a settled matter. If they are compelled to leave their beautiful campus, they will send delegates here to ascertain how we can operate together. Following the publication of the news, a member of our Board of Directors, who is an influential resident of Chungking, asked me to invite them to come to ~~Chungking~~ his city and assure them that a campus would be given them.

West China has ceased to be remote. We have plane service six days a week to Chungking and the coast. On two days the large tri-motor Ford ~~plane~~ eleven passenger plane makes the journey to Kweiyang and Yunnan-fu via Chungking; and the Eurasia Aviation Company are about to institute service to North China. The motor road from Changtu to Canton is ~~now~~ built and railroads are promised. Our lost isolation is bemoaned by some, but welcomed by most of us, for it has brought to us friends and visitors who have helped and delighted us. Generalissimo and Madam Chiang Kai-shek stand first in this list because of the place they hold in the nation. They looked at us from their ~~plane~~, invited us to their home and attended and addressed our convocation. Dean Weigle of Yale and Dr. Miao of the N.C.C. conducted a conference on the training of Christian ministers, Dean Weigle giving the commencement address and Dr. Miao delivering the baccalaureate sermon. Professor ~~Smith~~ of Upsala University told us of his researched among the Alpine flora in this Eden of plant life; Captain

Settle , U.S.N. dropped in upon us and related how and why he had made the highest of flights to the stratosphere; Mr. and Mrs Dean Sage and party from the ~~Museum of Natural History~~ told us of their trials in the wilds of Szechuen and that when they despaired of seeing the giant pandar one wandered right up to the muzzle of their guns to be shot, Then there was Mrs. Ayscough who had come all the way to visit the haunts of Tu Fu whose poetry she has introduced to the West; also Miss Wimsatt interested in the women poets of China and especially ~~of Washington, D.C.~~ ~~Chengtu~~. Professor McNair of Chicago <sup>University</sup> read to us advance chapters on "China ~~in~~ Through Japanese Eyes" from his forthcoming book; ~~and~~ Dr. Sherwood Eddy ~~challenged~~ students to try Christ's way of saving China. Bishop Gowdy spent his stay here in preaching <sup>to us</sup> and Mrs. Gowdy <sup>was kept busy</sup> writing about us. Professor Bernadotte Schmitt , head of the department of history , Chicago University is enroute here and Mrs. and Mrs Selskar M. Gunn, <sup>vice president</sup> of the Rockefeller Foundation will follow later. Dr. Lucius C. Porter , Secretary of the Harvard Yenching Institute and exchange professor from Yenching University was enjoyed the most for he remained the longest , telling us of the great philosophers of China . Since he and Yenching started the inovation of exchange professors we will continue it by sending Professor D.L.Phelps to tell them of our English poet-philosopher Robert Browning.

0586







AUG 22

1985

Matters pertaining to the Government.(1) The continuance of the government grant.

Having learned beyond doubt that no funds would be forthcoming from the Raven Trust Company this year, I journeyed to Nanking ~~to~~ and interviewed the Minister of Education to ascertain that they would not fail us. The Minister assured me of their continued support and expressed his appreciation of the fine work being done here. A few days later I was able to telegraph the University, "Government grants \$22,000." Included in the grant was the sum of \$3800, the unpaid portion of last year's grant of \$20,000. The Provincial Bureau of Education has also made us an initial grant of \$3000.

(2) Military Drill. There is absolutely no connection between this subject and the grants mentioned above except a positional one under the same general heading, "Matters pertaining to government".

Military training is very much in evidence at this time. The first and second year ~~of~~ students of Senior High Schools have been having intensive training during a part of this vacation at the military parade grounds in the city. About 3000 officers, instructors, and secretarial staffs are now assembled in a new camp established at the foot of Mount Omei for military training and studies in citizenship. All Middle School principals are ordered there for three weeks period, following the closing of the present camp at the end of August. There is no suggestion that this gathering <sup>of principals</sup> is for military purposes. It is believed to be for instruction in the "New Life Movement".

No pronouncement can be made at this time regarding the continuance of military training in schools and colleges. Such drill or training as we have had ~~xxxxxxxxxxxx~~ for students of this University has been in conformity with the hope expressed by Sir Michael Sadler, Ell52 of your minutes. If one may judge from the limited number and the lack of regularity of attendance the majority of our students seem to have scruples of some kind against attendance, and pressure ~~has~~ not been exerted to compel. It is, in my opinion, devoid of military or educational value and I trust we can secure approval to substitute a worth while system of physical and cultural education and abandon this semblance divorced from reality.

Memorials.

In my report a year ago, I believe that I informed you of the large dormitory being erected on the Middle School campus in memory of Bishop James H. Bashford of the Methodist Episcopal Church. This autumn should see the dedication of another fine new building, the practice school of our Faculty of Education. The building, which will cost about \$21,000, silver, is a memorial gift of Mrs. Elizabeth Goucher Chapman, now in Baltimore, in memory of her father and our former friend and Chairman of the Board of Governors. <sup>of the University</sup> It is built on the Methodist Campus on land set aside for the uses of the building by the Methodist Episcopal Mission, the nearest available site to the Educational Building. It is a two story brick and tile building with capacity for living and educational quarters for the 125 students of this school. Its dedication should mark a distinct advance in our teacher training technique and enable us to recapture the former enviable reputation when Messers, Wallace, Silcock, Yost and others conducted the most effective Normal School in this province. I will add the address of Mrs. Chapman as I assume the Board will desire to express their appreciation for the gift of this greatly needed University building.

The University Clinical Hospital.

In view of the recurrent actions and endorsements of this major project during the past decade it would be a "work of supererogation" to devote a paragraph to it if progress had not been registered. Since the Notman gift of U.S. 5,000, available for this project, was among our deposits in the Raven Company it would appear that ~~such~~ progress had been made backward. But, I have to report, that unless all signs fail, and of course they may in China's present plight, work done at the coast this summer

0588



AUG 22 1935

at the ~~Coast~~ and prior to departure there, gives promise that we can soon proceed with the major section of this plant, with funds provided by sources that you have ~~✓~~ already approved of approaching in this connection. Perhaps all of the present members of the Board are not acquainted with the fact that we did not stand solely upon treaty rights in establishing this University. We had the consent and endorsement of the then governor of Szechuen and the president of China. That is a precedent that we might well follow in starting new enterprises, consequently I took advantage of an invitation to call upon the Generalissimo and Madam Chiang to tell them of the project and ask their endorsement. It was given heartily and my efforts aided by telegrams that followed me. We are profiting by the services of one of his architects here to perfect plans that we have had under consideration for some years. Photographic copies of advanced sketches will be sent to you as soon as they are ready.

#### Financial Matters.

The budget estimates ~~for 1934-35~~ of income and expenditures amounting to a total income from all sources of \$118,955; and expenditures, based largely on last year's figures, amounting to \$117,500 should be in the hands of the Assistant Treasurer well in advance of the receipt of this report. The figures for 1934-35 were adopted because it appeared that our undesignated income would not exceed \$69,000. The undesignated figure for last year was \$68,500. The excess credit amount of \$1455 is apparent rather than real, so far as our distributive funds are concerned, because new projects are included in the government grants. Although the salary total, \$41,631, is meagre in comparison with other institutions, you will observe that it calls for about 2/3 of our divisible funds. The staff expenditures in the Harvard-Yenching departments are not included in this total. Income from government grants and student fees should amount to about \$38,000. Even a casual glance at these figures, based so largely on last years expenditures, should make it clear that we will need, and badly need, your appropriation of \$50,000 Mex., and I plead that despite depression and losses it be granted to the Board of Directors as heretofore.

I have stressed the point of honor back of your contractual promise as a standard by which they may measure their obligations to you. I am not insensitive to the painful and deadening effect of our losses, but I know that we have gained, before we lost, and, I believe we will gain again, for God has not failed or failed us.

You will remember that while this reserve was accumulating there were constant and clamorous calls on all sides for more and more money. They were without response largely because I feared that evil days would come, such as the past few years have brought, I feared reduced income and losses in ~~exchange~~ exchange, and with an eye to the future was willing to ~~be~~ appear parsimonious if I could but help to garner every unexpended cent and increase it by accrued interest. The time came when the Bursar reported a credit balance of \$104,000 and I asked that you constitute it a reserve to ensure your promised payments to the Board of Directors.

You will recall that you could not do that for you were compelled to pay to the Mission Boards \$16,000 that year to enable them to meet their ~~obligations to you~~ payments to you. This left us a reserve of \$88,000. I again asked that you allow the interest to accrue to principal until the reserve was again \$100,000 or more. That you could not do for you were compelled to ~~credit~~ credit this in your \$50,000 appropriation on an estimated income of about 6%, each year since the fund was set up.

I had expected favorable action on my request to go to America this Spring and looked forward with to reporting to you that your reserve was now \$110,000, with anticipated joy. Now it is with sorrow that I report our reserve reduced to \$75,000 or \$13,000 less than your original reserve. I recall that you have regarded 5% as the maximum interest with safety and I recognize that you ~~must~~ must have it, to meet the call upon you, ~~with~~ regard, to its recommended investment at 2%. And I have pledged

0589



to Bd G Report.

AUG 22 1935

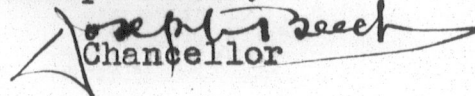
that amount to you, viz \$4400. I did this upon the assumption that the present \$75,000 will realize not less than 5%, the present annual rate of both the Chartered Bank and the Hongkong Shanghai Bank. On short term their present rate is 7%. I trust that you will credit this \$4400 on your appropriation with the understanding that I will be responsible for securing such deficit as I have stated. I deem this both right and necessary since I am urging you to pay the full amount of your promise to us. Should my request to return to America be granted I will endeavor to ~~find~~ find ways and means to make this arrangement permanent. Even if I do this, you will not be as rich as you ought to be, but you will be as rich as you thought you were, and that, in view of the trouble that has befallen us is occasion for thanksgiving, at least sorrowful thanksgiving.

China's predicament is at this hour simply terrible. Latest reports show four provinces partly under water, one of them has only 3/10 of the land area habitable, ~~two~~ <sup>thousand</sup> hundred lives have been lost and an estimated 10 million people are homeless. A foreign foe has announced ~~its~~ <sup>the</sup> division ~~into~~ <sup>of</sup> three administrative areas and ~~is~~ <sup>is</sup> at work making that division a necessity. I recall how Caesar began his chronicles of Gaul. Will the Chinese school boy ~~write~~ recite it of his country as realistically by saying, All Gall has divided China into three parts? There seems to be no immediate aid or recourse, for self interest stifles patriotism and negatives remedial measures in far too many quarters. Yet there is great ground for a great hope and an effective one, no matter how remote. New men and women such as I have met with in all walks of life, intelligent through fine education, in earnest and upright through contact with Jesus Christ, they promise a redeeming remnant that prophets of old saw, and never despaired. We may not realize it, but we certainly <sup>are</sup> established here for the saving of a suffering nation. As we approach the top of the hill of the first quarter of a century, let us have no less confidence than when we started at the bottom and a far greater devotion for we know more clearly who leads us forward.

Working with Him and with you, I am,

Respectfully yours,

Joseph Beech,

  
Chancellor

West China Union University,  
Chengtu.

0590



28444

that amount to you, via \$4400. I did this upon the assumption that the present \$75,000 will realize not less than \$50,000, the present annual rate of both the Chartered Bank and the Hongkong Shanghai Bank. On short term their present rate is 7%. I trust that you will credit this \$4400 on your appropriation with the understanding that I will be responsible for securing such deficit as I have stated. I deem this both right and necessary since I am urging you to pay the full amount of your promise to me. Should my request to return to America be granted I will endeavor to find ways and means to make this arrangement permanent. Even if I do this, you will not be as rich as you ought to be, but you will be as rich as you thought you were, and that, I think, is the trouble that has befallen us on occasion for thanksgiving, at least sorrowful thanksgiving. China's predicament is at this hour simply terrible. Latest reports show four provinces partly under water, one of them has only 3/10 of the land area habitable. Two hundred million have been lost and an estimated 10 million people are homeless. A foreign foe has announced a division into three administrative areas and has at work making that division a necessity. I recall how Gesser began his chronicles of Gail. Will the Chinese school boy xxxxxx recite it of his country as realistically by saying, All Gail has divided China into three parts? There seems to be no immediate aid or recourse, for self interest stifles patriotism and negatives remedial measures in far too many quarters. Yet there is great ground for a great hope and an effective one, no matter how remote. New men and women such as I have met with in all walks of life, intelligent through fine education, in earnest and upright through contact with Jesus Christ, they promise a redeeming remnant that prophets of old saw, and never despaired. We may not realize it, but we certainly established here for the saving of a suffering nation. As we approach the top of the hill of the first quarter of a century, let us have no less confidence than when we started at the bottom and a far greater devotion for we know more clearly who leads us forward.

Working with Him and with you, I am,  
Respectfully yours,  
Joseph Beech

Joseph Beech  
Chancellor

West China Union University,  
Chengtu.

RECEIVED  
UNIVERSITIES  
SEP 21 1935  
JOINT OFFICE

1950



OFFICE OF THE PRESIDENT

West China Union University



Aug. 23, 1935

CHENGDU, WEST CHINA

My dear Mr. Garside and Mr. Evans:

I send you enclosed a hastily written and corrected statement or report for the Annual Meeting of the Board of Governors. I hope it reaches you in good time to make decent copy. While you are at it make about five more than needed and I will send you addresses for them.

I trust that you and the Board will find food for easy digestion for it seems to me that it is needed along with faith and hope. I refer to that new building in hard times, that clinical hospital that will not be downed, that increase in your income despite your losses, for your wire advised investment in H&S when the rate was 2%, now you get 5% on the same amount, unless your orders re the deposits bring us less.

On at least two occasions Mr. E has referred to that \$100,000 endowment fund on the field. Please get it straight by seeing Mr. Starrett's letter to Mr. Garside and his reply in 1932. One cannot eat the cake and have it. You ate the cake as Mr. Garside will remember. I see that some members of the Governors carry the same hallucination. Please erase it. It might of been and would have been \$100,000 if that permission to return had come to hand for I would have been in Shanghai before the failure. But "shed tears" don't make sheds, so, I have done the best possible at this time.

0592



I do not have the address of Mrs. Chapman here. Dr. Edwards will be able to help locate her. She is with the oldest Goucher daughter married to a banker in Baltimore.

Mr. Albertson is working hard to get out a balance statement to send along to you. I fear it will not get to you in time for the meeting, however.

By reference to your minutes of Executive, I do not find my request granted, though it may be implied. Even if it was so understood I feel that I cannot leave the country till the fund for that hospital has been ~~settled~~ granted or otherwise dealt with. I expect that I will know by January. If that brings me in touch with more I will hunt on in China, but will hope to get to U.S. by early summer. If your Executive date can be stated in advance please let me have it and I may be there for that.

It looks like war in Ethiopia and it may be in China also. A hint to day implies the "sit and take it policy" is over and that Honan will be the line, "thus far and no more" without a struggle. If Chiang remains here he will probably be my nearest neighbor, as he wants a house on our Methodist plot, and I suppose it will not be denied him and the Madam, especially the Madam.

Let me know what the Boards reactions or actions are regarding the projects of hospitals, finance. In your state of poverty, you need not make provision for my home travel, I have an old pair of sea boots that will get me there, if I mistake not.

Good night, it is long past bed time,  
cordially,

Joseph Beech

RECEIVED  
UNIVERSITIES

SEP 21 1935

JOINT OFFICE

0593





West China Union University

September 14, 1935

Dr. Joseph Beech  
West China Union University  
Chengtu, Szechwan, China

My dear Dr. Beech:

Your letters of August 12, 13 and 14 came to hand in this morning's mail.

This is not an official acknowledgement; that will come later.

Both Mr. Garside and myself have read all of them, and personally I want to tell you how deeply I sympathize with you in the losses you have sustained with the failure of the banks in Shanghai. It is useless to look back to make vain wishes or to console ourselves with what might have been done. We are all awfully good at hindsight, but things we do with our foresight, however, must, on occasion, make the gods laugh. This all demonstrates how human we are.

You certainly have taken the right attitude in pulling up your belt and facing the situation like a good soldier of the Kingdom. We have seen many, many cases here in America under similar conditions, where it has broken the morale and ruined families as well as institutions. That, however, is in places where people have no strength of character or background upon which to lean. We naturally feel differently, and if there is anything our office can do to help lighten the load, please be assured that we will help wherever possible.

This is just a personal word, but later on I will write you further after I have given some time to the study of the budget, and after Mr. Garside and myself have had more of an opportunity to survey the situation.

With most cordial good wishes, I remain,

Sincerely yours,

CAB:RC

0594



West China

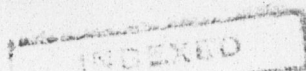


Union University

CHENGDU, WEST CHINA

September 18, 1935.

ack 12/28/35



My dear Mr. Garside:

I am enclosing in this note to you a letter addressed to Dr. Hume. In a recent letter from him dated August 6, he was at "Seacroft", Rockport, Mass. I feel that by the time this reaches the U.S.A. he may not be at that place, so I am sending this care of you, hoping that you will know his whereabouts and can get the letter to him.

In my report or statement to the Board, I inadvertently stated something that should not have been included. I mentioned the fact that two foreigners had graduated, these two foreigners being Mrs. Lenox and Mrs. Peterson. On my return here I enquired whether these two people had graduated and I was told that they had done so, but later on, when it was possible to get ~~preliminary~~ information from the Registrar's Office, I discovered that they had not graduated. Mrs. Lenox has completed all of her work except the interne work and Mrs. Peterson has completed practically all that was required, but they are not graduated. So if there is opportunity to do so, you might correct this impression.

✓ Underseparate  
Cover.

I am enclosing <sup>attached</sup> to you a copy of the statement that I have written to the British and American Indemnity Board. I think I need not add anything to this statement, except to say that I am cutting this letter short to go to a Faculty Meeting to consider the plans for this hospital.

I shall await with interest your report of the Meeting of the Board of Governors in October.

Yours cordially,

Joseph Buech

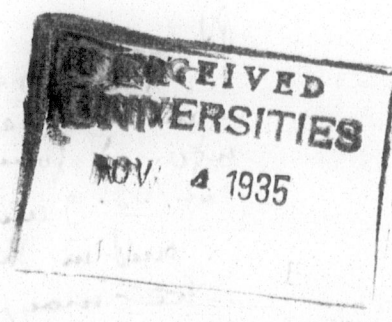
PS: Since receiving your telegram re the Regents report, I have again interviewed Mr. J. A. re the blanks left with him some time ago. I found them still blank in the financial sections. So JB/ej. I am holding this letter up until they are forthcoming and in the meantime this office is helping him that he may be free to do the job. Sorry for delay

0595





RECEIVED  
UNIVERSITY  
NOV: 4



0596

2



4

4

4

5



*Confidential*

*Dr. Joseph Beck -*

*Received 11/9/35*  
*F*

3rd September, 1935.

To the Chairman, Mr. Chu Chia-hua; the Director, Mr. Han Lih-wu and Honoured Members of the Board of Trustees for the Administration of the Indemnity Funds Remitted by the British Government:

I.

When the return and application of the British Indemnity Funds were under consideration some years ago in London, the West China Union University applied, through friends there, for a portion of these funds for the erection and equipment of its Medical and Dental College and the Clinical Hospital. That request, as we learned later, could not be given consideration in London.

Since then we have secured the site for our Medical and Dental College and the Hospital, consisting of about 10 English acres. We have had complete architectural plans drawn and two of the buildings of the College have been erected by grants from the Board of Foreign Missions of the United Church of Canada. These buildings conform to the prevailing style of University architecture, and are brick and tile constructions. They are 153 ft. long by 41 ft. wide and are three storeys high, including the basement above ground level. At a nominal rate of \$3 silver to \$1 gold the expenditure for these buildings, their equipment and the land has been approximately \$250,000 silver. It has, however, been impossible to proceed with the erection of the main central section of the college buildings and the Clinical Hospital owing to adverse financial conditions.

This has compelled us to move forward with our medical and dental educational programme, as best we could, teaching the clinical subjects in the new Medical Dental buildings and utilising three Mission Hospitals in the city as clinical centres. One of these, the General Hospital, where the major clinical instruction is given, is located in the extreme northeast of the city, three miles from the Medical and Dental College. Although this procedure sufficed when students were few, it has now reached the stage where it is becoming increasingly difficult, due to a larger number of students, inadequate facilities and scattered centres of work to carry on modern clinical education. In fact, we have now reached

0597



SÉP 3 1935

the point where some of the finest members of our staff advocate the abandonment of medical and dental education, unless there is a prospect of carrying it forward in a thoroughly scientific manner in a modern institution. Consequently the call for the erection of the main clinical hospital buildings adjacent to the Medical and Dental College has become imperative. However, the erection and equipment of the complete hospital plant with accommodation for about 500 beds will probably call for an expenditure of fully a half million silver dollars. But for the present we have made plans only for the erection of so much of the hospital plant as will provide for the work as it now is, in order to permit the transfer of the clinical medical-dental training to this new centre. For this purpose we have planned for the erection of the central hospital unit and, at least, one of the service wings of the plant. The erection of these buildings, together with the equipment of them will require at least \$250,000 Shanghai currency.

Since it is imperative that we begin the erection of this initial section of the Hospital not later than 1936, we make urgent petition to the Board of Trustees for the Administration of the Indemnity Fund Remitted by the British Government for a subsidy of \$150,000 Shanghai currency payable in instalments during the next two or three years for the erection of the central building, together with a central extension connecting it with the Medical and Dental College. We are also appealing to the China Foundation for the Promotion of Education and Culture for \$50,000 toward the equipment of this section of the plant and we can guarantee an additional \$50,000 from a donor in the United States of America for the erection of one of the service wings, (see plan of buildings and prospective elevations sketches sent herewith).

The object for which we make petition for this subsidy from your Board is, we believe, in complete harmony with the "Principles Governing the Disposal of Interest on the Indemnity Fund Remitted by the British Government", as set forth in your printed statement, Part I, Principles, (1), (2) and Part II "Application of the Above Principles", (2) B and the final clause of C 2. We believe it is also in accord with Section 3, page 16 of your Report for the Period January 1 to June 30, 1934; in particular Section 2 under the topics "Medicine, (including Dentistry) and Public Health".

In order that all known regulations governing the application for subsidies may be the more fully complied with, the following information concerning the University and the Medical and Dental College is appended in a special section of this petition. The information given may exceed your requirements, but in view of our remote position in a distant

0598



0599



SEP 3 1935

1935

part of the Republic, we prefer to err in giving too much rather than too little information.

## II.

### General Statement of the West China Union University and the Medical and Dental College.

(a) Establishment of the University. The University was established in 1910 with the special permission of the President of China and the Governor of Szechuan. The establishing organizations were five Protestant Mission Boards, two in the United States of America, one in Canada, two in England, and, at a later period, three of the Women's Societies founded the Woman's College.

(b) Incorporation and Registration. In 1922, the University was incorporated under the Board of Regents of the University of the State of New York, and a decade later "Absolute Charter" was granted us certifying that we had attained the scholastic standards requisite for the degrees of Bachelor of Arts, Bachelor of Science, Doctor of Medicine and Doctor of Dental Surgery. In 1933, we were accorded registration by the Ministry of Education of the National Government of China as a University with a College of Arts, a College of Science and a professional College of Medicine and Dentistry. The University is now administered and maintained through a Board of Founders abroad and a Board of Directors in China, of whom two thirds are Chinese. The Chairman of the Board is Mr. Chang Kia-ngau and Mr. C.C. Chang is the Honorary Treasurer.

(c) Plant and Value. The University occupies a campus of 142 English acres, with 2,220 trees of 27 varieties and thousands of shrubs along its miles of paths and roads. This improved campus represents an expenditure of approximately \$100,000 gold. Its assemblage of 22 brick and tile college and dormitory buildings with their furnishings and equipment, and 46 residences represents an expenditure of half a million gold dollars. (Photographs of buildings sent herewith). Measured in terms of price values in Europe and America or in some other parts of China, this is a meagre sum for so extensive a plant. At an average rate of three silver dollars to one dollar gold, its cost approximates two million dollars. The library has nearly 100,000 volumes in Chinese and foreign languages. The archaeological, natural history, and medical and dental museums contain nearly 155,000 objects; thirteen thousand of these objects in the archaeological museum are of great value to this region, especially as they reveal the cultural stages of Western China, Tibet and the ago-long arts of the Border Aboriginal Races.

0600



(d) Staff, Students and Maintenance. The staff of the University, composed of representatives of all of the continents except South America, numbers 118, of whom one half are Chinese. Only about one half of the total Faculty are, however, full time members. The total student body, including the University, the Senior Middle School and the Junior Middle Practice School of our Faculty of Education, has been about 900 during the past three years. The enrollment in the University for the year 1934-35 was 390.

The University granted its first degrees to two students in 1915. The total number of graduates is now 306, of whom 43 received their degrees in June of this year. Of the total number of graduates above 100 were graduated in Medicine and Dentistry. To maintain this work throughout a given year calls for an expenditure of approximately \$100,000 gold, including the salaries contributed by the Mission Boards to the foreign staff, but not including building costs, and in addition \$100,000 silver. This sum is supplied from student fees, salaries and grants from the Mission Boards, income from approximately \$650,000 gold endowments, and from recurring gifts from loyal friends of the University and its staff members.

### III.

#### The Medical & Dental College and Medical Work.

(a) The Medical College of the West China Union University, is, we believe, the only recognized medical college west of Hankow or Changsha. The Dental College is the only institution graduating fully qualified dentists in China, although it had no graduates prior to 1921 and in the early years its students were limited in number. Nevertheless, it has gained the reputation of being a national institution with students from Manchuria and other parts of China, Singapore and Java. Its graduates are rendering service at Peiping, Shanghai, Nanking and other parts of the Republic. The character of its work is attested by the fact that the Peiping Union Medical College has placed its dental department under the direction of our graduates. The graduates of the Medical College have not travelled so far afield. They are rendering significant service in many parts of this province, in Yunnan, in Kweichow, and some of them have established hospitals among the Border Tribes, and others among both the medical and dental graduates are pioneers of scientific healing among the Tibetans.

(b) The Faculty of the Medical and Dental College, including the teaching staff in the city hospitals numbers 38. From the inception of our medical-dental work we have sought to establish and maintain high standards and at present they are in advance of Government requirements. Two full years of pre-medical science of college grade, two years of pre-clinical medicine, two years of clinical medicine and



one interne year are required to qualify for the degree of M.D. or D.D.S. In addition to clinical and non-clinical instruction, the Medical-Dental Staffs and hospitals have treated over 30,000 out-patients, with a total of over 90,000 treatments, each year for the past quadrennium. Over 5000 medical and surgical in-patients are treated in the hospitals each year. They have totalled over 85,000 days in hospital. The expenditure for this service, not included in the University budget figures quoted above, and not including missionaries salaries, has averaged from \$165,000 to \$170,000 a year. All of this, except a few thousand dollars, has been received in payment of services rendered.

Financial Support. The main factor in the maintenance of our Medical and Dental College is the contribution made by the Mission Boards in supplying the salaries of the foreign members of the staff. According to the Missions Boards' estimates this amounts to approximately \$49,000 gold. The significant fact in regard to maintenance costs of our Hospitals is the annual income for services amounting to approximately \$168,000 silver. For the first time in our history, the National Government granted to us last year \$20,000. Of this amount \$11,000 was designated for Medicine and Dentistry. Their grant was repeated again for this year and \$10,000 of it was designated for Medicine and Dentistry. The Provincial Government has also granted the University \$3,000, of which \$2,000 is designated for Medicine and Dentistry. The general endowment of the University (as noted above, \$650,000 gold) includes \$100,000 gold endowment for Medicine and Dentistry.

\*\*\*\*\*

Recapitulation.

1. When the return of the British Indemnity Fund was under consideration in London, application was then made for funds to erect and equip the Medical & Dental College and Clinical Hospital. Since then a ten English acre site for this project has been secured and part of the Medical & Dental College plant has been erected and equipped at an expenditure of approximately \$250,000.

2. Owing to adverse financial conditions it has been impossible to erect the projected Clinical Hospital adjacent to the College. We have, however, carried on medical and dental education utilising the College buildings and three Mission Hospitals in the city.



3. Due to the increased number of medical and dental clinical students together with the increasing difficulty of conducting thoroughly modern, scientific medical and dental education under our present conditions, we face an inevitable loss of efficiency in our medical dental educational work, perhaps the ultimate closing of it, unless we can conduct it in a more satisfactory manner.

4. Consequently, the call for the erection of our long projected Clinical Hospital has become immediate and imperative. The entire projected Hospital plant, designed to provide accommodation of approximately 500 beds, will require not less than \$500,000 for buildings, furnishing and equipment.

5. But for the work as it now is, and to make provision for the transfer of the clinical instruction to the University hospital, it will suffice to erect the main central Hospital building with extension joining it to the Medical College, and also one of the service wings at an estimated cost of \$250,000.

6. Of this required sum, we can guarantee \$50,000 upon call for the erection of the service wing. We have made appeal to the China Foundation for \$50,000 for equipment, and we petition the British Indemnity Fund Trustees for a subsidy of \$150,000 for the erection of the main central section of the Hospital.

.....

The existing plant of the University valued at approximately two million dollars, together with the contributions in staff and money from the supporting organisations; the income from present endowment of U.S. \$650,000, all together totalling approximately \$100,000 gold and \$100,000 silver annually; and also, present grants of \$20,000 from the National and Provincial Governments provide reasonable security underlying our project. The development that our College of Medicine and Dentistry has attained is indicated: first, by the character of the service given the public by its 100 graduates and again by the average yearly hospital service of 30,000 out-patients with 90,000 treatments, and 5000 medical and surgical in-patients, with a total of over 85,000 days in hospital. The appreciation of the public is partly measured by the \$170,000 paid annually for the services rendered, which payment makes the Hospital work largely self-supporting. It is to continue and to enlarge the volume of this work, and to improve its quality that appeal is made for a new modern hospital.

While the primary purpose underlying the call for this new clinical hospital is the training of doctors, dentists and nurses under modern scientific conditions, there is also



(3)

2

8

4

4

4

6

1

0604



SEP 3 1985

the equally fundamental purpose to heal the sick, teach preventive medicine and cooperate in public health. Therefore, we do not plan to restrict the helpful service that the three Mission Hospitals are rendering in the city, but rather, through the association and coordination of these plants with the University Hospital, to render a finer and larger service as follows:

(a) Upon the removal of the eye, ear, nose and throat work from the Shan Shi Kai Hospital located in the southern and densely populated part of the city to the University, this plant will become the general medical-dental out-patient departments for our entire medical work.

(b) When the new Clinical Hospital is erected with accommodation for women and children, the Women's and Children's Hospital can be reorganised as a maternity and emergency hospital in association with our School of Midwifery.

(c) We look forward to continuing the general hospital service in what is now the General Hospital, in order to offer medical aid to the community of the distant northeastern part of the city.

Since it has not been possible for the Trustees to study our work on the spot, I am sending herewith a copy of a letter from Dr. James L. Maxwell, for many years the Secretary of the Medical Association of China. He made a careful survey of our work in the early summer 1932 and later gave us the benefit of his views of it. In addition to the testimony of Dr. Maxwell, you are doubtless aware of the fact that the project for the erection of this new Clinical Hospital has the unqualified endorsement of Generalissimo Chiang Kai-shek who is now in Chengtu and has visited the University.

.....

Under separate cover we are sending you the following articles that may supply information desired:-

1. The map of the city of Chengtu, showing the location of the University outside the South City Wall, and also the location of the three Mission Hospitals and the School of Midwifery in the city.
2. The map of the University property, showing its relation to the Medical & Dental College and projected Hospital.
3. Ground plan for the projected Hospital buildings and sketches of the elevations.

0605



SEP 3  
1985

4. A book of photographs of the University campus and buildings, and also a panoramic view of the campus as seen from the University clock tower.
5. Photographic copies of the plan and elevations of the Medical & Dental College buildings, two wings of which are now erected.
6. Copies of the University Catalogue and the Medical & Dental Bulletin, and a pamphlet entitled "University Beginnings" a reprint from the West China Border Research Society's Journal.

On behalf of the University,

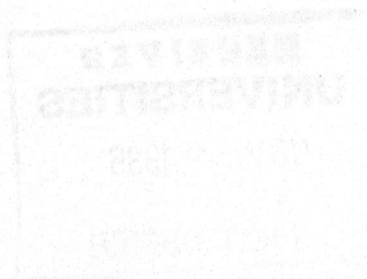
Respectfully yours,

Chang Kia-ngau  
For the Board of Directors,  
Chairman.

C.G. Chang  
For the Board of Directors,  
Honorary Treasurer.

Joseph Beech  
For the University,  
Chancellor.

Lincoln Dsang.  
For the University  
President.



0606



1985

1. A list of the names of the University of Chicago and buildings, and also a picture of the campus as seen from the Lake City clock tower.

2. The University of Chicago is a member of the League of Nations, and also of the League of Nations Educational, Scientific and Cultural Organization.

3. The University of Chicago is a member of the League of Nations, and also of the League of Nations Educational, Scientific and Cultural Organization.

University of Chicago

University of Chicago

U. of C.

U. of C.

RECEIVED  
UNIVERSITIES  
NOV 9 1935  
JOINT OFFICE

0607

2844461



OFFICE OF THE ~~PRESIDENT~~

West China



WEST  
CHINA

Union University

INDEXED

Sept 25/35  
CHENGDU, WEST CHINA

Dear Mr. Garside & Evans -

Regret that your letter and telegram which came to me at about the same time, found on enquiry that no report for 1934 had been sent. We got to work at once - as circumstances permitted and, I am sending by Air as far as possible the statistics for 1934 and 1935. You will observe that Investments are to be filled in by your office. One item US \$8000 appears on gift for 1935 from Cash & Savings here, this represents Silver \$2000 (circ).

Summary Item B. Left blank for you to supply - also footings left blank for same reason.

In filling in Amounts under Property, Item 8, we accepted as basis of our figures the amounts you had entered on the report prepared by you as of June 30/32.

Hope these reports can be copied in your office. Done in haste here  
Yours Joseph Beech

0608









West China Union University

INDEXED

October 3, 1935

Dr. Lincoln L. G. Dsang  
✓ Dr. Joseph Beech  
West China Union University  
Chengtu, Szechwan, China

Dear Friends:

I am enclosing herewith the minutes of the meeting of the Committee on Finance, Property & Investment held September 23rd.

The principal purpose of this gathering was to discuss the funds held in China, and the outcome is clearly shown in the minutes.

You have received the treasurer's report for the fiscal year ending June 30th, as same was sent to the field some time ago.

The budget for 1935-36 was considered at some length. General approval was given to the recommended budget received from China, and it was passed on to the Board of Governors for final action. This meeting is to be held on October 8th and 9th at Crozer Theological Seminary. Immediately thereafter you will be advised as to the action on the budget.

With cordial good wishes, I remain,

Very sincerely yours,

CAE:RC  
Enc.

06 10





West China Union University

October 3, 1935

Dr. Joseph Beech  
West China Union University  
Chengtu, Szechwan, China



My dear Dr. Beech:

A letter addressed to you and Dr. Dsang covering the minutes of the Finance Committee meeting has just been dictated.

In addition to the comments contained therein, I know you will be interested in knowing something of the reaction of the committee from several angles. One was that after all of the action taken upon the investment of funds in China and the very conservative attitude taken by the Board of Governors that the field did not protect itself more carefully in selecting seasoned securities. One may think that bank deposits in an institution of good repute would cover this situation; but experience shows that there are all kinds of banking institutions in the world and that they have to be selected with due care. This is not by way of criticism, but frankly gives you the gist of the discussion at the meeting.

A further question was raised as to the variation between the amounts previously given as involved in this fund and its present status. You indicate that \$50,000 has been deposited in the Chartered Bank of India, Australia and China at Shanghai, whereas in the fall of 1934 there was \$69,644.52 in the Underwriters Savings Bank. Insofar as we know, this situation was not seriously affected by the Raven break, although we understand that it is affiliated with the Raven interests. What about the unmentioned balance which was held in the Underwriters Savings Bank?

Regarding the budget for 1935-36, we were compelled to somewhat revise these figures to make them balance. The total extension is the same, but we had to modify the details, as the extension represented the total of the budget for 1934-35 in some cases and in others the askings for 1935-36. We did the best we could with it, without changing the total. The committee stumbled over the appropriation for salaries in the Governors' budget, and that will have to be ironed out before the meeting next week.

Very cordially yours,

CAE:RC

P.S. The auditors' report for the period ending June 30, 1935 is enclosed.

*See Chamberlain, Berger & Helti*  
6/27/35

0611





West China Union University

October 3, 1935

Dr. Joseph Beech  
West China Union University  
Chengtú, Szechwan, China

My dear Dr. Beech:

I have written you two letters today, but my secretary has reminded me that several letters which you wrote ranging from the 12th to the 14th of August had not been acknowledged except in a general way. Possibly it is best that no additional word be spoken than that already dictated.

However, there are several things which I would like to say, and which will more or less tie up directly with your communications. First of all, regarding the Chartered Bank of India, Australia and China. We checked through several sources regarding the relative merits of the Hongkong-Shanghai Banking Corporation and the Chartered Bank. The final analysis showed that there was very little relative difference as far as the strength of the two banks was concerned, but in each case a preference was voiced for the Chartered Bank. The Finance Committee in taking action approved this selection, but passed it on to the Board of Governors for their confirmation.

Regarding the silver situation in China, we have been in fairly close touch with conditions and realize only too well the handicaps imposed upon the Chinese. At the prevailing price of silver, which we understand will go even higher, it is next to impossible to control an embargo in China. It is inevitable that silver will leak out. It is to be regretted of course that the United States has ever taken the measures that it has relative to the silver situation. It has worked havoc in many ways.

Had we actually voiced the feeling of the committee when discussing the deposit of funds at the meeting held in November of 1934, you would have a much different feeling than the cable actually produced. It was our thought that this definite word from the committee, together with previous minutes passed by the Executive and Finance Committees, would be of sufficient warning to make one walk carefully. It is, however, useless to dwell upon the past, as much as we regret the actions that have been taken. The thing is to face present and future conditions. Personally, I admire you greatly for the courage and fortitude with which you turn forward to the future, especially in view of your own personal losses.

At another meeting held the day before yesterday at the Chamber of Commerce Building downtown, one of the members vigorously differed with investment financial counsel, who was asking for a diversification of investments. The argument against diversification was that a man should rather put all of his

06 12



Dr. Joseph Beech

-2-

October 3, 1935

eggs in one basket and watch it instead of spreading it out among a number, which would require additional time and thought to watch. The lightning-like answer came back: "I agree with the one-basket idea thoroughly if you are close enough to watch it. The trouble is that often we think we are close, only to find our mistake when it is too late." The amount that you had available for investment in reality deserved closer watching.

Throughout all of this discussion and exchange of correspondence, we have been exceedingly sympathetic and have earnestly hoped that some way would be revealed whereby the losses sustained might be lessened. Time only will tell this, but it is still a very fond desire on our part.

I do not know that there is anything else to be said other than what has been dictated regarding the budget, as later action on the part of the Board of Governors will be final, and until that time it is useless to say more.

With sincerest personal regards, I remain,

Very cordially yours,

CAE:RC

06 13

2  
8  
4  
4  
4  
6  
1



over  
WEST  
CHINA

October 23, 1935 *air mail*  
ack-12/14/35

Dr. Joseph Beech  
West China Union University  
Chengt'u, Szechwan, China

My dear Dr. Beech:

Your letter of August 23rd with its attached report to the Board of Governors, reached us just in time for us to have the report stencilled and distributed in advance of the Annual Meeting on October 8th and 9th. The Governors were very much pleased to have this report in hand, for it helped to give them a clearer present picture at the University, and made the meeting a much more productive one than would otherwise have been possible.

I have already sent you by regular first-class mail a copy of the minutes of the Annual Meeting of the Governors. The official correspondence regarding these minutes will be coming from Dr. Anderson as Secretary of the Board, but I will comment informally on matters dealing with finance, together with other items you have mentioned particularly in recent correspondence.

Your proposed trip to North America. No official action on the matter of your coming to America appears in the minutes, for there was a general understanding among the members of the Board that the Executive Committee had already assented to your coming whenever you found it expedient to do so. During the course of the meeting the matter of your coming was referred to a number of times as definitely agreed upon, the only question being the date at which you could get away from China. You may be sure we will all be glad to see you at any time you can come, and will do everything we can to help make your stay here in America as productive as possible.

Salaries of Administrative Officers Paid by Board of Governors  
Of course, the three individuals referred to in action G-1176 are Mr. Albertson, Mr. Small and yourself. The Canadian Board of Missions has at all times paid the salary of Mr. Albertson and Mr. Small on exactly the same basis as their other missionary personnel, but due to a lack of clear understanding between the Methodist Board and the West China Governors, the Methodists have continued your salary on the same basis which was in effect some years ago before reductions all down the line began to be a necessity. At the meeting in Oxford last year the Executive Committee recommended that the Board reaffirm its long-established policy that Board supported personnel should receive salary on the same basis as the regular missionaries of the societies to which they belong, and it was our general understanding that the Board of Governors approved this recommendation of the Executive Committee. But through some oversight the item was omitted from the minutes of the Oxford meeting, so the matter has gone for another year without any change being made. We are all glad for your sake that this has

0614



October 23, 1935

resulted in your continuing to receive salary on the former basis, for we recognize that you have had some very heavy personal obligations which have been difficult enough for you at best. I hope, however, that the readjustments necessary to bring your salary in line with what other Methodist missionaries are receiving will not prove too burdensome. If the Board of Governors or the Methodist Board should make some supplementary grant, I hope you will not hesitate to communicate with us.

Disposition of Funds Held in Shanghai. Even before disaster overtook the Raven Trust Company there was a fairly wide-spread conviction among our West China Governors that it would be wiser to transfer the endowment reserve fund from Shanghai to America. It has proven quite impossible for us to administer the fund under the present arrangement, for there have been constant misunderstandings and conflicting instructions given to Mr. Main, so that neither the Associate Mission Treasurers, the West China Bursar, nor the Governors here in New York have had any clear understanding of just where the funds stood or what we were trying to do. For instance, we have learned during the last few weeks that the repeated instructions we have given to Mr. Main to transfer all accrued interest on this fund to the current account of the Bursar, as a part of the Governors' contribution to the Annual Budget of the university, have not been followed out and as a result our accounts here in New York have gotten into a sad state of confusion. This is only one illustration of the difficulties almost certain to follow any attempt to administer a fund located half around the world. The information we have recently received indicating that even such a solid institution as the Hongkong and Shanghai Banking Corporation narrowly escaped serious difficulties some months ago had added to the conviction of the Board of Governors that it would be wiser to transfer the balance remaining in this fund to New York for investment here as a part of the capital funds of the institution. I am sending Mr. Albertson a copy of the letter we are writing Mr. Main with regard to the matter.

Budget. We have all been mystified this year at the fact that the regular budget estimates from West China never reached us, and have been even more puzzled that we have seen no minutes of any meeting of the Board of Directors held since December 1933. The only probable explanation seems to be that at least one package of minutes, and possibly more were lost in the mails. This inadequacy of information has not only proven a handicap to the Board of Governors but has also been injurious to the University because it has been impossible to take action as promptly as we should have done. I hope that by the time this reaches Chengtu the field will be completing its budget estimates for 1936-27 and dispatch these to us as promptly as possible.

Appointment of English Secretary. The Governors were so impressed by the urgency of the need for an English Secretary at West China that they took action favoring the appointment of Miss Marjorie Robertson, conditioned only upon the British friends of the University providing her outfit allowance and travel expenses to China. While we are making the securing of her salary a special object of appeal there is room in the budget as already adopted to cover this item if absolutely necessary so her appointment need not be delayed until such special support is actually in hand. We do hope very much that she can get out to Chengtu this year, for her presence there should be of immense help to Dr. Dsang, Mr. Albertson and yourself.

06 15



Dr. Joseph Baech

-3-

October 23, 1935

Contractual Statement. The Board was somewhat mystified by the way in which the proposed contractual statement between the Board of Governors and the Board of Directors had been transmitted to us. This statement was transmitted by Mr. K. N. Chang and was signed by four Chinese officials of the Board of Directors, but we have seen no minutes of the Directors themselves giving their approval of the statement and directing that it be transmitted to the Governors for their concurrence. Undoubtedly such a minute must have been passed by the Directors, so we presume that it appears in the minutes of some meeting concerning which we have as yet received no information.

I am sure that Dr. Anderson will be writing to you and to the other officials on the field more fully, but since we were not able to get the minutes of the meeting into his hands until a day or so ago his covering letters may not be sent off until the next China mail.

In the sincere hope that we may be seeing you here in America in the fairly near future, I am

Very cordially yours,

B A GARSIDE

BAG:MP

cc to Dr. Anderson

06 16



file



INDEXED

October 28, 1935

Dr. Joseph Beech  
West China Union University  
Chengtu, Szechwan, China

My dear Dr. Beech:

Let me acknowledge receipt of your letter of September 25th, with the enclosed copies of our West China report to the Regents of the University of the State of New York for the year ending June 30th, 1934 and June 30th, 1935.

We had these reports completed, checked and forwarded to Albany accompanied by affidavits prepared by our office. We enclose herewith for your files a copy of the report for each year. I am sorry to say that the reports are not in very complete condition, and we were not able to supply exact information on a number of items which you left blank and were compelled to insert the best guesses we could make.

Without commenting any further on our past sins of omission, I would like to urge with as great emphasis as I can, the importance of avoiding any such transgressions in future. I am enclosing herewith three copies of the new report forms issued by the University of the State of New York this year. I suppose we can assume that the reports for next year will be substantially the same and that therefore we can use these enclosed forms in preparing our report for the year ending June 30th, 1936.

You will note that the new forms are divided into two parts the statistical report and the financial report. This should expedite the completion and transmission of these reports at the close of each academic year.

It will, of course, be quite unnecessary for the University to wait until June 30th to complete the preparation of the statistical report. Much of the information required can be inserted weeks before the close of the academic year, and the preparation can be completed just as soon as you reach the commencement season. Practical strategy would seem to dictate the desirability of having the people responsible for preparing this report begin the job before the rush of the commencement season, and complete it not later than commencement week. At all events, the work should be done, and the reports should be ready to send to America before anyone leaves the campus for the summer vacations.

0617

2

8

4

4

4

6

1



October 28, 1935

At least some of the information asked for in the financial report can likewise be inserted before the actual close of the fiscal year, and the rest of the material must be supplied, and the financial report together with the statistical report must be in the mails not later than July 1st. This will mean, of course, that the Bursar's office may be compelled to use approximations rather than exact figures on some items. This, however, is much better than delaying the completion of this report until after the final closing entries have been made, for that would involve delaying the report until after the summer months. Where the field is depending on the reports from the New York Office for figures necessary to complete this financial report, you should use the last monthly financial statement which has reached the field before the Bursar prepares this report during the latter part of June. If, for example the last financial statement you have from New York is for April 30th, you can use our budget analysis as a fairly accurate index of what we will receive during the last two months of the year, and proceed on that basis.

I believe that the use of some approximations of this sort is contemplated by the Regents anyway, for obviously it is impossible for any institution even in the State of New York to transmit a financial report on or before July 1st for the year closing June 30th, unless the financial officers depend to some extent on their estimates of just how they will close the year. No institution or business corporation can possibly prepare a final report for a fiscal year until some weeks after the year is closed and all records are in hand.

This discussion may be unnecessarily detailed but I am trying to emphasize again the fact that our friends in Chengtu have not grasped as fully as we should have liked - that at all costs these reports to Albany must be in the mail not later than July 1st of each year. This is of vital importance to the cordiality of our relationship with the authorities in Albany.

Very cordially yours,

B A GARSIDE

BAG:MP  
Encls.

06 18



OFFICERS OF THE BOARD

SIR JOSEPH FLAVELLE, BART., LL.D.  
176 YONGE STREET, TORONTO, CANADA  
HONORARY CHAIRMAN, BOARD OF GOVERNORS

REV. JAMES ENDICOTT, D.D.  
299 QUEEN STREET, WEST, TORONTO, 2 CANADA  
CHAIRMAN

SIR MICHAEL E. SADLER, K.C.S.I., C.B.  
UNIVERSITY COLLEGE, OXFORD, ENGLAND  
VICE-CHAIRMAN

REV. FRANK MASON NORTH, D.D.  
150 FIFTH AVENUE, NEW YORK CITY  
VICE-CHAIRMAN

REV. JOHN R. EDWARDS, D.D.  
150 FIFTH AVENUE, NEW YORK CITY  
TREASURER

B. A. GARSIDE, M.A., L.H.D.  
150 FIFTH AVENUE, NEW YORK CITY  
ASSISTANT SECRETARY-TREASURER

C. A. EVANS  
150 FIFTH AVENUE, NEW YORK CITY  
2ND ASSISTANT TREASURER

H. T. SILCOCK, M.A.  
CHINA INSTITUTE, 91 GOWER STREET  
LONDON, W.C. 1, ENGLAND  
SECRETARY OF BOARD

REV. FRANK ANDERSON, M.A., D.D.  
400 REGENT STREET, LONDON, ONTARIO  
SECRETARY OF BOARD AND OF EXECUTIVE  
26 Grosvenor Street

BOARD OF GOVERNORS  
OF THE  
WEST CHINA UNION UNIVERSITY

ESTABLISHED 1910 IN  
CHENG TU, SZECHWAN, CHINA

REV. LINCOLN DSANG, PRESIDENT OF THE UNIVERSITY

REV. JOSEPH BEECH, D.D., CHANCELLOR

25 E. Delaware Place Chicago

OFFICE OF THE TREASURER

150 FIFTH AVENUE, NEW YORK CITY



CO-OPERATING BOARDS

AMERICAN BAPTIST FOREIGN MISSION  
SOCIETY

CHURCH MISSIONARY SOCIETY, ENGLAND

FRIENDS' SERVICE COUNCIL, ENGLAND

BOARD OF FOREIGN MISSIONS OF THE  
METHODIST EPISCOPAL CHURCH, U.S.A.

BOARD OF FOREIGN MISSIONS OF THE  
UNITED CHURCH OF CANADA

Dear Mr. Garside

Mr Robertson requested cable re the financial items etc of the B.G. Meeting. I have not sent any cable - probably you have. If not will you please do so. Stating the Budget Grant, the N.Y. Grant & action re Hospital among the things you may wish to report

I arrived here late last night after spending about 4 full days at Detroit. Too early to count chickens at this moment, but I anticipate the support of a missionary on our staff will come to us as a result of the trip from Toronto to Chicago

My next engagement in the N.Y. Area is Sunday Nov. 15<sup>th</sup> following day. I do not expect to be in N.Y. till the previous week - say about the 10<sup>th</sup>. Have a provisional date enroute there, re the support of that above mentioned missionary,



Address  
marked R. ↓

on or about Nov 8<sup>th</sup>. So please forward mail here  
till that date, unless otherwise informed.

Hope you have recovered from the Toronto  
meeting & are again enjoying life.

Have not yet heard of Mrs. McMillans presence  
in these parts. Katharine takes her second  
operation in the next few days. The first seems  
to have been good according to reports.  
With regards to your associates

Cordially yours,

Joseph Beech



2

8

4

4

4

6

1

0620



West China



Union University

December 14, 1935.

CHENGDU, WEST CHINA

Dear Mr. Garside:

INDEXED

I received your letter of Oct. 23 and Minutes of the Board Meeting, night before last. I am replying by enclosure in letter to Dr. Anderson in reply to his letter dealing largely with my return.

In that letter to him, I have replied also to your first item. I gave reasons why it seemed desirable for me to be in Shanghai-Nanking Peiping, in connection with the meetings of the Indemnity Boards and my requests to them for funds for the Clinical Hospital, when these Boards meet in April. I also stated that if the Annual Meeting is to be in April I would not plan to attend unless wired to do so. Also requested wire approving of delay till June or about that date. I request this wire that I may make my plans accordingly, not only for sailing, but for the interests in connection with these Boards, and affairs here.

I note with interest the last item in your paragraph on "Salaries of Administrative Officers", as follows. "If the Bd of Governors or the Methodist Board should make a supplemental grant, I hope you will not neglect to communicate with us". In that connection, I perhaps ought to note what I have noted on former occasions, the gift received from the Atherton family. It was given in the first place because the friends in Honolulu thought my salary inadequate for my family expenses in America. You will remember it was sent subject to my order, and that I requested, that it be credited to the Bds account in general, but with the note that my charge to them was in part supplied by this gift. Since you request it, I send on this information, as this is a "grant" though not from the sources you mention. I hope that that gift will be granted at the end of this calendar year as usual.

I will not comment on your paragraph headed "Disposition of Funds Held in Shanghai" except to observe that you, or the committee evidently did not care to take up with my proposal re the responsibility, I was willing to assume to bring the amount of income to interest on the capital fund of \$88,000 despite the Raven troubles, at the approved rate of 5%. And to further observe in regard to your comment in Mr. Main's letter regarding orders to him to credit interest to principal on the reserve funds. When we credit you here with that amount as we must do to make payments on the budget granted, crediting the interest to principal is a little less difficult than sending that amount to him to bring the amount to an even figure of \$50,000. Of course I was not aware that this created difficulty for your office, otherwise it would not have been done. I think your statement is too inclusive as to "just where the funds stood or what we were trying to do". Certainly the Bursar knew and I knew just where the funds stood and what we were trying to do: We were spending the money you granted for the budget and then trying to increase the amount of your capital reserve in every way possible for the reason that I gave in my report.

The estimates were agreed upon in April, in a very general way, by cutting about \$20,000 from the amounts asked. We could not agree upon the disposition however, until we had information as to what faculties would have preference in the government gifts. When I wired from Nanking the amount granted us, they might have gone forward, but they awaited until after I returned, when representatives were gotten

0621



together and the estimates sent in. As you will see this was the best that could have been done under the circumstances. We have called the finance committee to meet on January 4th for a preliminary try-out on the 1936-37 estimates. I am sure they cannot be in your office at the date Dr. Anderson gives for the Executive, Jan. 7th, but I will promise to have them there just as soon as I can get them from the Committee and from the Board of Directors meeting, which should be in February. The Directors did not meet in the Spring as was expected and so this meeting is called in February. It may be of interest to you to learn, what I have ~~learned~~ learned by radio, that the Chairman of our Board of Directors has been appointed Minister of Railways in the reorganized government under General Chiang Kai-shek. I suppose that this means that he will retire from the Director of the Central Bank, a position that he entered with reluctance following his resignation from the Head of the Bank of China which he had built up from a small concern to a bank so great that the government brought it into <sup>its</sup> orbit.

I have word that Miss Robertson will arrive in Shanghai on the 8th of January. She writes that she will be ready for service as soon as she gets to Chengtu. One member of the staff has spoken for some of her time, others will follow suit, and I assume she will find something to do, and that from <sup>many</sup> quarters. I shall hope to profit by her presence for a month or so. But the question ought to be raised about her language study and provision made for it if she wishes to do it.

I am glad you have gotten the Contractual Statements. I sent them to Shanghai to be signed, but insofar as I had learned, did not know you had them till I saw notice of it in your minutes and letter. I trust they sent you all the copies signed, so that you will have a signed copy and the Directors will have one signed by the Governors. The constitution and the statement were approved twice, after a fashion, but it will do no harm to take another formal recognition of it when the signed copy is received. To save time I asked Mr. Chang to forward to you, rather than return here, when signed.

Exchange between U.S. and China Currencies seems to be "pegged" at \$1.00 US equal to \$3.33 Chinese government notes. Notes are at par as between Shanghai and Chengtu, except about 1% bank commission. This should make fine sailing in all your China accounts, and wipe out our local losses and gains between Chengtu- Shanghai.

Thank you for your kindly hopes re seeing me in America and for your promised help to make my stay there "productive", I take it that this word implies a receding of the depression, or perhaps an earthquake in November.

With best wishes to you all,

Cordially yours,

*Joseph H. Beech*

\* Mr. Albertson read your letter this. He thinks that the quotation may refer to your accounts - If that is the interpretation, then of course my commendation is recalled for. *JH*







WEST CHINA UNION UNIVERSITY

December 16, 1935

Dr. Joseph Beech,  
West China Union University,  
Chengtu, Szechwan, China

Dear Dr. Beech:

We are enclosing herewith second copies of  
the following November reports:

Trial Balance  
Budget Analysis  
Cash Statement  
Journal Voucher #250

Cordially yours,

CAF:EP  
encl.

0623

2

8

4

4

4

6

1





CHENGDU, WEST CHINA

December, 20, 1935.

ack 2/14/36

My dear Doctor Garside:

INDEXED

The fact has come to my notice sufficient to have a line in my "top", that you are now to be addressed as "My dear Doctor". My congratulations with the hopes that it means strength to you elbow as well as recognition of qualities of mind. One of our company remarked some time ago: "Call me Mr. I want some special recognition of my own." So in case I address you as Mr some of these days you will recall the Frenchman's retort when an opponent insinuating his low origin, said "Doctor, eh? I hear you are a horse doctor is that true?" "Yes", came the reply, "Are you ill?" As for me, Dr. has financial implications.

The letter of the 14th did not go enclosed to Dr. Anderson as you will perceive. Since then a letter has been sent forward to me sent to Shanghai care of Bishop Welch. He stated that he opened it and gave the checks to Mr. Main. Presuming that Mr. Main will send the checks on to you, I am merely reporting it with the quotation from Frank C Atherton's letter dated Nov. 23/35 (Honolulu) "Dear Joe: I am enclosing herewith check for \$500.00 from the Juliette M. Atherton Trust, and \$500 for myself for the West China Union University to be applied toward your salary, or in any such way you may determine. I understand that MR. and Mrs. Richards have already sent the their check to you for this year."-- The Richards' check has not reached me. If you do not receive it let me know. ("Herb Welch, Frank Atherton and Joe Beech" were once in Psi Upsilon Fraternity, Wesleyan Univ. That perhaps explains the route by which these checks were sent. "Frank" did not know on which hemisphere I was roaming. Perhaps he thought I was in need of travel money for he knew I was intending to "take-off" some time for the homecountry.

// A most remarkable communication has come to us from the Ministry of Education and the Bureau of Military Education. The story is old to me, but lest the telling of it should create difficulty in a certain quarter I have hesitated to tell it. "Now It Can Be Told". I will have it translated and send a copy for your files, but not for publication, at this stage, lest the Source of it consider it in-discretion to publish. But it ends for all time, or for so long as the government lasts, our problem of "military drill". As the story goes, "There ain't no such animal, no more!" //

We have President Chang Po-ling with us for dinner to-morrow. I imagine that he has come this way in connection with the project for a new \$2,600,000 Szechuen University here. Part of the money has been allocated, and the architect has visited us. So we will have a real institution in Chengdu some of these days, and it will not be ours if we have come to the end of our road and rope.

With the Best of Christmas wishes for you and your staff, and likewise a Happy New Year, in which please include Mr. Mc Brierty.

Cordially yours,

0624





RECEIVED  
UNIVERSITIES  
JAN 21 1936  
JOINT OFFICE

RECEIVED  
UNIVERSITIES  
JAN 21 1936  
JUNIOR OFFICE

0625



Reference No. 16516. Order From

The Government ~~of~~ Ministry of Education,  
and the Government Special Training Bureau, Nanking.

Regarding exemption from military training.

(Despatched November, 1935, received December 20th, 1935.)

*Sent by  
Dr. Beech's  
letter*

"To the West China Union University:

"Having received a telegram from Generalissimo Chiang, Chairman  
of the Military Affairs Committee, stating:-"

"Dr. Beech, Chancellor of the West China Union University, has  
sent me his special\* petition saying that the University was founded by  
five Missionary Organizations and that they had made some agreement  
with the Friends Service Council, one of the missionary organizations  
in the University, to the effect that no military training should be  
conducted in the University. On account of the recent regulation  
regarding military training adopted by all schools in China he felt  
that it was difficult for the University to comply with this practice.  
He requested the Government to allow the University some special ar-  
rangement. I, therefore, order you Authorities of the ~~Min-~~ Min-  
istry of Education, and the Government Special Training Bureau, to  
consider his petition jointly, as to the method to be adopted in  
this matter."

"We wish to point out that the regulation regarding military  
training in schools is intended to be a kind of discipline for students  
to develop their self defensive capacities. This has no reference  
to preparation for war. The enforcing of such regulation is the act  
of Government which is different from that which the University itself  
proposes to do."

"Therefore, the adoption of the government regulation does not  
necessarily interfere with the original agreement made by the Univer-  
sity, mentioned above. The said training should have naturally  
followed the Government rules and <sup>there</sup> should not have made any special  
pretext against them; however, in order to give some special considera-  
tion to this matter we agree tentatively to a special modification  
of our regulation, and to give permission to the said University to  
be exempted from military training for the time being during the  
regular school sessions. Such special training will be required  
at the concentrated training period during the vacation. The students  
of the said University shall be organized into a separate corps and  
shall be required to make -up what they have lost during the school  
terms. Such special permission is only given for this year.

"Having presented our reply to Generalissimo Chiang, we now have  
the pleasure to notify the said University of the above order."

(Signed) Wang Shih-chieh, Minister of Education. Bureau.  
Tang Shen-tsi, Head of Government Special Training

Translated by Professor S.H. Feng,  
West China Union University,  
Chengtu, China.  
December 23rd. 1935.

\* The petition mentioned above was delivered in person to the Generalissimo  
during his last stay in this city in the early Autumn.

0626



