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UBCHEA ARCHIVES
COLLEGE FILES
RG 11

Huachung
Financial records
Moving and rehabilitation expenses
1939-1947

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Moving Account - Kweilin to Hsichow - Feb. 1, 1939 to Nov. 15, 1939

Receipts
Board of Founders

U.S.\$.

Conversion by
exchangeReceipts in

After deducting other emergency items the surplus was on Feb. 1, 1939:

Feb. 1	136.00	Feb. 7, 1939	
14 Balance	2,160.00	U.S.\$.	3,942.01
21 Cable	5,500.00		6,086.
Apr. 3 "	2,000.00	March, 1939	
June 27 "	3,000.00	U.S.\$.	1,424.76
	<u>12,796.00</u> ✓		26.433
			23,991.07
			9,165.48

Other Receipts

Sale of Bus	6,000.00
Sale of Kerosene to College	1,800.00
Students' refunds	932.00
Yung Tsang Hsiang payment of transportation on tea	1,040.00
Y.T.H. refund on fine of tea	486.00
Miscellaneous	77.80
Sale of Gas at Kweilin by C.A. Higgins	1,967.64
Refund from T.P. Shao	1,562.21
Total receipts	<u>47,022.20</u>

N.C. 13,865.65

Deficit to be met by changing U.S.\$ 5,402.38
into N.\$ at 10 to 154,023.87

Total Receipts

101,046.07Expenditure

N.\$.

Feb. 14, 1939

1. Music: piano moving & repairs & repairs and storage charge in Hongkong	1,919.58 ✓
2. Repairs and construction & furniture	
Construction and repairs	13,118.03 ✓
Furniture	4,092.18 ✓
3. Moving	76,845.12 ✓
4. Power Plant	<u>95,974.91</u>
Bus	6,000.00
Electric fixtures and gas generator & transport.	5,825.95 ✓
Construction, bus & charcoal shed	1,791.78 ✓
A.C. Generator (new) Gold Reich's marks (215.55)	980.75
Transformers (new)	255.00
D.C. Generator (8 yrs. or more)	360.00
	<u>15,213.48</u>

1/3 by order of Execu.
committeeTotal Expense 5,071.16101,046.07

Note Now original budget for moving was U.S.\$ 6,000.00. Actually spent is 16,769.15 U.S.\$ 10,769.15. So the deficit is U.S.\$ 4,769.15. It appears as follows:

Def.	U.S.\$ 3,942.01	
	1,424.76	
	<u>5,402.38</u>	
Less Rec.	10,769.15 + 4,014.23 =	
	6,000.00	
Net Def.	U.S. <u>4,769.15</u>	

Nov. 30, 1939

Taylor ✓
Richard P. 1/2

Hua Chung College

Moving Account from Kweilin to Hsichow

Feb.1,1939 to Nov.15,1940

Moving

Chinese \$

1. To purchase 2 trucks including spare parts (*incl a bus*)

24,280.41 ✓

2. Transportation-including trucks expenses, Drivers' sal., meals, gasoline, repairs, additional spare parts, road taxes,

Total 44,501.41 ✓

Less receipts from F. c. and students carfare 10,418.18

Net Exp.

34,082.23

3. To rent trucks for transporting College equipments, books

Total 11,729.20 ✓

Less receipts as frt. charges

1,214.00 ✓

Net Exp.

10,515.20 ✓

4. Subsidy to Faculty and Staff members & families for carfare

1,876.87 ✓

5. Loan to students for carfare and travel expenses

2,900.00 ✓

6. Miscellaneous and Investigation expenses including finding locations, and setting up passing stations

3,190.41 ✓

Total Expenses

N. \$76,845.12

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December 14, 1945

TO THE MEMBERS OF THE HUA CHUNG EXECUTIVE COMMITTEE:

I am enclosing herewith a copy of the minutes of the meeting of the Executive Committee meeting held on November 23rd. These minutes were delayed in the hope that they could be supplemented with later information bearing on the problem of moving the College back to Wuchang. Some information of this character is given below:

In accordance with the action taken by the Executive Committee, a cablegram was sent to the College, on the same day as the meeting, reading as follows:

ASSUMING WUCHANG CAMPUS READY IN APRIL FOUNDERS APPROVE IMMEDIATE USE TWENTYTHOUSAND AMERICAN FROM RESERVE FUND PROVIDED PURCHASED EQUIPMENT FULLY PROTECTED PERIOD CABLE REPORT COVERING PROPOSED USE REMAINING FORTY MILLION AND ESTIMATED ADDITIONAL COST WUCHANG REPAIRS PERIOD MAIL FULL REPORT IMMEDIATELY PERIOD BECOMING INCREASINGLY DIFFICULT SECURE SUFFICIENT AMERICAN FUNDS

No direct reply to this message has been received, but three letters, of dates previous to the meeting, have arrived containing the following information:-

The first letter is one dated October 10, written in Chengtu by Dr. Bien to Dr. Wei and containing the following paragraphs:

"The ministry called meeting produced results:

a) Private Institutions do their own moving. b) moving time to be arranged by getting permission from the Ministry, each on its own merit. c) For rehabilitation on original site, there might be some small subsidy from the Government."

"Given coastal shipping, and gasoline, Hua Chung should be able to move anytime after February. I am advising a long first term."

"Fenn assures me that for moving, we may expect 37,500,00 NC, which agrees with Coe-Bien estimate. Rehabilitation for buildings and class-dormitory room equipment: 100,000,000 NC. I propose refugee method for our resetting up, any surplus to go to permanent building. Please, secure permission from Associated Board."

"Rehabilitation of equipment, books, etc: roughly 50,000 US. Science estimate alone is over 40,000. Should we think of putting some of reserve money into that?"

The second letter is one dated November 8 from John Coe to Lyford containing the following paragraphs:

"Dr. Bien returned to the college yesterday after his trip to Chungking and Chengtu. I have had a long conference with him today and am sending you some of the information he has given me. There will probably be a

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probably be a meeting of the Executive Committee Pro-tem on Friday of this week, the 8th. We will let you know what is decided as quickly as possible after that meeting. I rather expect that Dr. Bien will plan to cable you after that meeting.

"Dr. Bien reports that Dr. Fenn assured him that we can count on N.C. \$30,000,000 from UCR and British Aid to China for the year October 1, 1945 to October 1, 1946. This would make available for the balance of the year (academic) N.C. \$25,000,000. In addition we have already received N.C. \$162,000 from UCR for the months of August and September and N.C. \$560,000 from the British Aid to China up to date. So far during the current academic year our average exchange has worked out at about 700. If the same conditions should prevail for the balance of the year for the exchange of our regular income from the supporting missions, we should realize at least N.C. \$21,000,000 from this. Counting the above with local income, it should seem that we can count on fairly surely a total of N.C. \$48,000,000 for the year.

"Dr. Bien also had a report on what Dr. Fenn said we can expect from UCR in the way of moving back and rehabilitation. For moving back the amount is N.C. \$37,500,000. For rehabilitation of the campus in Wuchang N.C. \$100,000,000. For replacement of equipment N.C. \$50,000,000. For re-equipment of staff a probable grant of N.C. \$400,000 per adult, counting not more than two adults in each family. (This may be modified slightly, and there is the possibility of a grant of N.C. \$50,000 per child.) As I understand it, these sums are not in hand, but UCR has promised Dr. Fenn that this money will be available. Dr. Bien says that Dr. Fenn was going to mail me complete data on such matters, but they have not yet arrived. I am not certain whether this will be a grant of so much in Chinese currency or whether it is a grant in U.S. currency with the above figures reckoned at the rate of 1000-to-one.

"The problem of moving is a very difficult one. The colleges in Chengtu have definitely decided to wait until summer, the high water season on the river. Lien Ta in Kunming is going to wait until next year when rail communication is fairly open. Our problem is complicated by the fact that we have a trip of over 400 kilometers by road to Kunming. In the matter of possible routes for return, ~~in six or seven months~~ Dr. Bien's investigation would show that if the college was to plan to return before twelve months from now, the only possibility would be to truck through to Yuanling. To go to Szechwan would only land us in the midst of, or in the rear of, a large number of people who would tax the facilities down the Yangtze. It is not expected that there will be rail transport from Kunming through the coast of Indo-China inside of twelve months. At the present time and during the next few months there will probably be a considerable amount of Chinese military transport going from this part of the country to the East. But in six or seven months it may not be easy to get such transport.

"Dr. Bien has considered the question of trying to get some trucks, and Dr. Fenn told him when he was in Szechwan that he might be in a position to help Dr. Bien secure them. Dr. Bien before he left Kunming sent a telegram to Dr. Fenn, asking him if possible to purchase for us seven trucks and a jeep. He expects to be able to get the trucks for U. S. \$1500 each. Then there will be the question of spare parts and drivers. Some of our students formerly worked on the highway and would be able to help in the driving. This might be somewhat cheaper than chartering, but I am not sure that Dr. Fenn will be able to secure the trucks, and it might mean a long period

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"for the college to be moving. If we were to take the total estimated for the chartering at N.C. \$25,000,000., plus N.C. \$10,000,000. for gasoline, plus N.C. \$8,000,000 for boat transportation, plus N.C. \$3,000,000. assistance subsidy, we would have a total of N.C. \$46,000,000. If UCR grants us N.C. \$37,000,000, the balance of NC \$9,000,000 could be covered approximately by the U.S. \$9,000 which is held in our funds under the item "Transportation", if exchange were at 1000 to one. This U.S. \$9,000 was realized from the sale of truck parts here in Hsichow a couple of years ago and should very properly be used for transportation. These estimates are only preliminary and will be subject to change.

"We have just received letters from Bishop Gilman written enroute to Hankow and in Hankow after his arrival there early in October. He reports that most of the college buildings are intact, but that the Chinese forces moved in there on October 12."

The proposed route via Yuanling apparently is the most direct land route available. The distances are approximately,

Hsichow to Kunming	250 miles	
Kunming to Yuanling	700 "	
	950 "	
Yuanling to Wuchang by road	550 "	if water transport
		unavailable.
	1500 "	

1900 km @ 1.2 = 1178 miles

The last letter received is one dated November 18 from John Coe to Lyford, a copy of which is attached hereto.

In a further effort to secure quickly the desired information regarding the campus at Wuchang, the following cablegram was sent by Dr. Addison to Arthur Allen on November 26:

"REQUEST GILMAN SECURE AND CABLE CONTRACTOR'S ESTIMATE COST MINIMUM REPAIRS COLLEGE PROPERTY FOR APRIL OCCUPANCY."

On December 6, the following message was received from Bishop Gilman:

"EXTERNAL REPAIRS UNNECESSARY CLASS FURNISHINGS GASOLINE AND OTHERS ARRIVE SEPTEMBER PAUL TAYLOR HERE."

This message is not understood. It may be a preliminary answer to Dr. Addison's message.

The substance of all the information received thus far is that our people are aware of many of the difficulties to be overcome and thus far believe that the wisest procedure is to move in April, but have no competent advice as to the costs or time involved in transportation or in the rehabilitating the Wuchang campus. The reasons for moving in April seem sound but the actual circumstances, including excessive costs, etc., when actually known may overbalance these reasons and point to the advisability of remaining in Hsichow for another year.

Certainly we do not have enough information yet to warrant us in approving of the present plan and estimates.

Oliver S. Lyford,
Treasurer

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August 15, 1946

HUA CHUNG COLLEGE

ESTIMATED COST OF MOVING AND REHABILITATION

Equivalent in U. S. Currency

ESTIMATED EXPENSE

<u>ITEMS</u>	<u>BUDGET</u> <u>(See Note 1)</u>	<u>INCURRED</u> <u>BEFORE</u> <u>Nov. 1, 1946</u>	<u>TOTAL</u> <u>BEFORE</u> <u>Aug. 1, 1947</u>
1. Moving from Hsichow	US \$50,000.00	US \$31,500.00	US \$32,500.00
2. Repairs to Buildings	40,000.00	22,500.00	40,000.00
3. College Furnishings	40,000.00	20,000.00	30,000.00
4. Replacement of Books	60,000.00	27,000.00	60,000.00
5. Laboratory Equipment	40,000.00	32,000.00	40,000.00
6. Reequipment of Families	45,000.00	25,000.00	45,000.00
	<u>US\$275,000.00</u>	<u>US\$158,000.00</u>	<u>US\$247,500.00</u>

ESTIMATED INCOME

<u>SOURCES</u>	<u>TO MEET</u> <u>BUDGET</u>	<u>REC'D. BEFORE</u> <u>Nov. 1, 1946</u>	<u>TOTAL BEFORE</u> <u>AUG. 1, 1947</u>
<u>Sustaining Missions</u>			
Episcopal Sources	US \$110,000.00	US \$106,800.00 ✓	US \$110,000.00
Evang. & Ref. "	5,000.00	5,000.00 ✓	5,000.00
British "	5,000.00	?	5,000.00 ?
<u>Total from Sustaining</u> <u>Missions</u>	<u>120,000.00</u>	<u>111,800.00 ✓</u>	<u>120,000.00</u>
Harvard Yencheng	10,000.00	10,000.00 ✓	10,000.00
Associated Boards	50,000.00	8,000.00 ✓	32,500.00
United China Relief	50,000.00	7,000.00 ✓	35,000.00
Chinese Government	45,000.00	50,000.00	50,000.00
<u>Other Chinese Sources</u>	<u>?</u>	<u>?</u>	<u>?</u>
	<u>US \$275,000.00</u>	<u>US\$186,800.00</u>	<u>US \$247,500.00</u>

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January 30, 1946

HUA CHUNG COLLEGE

RETURN OF THE COLLEGE TO WUCHANG CAMPUS

Since October 1, 1945 Dr. Bien, Mr. Coe and the Executive Committee Pro-tem have proceeded steadily and effectively in the development of plans for moving the College back to Wuchang. We have been receiving frequent letters and now have sufficient information to make a preliminary estimate of financial requirements.

The faculty and students are anxious to move as soon as possible. The work of the college appears to be going on steadily and satisfactorily, but there is fear that, if the College as a whole does not start back in the early spring, both faculty and students will begin to move independently and it will be difficult to reassemble them.

Last August special committees of the faculty and staff were appointed to plan for moving and rehabilitation. Bishop Gilman was invited to represent Hua Chung at Wuchang, with power to act and to organize a committee there, with himself as chairman and Mr. Kemp and Rev. Mark Li as members, for the purpose of taking over control of the Hua Chung properties and making the needed repairs. Later Dr. P. V. Taylor was added to the committee.

All the circumstances in China indicate that the homeward move should start in April. To this end the courses of instruction in the college have been speeded up.

The Homeward Trip

Three routes are under consideration

- (a) By trucks to Yuanling and by water thence to Wuchang;
- (b) By trucks to Kenyang and by rail from thence to Wuchang;
- (c) By trucks to Kunming, rail to Haiphong and thence by water to Shanghai and Wuchang.

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The third route would be the easiest and cheapest, but would be possible only if repairs on the railway should be completed early in the spring and if political conditions in Indo-China should be cleared up in the meantime. These possibilities now seem to be remote. A letter from John Coe dated January 15 and just received, contains the following paragraphs:-

"It looks now as though our best plan would be to charter either through the Highway Administration or the Chinese military for the trip from Hsiakwan to Kunming; then by rail to Tsanyi, just beyond Kutsing; and truck from Tsanyi to Henyang; rail from Henyang to Wuchang."

"Our present estimates, based on what information we have, and estimating the rail fare at the other end from Henyang to Wuchang, are as follows:-

140 people at \$220,000	N.C. \$30,800,000
60 students at 141,000	8,460,000
7 truck-loads Hsichow to Kunming	7,000,000
3 " " Kunming to Wuchang	7,210,000
Remaining equipment Kunming to Wuchang via rail and sea	6,000,000
Overhead and contingency	<u>2,000,000</u>
	N.C. \$61,470,000

"I would now estimate, from the number who have now applied, that 100 students will apply for transportation. Probably one-third to one-half of these will need some help. It is probable that, after we have the figures in, Dr. Bien will send someone to Tsanyi to make more definite arrangements."

"Our estimate of N.C. \$61,470,000 would amount to about U.S. \$46,000 at present rates."

"There is indication that the financial capital will move early in the spring. The Government has sent up several trial balloons about a new official rate of exchange but so far there is nothing definite."

"The number of late student registrants in the college has swelled the enrollment for the year to over 240. The last day for registration will be Thursday, January 17, and the total may go to around 250. The students seem to have come back ready to get down to work, and certainly the work of the term has gotten started more quickly and easily than I have known it for a long time."

"From information which I have been able to gather, it would look as though the present tendency of the Ministry of Education is to discontinue, as largely as possible, subsidies in any form to private institutions. At the meeting in Chungking attended by Dr. Bien last September, it was stated by a member of the Ministry that there was little likelihood of any government assistance forthcoming to help private institutions return to their original places."

Preparation for Occupancy

at Wuchang

There has been relatively little destruction in Wuchang in general, but great destruction in Hankow. This indicates that there will be great demand in that area for building mechanics but thus far our people appear to have been successful in getting such workmen as they have needed.

Bishop Gilman was requested by Dr. Addison in November to secure and cable contractors' estimates of cost of minimum repairs necessary for April occupancy. No figures have been received thus far, but we have a detailed report by Dr. Taylor describing the condition of each building. See Exhibit A attached hereto.

The plan is to limit repairs for the present to the minimum possible for occupation of the existing buildings "on a refugee basis," on the assumption

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that the Middle School will move to a new location and that a general rearrangement of the campus, with suitable new buildings, will be possible: To this end Mr. Bergamini, before leaving the U.S., has prepared sketches on the assumption that the entire Boone Campus will be made available to the College. Also it is hoped that certain adjacent properties can be acquired at reasonable cost. Mr. Bergamini will have an office in Shanghai from which he can direct the reconstruction.

In the absence of any contractor's estimates from China, an "engineer's guess" of temporary repairs and reequipment of buildings has been made, based on a figure of U.S. \$180,000 which was reported some years ago as the original cost of the property at Wuchang used by Hua Chung. On this basis and after consideration of the present condition of the buildings, it has been assumed in Exhibit B, attached hereto, that the proposed minimum repairs to buildings and their equipment will be equivalent to about U.S. \$40,000 and that a fairly substantial equipment of college furnishings will cost another U.S. \$40,000.

Other principal items of expense necessary for preparation to operate in the fall of 1946 are listed in Exhibit B with notes explaining the basis used for estimating each item.

Cash Required for

Moving and Rehabilitation

The total amount required for moving and for rehabilitation, ready for the College to open at Wuchang in the fall of 1946, as estimated in Exhibit B, will be equivalent to approximately U.S. \$275,000.

The only funds now available consist of the reserves which have been built up during the war. In Exhibit C attached to this report is a list of

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these funds as they stood on August 1, 1945. The items in Groups A and B, totalling together U.S. \$75,869 could be used if consents shall be received from certain donors. However, this total is no more than always should be available as reserves for unexpected emergencies. This college has no endowments or other capital reserves.

Rumors are in circulation in South West China that exchange between China and the U.S. currencies may be stabilized at 1350 to 1 which is the rate assumed in this report. Should this rate continue and should the cost-of-living index in China remain as recently existing, the necessary amount of U.S. funds will probably be fairly close to the total indicated, namely, U.S. \$275,000. Any considerable reduction in the exchange rate, or any considerable rise in cost of materials and labor, may necessitate a total considerably above this. It is the judgment of this writer that we should know where at least U.S. \$300,000 total can be had, but with a clear understanding that the strictest economy will be kept.

Operating Expenses

Mr. Coe's present estimate of operating expenses for the year ending July 31, 1946 is equivalent to U.S. \$48,000, exclusive of salaries of western personnel. In Exhibit D is an estimate of income to cover this expense, which is on the assumption that the supporting missions and Harvard-Yenching will continue their grants for the same amounts as for previous years and that the U.C.R. will provide at least the equivalent of U.S. \$16,000. in addition to a liberal contribution toward the cost of moving and rehabilitation.

Estimates of the cost of operations on the home campus in 1946-'47 should be based on a fair beginning on Dr. Wei's Ten Year Plan for the College (University) during that year. As stated in the notes on Exhibit D the estimated operating expense for the first four years of this plan is U.S. \$115,600 each year, including the salaries paid to western personnel and U.S. \$62,600 exclusive of these salaries.

Oliver S. Lyford,
Treasurer.

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January 30, 1946

Hua Chung College

Wuchang Buildings inspected by Dr. P. V. Taylor

in December, 1945

1. House formerly occupied by Dr. Kwei and Dr. Taylor
Many doors and windows missing; some flooring torn up; roof fair.
2. The Constantine house
In slightly better condition than No. 1.
3. Dr. Wei's house
Roof disarranged; windows and doors gone (not all); easily required.
4. Sherman house
Seemingly very little damage.
5. New Yen Hostel
In good condition.
6. Old Yen Hostel
Largely door and window trouble.
7. Administration building
Doors and windows damaged; roof good, floors in good condition.
8. Foyee hostel
Normal damage for an old building and some vandalism.
9. Library
Very little damage.
10. Ingle Hall
Window and door trouble; some floor damage.
11. The new houses (built in 1937) on old city wall land
Very good condition except that they have been more or less rebuilt to meet Japanese needs.

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A-1 (Exhibit A continued)

12. Gymnasium

No damage except that the running track has been removed.

13,14,15 The three houses in the compound on Ka Chia Po.

Dr. Bien's house

Windows and doors gone; roof & floors o.k.

The Jome house

Practically undamaged.

Methodist house

In perfect condition.

Statements by Dr. Taylor

"Of course furniture is as nearly nil as one can imagine. There is not a book or a shelf in the library. A number of stoves have been saved. One Biology table is still here. A report came in today that a certain government school had taken the greater part of our library and removed it to the country. The school has returned to Hankow and the report is being investigated."

"On our campus it will be possible to have all the buildings in usable condition within two months, if we can get the labor and materials."

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B-1

Exhibit B

January 30, 1946

Hua Chung College

Possible Costs

of

Moving and Rehabilitation

The basis for this estimate are stated in the notes which follow the figures. The figures are in U.S. currency assuming exchange at 1350 to 1.

Preliminary Rough Estimate

1. Moving from Hsichow to Wuchang	U.S.\$50,000
2. Repairs to buildings and building equipment, Temporary basis	40,000
3. College furnishings - desks, tables, shelving, etc. Permanent basis (usable in new buildings)	40,000
4. Replacement of books - first year (Ultimate total, \$180,000)	60,000
5. Replacement of laboratory equipment - permanent basis	40,000
6. Reequipment of families of staff and faculty	<u>45,000</u>
	<u>\$275,000</u>

Dr. Bien contemplates occupancy of the present buildings on a "refugee basis", which, according to Dr. Taylor, will be possible within two months time, provided labor and materials shall be available. The completion of all procedure contemplated above will take much more time. It is hoped that new buildings may be started during the coming year.

Items 1, 2 and 3 are discussed in the main body of this report.

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B-1 - Exhibit B continued

Items 2 and 3 are based on U.S. \$180,000 as the approximate prewar cost of the property used by the college at Wuchang. The present condition of buildings is as stated in Exhibit A.

Item 4 is based on an estimate of U.S. \$180,000 for total replacement of books, made by Dr. Wei and submitted to the Chinese Government some time ago. We now understand that a considerable proportion of the original library has been located and may be recovered. This is taken into account in the figure of this item.

Item 5 is a rough assumption made without any supporting data.

Item 6 is based on figures assumed by Dr. Bien and Dr. Fenn in discussions carried on last November. Replenishment of furniture, clothing, etc. was promised to our people when they agreed to go with the College to Southwest China and therefore must be provided. The figure contemplated by Dr. Bien and Dr. Fenn was N.C. \$400,000 for each adult member and possibly N.C. \$50,000 for each child. On this basis, with 140 persons to be provided for, the total cost may be equivalent to N.C. \$60,000,000 or U.S. \$45,000 at present rate of exchange.

Exhibit C

January 30, 1946

Hua Chung CollegeAvailable FundsU.S. CurrencyAugust 1, 1945Group A - Appropriations for Regular Operations

Sustaining Fund	U.S. \$	1,353	
Johnston Fund for School of Arts		21,307	
Harvard Yenching Fund for Chinese Dept.		11,167	
Yale-in-China		16,154	
American Church Mission		<u>5,500</u>	\$ 55,481

Group B - Money accumulated for Special Purposes

President's Discretionary Fund	U.S. \$	597	
Practice School		4,218	
Relief Fund		46	
School of Arts - Books		1,052	
" " Education - Books		919	
" " Music		293	
Biology		1,566	
Chemistry		1,034	
Physics		223	
Science - Books		532	
Thorne Fund		462	
Science Museum		200	
Reserve for Transportation		<u>9,246</u>	20,388

Group C - Funds of More Permanent Nature

Reserve for Fellowships for Junior Faculty		1,100	
Holmes Scholarship		60	
Page Fund		400	
Alumni Fund		530	
Board of Founders - Special		279	
Proctor-Johnston Land & Bldg. Fund		1,207	
Deposit Acct.		10,677	
Yunnan Student Campaign Fund		7,300	
Adjustment Acct.		<u>201</u>	20,547

Total

U.S. \$ 96,416

Note - The funds listed above are practically all operating funds and do not include funds for lands and buildings which on August 1, 1945 amounted to U.S. \$114,184. It is assumed that all of this sum will be reserved for new land and new buildings.

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Exhibit D

January 30, 1946

Operating Expenses 1945-46

Estimated Income from Regular Sources

American Church Mission	U.S. \$12,000
" " " (Miss Johnston)	5,000
Yale-in-China	5,000
Reformed Church	2,000
Methodist Mission (English)	1,000
London Mission	<u>1,000</u>
Total from Supporting Missions	\$26,000
Harvard Yenching	<u>5,000</u>
	\$31,000
U.C.R.	<u>16,000</u>
Total probably available U.S.	<u>\$47,000</u>

- Note 1. Mr. Coe hopes to keep the Operating Expenses down to U.S. \$48,000 (Last October it looked as though this total might be equivalent to U.S. \$60,000)
- Note 2. Mr. Coe apparently is not counting on any considerable income from Chinese sources in 1945-46.
- Note 3. The above figures pertain to the expenses paid by the College and do not include the salaries and subventions paid direct by the Supporting Missions to their western representatives on the faculty.
- Note 4. Under the Ten Year Plan developed at the College and reported by Dr. Wei on February 15, 1944, the operating cost for the first four years of the Plan, including the salaries of 22 missionary teachers, would average U.S. \$115,600 per annum. To arrive at a figure which may be compared with the above total for 1945-46, we may deduct U.S. \$53,000 for the 22 missionary teachers, leaving U.S. \$62,600 as the estimated annual total which would be expended by the College Treasurer.

0648

Copy of O. S. R
April 11, 1946

HUA CHUNG COLLEGE

Problems of Financing

The new life of the College at Wuchang involves two distinct steps of procedure. This is made necessary by the conditions existing in China and by the problems involved in fund raising in the United States and in China.

It was hoped that plans for expanding the activities of the institution could be inaugurated at once but the Trustees have had to conclude that the college must operate on the old basis for at least a year and that any considerable growth will have to be deferred. This is in line with recommendations of the Planning Committee of the Associated Boards.

Therefore the estimates submitted herewith are divided into two groups, the items in the first group being those necessary in the near future and the items of the second group being those which seem probable if the plan for expansion and rebuilding shall be adopted.

This report is primarily for financing purposes, and therefore is made as concise as possible, with the omission of much of the reasoning on which the figures are based.

The figures do not include the salaries and expenses of the personnel contributed by the supporting missions.

Estimated Cost

Costs of labor and materials at present are extremely uncertain, and presumably will remain so for many months. Dr. Taylor, in a letter recently received, states that costs in Wuchang in February were two and three times what they were when he arrived there a few months before. Assuming that the frenzy will pass before long and that figures approximating those made in December will be valid, the cost of moving and for rehabilitation on the old campus should be about as follows:

Requirements for Moving and Rehabilitation to establish operations on a pre-war basis

Preliminary Rough Estimate

1. Moving from Hsiehow to Wuchang	U.S. \$50,000
2. Repairs to buildings and building equipment, Temporary basis	40,000
3. College furnishings - desks, tables, shelving, etc. Permanent basis (usable in new buildings)	40,000
4. Replacement of books - first year (Ultimate total, \$180,000)	60,000
5. Replacement of laboratory equipment - permanent basis	40,000
6. Reequiment of families of staff and faculty	45,000
	U.S. \$275,000

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The above figures represent a possible cost of getting established on the old Boone Campus with existing buildings repaired, renovated, and reequipped for operation on the pre-war scale and with a Chinese faculty of substantially the same size as at present and with not over 300 students. It is assumed in this first case that the Boone Middle School will occupy the same buildings as occupied before the war but the figures do not include the cost of moving this School back to Wuchang and rehabilitating it there.

These figures in U.S. currency were made when exchange was at the rate of 1350 to 1. The present exchange rate is about 2000 to 1. It seems advisable to assume that the cost will go up as exchange has done and therefore that the above U.S. figures are still valid.

The first and sixth items in the above list will probably be financed by the United China Relief. The Items 2, 3, 4, and 5, totaling U.S. \$180,000. will have to be financed by the Associated Boards or by the five missionary bodies who have supplied operating funds since Hua Chung College was organized.

If it can be assumed that the building program contemplated in the Ten Year Plan of the College (discussed below) is to be inaugurated within a year or two, the college can proceed on a "refugee basis" for the present and a considerable proportion of Items 2, 3, 4, and 5 can be deferred and thus made available for investment in the new campus.

The college will be on the move from Hsichow in a few days. The immediate necessity is a cash fund of at least U.S. \$100,000 to be placed at the disposal of the college authorities and used under the above program. The reserve fund of the College has been placed at their disposal pending the arrival of new funds but it is believed that the amount should be replaced in the reserve fund as soon as possible.

The Ten Year Plan

Last November, Dr. Wei presented to the Trustees a plan for a ten-year development of Hua Chung College. Concerning the necessity for such a plan, he made the following pertinent remark:

"It is very essential for the churches to maintain a strong center of Christian higher education in the Wuhan region to serve that vast territory known as Central China. Therefore, I urge that plans must be made to develop a strong Christian University in Wuhan in order to meet the needs of the new China in general and of the Wuhan Center in particular. We know that the Wuhan area is going to be developed into one of the most important centers in the whole country, if not the most important according to the Government plans. Hua Chung must be strong both academically and religiously."

The plan has been given preliminary consideration by the Board of Trustees of the College and has been approved as a basis for study of future possibilities and costs.

It is proposed that the College (to be called Huachung University

hereafter) shall occupy the entire Boone Campus, together with the adjacent property purchased by Hua Chung before the war and with additional acreage which, it is hoped, can be purchased at reasonable prices. The total area then would be about 70 acres.

This would involve moving the Boone Middle School to another site, a step which we understand is favored by the Middle School people.

On the enlarged campus eventually, under the plan, new buildings will replace most of the present college buildings and some of the residential buildings, and will add others. Mr. Bergamini has been asked to make a study of this proposed new campus and he expects to begin this study while in transit to Shanghai. He has made a rough sketch indicating his first ideas and item 8 below is based on his rough estimate.

Additional Capital Investments under the Ten Year Plan

Assuming that the Ten Year Plan is to be carried out, and that additional land can be acquired at reasonable prices, the following figures give a first approximation of the additional costs of increasing the land area and constructing the new campus:

7. New land adjacent to the Boone Campus	U.S. \$ 35,000
8. New buildings and other improvements, including 8 college and residential buildings	1,500,000
9. Additional books for library	120,000
10. Additional scientific and other equipment	50,000
	<u>\$1,705,000</u>

Summary of Financial Needs

The expenditures necessary for the immediate rehabilitation of Hua Chung College at Wuchang, and for the contemplated expansion program, may be summarized as follows:

Expenditures necessary for rehabilitation (mostly before Sept. 1) in addition to operating expenses	U.S. \$275,000
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Additional capital expenditures for the contemplated expansion of the College (University) during five or more years, beginning in 1947	<u>1,705,000</u>
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U.S. \$1,980,000

Less capital funds now in hand	<u>113,765</u>
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New funds for Hua Chung	<u>U.S. \$1,866,235</u>
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Estimated cost of establishing Boone Middle School in a new location	<u>U.S. \$ 250,000</u>
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The first item, \$275,000, must be obtained in the near future and, in order that rehabilitation may proceed without delay at least \$160,000. of this amount must be placed immediately at the disposal of the officers of the College in China. Of this, \$60,000, already

has been made available temporarily by cabling authority to draw this amount from the reserve funds of the College. It is hoped that \$100,000. additional can be obtained at once from the National Council as an advance payment on account of the prospective contribution of the Protestant Episcopal Church. It is expected that the \$60,000. from the sources mentioned below, eventually will be restored to the reserve funds of the College, the institution having no other source of emergency funds.

It is also expected that the ultimate sources of the first item of \$275,000. will be as follows:

Chinese Government and United China Relief	U.S. \$ 95,000
Associated Boards and Contributing Missions	<u>180,000</u>
	\$275,000

The cost of expansion is to be incurred only if and when the Contributing Mission Boards and the United Board for Christian Colleges in China shall have signified their approval.

Oliver S. Lyford

Treasurer

0652

NOTES

1. The budget estimate of expenses was adopted by the Executive Committee of the Board of Founders on April 24, 1946 "as our guide in the financing of the return of Hua Chung College to Wuchang and rehabilitation." The other figures in this statement have developed since that date. Most of them are subject to change when the records are completed.
2. The expenses and receipts have occurred in both U.S. and Chinese Currency with various rates of exchange. For comparative purposes all available figures have been reduced to U.S. currency at exchange of 2,000 to 1.
3. In view of all the existing circumstances, most of the cost estimated and not already incurred must be considered simply as being within the range of possibilities.
4. Because of the large burden of expense to be carried by Yale-in-China in rehabilitating the hospital and middle school and its limited resources, it is assumed in this estimate that that mission will be unable to assist in financing Hua Chung, beyond the usual contribution for operating expenses. Steps are under consideration which may modify this assumption.
5. The estimate does not include any capital expenditures for land or new buildings except replacements. All is for the restoration of the property existing before the war.
6. Certain small lots of land are being purchased as opportunity shall arise, in order to square the outline of the campus. These purchases are being financed from a building fund in hand before the war.
7. Neither does this estimate include any costs of operation of the College. Mr. Coe assumes that the operation expense of the College for the year 1946-47 will be about N.C.\$140 million and that this will be covered by U.S.\$60,000 from Western Sources, at exchange of 2,000 to 1 with the balance from Chinese sources. This would mean grants about as follows, in addition to the amounts indicated in the above table, and in addition to the sustenance of western personnel.

Episcopal Sources	US \$12,000.00
Evang. & Reform "	5,000.00
Yale-in-China	5,000.00
English Sources	<u>3,000.00</u>
	\$25,000.00
Harvard Yencheng	5,000.00
Associated Boards & U.C.R.	<u>30,000.00</u>
	<u><u>US\$60,000.00</u></u>

Hua Ching College

Estimates of Costs of Repairs + Moving
to be paid 1946 - Feb. 19/46.

I. Moving Cost -

140 people at \$220,000	NCT	30,800,000.
60 students at \$141,000		8,460,000
7 Truck-loads Hsichow + Kun.		7,000,000
3 " " " Kun. - Wuchang		7,210,000
Remaining Equipment Kunking to Wuchang via rail + Sea		6,000,000.
Overhead + contingency		2,000,000
	NCT	<u>61,470,000.</u>

II Moving + Rehabilitation

Preliminary Rough Estimate

1. Moving from Hsichow to Wuchang US\$ 50,000
 2. Repairs to buildings and Building
equipment - Temporary Basis 40,000
 3. Furnishing, etc. etc. Permanent basis 40,000
 4. Replacement of Books - First year
(Ultimate total of \$180,000) 60,000
 5. Replacement of Lab. equip. Permanent
basis 40,000
 6. Reequipment of Families of staff + faculty 45,000
- Total \$ 275,000
- should be \$300,000 at right

Hua Chung —

Available Funds. Exhibit C.

Group A. Appropriations for reg. Op. \$55,481

Group B. — Money accumulated for

Special purposes.

20,388

Group C. Funds of a more permanent nature.

20,327

Total. \$96,416

Note: — On August 1, 1945 — funds for
lands and buildings amounted to
U.S. \$114,184 — reserved for
new bldgs.

Note: — No endowment or capital
reserves.

Operating Expense. 1945-46

From supporting mission 26,000

Harvard Generaling 5,000

U.C.R. 16,000

Total probable available 47,000

Estimated total cost of Oper. \$48,000

1946-47

Estimated cost of op
Paid by Chinese tre
By Boards

More ~~to~~ ^{for} Practice

\$62,600

53,000

\$119,600

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