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REPORT OF THE PRESIDENT

TO THE BOARD OF GOVERNORS

New York, September 30, 1931

Because most University matters of immediate concern to the Board were given detailed consideration in last year's report and we have reached decisions on many of the controversial matters that have monopolized attention in recent years, and because reports and minutes regarding affairs of the University have been circulated among you, this report can be made correspondingly brief.

I. General Conditions

However brief our statement, we must not fail to record our sorrow that China has been visited by one of the most appalling and tragic floods in its history. Revolutions and communistic depredations have continued, still further impoverishing a long-suffering people, and international complications of serious concern have now risen in Manchuria that are inflaming student classes all over China and breeding a spirit of riot and war that will delay the economic recovery and stability of government so much longed for and consistently striven after by the great mass of the Chinese people as well as their friends in other lands.

Though West China is remote from these centers of trouble, it has not wholly escaped. It has had its floods, little revolutions and communistic plottings with the inevitable executions that follow. The price of rice, which last year was \$1.50 a bushel, is now \$5.00 a bushel, and large numbers of people in Chengtu are being fed at rice kitchens. Despite these conditions the vast majority of the people continue to suffer in silence and to labor on for better and more peaceful times in a manner than challenges admiration.

The University has been threatened with violence and maligned in the press and by soap box orators; but it has succeeded in going on its way winning friends by the work it is doing and by the manner in which it endures attack.

II. Registration and Other University Items

(1) Registration of the University is now before the Chinese Central Government. Formal application for registration has been made, the provincial authorities forwarding the necessary documents to Nanking. Preparation of these documents was a monumental task for which we are very largely indebted to Mr. C. H. Chen, a former government official and educator who has been in the service of the University for the past six or seven years.

The Board of Directors, constituted in the manner prescribed by the new constitution, met at the request of the Senate on April 15 and 16 of this year. They performed their initial functions of organization, considered and approved the constitution, authorized application for registration, appointed a Chinese President for one year, invited a Chancellor and Vice Chancellor to serve the University, elected an Executive Committee and adjourned. The Senate has continued to bear responsibility for the conduct



of the University, formulating the budget and attending to other matters of major concern. This, or some such procedure, was, of course, expected during the tentative character of the Board and immediately following its organization.

- (2) Registration when completed will of necessity complicate the work of this Board, as there are major interests to care for that will not come under the perview of a single organization as heretofore. In addition to your relation to the Board of Directors, the following institutions look to you for direction:-
 - (a) The Middle School under its own separate Board of Directors.
 - (b) The non-registered Institute of Ministerial Training.
 - (c) The Hospitals' Board in charge of the clinical hospitals.
- (a) Except for the work of the Woman's Boards we face a serious situation in regard to the preparation of students qualified to enter the University and pursue its courses. Owing to the demands for registration of all grade and middle schools, the Educational Union has ceased to function, resulting in a distinct slowing up of the Christian preparatory educational program. The institution of business courses in the Chungkiang high school, which for a time was our chief preparatory school, has resulted in a large majority of the students entering into business instead of going to college. Improvement of travel facilities to the coast, leads many of those who desire a college education to go in that direction rather than to Chengtu. We cannot depend upon Government schools to furnish many qualified students as Government education is in a bad way. This not only applies to the lower grades, but to the Government University in Chengtu also. The sub-freshman classes which the University has heretofore conducted to qualify students for entrance must be discontinued when registration is effected. Our main and almost sole reliance for a student body of young men for some years will be the Union Middle School, which the Board of Governors has agreed to take under its control. This institution should be better financed and better staffed, and I hope the Governors can hasten the day when it will be. The United Church of Canada Mission has taken commendable action in appointing Mr. Wilmott to give his entire time to the School. The Board of Governors will render fine service if it can pursuade other mission boards or mission bodies to follow this example. The financial condition of the School may be somewhat improved by placing its department of Chinese in the same category as that of the University. Additional help may come from the Church Missionary Society, who are planning a larger degree of cooperation in this institution. They have given evidence of this by a request to purchase one of the dormitory sites, it being their intention to erect a new Middle School dormitory and center their high school work here.
- (b) Proposals for theological work were presented to the Board a year ago and are again stated in the report from the field. The budget, however, indicates that this work hardly receives the crumbs that fall from the table, and an analysis of the student body indicates that there are only 16 prospective students for the ministry listed in the University. A bequest made to the Methodist Episcopal Board of Foreign Missions may make possible an adequate nation-wide program of Chinese ministerial training in which it

is hoped West China can fully share. I suggest that we inform the Methodist Board of our needs, requesting that West China be included in adequate fashion in the program that may be formulated.

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(c) The Hospital Board has made request through the missions on the field that the Mission Boards transfer control of the Chengtu hospitals to the Board of Governors. It is hoped that the Board will consent to undertake this responsibility if and when requested to do so by the Mission Boards concerned. During the past year over 100,000 in- and out- patients have been treated in the clinical hospitals under this Hospital Board. The Eye Ear Nose and Throat Hospital, which it is thought may be the first unit moved to the University under the new plan, reports over 53,000 patients for the year 1930, with an income of over \$40,000. Forty-seven percent of the present student body is now enrolled in the medical-dental college, and the percentage is constantly on the increase.

In this connection I wish to record with gratitude the action of the faculty and students of Wesleyan University in contributing funds for an ambulance to facilitate the transfer of patients to and from the hospitals and to enable teachers and students to travel from one hospital to another and to and from the University. I trust that the Board will duly acknowledge this gift. I also would like to mention an additional gift from Mrs. George Cadbury of \$809.95 to meet the debit balance on the Cadbury Memorial Building. In view of the conditions in England at the time this gift was sent forward, I trust you will not fail to duly acknowledge it.

III. Financial Matters

- (a) Hall Estate Funds and the Budget. Through the Senate's misinterpretation of the Board's action regarding the allocation of the Hall Estate income, increase of personnel and additions of from 10 to 20% in salaries to meet the rise in cost of living, the budget for the year 1932 is \$41,739,50, an increase above 1931 of \$8,807.50, and considerably beyond the Board's financial responsibility as stated in the Contractual Agreement. Urgent appeals by letter and cable have come from the field asking that these increased askings be appropriated. Fortunately the Bursar comes to the Board with complete statements of the University accounts. This will enable the Board to know the exact financial condition of the University and to take such action as the situation warrants. Suggestions regarding the use of gains in exchange and application of credit balances will be presented to the Board with requests that provision be made to go forward with certain projects that have repeatedly been on your agenda and have had your approval.
- (b) Building Program. The University has continued its building program during the year by rebuilding and extending the University walls. This has been done with government approval and promised protection. Two or more houses for University teachers have been erected by the Methodist Mission on the Methodist College campus. The Chinese houses on property adjacent to the Baptist Mission purchased two years ago have been remodeled, making provision for three more teachers: families. Although these houses are below the standard that should prevail, they supply an urgent need and will continue to do so until more suitable residences can be provided. The W. A. Notman gift of \$5,000.00 for the erection of the dispensary of the new clinical unit and University infirmary has been paid into the treasury, and it is proposed to begin work upon that project immediately as authorized by the action of the Executive Committee of the Board at its meeting held in May.

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(c) Staff Needs and Changes. Urgent calls continue to come for replacements of missionary teachers to the staff. The Departments of Biology, Chemistry, Mathematics, Economics, and Sociology have no professors in charge. We are duly grateful that the United Church of Canada is appointing Mr. Spooner and that the Friends Service Council has authorized the outgoing of Dr. March for chemistry. It is likewise good news that the United Church of Canada have under consideration the appointment of Dr. Gillman for the Faculty of Dentistry. We hope that the Woman's Missionary Society of the United Church of Canada can send Miss Amy Bruce to the field this autumn for English teaching, and we ask the Governors to urge the Woman's Foreign Missionary Society of the Methodist Episcopal Church to match the action of the woman's society of the Canadian Church by making possible the immediate outgoing of Miss Dr. Alice Brethorst for the Department of Sociology.

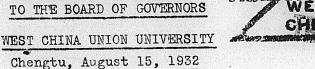
Formal resolutions adopted on the field and a recent cable urge immediate approval by the Board of Governors of the new clinical hospital program at the University. These requests are in accordance with actions of the Board of Governors taken nearly a decade ago and in harmony with considerations given to this project at the Board's meeting in England. It is therefore hoped that this matter may receive your serious attention and that such action will be taken as shall provide for the erection of these units as soon as funds can be secured for their erection. I am aware that the present moment seems unauspicious for expansion, but I am equally convinced that a great future in medical education is opening before us and that we should lose no time in making fitting plans for it.

Respectfully submitted

Joseph Beech,

President

REPORT OF THE PRESIDENT





Honored Members of the Board:

War, tragedy, and communism with "ills a-plenty" have played such a prominent part in the China news during the past year that surprise must greet the following statement. West China has continued in peace and the enjoyment of normal times despite rumors of impending troubles, recruiting, heavy taxation; and the University has enjoyed one of its best years with an absence of troubles within and without. "Growing pains" are the cause of our most acute problems, and it is to these rather than the usual review of activities that the major part of this report will be devoted.

I. Change in Organization

Though constitutionally permissible, it has not seemed wise, or necessary, for the Senate to exercise its usual functions. The General Faculty and the Cabinet appointed by the Senate, and the Board of Directors and its Executive have assumed its duties. With registration of the University imminent and with the Board of Directors recognized by the Central Government, they desired to exercise the authority given them under the government regulations and it seemed fitting that they should be initiated into their responsibilities prior to assuming the duties that will fall upon them when registration is completed and the Contractual Agreement signed.

Although they have met and conducted business under the constitution sent to them by the Board of Governors, they have not yet given weighty consideration to the constitution, and the Contractual Agreement has not been

On May 12th the Annual Meeting of the Board was held. The chief items of business were: - methods of organization, constitutional procedure, the election of their officers, the executive committee, the president and the acting president, the chancellor and the vice-chancellor; and, to commit to the executive, with power, the difficult problems of balancing the budget, fixing teachers' wages, and increasing student fees.

The Executive Committee have had several meetings, and the manner in which they have dealt with the difficult problems committed to them augurs well for the future. Their problem was to endeavor to balance the budget which the Faculty Finance Committee presented to them calling for Sze. \$5,039. more than their known receipts. Their first act was to increase student fees as follows:-Art students, \$45. to \$55; Seience, Medical-Dental students, \$45. to \$65. This increase applied to new students only, as they concluded, upon investigation, that it was inexpedient to increase the fees of students already admitted under the old scale. They next decided to make no increases in salaries to teachers for the year 1932-33 and to reduce the grant to the Science faculty so as to bring that faculty into conformity with other bodies that had suffered cuts from the beginning of 1932. A deficit of Sze. \$2,300. remained. The \$300. they agreed to provide. They are hoping that the Board of Governors can grant them the \$2,000. Opposition

to "no raise" in salaries, as being contrary to usage, was so objected to that they agreed to a flat raise of \$5.00 a month for full-time teachers provided the faculties could provide it within their total grants. If this is complied with, as it probably will be, it will mean an increase in salaries at the expense of equipment; a situation foreseen in the drawing up of the Contractual Agreement, that may need additional safeguarding in the future. The spirit in which the Executives are endeavoring to carry on is commendable. These details are given that you may the better understand their problems and appreciate their approach to them.

II. Finances

1. The New Financial Year

The first item under this general topic is to state that the financial year has been changed to July 1st - June 30th, beginning with July, 1932. In addition to the reasons considered at the last meeting of the Board of Governors, it seemed fitting to place responsibility for the finances upon the Directors at the earliest possible date. In order to permit them to begin with a clean slate we terminated the old accounts as of June 30th, and have endeavored to present a complete current financial statement to that date. Copies of this statement together with the budget for 1932-33 accompany this report.

Preparatory to this transfer of financial responsibility it became necessary to wipe out a deficit, caused by expenditures in excess of assured receipts of nearly Sze. \$14,000. on the current budgets of 1931 and the first half of 1932. These deficits originated largely because of the mistaken impression that additional funds would be forthcoming. The 1931 deficits were wiped out by appropriating the departmental credit balances returned by the Board of Governors at their last year's meeting. The 1932 debtor balance was eliminated by a straight cut of about 8% on the budget as fixed last January. This was followed by reduced askings for 1932-33, that nevertheless exceeded expected income of over Sze. \$5,000, as noted in a previous paragraph.

2. The Budget.

The copy of the budget presented herewith, unlike budgets heretofore presented to the Board, is more like final appropriations than estimates, except for the Harvard-Yenching funds. If the Silver \$2,000. sought from the Board is not forthcoming from the Board or other sources it will be necessary to recast the budget, as we are resolved that the Directors shall not begin their work by contracting a debt. What this recasting of the budget implies can be sensed by the following items. The 1932-33 budget, with the Silver \$2,000. expected included in receipts, is Silver \$1,848. less than the amount which was appropriated in January for the total year of 1932. But in the 1932-33 budget we have for the first time included one-half the salary of Dr. Hu, heretofore paid by a special gift, now relapsed, and three and one-half salaries of new teachers, who join the staff this autumn after taking postgraduate studies in China or abroad. This means that the budget, for work as it was, has been reduced over Silver \$5,700.

3. Gains in Exchange

Since it has been a matter of common knowledge that exchange rates have been abnormal for a considerable time, and that certain missions have fixed new ratios of gold exchange as a consequence, there has grown up the impression

that additional current budget funds were assured. That impression was dissipated when I made known, as requested by you, the position of the Board of Governors on this matter. There is now no disposition to go back of the Board's expressed statement fixing exchange at two to one. There is, however, an expectancy that the Board can afford to be generous in view of an insufficient budget here and accumulations of exchange gains with you. I have stated your situation; falling income of the Mission Boards, depreciation of investment values, exchange losses in Western currencies, and other matters relating to these funds. By heroic measures we have balanced the budget for the first half of 1932 and have made strenuous endeavors to do so for 1932-33 without dependence on these abnormal exchange profits.

Although this has been the hard road, it is assuredly the safe one. An institution such as we are building requires increases in its current budget beyond that which local receipts can supply at this time. This is, I believe, undebatable, but these increases should not come in a manner that will tend to retard the local urge, or tempt us to build a budget on fictitious or inflated values. That is the easy way for the present day of gains in exchange and the dangerous way for the future. It is unsound economically and foolhardy if not wicked administratively. There is only a gamble that the exchange rate will remain up, there is equal chance that it will fall for its very debacle is creating forces making for its stabilization. Should we build upon it and it falls, I fear we will fall with it at a time when the Boards are evidently in no position to come to the rescue.

Two facts stand out in connection with this subject:-

- (1) Steady increases in the current budget of this University are imperative for some time to come.
- (2) Exchange gains are accumulating from the transfer of University funds. We may insist that they are separate entities, but like war debts and reparations they refuse to be estranged. As stated above they may be so related as to invite disaster, but on the other hand they may be so related as to constitute a godsend to all concerned:— Mission Boards, the Board of Governors, and the University. After much study and an attempt to explore all the ramifications of this whole question, I present the following as a method of procedure and hope that the Board may find the principle acceptable in general and applicable for the present situation, viz., that when all commitments made prior to July 1st, 1932, and chargable to the gains in exchange have been met, that the cash balance remaining at that date be constituted a special University endowment, or reserve fund, to be held in trust by the Board of Governors and administered by them, both as to principal and interest, as the needs of the University, may, in their judgment, require.

Against this sounder view with concern for the future, immediate pressing claims urge consideration, such as:- current budget grants, grants for teachers' houses, the unfinished medical-dental building, the clinical center and its equipment, heating plants for buildings now heated in dangerous fashion, electric installation for the remainder of the campus, -- engagement of teachers fully qualified to head our headless departments, saferooms and other devices to safeguard our equipment and prevent a repetition of this year's loss of fully \$1,000. in balances destroyed and stolen. These, and other needs call for these funds which exchange has created.

Against the foregoing and also against the principle stated there rises the financial straits of the Board of Missions; the spectre of debts, the tragic curtailment of work and withdrawal of workers, together with the attendant burdens on the hearts of the secretaries that a return of gain in exchange, or further reductions in current appropriations for the University, would relieve in some slight measure. We share that burden and grieve because of the deplorable situation that has arisen, but in view of the intimate fashion in which this University is bound up with their whole work in this entire area, we trust that the University gains will not be diverted or appropriations reduced beyond the figure agreed upon at the last meeting of the Board of Governors. We also trust that you will give favorable response to recommendations regarding the exchange accumulated up to July, 1932, which gains are now on fixed deposit in Shanghai banks. (See recommendations)

For the principle and the specific recommendations under it, the following considerations are urged. By the creation of this endowment or special emergency fund, provision will be made for some slight annual increases to our budget at this critical period, without endangering the stability of our work; the Board of Governors will have resources for emergencies that may arise; they may be able to help forward long cherished projects for which funds have not come to hand; a guarantee fund will be provided to enable the Board to maintain its promised quota to the Directors as agreed in the Contractual Agreement, and a reserve against a possible reversal of exchange rates whereby there may be a loss in exchange and an implied obligation to make up the deficit. The investment of it in this fashion will quiet all calls for direct grants from this fund and thus save us from a dangerous procedure, or recurring misunderstandings.

III. Plant

1. Buildings

This year will see the completion of two buildings and the work resumed on another. The Woman's College building, designed by Mr. Arnold Silcock and erected by Mr. Walter Small, in intimate if not meticulous collaboration with Miss Anne Thexton, will be ready for occupancy this autumn. It is a fine structure corresponding in its general lines with the Library and Friends College buildings, its nearest neighbors. The Church Mission Society is erecting its Middle School Dormitory on the site formerly allocated to the Friends Mission on the Middle School campus. Funds were in hand and the foundations were laid for the Bishop Bashford Memorial Middle School Dormitory of the Methodist Episcopal Mission in 1926. Materials are being assembled and it is planned to restart work this autumn.

We turn from these projects nearing completion to others that are no less urgent.

- (a) The uncompleted portion of the Medical-Dental Building. Complete unanimity prevails regarding the need of this building being finished. I trust you will do all possible to accomplish this.
- (b) The University Clinical Hospital project. In the gifts of Mr. Notman and Mrs. Benjamin Moore we have made a beginning. If the gift of Mrs. Moore were available for exchange at this time, we would have about Sze. \$70,000.available for construction. The paragraph on the Hospitals Board will manifest the need for the growing conviction that this project should go forward.

(c) Teachers Houses. I confess to certain misgivings as I present this need. It has been before the Board often. It has had sympathetic consideration, but thus far no visible results are in evidence. Additional teachers join our staff this autumn and more will arrive next year that have been at great pains to prepare. We have no residences for these teachers and there are few, if any, in the neighborhood. Some of the Missions have provided residences for their Chinese teachers on the staff. We commend this policy, but are also convinced that the University should erect residences for rental to our staff members. Recommendations will follow asking that funds be made available and that you authorize the Property Committee to erect residences as funds may permit, on the sections of the layout reserved for this purpose.

2. Electric Plant

We are gratified that we can list the installation of an electric plant in connection with the Medical *Dental Building. This plant is intended primarily to supply light and power for this building, but light is also furnished to the Baptist and Canadian Missions residences and the Educational and Administration buildings. It is expected that the other half of the campus will be supplied by a new city installation about to be erected to the East of the University.

3. Ambulance

The ambulance given by Wesleyan University and transported here by gifts from the Montclair Methodist Episcopal Church and other donors is a unique and valuable addition to our equipment. The story of how this came to be here and how the Chinese authorities passed the car free of duties, thus saving us fully one half of the amount paid for the car has been told. This ambulance has started a new chapter of hospital service which promises to be replete with blessings to folks hitherto denied hospital service. It has also contributed a brick garage adjacent to the Medical-Dental Building.

4. Heating Plant

A central heating plant was called for in the architect's Library plans. We have tried to use it without heat. It was deserted in the colder winter months. This was remedied by stoves in the stacks and in the general and departmental rooms. The pipes were led up through the roof or stuck out of windows with consequent fire hazard bordering the criminal neglect. This condition of affairs was brought to the attention of the Board at its last meeting when our plans to remedy this situation were stated. As then stated, the plant was to be ordered as I was en route to Chengtu. It has been shipped for some time. Unfortunately the military at Ichang suspicioned that it might be amunitions or war materials and detained it for inspection. This probably implies another winter with make-shift heating devices. The British Consul in that port has been interested in getting the consignment released, but no author tive report has been received that it is on its way.

IV. Hospitals Board and Contral Clinical Hospital

While not an integral part of the University nor directly under the Board of Governors at this time, the whole work of the Hospitals Board and especially its future program is so related to the interests of the Board of Governors that a statement of its work and program is called for in this report.

I cannot do better than quote excerpts from their recent report, copy of which accompanies this report. "---- the organization of the Board has given a greater degree of cooperation, unity of direction---, a more satisfactory appointment of our staff members to their respective specialties, thus improving clinical instruction and contributing to a larger hospital service. The supreme service, however, is in building up a central controlling body to hasten the establishment of a centralized clinical hospital and to facilitate the transfer of our clinical work from the seven scattered places --- to the new center." "We have -- 270 beds, 16 dental chairs, and a staff of doctors, nurses, interns and assistants of over a hundred. They have given treatment to 29,199 out-patients with a total of over 89,000 treatments, given medical and surgical treatment to 3,761 in-patients with an average of over 15 days each or a total of 58,368 days hespital service. This has been done at an expenditure of Sze.\$142,425, exclusive of missionary salaries; Sze. \$133,592 have been received for hospital and dispensary fees, and Silver \$8,967 have come from Mission Boards' grants and gifts."

The Medical-Dental College, its graduates, and the hospitals are fast making this city and vicinity hospital minded. Western medicine and hospitals have a secure place and the professions of medicine and dentistry are claiming an ever larger quota of college men and women. Ours it the only institution granting degrees in these subjects and the indications are that this form of service will be wholly given over to us for some time to come if we can keep well to the forefront. This calls for the developments set forth in the central clinical hospital idea. Our present hospitals are inadequate, and will soon be out-moded. To continue to enlarge and improve them will make removal more difficult. To go on with our present plants is to invite criticism and the erection of a modern institution with which we cannot then successfully compete. This is our day and we should not allow it to pass. No action, however, is asked at this time, except to request that the gift of Mrs. Benjamin Moore be sent to Shanghai for investment in order to take advantage of the phenominal rate of exchange now prevailing. We shall hope to have plans formulated for your consideration at your next meeting. These plans will include considerations regarding the engagement of a University architect.

V. General

1. Students

The enrollment for the year 1931-32 was 242. One hundred and twelve of these were in Arts and Science, 84 men and 28 women. One hundred and thirty were in Medicine and Dentistry, 100 men and 30 women. Of these 70 were premedical-dental and 60 medical-dental proper. One hundred and fifty five of the total students are Christians, 28 of whom came from Christian homes. Ninety eight entered from our Union Middle School, 98 from other Christian schools and 46 from government and private schools. This June the Union Middle School graduated 77 senior division students, 52 were listed to enter the University this September. Indications are that the enrollment for 1932-33 will pass the 300 mark for the first time.

Student activities have not been limited to the curriculum. The Manchurian affair started them drilling and raising funds in aid of the flood and war sufferers. The war at Shanghai united them with other students in parades and other demonstrations to urge the local military to send armies to Shanghai. Social affairs and athletics have marked the Spring term. The University athletic meet

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brought them recognition from city and provincial officials in the form of many prizes, but the meet conducted by the educational authorities for all students in this area brought greater glory to them. They won first place, capturing 43% of the total points scored.

2. Graduates and Graduating Exercises.

The Graduates of the class of 1932 numbered 41. Eleven in Arts; 3 majoring in Chinese language and literature, 2 in English language and literature, 5 in history, sociology and economics, 1 in education. There were 21 in Science as follows:- biology 1, chemistry 2, mathematics 2, premedical-dental and general sciences 16. Six graduated in medicine receiving the M.D. degree, and 3 in dentistry with the D.D.S. degree.

This year's exercises were noteworthy because it was by far the largest class graduated, it included the first woman graduate in medicine, and the first foreign graduate, a Russian, graduated in dentistry who has now returned to the Union Medical College, Peking. The Baccalaureate sermon was preached by Dr. James L. Maxwell of the Lister Institute, Shanghai, and the Commencement address was delivered by Professor Raymond F. Piper of Syracuse University. He also took some moving pictures of the academic procession. These, I trust you may see, if you cannot participate in one of these occasions.

3. Faculty

Marked changes have taken place in the faculty in the past few years. Biology and chemistry that formerly had two highly qualified foreign professors in each department have had none since the death of Dr. Stubbs except Miss Payne the emergency teacher who came to us from North China for two years. During this same period there have been no missionary teachers in the departments of economics, sociology and philosophy. While this loss in our former staff has been taking place, much to the regret of our students and Chinese members of the staff, a very rapid addition of new staff members has come to pass. These have been very largely our own graduates who have joined the staff upon graduation or after one or two years postgraduate study. Our ratio of teachers to students is high, notwithstanding the fact that some of our departments are poorly staffed, sociology in particular, for which department we have cabled for the return of Miss Dr. Alice Brethorst who has rendered such outstanding service in that department. It is such experienced workers that our University needs, both from the points of contact with the students and collaboration with the recently engaged Chinese members of the departments. (A list of the latter showing distribution, salaries, and other items of interest accompanies this report. Most of these have been added since 1929. The total cost for 1931 was Sze. \$41,871 of which amount Sze. \$11,739. was chargeable to the Harvard-Yenching Fund.)

4. The Union and Goucher Middle Schools

Both of these schools are now on the University campus. The Goucher School is, for the present, being conducted in the Cadbury Education Building as a teacher training center. Its work is of the junior division grade as heretofore, but its numbers are necessarily limited. We are in need of a first class Junior Middle School in this vicinity that can accommodate the large numbers seeking to enter. The Union Middle School has had one of the best years in its history with an enrollment, exceeding the capacity of its plant, of over 350. Beginning with September they will limit their work to the senior division,

Report of the President August 15, 1932. West China Union University -8having graduated their last class in the junior division in June. VI. Registration The Central Government registered the Board of Directors last year and the expectations were that they would follow that act by registering the University. After many inquiries they have finally appointed four inspectors to report on our application. These include, the Provincial Commissioner of Education, two professors in the Szechwan University and a special appointee from Nanking. They are all in the city at this time. The Commissioner is inviting the visitor to a dinner today to meet the other appointees, the acting president and myself. This manifests the friently attitude of the Commissioner, the two professors being intimate friends and partners in our weekly tennis meets. We have every reason to believe that registration will be recommended and granted in the very near future. We are not finding compliance with modifications of regulations easy, but we are trying to make the adjustments as needed and are doing so with the expectation that registration will bring advantages that outweigh the difficulties. We are glad that Dr. Dsang has this opportunity of being with you, and also that the acting president has been awarded a fellowship for study in England. He plans to leave as soon as propriety to the investigators permits. This will leave a vacancy which the Directors will be called upon to fill. In conclusion, permit us to express our high appreciation of the service which the Board has rendered this University in its short and hopeful existance, and to likewise express the confidence we hold here that you will continue to stand with the Directors in the same brotherly fashion that has marked your relations with the Senate, welcoming any sacrifice that will contribute to the consummation of your lofty purpose in the establishment of this institution, - "the hastening of the Kingdom of God in West China through Higher Education." Respectfully submitted, Joseph Beech Recommendations I, II, (a), (b), III, (a), (b), attached.

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August 15, 1932.

Recommendations

I. The Gift of Mrs. Benjamin Moore

That the gift of Mrs. Benjamin Moore for the erection of one of the units of the Central Clinical Hospital be transmitted to Mr. W. A. Main, Associated Mission Treasurer, Shanghai, the same to be exchanged into silver currency and the proceeds place on fixed deposit, in the name of the Board of Governors of the West China Union University, in one or more of the standard banks or trust companies of that city for a term of one year; that at the end of that period the accrued interest be added to the principal and the entire sum reinvested for another year unless the Board shall order otherwise.

II. Exchange Gains

- (a) That when the commitments made prior to July 1, 1932, and chargeable against the gains in exchange have been met, that the cash balance remaining be constituted a special University endowment, or reserve fund; the same to be placed on fixed deposit in Shanghai standard banks or trust companies in the name of the Board of Governors, to be held in trust and administered by them, both as regards interest and principal, as the needs of the University may, in their judgment, require.
- (b) That, in addition to the regular grants of the Board of Governors to the general current budget as listed in the 1932-33 budget, a special grant, not exceeding Silver \$2,000, be made to the University to meet the obligations assumed by the Directors for this year's budget, provided, that it can be paid from interest accrued on exchange accounts now on fixed deposit.

III. Gift or Grant for Teachers' Residences

- (a) That the amount now in the Board of Governors Treasury for the erection of teachers' residences be forwarded to Mr. W. A. Main, Associated Mission Treasurer, same to be exchanged and held subject to advices from the Board of Governors.
- (b) That authorization be given to the University Property Committee to proceed with the erection of teachers' houses on the sections of the Architect's layout reserved for this purpose, it being expressly provided that they shall not expend more than the Board of Governors' grant, unless it can be otherwise provided.

Joseph Beech

Note in connection with the foregoing recommendations.

Exchange rate for gold and silver as fixed by the Board of Governors is two silver dollars for one gold dollar at Shanghai. Gain in exchange is the amount received in excess of the above fixed rate at Shanghai, and any net gains in exchange between Shanghai and Chengtu, after losses in such exchange are written offs.