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HORTICULTURAL CROPS AND DISEASES

UNITED STATES DEPARTMENT OF AGRICULTURE  
BUREAU OF PLANT INDUSTRY  
WASHINGTON

1753 Montecito Way,  
San Diego, California.

August 18, 1930.

Mr. Olin D. Wanamaker,  
Assistant to the President,  
Yenching University,  
150 Fifth Avenue,  
New York City, N. Y.

Dear Mr. Wanamaker:

I have just received from you the form letter dated August 4th enclosing a pamphlet entitled "Four Hundred Million Chinese Can't be wrong!"

Under the heading of The Immediate Needs on page 4 of this circular is a paragraph that interests me so much that I am asking for further information. It reads:

"An endowment for the natural sciences so that China may be enabled properly to exploit her own resources."

I have for the last twenty years been deeply interested in the plant resources of China and as the Chinese people are still in an agricultural stage and as they suffer chronically from shortage of food and fuel it is easily understood that this work is of the utmost importance.

If you get the \$500,000 that you propose to allot to this work, which I hope you will, have you made plans for the spending of the money and do you contemplate special investigations into the improvement of the agricultural, forestry and other plant industries of China? If so, I would be very much interested to know along what lines you expect to work and would be glad to talk over details with those in charge of the project in case you have already decided on them.

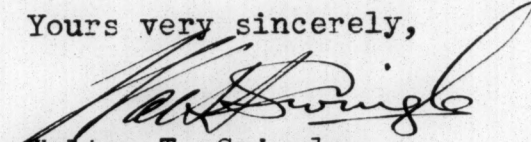
It impresses me that the amount you are asking for is small if you expect to spend only the interest of this money because \$500,000 at 6% would yield only \$30,000 per annum. That does not look to be enough to enable China to

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Mr. Olin D. Wanamaker,  
August 18, 1930.

exploit her own resources effectively considering the complexity of the problem but if you propose to spend the principle itself as well as the interest you might be able to accomplish a great deal and very likely enlist much greater support for the continuation of the work.

Yours very sincerely,



Walter T. Swingle,  
Principal Physiologist in Charge,  
Crop Physiology and Breeding Investigations.

WTS:RCB



✓ X Agriculture  
- X Endowment

Sept. 26, 1930

My dear Mr. Swingle:

I am sorry to be so slow in replying to your letter of August 13th, which came while I was on a vacation in Europe.

I have been aware for a long time of your great interest in the agricultural experiments of China. I have known you more particularly in this way in connection with Lingnan University for which I also am responsible in this office of the Trustees. I take pleasure in answering your letter.

By mutual arrangement between Yenching University, Nanking University, Lingnan and other interested institutions, the agricultural work at Yenching University is to be of a research and experimental nature. It will be intimately related with the agricultural work on a much larger scale carried on at Nanking University and also with that at Lingnan. It will, naturally, carry on its research and experimental work with especial reference to the climatic and soil conditions of North China.

We should not be able to accomplish anything on a large scale with the interest on a \$500,000 fund added to the present very limited income of our agricultural experimental work. Since, however, the work is to be by agreement limited in its scope, we feel that with an additional \$20,000 gold per annum, we can accomplish a good deal.

The expression used in our publicity sheet "\$250,000 so that China may be enabled properly to exploit her own resources" was perhaps misleading, though it was not intended to be over ambitious. In drafting the folder I was endeavoring to be concise and my meaning was only that this experimental work and research in agriculture in this particular area would be one of the items of education now developing in China all of which combined working in the direction of ultimately enabling the Chinese adequately to exploit their natural resources. Our share must, of course, be a very modest one.

With thanks for your generous interest, I remain  
Cordially yours,

Mr. Walter T. Swingle  
Prin. Physiologist in Charge    Assistant to the President  
Crop Physiol. & Breeding Investigations  
San Diego, California

OTW - KIK

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U. S. Dept. of Commerce

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COPY

Peking University  
Construction Bureau

February 23, 1922

Mr. Julian Arnold  
Commerical Attache  
American Legation  
Peking

My dear Mr. Arnold:

President Stuart has given this office the outline of a conversation you had with him last evening at the Washington birthday celebration, and has suggested that we send you a letter in regard to the progress of the work for the University buildings.

As regards the use of American materials, the writer went to America in July, and before leaving told the China branches of American firms that he was going and the purpose of his visit, i.e. to get bids for materials for use in the University, as well as to secure plans for these buildings while in New York.

He had many conferences with firms which supply materials to the Far East and gave them all an opportunity to estimate and place bids in his hands for any and all lines of materials that the buildings will need. On his return to China the only set of plans which he allowed to go out of his office were placed in the hands of an American firm who promised very faithfully to give estimates on the lines of materials in which they were interested within a few weeks. This was early in November, and this office waited until February before placing any order for material. Before finally placing an order we called up the American firm above referred to and went so far as to tell them an approximate price to which we were placing an order.

As to the use of a firm of consulting engineers of other nationality than American by the University, we would say that our retaining fee was purely nominal and they are giving their services as a matter of interest in the University, its aims and its staff.

We would like to state that this Bureau is not accepting snap judgments as to qualities of specifications or materials from these consulting engineers, but on the other hand, it cannot accept the statements of the representatives of any firms which are trying to sell certain kinds of materials without checking them up against the specifications which can be culled from various sources.

We can assure you that if there is no great margin of difference in bids, this office will place the offer every time for American goods, but as we are trying to make each dollar do the work of two, you can readily understand that we cannot make our purchases in any but the very lowest markets.

Thanking you for your kind interest in the Institution, and hoping you will give its projects the widest publicity, I beg to remain

Yours very truly,

*(Signed by Mr. Gibb)*

0098

C O P Y

TRUSCON STEEL COMPANY  
Manufacturers of Steel Products  
Foreign Trade Department  
2 Rector Street  
New York City, U. S. A.

Shanghai, March 8, 1922.

J. McGregor Gibb, Esq., Jr.,  
Peking University Construction Bureau,  
Peking.

RE: PEKING UNIVERSITY BUILDINGS

Dear Sir:-

Our agent for China, the American Trading Co., received a letter dated February 23rd, 1922 from their Peking representative from which I am extracting the following:

"We interviewed Mr. Gibb again in connection with our recent quotation submitted to him on the Peking University buildings. We were informed that their Mr. Gernow has ordered 100 tons of round bars in stock lengths from Europe at a price about the same as ours. Mr. Silagi will recollect that this office was promised by Mr. Gibb that before he would finally close he would make us an offer on bars, but he did not do so in this case."

"MR. Gibb stated that their Mr. Gernow is convinced that plain round bars are just as satisfactory as our deformed bars. The writer questioned about the time of delivery and was advised that the European bars would not arrive for some time."

"Mr. Gernow does not want to use floretyle evidently, as he claims they will save money by putting in a solid slab and running beams both ways in order to decrease the depth of beams and also it will give them a panel effect on ceiling below."

"We have given you a rather lengthy explanation of the present condition of this job . . . but as you know by now, all buying is placed in the hands of two present instructors in the Peking schools, who are Danes and have shown their preference for European made products."

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"They thought that for all interior partitions, they would use cast concrete blocks, made on the job since machines for this purpose have already been purchased in Europe."

I am very much surprised Mr. Gibb about your attitude in this matter, that you bought European material for about the same price that we quoted you on American products and you contracted for the material on a very indefinite time of delivery, when we offered you a superior article from stock.

The American Trading Co. quoted you in their letter No: 745-A dated Feb. 8th, 1922, for deformed bars in 30'-0" lengths as follows, prices c.i.f. & c. Tientsin per ton of 2240 lbs.

Delivery from Shanghai stock:

1/4" and 5/16" Bars .....	US. G\$62.00
3/4" and larger Bars.....	" G\$65.80
5/8" bars .....	" G\$66.00
1/2" Bars.....	" G\$67.00
3/8" bars.....	" G\$70.00

"In case there is sufficient time to order the bars by cable for direct shipment to Tientsin, shipment made from Pittsburgh or San Francisco in four weeks' time deduct from the above prices G\$2.00 per ton."

You informed the writer during his visit in Peking that you received a quotation from France at about the equivalent of G\$65.00 per long ton base, and you expressed yourself that you are surprised how low our quotation was. It is evident now from the above that the American Trading Co.'s quotation on direct shipment from the United States to Tientsin was actually lower than the price you will pay for bars from Europe, and if the European exchange will improve, which it has the tendency to do, then you may pay more in gold dollars than you contemplated.

To summarize the situation I feel that I have to repeat again and again that you bought 100 tons of bars from Europe at the cost of same being unknown to-day in American currency, except if you settle exchange at once and in which case your cash will be tied down for several months, and you will lose the interest on same; you bought these bars without knowing definitely their chemical or physical properties, without being certain what are the stock lengths of same and without any definite assurance of delivery. It is possible

J. McGregor Gibb, Esq., Jr. -3-

that you will receive Belgian re-rolled bars, or bats in 8 m. lengths which will cause excessive waste when you will start to cut the bars to suit your construction.

On the other hand you could have bought American bars guaranteed to fulfil the standard specifications of the American Society for Testing Materials for less price and on guaranteed delivery in long lengths, minimising the waste and you could pay for same in Gold Dollars in New York without paying commission on exchange.

I am under the impression that the money for the Peking University is raised in the United States by donation from the public. Don't you agree with me Mr. Gibb that it would be only fair toward the contributing public that every possible order should be placed in the United States?

The American Trading Co. were willing to handle all orders for the Peking University practically without profit to do their share toward an American philanthropic undertaking but on the advice of Danish instructors you simply ignored their good offerings.

If a person would not know that Mr. Gernow offered his engineering services free of charge in good faith, one would be inclined to believe on the face of the above analyzed situation that he is after commissions on bars, cement-block making machinery, etc.

Your board hired an architectural firm in New York, namely: Murphy, McGill & Hamlin, to prepare plans for the Peking University, they laid out a floor system which is economical, practical and best suitable for the purpose, and on the advice of a young Danish instructor you discarded all the designs and took his word that a beam and girder design will be better and more economical. Consequently the money paid for the architect's layout is thrown away and wasted, and myself as an engineer, familiar with both European and American theory and practice can assure that a solid slab beam and girder design will be far inferior to the hollow slabs shown by the architect. The solid slab design will be very noisy in the class rooms of the 1st floor, you will hear every step made upstairs, the paneled ceiling will interfere with the lights, will be a dust collector and I am quite sure you will have more concrete and steel than with flat hollow floors, as the secondary beams will cause concentrated loads on main beams, increasing the steel areas in same.

The European engineers are not as familiar with hollow slabs as are the American engineers. I can say this



J. McGregor Gibb, Esq., Jr. -4-

frampactical knowledge being the holder of diplomas from two European technical universities and having had over 15 years experience in the United States in reinforced concrete designs, where the designs were always prepared on a competitive basis.

Please do not think for a moment that I am sore that you bought the bars somewhere else and not from our agents. If you had ordered same from America through another firms: this letter would never have been written, but when American industry is trying to get on its feet again, and every little order placed with the factories will keep a few citizens to earn their living and make possible for them to contribute toward American philanthropic undertakings, I think it is near to a crime to place orders in Europe, prices being equal.

Please accept my letter in the spirit it is written, I am fighting for American industries and not for personal advantages.

With kindest regards, I am,

Very truly yours,

TRUSCON STEEL COMPANY,

(Signed) E. A. Silagi.

M. Am. Soc. C. E.

M. Am. Assn. E.

Far Eastern Manager.

EAS:JO

0102

UNITED STATES  
DEPARTMENT OF COMMERCE  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

OFFICE OF COMMERCIAL ATTACHÉ  
PEKING, CHINA

SHANGHAI OFFICE:  
ROBERT DOLLAR BUILDING  
3 CANTON ROAD

SHANGHAI, CHINA.

March 13, 1922  
File 415

Rev. Frank Mason North, D.D.,  
Board of Foreign Missions,  
Methodist Episcopal Church, North,  
150 Fifth Avenue,  
New York City.

SUBJECT: PEKING UNIVERSITY BUILDINGS.

Dear Dr. North:

I am enclosing for the information of your board a copy of a letter addressed by the Truscon Steel Company, Shanghai, to Mr. J. McGregor Gibb, Jr., of the Peking University Construction Bureau, Peking, a copy of which was sent to me for such use as I may care to make of it.

In addition to the fact that the Peking University has seen fit to employ European engineers for superintendence and construction purposes, it appears that everything possible will be done to use European in place of American materials. Evidently Mr. Gibb is being misled into the belief that economy in construction is being secured through the retention of European engineers and the use of non-American materials.

It would seem that it is hardly necessary to invite the attention of your board and the other American interests participating in this University to the fact that the money for this plant has been raised in the United States and that it is essentially an American project and hence the American concerns in China rightly criticize very adversely the action which has led to the retention of European engineers and their natural preference for European materials.

I believe the economy which is being secured in this connection, if there is any such, will redound to the disadvantage of the University in its work in China. It would seem that the good will of our large American mercantile community is a matter worthy of some consideration.

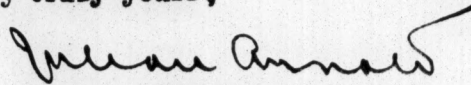
Dr. Leighton Stewart, President of the University, recently approached me suggesting that overtures be made to the American firms in China in support of the plans of the University in the development of a department



for the training of Chinese in modern business methods. Personally, I could not approach American firms soliciting their support in this matter while the University sees fit to employ European engineers and purchases European materials for construction, even when it has been shown in the letter of the Truscon Steel Company that it has been done at a financial disadvantage.

I trust this matter will be given the serious consideration of your board so that there may be no further cause for just criticism on the part of our American interests here.

Very truly yours,



(JULIAN ARNOLD)  
Commercial Attache.

A/C.

Enc.

COPY

Construction Bureau

March 14, 1922

Truseon Steel Co.  
% American Trading Co.  
Shanghai, China

Dear Sir:

attention: Mr. E. A. Silagi

I am in receipt of your letter of March 8th. While there are many paragraphs in it which show that your information is neither complete nor correct, I do not think this office need take the time to straighten them all out.

We would simply state that it is our policy, prices being equal, to purchase all our material from American concerns. That we are not accepting anybody's statements as to the relative advantages of different methods of construction without going into these statements very carefully and comparing them with all the information we can glean from various books on construction procedure.

There is no material ordered by anyone in this office except the writer, and when he ordered bars from Europe the best American price he had at that time was more than \$20 per ton dearer than the price at which he ordered.

Before ordering he called up the American Trading Co., and while they promised to give him their most recent prices, they did not do so until several days later, and if he had waited to place his order in Europe until that time the time limit would have expired.

I might point out that early in November we placed our complete plans for the buildings in the hands of an American firm and asked them for quotations on all kinds of material they are able and willing to supply that might be used in these buildings. They promised to give us these quotations within two or three weeks, and it was not until nearly three months after this that we placed our order, and your bids came in sometime after that.

Yours very sincerely,

John McGregor, Gibb, Jr.

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COPY

copy

March 17, 1922

My dear Dr. North:

This office is today in receipt of a copy of a letter dated March 13th from the office of the American Commercial Attache in Shanghai. This letter contained a copy of a letter sent by the Truscon Steel Company of Shanghai to myself here in Peking. I am enclosing herewith a copy of my answer to this letter from the Truscon Steel Company, also a copy of a letter which I send on February 23rd to Mr. Julian Arnold, Commercial Attache, which I think needs no explanation.

At the risk of repeating myself I would like to say that the European engineers retained by the University are receiving only \$300 local currency a month for the services of two men, one a mechanical and electrical engineer and the other a civil engineer of large experience in both reinforcing concrete work, railroad work and kindred lines. Lund and Gernow prefer that this price should not be mentioned.

Mr. Arnold says that I am evidently being misled into the belief that economy in construction is being secured through the retention of European engineers and the use of non-American materials.

To give you some idea of how prices vary I would like to give you these approximate figures. An American firm's figure for heating the School of Religion is \$4900, while a European firm in \$3400. To heat the Recitation building the American figure is \$9200 and the European figure is \$5200. On the lighting question the School of Religion can be lighted on an American estimate at \$1300, while the European is \$900. The Recitation building can be lighted on an American estimate for \$3100 and the European estimate \$1200.

I say these are only approximate figures as rates of exchange may vary and the question of duty to be paid already included and freight costs may also vary. None of these materials have been ordered or contracted for, but you can readily see how looking at the thing in a purely dollars and cents way, our inclination here is to purchase from Europe.

The only things ordered so far have been certain concrete machinery for which I made inquiries while in the United States, and as the European prices were nearly half those of American prices, finally ordered from Denmark. We have also ordered one hundred tons of reinforcing steel, at about \$20 less a ton than the American price then given.

As explained in my letters herewith enclosed, I have been in communication with American firms since November, and have given them every opportunity to bid, and this order was not placed until nearly three months after this time. Before placing the order I called up an American firm and practically told them what price I was expecting to pay and gave them an opportunity to under-bid. They did not, or could not, at that time make me a better offer, and as delay would risk losing the very favorable price then offered from Europe, I placed the order there. Since then I have

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COPY

Dr. F. M. North

-2-

March 17, 1922.

ordered forty tons of steel from an American firm and have had other offers for American goods lower than those which I have paid from both of these orders. If I was in a position to order more steel now I would certainly order from America.

I very much regret using the time of this office writing letters in answer to such charges as this, and if I have the consent of the authorities at home, this is the last time I will pay attention to any of them.

Dr. Stuart can answer for himself as to what success he has had with the support of American firms here in the Orient in the Business Training Department.

Very much more might be written in regard to this matter, but I think this letter with the enclosed copies will explain entirely our attitude in the whole affair.

Very sincerely yours,

(Signed) John McGregor Gibb, Jr.



U.S.

**DEPARTMENT OF COMMERCE**  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE  
WASHINGTON

April 20, 1922.

2

TRUSTEE OF  
PEKING UNIVERSITY

Rev. Frank Mason North, D. D.,  
Board of Foreign Missions,  
Methodist Episcopal Church, North,  
150 Fifth Avenue,  
New York, N. Y.

IN REPLY REFER TO:

*2 Gibb*  
*- in Arnold's file*  
*- in Silagi*  
*- in Inneson*  
*Steel Co.*

My dear Dr. North:

I am forwarding herewith a letter addressed to you by American  
Commercial Attaché Arnold, in Peking.

The Bureau endorses the views set forth by Mr. Arnold, and would  
greatly appreciate hearing from you whether you consider it advisable,  
at this time, to take any steps to forestall further criticism on the  
part of the American business community.

While this Bureau would not wish to exert any pressure upon you  
to undertake a greater expense in construction through favoritism to  
American builders, such evidence as there is seems to point to the  
conclusion that American contracts would be equally, if not more,  
economical.

Very truly yours,

Leland Rex Robinson,  
Assistant Director.

Inclosure 43095

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STATE OF TEXAS

COUNTY OF [illegible]

NOTARY PUBLIC

TO [illegible] T  
4/21/22  
BY [illegible] 4/24

TO [illegible]	DATE
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TRUSTEES OF  
PEKING UNIVERSITY

*u Dept of Commerce*

April  
Twenty-nine  
1922

Mr. Leland Rex Robinson,  
Assistant Director,  
Bureau of Foreign & Domestic Commerce,  
Washington, D.C.

Dear Sir:

Your communication of April 20, reference No.2, addressed to Dr. Frank Mason North of the Board of Foreign Missions of the Methodist Episcopal Church has by him been referred to us for reply. I note enclosure No.43095 consisting of a letter from Mr. Julean Arnold, Commercial Attache' at Peking, addressed to Dr. F. M. North and enclosing a letter from the Truscon Steel Company's representative in China, dated March 8.

I enclose herewith copies of two letters written by Prof. John McGregor Gibb, head of the Construction Bureau of Peking University, the one to Mr. Julean Arnold, Feb. 23, 1922 and the other to Mr. E. A. Silagi, Agent of the Truscon Steel Company, dated March 14, 1922. It seems to the Trustees that these two letters are a full and sufficient answer to the unwarranted criticisms expressed by Mr. Silagi.

It would have been an eminently fair thing if Mr. Arnold, for whom the missionary forces in China and this country have a high regard, had forwarded with the letter of Mr. Silagi, Mr. Gibb's letter of February 23.

For further evidence as to the misleading quality of Mr. Silagi's statement, let me quote the following from a letter of Mr. Gibb to us:

"Mr. Arnold says I am evidently being misled into belief that economy in construction is being secured through the retention of European engineers and the use of non-American material."

"To give you some idea of how prices vary, I would like to give you these approximate figures. An American firm's figure for heating the School of Religion is \$4,900 while the European Firm's is \$3,400. To heat the Recitation Building, the American figure is \$9,200 and the European figure \$5,200. On the lighting question the School of Religion can be lighted on an American estimate at \$1,300 while the European is \$900. The recitation building can be lighted on an American estimate for \$3,100 and the European estimate \$1,200."

"I say these are only approximate figures as rates of exchange may vary and as the question of duty to be paid already included and freight costs may also vary. None of these materials have been ordered or contracted for but you can readily see by looking at the thing in a purely dollars and cents way, our inclination here is to purchase from Europe. The only things ordered so far have been certain concrete machinery for which I made many inquiries while in the United States and as the European prices were nearly half those of American prices, finally ordered from Denmark. We have also ordered one hundred tons of reinforcing steel at about \$20 less a ton than the American price then given."

"As explained in my letters herewith enclosed, I have been in communication with American firms since November and have given them every opportunity to bid. This order was not placed until nearly three months after this time. Before placing the order, I called up an American firm and practically told them what price I was expecting to pay and gave them an opportunity to underbid. They did not or could not at that time make me a better offer and as delay would risk losing the very favorable price then offered from Europe, I placed the order there. Since then I have ordered 40 tons of steel from American firm and have other offers for American goods lower than those which I have paid for both of these orders. If I were in a position to order more steel now, I would certainly order from America."

It is the hope of the Trustees that these very clear statements, together with the statement of policy given in Mr. Gibb's letter of February 23 to Mr. Arnold will entirely eradicate the impression made upon your mind and upon the mind of Mr. Arnold by the inaccurate and intemperate letter of Mr. Silagi.

The University will welcome at all times cooperation from American business interests in China, a cooperation which would seem to it natural, not only because the University



is predominantly American in its support and control and because through its business training department it is seeking to train men who will be competent helpers in special work in China, but also because by its inevitable influence for the advancement of learning and the raising of the standards of living it becomes indirectly a creator of markets. Any funds which American business men invest in missionary educational institutions will bear fruit for the prosperity not only of the lands in which the investment is made but also of America to a degree unequalled by almost any other type of investment.

We are writing fully to Mr. Arnold to the same effect as this letter.

Faithfully yours,

Secretary

EMN  
JL

TRUSTEES OF  
PEKING UNIVERSITY

*us Dept. of  
Commerce*

April 30, 1922

Mr. Julean Arnold,  
Commercial Attache,  
American Legation,  
Peking, China.

My dear Mr. Arnold:

Through the Bureau of Foreign and Domestic Commerce, Washington, D.C., and through Dr. Frank Mason North of the Methodist Episcopal Board of Foreign Missions, the Trustees of Peking University have received your letter of March 13, to Dr. F. M. North with its enclosure of a letter from E. A. Silagi of the Truscon Steel Co. to Prof. Gibb of the Peking University Construction Bureau.

We are enclosing a copy of Mr. Gibb's reply to Mr. Silagi, dated March 14, 1922, and would also call your attention to Mr. Gibb's letter to you, dated February 23, 1922.

In the last letter referred to, the policy of the Construction Bureau of the University is clearly and correctly stated and the letter to Mr. Silagi gives, in our judgment, adequate answer to the inaccurate and intemperate charges of Mr. Silagi. We regret that you did not apparently give opportunity to Mr. Gibb to comment upon these charges before forwarding this obviously prejudiced letter to the Government Bureau at Washington and to Mr. Gibb's Mission Board.

As further indication that our judgment upon this matter is correct, let me cite certain items from a letter received by us from Mr. Gibb, dated March 17.

"An American firm's figure for heating the School of Religion is \$4,900 while a European firm's is \$3,400. To heat the Recitation Building, the American figure is \$9,200 and the European figure \$5,200. On the lighting question the School of Religion can be lighted on an American estimate at \$1,300 while the European is \$900. The recitation building can be lighted on an American estimate for \$3,100 and the European estimate \$1,200.

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"I say these are only approximate figures as rates of exchange may vary and also the question of duty to be paid already included and freight costs may also vary. None of these materials have been ordered or contracted for but you can readily see how looking at the thing in a purely dollars and cents way, our inclination here is to purchase from Europe.

"The only things ordered so far have been concrete machinery for which I made many inquiries while in the United States and as the European prices were nearly half those of American prices, finally ordered from Denmark. We have also ordered one hundred tons of reinforcing steel at about \$20 less a ton than the American price then given.

"As explained in my letters, I have been in communication with American firms since November and have given them every opportunity to bid, and this order was not placed until nearly three months after this time. Before placing the order, I called up an American firm and practically told them what price I was expecting to pay and gave them an opportunity to underbid. They did not or could not at that time make me a better offer and as delay would risk losing the very favorable price then offered from Europe, I placed the order there. Since then I have ordered 40 tons of steel from an American firm and have had other offers for American goods lower than those which I have paid for both of these orders. If I were in a position to order more steel now, I would certainly order from America."

The letter from the Assistant Director of the Department of Foreign and Domestic Commerce contains this sentence: "This Bureau would not wish to exert any pressure upon you to undertake a greater expense in construction through favoritism to American builders." As has already been indicated by Mr. Gibb's letter to you of February 23, the policy of the Construction Bureau is, if anything, to stretch a point in favor of American goods but being a missionary institution, we can not stretch a point to the extent of ten to twenty per cent on the cost of material. Surely this is a reasonable position. In the light of these facts we trust that you will revise your judgment expressed in the last paragraph of your letter, that there is any cause whatever for just criticism of the University by American interests in China; and that you will take opportunity to correct such an impression if it exists elsewhere. Such a course would promote rather than retard the interests of American business in our judgment.

May we say further that the University will at any time welcome the cooperation of American business interests in the work of the University. We believe that such coopera-

tion is justified not only because the predominant influence in the University is American and because, to a very real degree, it represents American ideals and American aims among the Chinese people, but also because through its business training department it is seeking to prepare men for usefulness to commercial firms in China, because in its department of leather industry it is training men to use machines which are made in America, because the inevitable influence of such an institution is to raise the standard of living and thereby promote the prosperity of those importing countries which have the goods which the higher standard of living demands.

We trust we shall have your cooperation in supporting and promoting the work of the University and to developing mutual appreciation between it and the American business community, based upon a clear recognition of the principles of good business and the facts involved in any operation.

Cordially yours,

Secretary

EMM  
JL



UNITED STATES  
DEPARTMENT OF COMMERCE  
BUREAU OF  
FOREIGN AND DOMESTIC COMMERCE  
COMMERCIAL ATTACHE SERVICE

*Ronald*

TRADE COMMISSIONER

3 CANTON ROAD  
SHANGHAI, CHINA

*Ronald*

SHANGHAI

June 27, 1922

Subject: American Material for American University.

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

My dear Dr. North:

I have your letter of April 30th and I fear that you fail to appreciate that there are certain important phases of the situation here in China as effects our American position in regard to the attitude of Mr. Gibb in connection with the construction of the Peking University.

In my Peking office, Mr. Gibb stated that he was securing the services of European architects who were doing the work on a semi-charitable basis. When I asked him if it were not true that they were securing commissions on materials purchased, he said that this was probably so because they must be remunerated in some way for their services. It was also patent that Mr. Gibb had not made it known to American concerns that the University was in the field for the purchase of materials which they might have to offer. When I asked him what American concerns he had communicated with he stated that he had taken it for granted that they knew the University was being built and would approach him for bids, instead of his making overtures to them asking for prices on materials which they might furnish. This, naturally, meant that the European architects were tipping off their European connections as to possible business, as I have reason to know that it is not an uncommon practice in similar situations in this country.

While it is possibly true that Mr. Silagi was not very tactful in his methods of handling the situation otherwise he would have expected to have maintained friendly relations with Mr. Gibb; yet I am inclined to believe that Mr. Gibb's natural lack of knowledge of technical matters placed him in the position of being very receptive to representations made by his architects which led him to believe that he was getting better bargains in European materials than was actually the case, taking quality and other items into consideration.

Similarly with the question of materials for heat, light, etc.. It seems strange that the American concerns are doing a very large business in China along these lines, which means that they are able to make satisfactory competitive prices considering quality of materials

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furnished. Probably if Mr. Gibb is looking for cheap materials and so represented to American concerns, he will find that he can get better prices than were quoted on higher quality equipment. We are doing a very large business in building materials and other building equipment in Shanghai and other places in China so that I do not agree with Mr. Gibb in that European materials are actually cheaper considering the question of serviceability.

The point which I wish to emphasize and which you do not seem to appreciate is the fact that European concerns furnishing materials for institutions of this character will boast of presumed preference on the part of Americans for European equipment even where American money has been responsible for the institution in question.. If it were merely a business concern I would not feel I would be justified in making representations to you, but when Dr. Stuart approaches me and asks for my assistance in securing financial contributions to the School of Commerce of the University from American business houses in China, I have not the face to go to these houses and ask for contributions when I know that European materials are being favored in the construction and equipment of the building and when I know the European concerns are not making contributions to the work of the University.

*Not so.*

Thus I trust if you are looking for cooperation on my part in the way of assistance in financing the up-keep of this institution you will see fit to instruct Mr. Gibb to take a <sup>more friendly and respectful</sup> more friendly attitude toward the idea of the use of American materials in the construction and equipment of the University. As you have reason to know I have in the past been very friendly toward our missionary educational work in China and done a great deal to encourage this work, but I believe I am fully justified in the representations I have made above in regard to the method of construction and equipment of the Peking University.

Very sincerely yours,



(JULIAN ARNOLD)  
Commercial Attache.

A/E.



*Donald*

UNITED STATES  
DEPARTMENT OF COMMERCE  
BUREAU OF  
FOREIGN AND DOMESTIC COMMERCE  
COMMERCIAL ATTACHE SERVICE

TRADE COMMISSIONER

3 CANTON ROAD  
SHANGHAI, CHINA

SHANGHAI

July 5, 1922

Subject: American Materials and Equipment for Peking University.

Dr. Eric M. North, Secretary,  
Peking University, Inc.  
156 Fifth Avenue,  
New York, N. Y.

My dear Dr. North:

Since writing to you under date of June 27th on the above subject, I have received through the Bureau of Foreign and Domestic Commerce copies of your letter of April 29 to Mr. Robinson, Assistant Director of the Bureau. As for your comment in paragraph 3 in that letter, I did not have Mr. Gibb's letter of February 3 at the time I forwarded the letter of Mr. Silagá, otherwise I should have sent a copy at the same time.

I do not wish to make it appear, in any sense of the word, that I am accusing Mr. Gibb of an unfriendly attitude toward American materials, or American equipment, in fact I believe that he is inspired with a desire to give American materials full consideration; but not being an engineer or an architect, he has been misled by his foreign advisers into drawing conclusions in regard to materials and equipment from America which are erroneous, and furthermore that these foreign advisers are naturally friendly disposed toward European materials and to dealing with European concerns and they have jumped to conclusions in regard to prices and equipment which I do not believe that American architects or engineers would have substantiated them in, even though the American experts were imbued with the idea of economy of construction consistent with serviceability of materials.

In connection with the quarters which I occupy in Peking, I may state that the time the building was erected, it was not possible to secure an American architect so that it was necessary to obtain the services of a British architect. I have had before me constantly since entering this building seven years ago, samples of economic construction and equipment in that cheap materials were used which are constantly requiring repairs and are a distinct discredit to the establishment. A little more money spent upon securing better quality American equipment would have been far more economical.

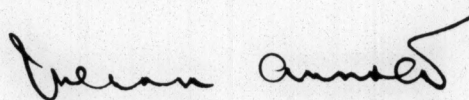
I fear that Mr. Gibb is being led to believe that cheaper European materials are going to be satisfactory in the long run, whereas I am under the impression that if he decides to install this equipment at apparently

very low figures, he will find that a few years hence it will prove to be expensive work.

I think it is extremely unfortunate that Peking University should have elected to have chosen a Danish importing firm as its purchasing agent. Mr. Gibb intimated to me that this firm undoubtedly receives commissions on these purchases and he himself felt that they were entitled to some compensation. He did not see any objections to their taking commissions on their purchases. Thus the firm presumably acts as construction advisers and purchasing agents at the same time, charging little or nothing for their labors as construction advisers, but taking their commissions on purchases.

I would not have gone into this matter in the manner in which I have, or taken the liberty of criticizing Mr. Gibb for his action in connection therewith, were it not for the fact that Peking University is constantly calling upon the Commercial Attache for cooperation in the administration of the institution, particularly in representations for the securing of financial support for the work of the organization.

Very truly yours,



(JULIAN ARNOLD)  
Commercial Attache.

A/E.