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CHINA UNION UNIVERSITIES

Fukien Christian University
Lingnan University
University of Nanking

Shantung Christian University
West China Union University
Yenching University

Cable Address
Nanfushan, New York

CENTRAL OFFICE
150 Fifth Avenue, New York City

B. A. GARSIDE, Secretary and Treasurer
C. A. EVANS, Associate Secretary-Treasurer

Telephone:
WATkins 8703-45

Yenching University

September 18, 1930

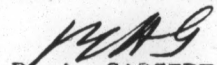
Memorandum to Mr. Wannamaker,

In accordance with the request of the Finance Committee at its meeting yesterday, I have prepared the attached digest of information relative to the first \$250,000 conditional gift by the Rockefeller Foundation.

You will note that the Finance Committee appointed you as one of the members of a special committee which would be responsible for approaching the Rockefeller Foundation in an effort to make whatever adjustments are necessary to secure a clear title to the \$250,000 already paid over to us by the Foundation. We are now making arrangements for a meeting between the Committee and representatives of the Foundation.

BAG-H

Enc.


B. A. GARSIDE

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September 18, 1950

Dr. W. S. Carter,
The Rockefeller Foundation,
61 Broadway,
New York, N.Y.

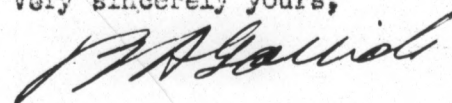
My dear Dr. Carter:

Our Yenching Trustees have recently received from President Stuart some disturbing news as to the difficulties which have been encountered in connection with the proposed investment in China of the first conditional gift of Gold \$250,000 for the endowment of the work at Yenching in the Natural Sciences. President Stuart also sent us a copy of the letter Mr. Gee wrote you on August 5 informing you of these difficulties and making certain recommendations as to procedure.

The Finance Committee of the Yenching Trustees yesterday held a meeting at which a special committee consisting of Mr. Franklin H. Warner, Mr. George G. Barber, Mr. O. D. Wannamaker, and myself, was appointed to confer with representatives of the Rockefeller Foundation concerning this endowment fund for the Natural Sciences. This Committee is anxious to arrange for a conference, at an early date, with yourself and any other representatives of the foundation whom you consider should be present. It would seem particularly desirable to have Dr. Max Mason on hand for such a conference.

A canvass of our special committee indicates that it will not be possible to get the group together during the next ten days, but apparently the early part of the week beginning September 29 would be quite satisfactory for us. I would suggest the afternoon of Monday, September 29 if that time is convenient for you. If this is not convenient for you, the morning of the 29th or any time on the 30th or on October 1 should be possible for us.

Very sincerely yours,



BAG-H

CC: Promotional Office ✓

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Digest of Facts Relative to
FIRST CONDITIONAL GIFT OF \$250,000
by THE ROCKEFELLER FOUNDATION to YENCHING UNIVERSITY

In 1925 the Rockefeller Foundation made a five year grant toward the Science Departments of Yenching University ranging from L.C.\$23,753 for the first year to L.C.\$28,753 for each of the last four years.

On January 30, 1929, as the termination of this grant was approaching, President J.Leighton Stuart wrote the Rockefeller Foundation petitioning that the Foundation "contribute U.S.\$250,000.00 toward an endowment for the teaching of the pre-medical sciences (Biology, Chemistry, Physics) on condition that an equal amount be secured by the University for the same purpose, either in China or in America". With this letter Dr.Stuart submitted an impressive body of statistical material showing the organization and work of the University.

On March 14, 1929, the Yenching Finance Committee took action as follows, endorsing Dr.Stuart's request to the Foundation:-

"F-2483 VOTED that the Finance Committee on behalf of the Board of Trustees of Yenching University heartily endorse President Stuart's request to the Rockefeller Foundation for an endowment of Gold \$250,000 for work in natural science at Yenching University."

On May 22, 1929, the Rockefeller Foundation took the following action:

"RESOLVED that the sum of Two hundred fifty thousand dollars (\$250,000) be, and it is hereby, appropriated to Yenching University toward the endowment of the Departments of Biology, Chemistry, and Physics, payments by the Board to be made pro rata with collections made by the University and only after the University shall have secured cash and/or legally valid pledges for the supplemental sum of \$250,000 for the same purpose."

On June 19, 1929, the Yenching Executive Committee the following action:

"E-2620 VOTED that the Executive Committee, on behalf of the Trustees of Yenching University hereby accepts the conditional gift of \$250,000 toward endowment of the Departments of Biology, Chemistry and Physics made by the Rockefeller Foundation on May 22, 1929, on condition that the University secure a supplemental sum of \$250,000 for the same purpose; and that the Committee assures the Foundation that the University will at once seek actively to raise the supplemental sum required to meet the condition of the Foundation."

The Yenching Trustees at once began to discuss plans for securing the \$250,000.00 required to match the Rockefeller gift, and when an invitation

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1st conditional \$250,000 by R.F.-2

was shortly thereafter sent to Dr. Stuart to return to America for promotional work there was a general impression that he would devote his major efforts to securing funds to match the Rockefeller gift.

On October 15, 1929, Dr. Stuart wrote Mr. N. Gist Gee, of the Rockefeller Foundation, Peking, as follows:

"Dear Mr. Gee:

It gives me pleasure to inform you that there has been deposited to my credit for Yenching University at the Kinchong Bank the sum of Local currency six hundred and twenty-five thousand dollars (LC\$625,000.00) to meet the conditional grant of Gold \$250,000.00 from the Rockefeller Foundation for the maintenance of our Pre-medical Sciences, this being the estimated equivalent at the current rate of exchange. The Chinese donor requests that at least until the transaction is completed there be no unnecessary publicity in connection with his contribution. Trusting that this statement will be acceptable to you and to the officers of the Foundation in New York City, and with the heartiest appreciation of the generous interest all of you have shown in the problems of this institution, I am

Very sincerely yours,
/s/ J. Leighton Stuart"

Mr. Gee replied on the same date as follows:-

"Dear Dr. Stuart:

This will acknowledge receipt of your letter of today's date which has just come to hand.

I am writing at once to Dr. Max Mason requesting that the Rockefeller Foundation grant of G\$250,000 be paid to your trustees in America. Doubtless this will be done upon receipt of my letter.

I wish to congratulate you most heartily upon this magnificent gift and I trust that it is only the beginning of an awakening of interest on the part of wealthy Chinese in worthy educational and scientific endeavor in China.

With kind regards, I am

Very sincerely,
/s/ N. Gist Gee"

On October 18, 1929, Dr. Stuart sent to the New York office of the University copies of the two above letters, accompanied by the following note:-

"My dear Mr. Garside:

I am enclosing herewith copies of two letters which explain themselves. There are, however, certain conditions attached to the pledge of our Chinese friend which I should like to take up with the Trustees promptly after my arrival in New York. May I suggest, therefore, that if the Rocke-

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1st conditional \$250,000 by R.F.-3

feller Foundation gift is paid over to our Trustees that the money be invested on some short term basis not to exceed six months.

Very sincerely yours,
/s/ J.Leighton Stuart"

On November 22, 1929, Dr. Max Mason, Director of the Department of Natural Sciences of the Rockefeller Foundation, wrote as follows:-

"Dear Mr. Garside:

I have recently had a letter from Mr. Gee recommending that payment be made of our grant of \$250,000 toward the endowment of the Departments of Biology, Chemistry and Physics of Yenching University, in view of a gift of L.C.\$625,000 which has been made to the University to meet the conditions of our grant. I am accordingly asking Mr. Beal to send a check for \$250,000 to the American trustees of Yenching University.

Sincerely yours,
/s/ Max Mason"

The check for \$250,000.00 was received on November 29, 1929, and under authorization of the Investment and Finance Committees was at once placed on special deposit at 4% interest in the National City Bank, New Rochelle. It still remains there at the present time under these same terms.

As soon as Dr. Stuart arrived in America he communicated to the Trustees the conditions under which Mr. Chou Tso Min had made his pledge of L.C.\$625,000.00 to the University. Since Dr. Stuart considered it more desirable to present this information in person to the Trustees and to the various committees concerned, no written statement is available setting forth the exact circumstances and conditions of Mr. Chou's pledge. The following, however, are excerpts from the minutes of the various meetings where this proposed gift was considered:

Minutes of Finance Committee, Dec. 23, 1929.

"Dr. Stuart reported in detail on the conditions surrounding the gift of \$625,000.00 L.C. secured in China. It was felt that no immediate action could be taken. However, it was suggested that Dr. Stuart and Mr. Garside prepare for the Trustees a statement setting forth the conditions of this gift and summarizing the policies of the other China Colleges in receiving gifts from Chinese sources."

Minutes of Finance Committee, January 17, 1930

" CHINESE GIFT OF \$625,000.00 L.C.
"Dr. Stuart was asked to restate the situation growing out of the proposed gift of \$625,000.00 L.C. by a Chinese banker. He sketched his view of the proposition and the Committee gave very close and cordial attention. It was felt, however, that the problem presented so many complicated questions that it was inadvisable to take action until a better understanding could be secured from the Rockefeller Foundation, and also that it was a matter on which the Trustees must pass final judgment. It was, however,

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1st conditional \$250,000 by R.F.-4

"F-2742 VOTED that in considering the proposed gift of \$625,000.00 L.C. by a Chinese friend to match the Rockefeller G\$250,000.00 gift for Natural Sciences, the Finance Committee gave sympathetic attention but deferred action for a period of thirty days until after Dr. Stuart completes his trip to the West Coast, and that during the interim the proposed use of the Rockefeller fund of G\$250,000.00 be investigated from the legal aspect."

Minutes of Finance and Executive Committees, March 28, 1930

"CHINESE GIFT OF \$625,000.00 L.C.

"The subject was introduced by the presentation of a letter from Mr. Van S. Merle-Smith wherein he discussed various possible methods for handling the fund in China together with the G\$250,000.00 Rockefeller Gift. The Committee did not feel that any hasty action should be taken and in view of having had no previous opportunity to consider the outlined plans, it was

"EF-2789 VOTED that the method of handling the L.C. \$625,000.00 Chinese gift and Rockefeller gift of G\$250,000.00 be referred to a special committee consisting of the Chairman of the Finance Committee, Dr. Stuart, and Mr. Van S. Merle-Smith to draw up in definite form a suitable agreement which would seem proper for the Board to adopt and present same to the Trustees meeting on April 23 and that this committee be authorized to consult others as far as it is deemed necessary."

Note: Mr. Merle-Smith's letter of January 24, 1930, referred to in the above minute, is attached hereto as Appendix A.

Minutes of Special Committee on Gift from Chinese Donor, April 8, 1930

"The Committee gave careful consideration to the memorandum prepared by Mr. Merle-Smith on January 24, 1930. After a thorough discussion of the various factors involved, it was

"VOTED that this Special Committee recommend that the Executive and Finance Committees submit to the Board of Trustees the following resolution:-

RESOLVED (1) that the proposed gift of LC\$625,000 from Mr. Chou Tso Min to constitute one-half of an endowment fund of Gold \$500,000 for work in the natural sciences at Yenching University be accepted provided that the terms of the gift can mutually be agreed upon.

(2) That the proper officers of the Corporation be and they hereby are authorized to establish, first having obtained the consent or approval of the proper authorities of the Rockefeller Foundation, a special trust to be set up and administered in general accordance with the recommendations contained in the memorandum hereto attached and designated Appendix "A", with such additional agreements and guaranties as shall be deemed necessary or advisable and shall be approved by counsel of the Corporation; and

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1st conditional \$250,000 by R.F.-5

for that purpose said officers are authorized to prepare, negotiate and execute on behalf of the Corporation such trust agreement with trustees satisfactory to said officers, and a contract or contracts with Mr. Chou Tso Min and/or his bank or banks or either of said trust agreement and contracts, as said officers shall deem necessary or advisable, each thereof to be in form approved by counsel of the Corporation; and said officers are authorized and directed upon the proper execution of said agreements by the parties thereto and upon the consent and approval of the proper officers of the Rockefeller Foundation, to pay over in accordance with the terms of said agreements the principal amount of the said Gold \$500,000."

Minutes of Finance and Executive Committees, April 14, 1950

" INVESTMENT OF ENDOWMENT FUND FOR WORK IN THE NATURAL SCIENCES

"The Committees gave consideration to the conditional gift of Mr. Chou Tso Min of L.C. \$625,000.00 as an endowment fund for Natural Sciences which would be considered by the donor and the Trustees as matching the Gold \$250,000.00 received from the Rockefeller Foundation for the same purpose. Study was given to the recommendation of the Special Committee on Gift from Chinese Donor (attached hereto as Exhibit A) and to the memorandum prepared by Mr. Van S. Merle-Smith on January 24, 1950 (attached hereto as Appendix A). After a thorough discussion of various viewpoints, it was

EF-2790 VOTED that the Executive and Finance Committees submit to the Board of Trustees, with their recommendation of its approval, the following resolution:

RESOLVED (1) that the proposed gift of L.C. \$625,000.00 from Mr. Chou Tso Min to constitute one-half of an endowment fund of Gold \$500,000.00 for work in the Natural Sciences be accepted, provided that the terms of the gift can be mutually agreed upon.

(2) (a) that there be created in China a special Committee on Investment of the above endowment funds, responsible to the Trustees of Yenching University, consisting of the following four members:- Dr. J. Leighton Stuart, Mr. C. R. Bennett, Mr. Dwight W. Edwards, and Mr. Roger S. Greene; with the understanding that if and when any one of these four members may be temporarily absent from China the remaining three be empowered to choose a temporary substitute to serve during his absence; (b) that this special Committee on Investment be authorized to negotiate with Mr. Chou Tso Min as to the arrangements under which these endowment funds for work in the Natural Sciences shall be invested or deposited.

(3) that the Rockefeller Foundation be asked to give its approval or assent to placing in the hands of the special Committee on Investment, created as above, the G\$250,000.00 received from the Rockefeller Foundation as endowment for work in the Natural Sciences; and that if and when the Rockefeller Foundation approves of or assents to this procedure, the Treasurer of the Trustees of Yenching University is hereby authorized to place this G\$250,000 in the hands of this Special Committee on Investment."

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Minutes of Board of Trustees, April 23, 1930

"ENDOWMENT FUND FOR WORK IN THE NATURAL SCIENCES

"The Board of Trustees gave consideration to the recommendations of the joint meeting of the Executive Committee and the Committee on Finance, Property and Investment held on April 14, 1930, relative to the acceptance of a gift of L.C.\$625,000 from Mr.Chou Tso Min, and the investment of G\$250,000 received from the Rockefeller Foundation for the endowment of work in Natural Sciences. After discussion, it was

"T-2819 VOTED that the Board of Trustees approve the following resolution:

- (1) that the proposed gift of L.C.\$625,000 from Mr.Chou Tso Min to constitute one-half of an endowment fund of G\$500,000 for work in the Natural Sciences be accepted, provided that the terms of the gift can be mutually agreed upon between the donor and the special Committee on Investment in China appointed as hereinafter provided.
- (2) (a) that there be created in China a special Committee on Investment of the above endowment funds, responsible to the Trustees of Yenching University, consisting of the following four members:- Dr.J.Leighton Stuart, Mr.G.R.Bennett, Mr.Dwight W.Edwards, and Mr.Roger S.Greene; with the understanding that if and when any one of these four members may be temporarily absent from China the remaining three be empowered to choose a temporary substitute to serve during his absence; (b) that this special Committee on Investment be authorized to negotiate and conclude with Mr.Chou Tso Min arrangements and/or agreements for the investment of the endowment referred to, and to deposit and/or invest the same from time to time, in accordance with such arrangements and/or agreements as may be made, which shall include necessary provisions for the safeguarding of the security of said funds as said Committee in their discretion shall deem necessary and advisable.
- (3) that the Rockefeller Foundation be asked to give its approval or assent to placing in the hands of the special Committee on Investment created as above the \$250,000 received from the Rockefeller Foundation as endowment for work in Natural Sciences; and that if and when the Rockefeller Foundation, after consultation, do not dissent from this procedure, and the above named special Committee on Investment have agreed with Mr.Chou Tso Min regarding the investment, both of his gift of L.C.\$625,000 and of the G\$250,000 received from the Rockefeller Foundation, the Treasurer of the Trustees of Yenching University is hereby authorized to place the \$250,000 received from the Rockefeller Foundation in the hands of this special Committee on Investment."

In the minutes of the same meeting of the Board of Trustees on April 23, 1930, we find the following minutes relative to a further endowment of \$500,000.00 for the work of Yenching in the Natural Sciences:-

"The Secretary reported the receipt of the following letter from the Rockefeller Foundation:-

'April 16, 1930

"My dear Mr.Garside:

'I have the honor to inform you that the Trustees of

the Rockefeller Foundation, at their meeting of April 16, 1930, adopted the following resolutions:

*RESOLVED: that the sum of Two Hundred and Fifty Thousand dollars (\$250,000) be, and it is hereby, appropriated to YENCHING UNIVERSITY toward the ENDOWMENT of the SCIENCE DEPARTMENTS; on condition that the University shall secure cash from other sources prior to June 30, 1935, an equal amount for the same purpose.

*RESOLVED: that Sixty-two thousand five hundred dollars (\$62,500), or so much thereof as may be necessary, be, and it is hereby, appropriated to Yenching University in SUPPORT of the work of the SCIENCE DEPARTMENTS during the five year period July 1, 1930, to June 30, 1935, payments to be made on annual installments of \$12,500, provided that, and so long as, the University secures an equal sum each year from other sources, including income on new endowment received subsequent to this action, for the same purpose, these payments to continue only until such time as the capital sum of \$250,000 provided in this resolution above shall have been paid.

'Yours very truly,
/s/ NORMA S. THOMPSON
Secretary'

"Dr. Eric North reported that on January 20, 1930 the Trustees of Harvard-Yenching Institute took the following action:-

T-108 'Voted: Although it is the primary objective of the Institute to further the development of cultural studies, nevertheless, in view of the possibility reported by President Stuart of obtaining an additional endowment of \$250,000 for the development of the scientific departments at Yenching University conditional upon the raising of a like sum, to approve an appropriation to Yenching University of not to exceed \$12,500 a year for a period of not more than five years from current or accumulated income, the same to be used for the development of the scientific departments of Yenching University, this appropriation being provisional upon the securing of a like sum from other sources over the same period, and on the understanding that the University will use its best efforts within the period to raise the additional capital amount of \$250,000 referred to.'

"After listening to these two communications it was

"T-2820 VOTED that the Trustees of Yenching University express to the Rockefeller Foundation a very warm appreciation of the conditional grant of \$250,000 for Natural Sciences and of the arrangements that make possible the payment of the interest on this amount during the period of five years in which the conditions as to principal sum are to be met.

The University is anxious to maintain high standards of scientific work and is deeply grateful to the Rockefeller Foundation for this support.

"T-2821 VOTED that the Trustees of Yenching University express to the Trustees of the Harvard-Yenching Institute their warm appreciation of the readiness of the Institute to aid the University in realizing upon the value of a large conditional gift for the Natural Sciences by its annual appropriation of up to \$12,500 (U.S.) a year for five years for this purpose.

The University thanks the Institute most cordially for thus contributing to the strength and stability of the University and will use its best endeavor to secure the capital sum as soon as possible."

The budget for 1950-51, as adopted by the Trustees, with certain modifications made later with the Trustees' approval, provides for the expenditure of the income on this entire \$1,000,000 endowment for Natural Sciences for which the principal was already in hand or the income considered as assured.

It was soon learned that Mr. Bennett and Mr. Edwards, two of the members appointed on the Committee in China on the Investment of the Natural Science Endowment, would be absent from the field when Dr. Stuart returned. The Finance Committee, therefore, took the following action on June 11, 1930:-

"F-2848 VOTED to recommend to the Executive Committee the election of Rev. W. H. Gleysteen and Mr. Lennig Sweet as alternates on the Committee on Investment in China to serve during the absence of Mr. Bennett and Mr. Edwards."

When Dr. Stuart began his return journey to China during July, 1930, he carried with him a letter reading as follows:-

"My dear Dr. Stuart,

"We attach hereto copies of actions T-2819 and F-2848.

"In accordance with these actions, the Special Committee on Investment is empowered herewith, as soon as it has reached an agreement with Mr. Chou Tso Min regarding the investment, both of his gift of L.C. \$625,000. and of the G\$250,000. received from the Rockefeller Foundation, to designate one from within or without its number to draw on the Trustees of Yenching University the sum of \$250,000.

"This is authorization No. 5058.

"Kindly cable us when this draft is made, that the necessary financial arrangements can be made in New York to facilitate the acceptance of this draft on presentation.

Very sincerely yours,

/s/ E. M. McBRIER
Treasurer."

On August 5, 1930, Dr. Stuart wrote the letter of which a copy is attached hereto as Appendix B, and on August 18 he sent the letter with enclosures, attached hereto as Appendix C.

1st conditional \$250,000 by R.F.-9

The Executive Committee by circulation vote passed September 13 to 16, 1930, adopted the following action:-

" ALTERNATES ON COMMITTEE ON INVESTMENTS IN CHINA

"The following action was passed by votes cast between September thirteenth and September sixteenth, 1930:

"E-2861 VOTED that approval be given to the following recommendation of the Committee on Finance, Property and Investment passed at the meeting held on June 11, 1930:

'F-2848 VOTED to recommend to the Executive Committee the election of Rev.W.H.Gleysteen and Mr.Lennig Sweet as alternates on the Committee of Investments in China to serve during the absence of Mr.Bennett and Mr.Edwards.' "

This action was reported to Dr.Stuart by cable on September 18, 1930.

The Finance Committee on September 17, 1930, took the following action:-

"VOTED that a special committee, consisting of Mr.Franklin H. Warner, Mr.George G.Barber, Mr.O.D.Wannamaker and Mr.B.A.Garside, be authorized to interview the Rockefeller Foundation relative to their attitude in connection with the changed conditions surrounding the gift of \$250,000 paid to the Trustees of Jenching University, and that the committee be empowered to tender the return of this gift together with accrued interest, but that every effort be made to secure such modifications of the conditions of this gift as will permit its retention by the University; and further, that the Secretary be authorized to make the arrangements for such a meeting between the committee and the representatives of the Rockefeller Foundation."

To September 18, 1930, no cash or pledges have been secured by the University designated specifically for the endowment fund for Natural Sciences. Undesignated cash contributions, which the Trustees might allocate to this endowment if they so desire, have been received to the amount of \$1,269.55. Only one undesignated pledge, in the amount of \$25.00, unpaid on September 18, 1930, would also be available for allocation to the endowment for Natural Sciences. Thus the total cash and pledges received by the University to date, which are available to match the Rockefeller Foundation's two conditional gifts of \$250,000.00 each, amount only to \$1,294.55.

9-18-30

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THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

YENCHING

THE MEDICAL SCIENCES
RICHARD M. PEARCE, M.D., DIRECTOR
WILLIAM S. CARTER, M.D., ASSOCIATE DIRECTOR

CABLE ADDRESS:
ROCKFOUND, NEW YORK

September 19, 1930

TRANSFER

My dear Mr. Garside:

Of the dates suggested in your letter of September 18 for a meeting of your committee with representatives of the Foundation, October 1 is the most convenient. Dr. Mason will be away all of next week, and I shall be away on Monday and Tuesday, September 29 and 30. However, Dr. Mason, Dr. Spoehr, and I will be very glad to meet your committee here on Wednesday, October 1 at 2:30 P.M.

Dr. H. A. Spoehr has recently assumed the duties of the position of Director for the Natural Sciences which was held by Dr. Mason before he became President of the Foundation.

Very sincerely yours,

W. S. Carter

Mr. B. A. Garside,
Yenching University,
150 Fifth Avenue,
New York City.

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YENCHING

TRANSFER

September 23, 1930

Mr. George J. Beal, Comptroller
The Rockefeller Foundation,
61 Broadway, New York City.

My dear Mr. Beal,

In accordance with the request contained in Mr. Frank B. Stubb's letter of June 11, 1928, we submit herewith a detailed statement of the expenditures made by Yenching University during 1929-30 in the College of Applied Social Sciences.

The following comparison of the fiscal year 1929-30 with the preceding fiscal year shows that the work of this College has grown substantially during the year, and has also succeeded in eliminating the small deficit remaining a year ago and building up in its place a moderate surplus:

| | <u>1929-30</u> | <u>1928-29</u> | <u>Increase, 1929-30</u> |
|--------------------------------|----------------|----------------|--------------------------|
| Income, Rockefeller Foundation | \$65,079.89 | \$44,298.81 | \$20,781.08 |
| Income, Other Sources | 38,490.26 | 31,945.41 | 6,544.85 |
| Total Income | 103,570.15 | 76,244.22 | 27,325.93 |
| Total Expenditures | 99,836.80 | 77,644.36 | 22,192.44 |
| Surplus | 3,733.35 | | |
| Deficit | | 1,400.14 | 5,133.49 |

The University's annual financial report will be prepared within the next month or so, the date of its completion depending upon the time at which we receive from the Field Treasurer a complete report covering the University's receipts and expenditures last year. A copy of this report will be mailed you as soon as it is ready.

Very sincerely yours,

BAG/G

Secretary

Enc.

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College of Applied Social Sciences
1929 - 1930

YENCHING

I. Income

| | | |
|------------------------|--|----------------------|
| 1. Princeton in Peking | G\$10,125.00 | LC 25,990.26 |
| 2. L. S. R. Fund | 25,000.00 | 65,079.89 |
| 3. L. M. S. for Tayler | | 4,200.00 |
| 4. University | | 8,300.00 |
| | Total | <u>103,570.15</u> |
| | Less Joint Office Expenses | 2,971.62 |
| | Balance to be divided equally among 3 depts. | <u>LC 100,598.53</u> |
| | Per departmental share | LC 33,532.84 |

II. Departmental Expenses

| | | |
|-------------------------------|--------------------------------|------------------|
| 1. <u>Economics</u> | | |
| a. Salaries & rentals | LC 25,130.00 | |
| b. Books & equipments | 2,377.29 | |
| c. Office supplies & expenses | 1,638.27 | |
| d. Research & extension | 2,942.28 | |
| f. Scholarship | 350.00 | |
| | Total expenses | <u>32,437.84</u> |
| | Surplus | <u>1,095.00</u> |
| | | 33,532.84 |
| 2. <u>Political Sciences</u> | | |
| a. Salaries & rentals | LC 22,075.00 | |
| b. Books & equipments | 4,223.29 | |
| c. Office supplies & expenses | 2,246.06 | |
| d. Lecturer's fund | 963.50 | |
| f. Scholarship | 1,350.00 | |
| | Total expenses | <u>30,857.85</u> |
| | Less balance from Special Fund | 99.00 |
| | <u>30,758.85</u> | |
| | Surplus | <u>2,773.99</u> |
| | | 33,532.84 |
| 3. <u>Sociology</u> | | |
| a. Salaries & rentals | LC 19,823.58 | |
| b. Books & equipments | 6,573.24 | |
| c. Office supplies & expenses | 2,978.15 | |
| d. Research & extension | 3,693.51 | |
| f. Scholarship | 600.00 | |
| | Total expenses | <u>33,668.48</u> |
| | Deficit carried forward | <u>135.64</u> |
| | | 33,532.84 |

YENCHING UNIVERSITY

/s/ Stephen Tsai

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1925 1928
YENCHING

TRANSFER

September 23, 1930

Dr. W. S. Carter,
Rockefeller Foundation,
61 Broadway,
New York City.

My dear Dr. Carter,

We attach hereto a copy of the accounting prepared by the office of the Field Treasurer of Yenching University, showing the expenditures made during the fiscal year 1929-30 by the Departments of Biology, Chemistry, and Physics. This accounting is sent you in accordance with the agreement made by the University in connection with appropriation C.M. 2717.

Inasmuch as appropriation C.M. 2717 requires that the expenditures of the University for these departments of natural science during the year 1929-30 should not be less than L.C.\$57,506.00, we trust that this accounting, showing the expenditure of L.C.\$79,483.87, will provide satisfactory evidence that the conditions of the gift were fully met.

Since the fiscal year 1929-30 marked the conclusion of the five-year period covered by appropriation C.M. 2717, this accounting, if acceptable to the Foundation, marks the completion of this generous assistance begun by the China Medical Board five years ago. The period has been one of very gratifying growth at Yenching - a growth that would not have been possible but for the Foundation's interest and assistance. We trust that this growth of the work in natural science at Yenching will continue from year to year, strengthened by the still larger measure of assistance which the Foundation's conditional capital grants this year, together with other gifts for the same purpose, should provide.

Very sincerely yours,

BAG/G

Secretary

Enc.

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YENCHING

Expenses of the Departments of Biology,
Chemistry & Physics.
1929 - 1930

I. Cost of Staff

| | | | | |
|----|------------------|-----------------|------------------|-----------|
| 1. | Biology Salary | \$13,749.58 | | |
| | " Rent | <u>2,749.92</u> | 16,499.50 | |
| 2. | Chemistry Salary | 18,516.79 | | |
| | " Rent | <u>3,703.36</u> | 22,220.15 | |
| 3. | Physics Salary | 12,647.49 | | |
| | " Rent | <u>2,529.50</u> | <u>15,176.99</u> | 53,896.64 |

II. Departal Expenses

| | | | | |
|----|--------------------|-----------------|-----------------|-----------|
| 1. | Biology Supplies | \$ 4,314.39 | | |
| | " Equipments | <u>2,350.22</u> | 6,664.61 | |
| 2. | Chemistry Supplies | 2,277.98 | | |
| | " Equipments | <u>4,668.13</u> | 6,946.11 | |
| 3. | Physics Supplies | 2,308.06 | | |
| | " Equipments | <u>5,694.62</u> | <u>8,002.68</u> | 21,613.40 |

III. Gas Plant Operation

3,973.83
\$ 79,483.87

/s/
Stephen Tsai

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FORM 168

THE ROCKEFELLER FOUNDATION
61 BROADWAY, NEW YORK

YENCHING

TO

Mr. B. A. Garside
Yenching University
150 Fifth Avenue
New York City.

VOUCHER No. 50037

DATE September 24, 1930

TRANSFER

THE CHECK ENCLOSED IS TENDERED IN FULL PAYMENT OF THE FOLLOWING:

Advance covering 2nd quarterly installment for the
year beginning July 1, 1930, on account of Appro-
priation No. LS 946 to Yenching University for the
strengthening of the work in the University's
Division of the Social Sciences \$6,250.00

Dep. CR 72
9/26/30

NO ACKNOWLEDGMENT REQUIRED. THE CANCELLED CHECK WILL BE REGARDED AS A RECEIPT.

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THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

THE MEDICAL SCIENCES
RICHARD M. PEARCE, M.D., DIRECTOR
WILLIAM S. CARTER, M.D., ASSOCIATE DIRECTOR

YENCHING

CABLE ADDRESS:
ROCKFOUND, NEW YORK

September 25, 1930

TRANSFER

My dear Mr. Garside:

We are glad to have the statement of expenditures for the departments of biology, chemistry and physics of Yenching University for the year 1929-1930, which is enclosed with your letter of September 23.

We are considering this statement an accounting for the advances for the year 1929-1930 on the China Medical Board appropriation C.M. 2717. It is a great satisfaction to us that Yenching University, during this period of aid has been able, not only to meet the conditions, but to make contributions substantially above the requirements of the appropriation, and in the year 1929-1930 to furnish Mex. 21,977.87 more than its share.

Sincerely yours,

W. S. Carter

Mr. B. A. Garside,
Yenching University,
150 Fifth Avenue,
New York City.

WSC:H

Copy to Mr. Beal

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R. 7

CHINA UNION UNIVERSITIES

Cooperating Organizations

FUKIEN CHRISTIAN UNIVERSITY
LINGNAN UNIVERSITY
UNIVERSITY OF NANKING
SHANTUNG CHRISTIAN UNIVERSITY
PRINCETON-YENCHING FOUNDATION
WEST CHINA UNION UNIVERSITY
YENCHING UNIVERSITY

CENTRAL OFFICE

150 FIFTH AVENUE
NEW YORK CITY

Cable Address:
"NANFUSHAN" New York
Telephone:
WATKINS 8703-4-5

Officers

GEO. T. SCOTT
Chairman, Supervisory Committee
WM. I. CHAMBERLAIN
Vice-Chairman, Supervisory Committee
B. A. GARSIDE
Secretary and Treasurer
C. A. EVANS
Associate Secretary-Treasurer
CAROLINE L. LANE
Assistant Treasurer

Yenching University

September 26, 1950

Memorandum to Mr. Warner,
Mr. Barber,
Mr. Hannamaker

This is sent in confirmation of the information we have already given you by telephone relative to the meeting with the representatives of the Rockefeller Foundation to discuss possible changes in the conditions of their first grant of \$250,000 for the endowment of work in Natural Science at Yenching University.

The meeting will be held at 10:30 A.M., Wednesday, October 1, in the offices of the Rockefeller Foundation at 61 Broadway. On arrival we will assemble in the office of Dr. W.S. Carter. The meeting may be held either in his office or at some other place to be decided upon at that time.

B.A.G.
B. A. GARSIDE

BAG-H

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calendar
E.P.*

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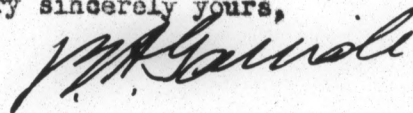
September 26, 1930

The Rockefeller Foundation
61 Broadway,
New York, N.Y.

Gentlemen:

We acknowledge with thanks your check for \$6,250 enclosed with your voucher #549297, covering the second quarterly installment for the year beginning July 1, 1930, on account of appropriation LS 946 to Yenching University for the strengthening of the work in Social Sciences.

Very sincerely yours,



BAG-H

CC: Promotional Office ✓

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THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

OFFICE OF THE COMPTROLLER
GEORGE J. BEAL, COMPTROLLER
H. M. GILLETTE, ASSISTANT COMPTROLLER

YENCHING

TRANSFER

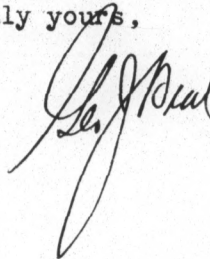
September 29, 1930.

Dear Mr. Garside:

We thank you for your letter of September 23rd enclosing detailed statement of expenditures by Yenching University during the year 1929-1930 in connection with our appropriation LS 946 for the strengthening of the work in the University's Division of the Social Sciences.

We shall be pleased to receive a copy of the annual report which you say will be mailed to us within a month or so.

Very truly yours,



Mr. B. A. Garside
Yenching University
150 Fifth Avenue
New York

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MEMORANDUM MINUTES OF CONFERENCE BETWEEN
REPRESENTATIVES OF ROCKEFELLER FOUNDATION
and
REPRESENTATIVES OF TRUSTEES OF YENCHING UNIVERSITY

Held at 61 Broadway, New York City

10:30 A. M. Wednesday, Oct. 1, 1930

From the Foundation

Dr. Max Mason
Dr. W. S. Carter
Dr. H. A. Speehr
Mr. George J. Beal

From the Trustees

Mr. F. H. Warner
Mr. O. D. Wannamaker
Mr. B. A. Garside

The group met in Dr. Mason's office for the purpose of discussing certain problems which have arisen in connection with the conditional gift of G\$250,000.00 which the Foundation paid over to the Trustees of Yenching University on November 29, 1929.

Mr. Warner spoke briefly of the difficulties which have arisen since Dr. Stuart's return to China, centering chiefly about the conditions under which Mr. Chou Tso Min agreed to make a gift to the University in the amount of U.S.\$250,000.00.

Mr. Garside read excerpts from Dr. Stuart's letter of August 5, telling of the problems which have come up in connection with this gift.

Dr. Mason read excerpts from a letter written on August 8 by Mr. Roger Greene, discussing the conditions of Mr. Chou's gift and the bearing of these conditions on the Rockefeller Foundation gift of \$250,000.00.

Dr. Mason referred to the action of the Foundation on May 22, 1929, making this appropriation of \$250,000 to Yenching University with the provision that "payments by the Board to be made pro rata with collections made by the University and only after the University shall have secured cash and/or legally valid pledges for the supplemental sum of \$250,000 for the same purpose". He stated that it was his understanding that the Foundation's contribution was to be paid over only when the University had actually received title to gifts from others for an equal amount.

All those present agreed that, on the basis of the facts stated in Mr. Greene's letter of August 8, this condition had not been met, and that the Foundation's payment to the University had, therefore, been incorrect. The representatives of the University thereupon stated that the University would immediately return to the Foundation its gift of \$250,000, together with the accrued interest which the University has received thereon at four per cent.

The group then turned to a discussion of the immediate and serious financial problems which the University faces as a result of this loss of anticipated income. Mr. Garside stated that when the Yenching Trustees in April 1930 dealt with the University's budget for the fiscal year 1930-31, it was found that the University's needs to continue its work on the present basis and to provide for normal growth would require use to the full of all anticipated income, including that to be received from the Foundation's two

0576

gifts of \$250,000 each and from the two sources whence these gifts were matched. The loss of G\$25,000 income due to the University's inability to meet the condition of the Chinese banker and to its return of the Foundation's first gift of \$250,000, creates an extremely critical financial situation which will at best seriously cripple nearly every department of the University's work and may produce even more serious consequences. While this situation is relieved to a slight extent by the favorable rate of exchange now prevailing, the cheapness of the Chinese silver dollar has already so greatly reduced its purchasing power that expenditures must be increased almost to the amount gained on exchange.

The representatives of the University presented the request proposed in Dr. Stuart's letter of August 5, endorsed by the Yenching Finance Committee on September 17, and recommended by Mr. N. Gist Gee in his letter to Dr. W. S. Carter on August 5, that the Foundation approve a revision of the terms of the original grant so that their contribution of \$250,000 might be available to the University unconditionally.

The representatives of the Foundation expressed in most cordial terms their appreciation of the work Yenching is doing, and of the assistance it is giving to the Peking Union Medical College through the premedical preparation it is providing; and assured the University's representatives of their desire to assist in every possible way. Dr. Mason expressed the judgment, however, that a request to the Foundation for an unconditional grant of \$250,000 would be of such an entirely different nature from the request on which the original grant was made, and would be so divergent from the general policy of the Foundation, that it could not hope to meet with success.

Consideration was given to the question of whether an additional annual grant by the Foundation for one or two years in the amount of G\$12,500 - the equivalent of the interest at 5% on a capital sum of G\$250,000 - would relieve this immediate financial emergency and help to tide over the University until further gifts could be received, either from the West or from Chinese sources. The representatives of the University agreed that such a grant would be of great value and would be greatly appreciated. They expressed the hope that with this assistance, plus gain from favorable exchange, the University, by exercising some economies, would be able to balance its budget without serious curtailment of its work. They also urged that such a grant should cover at least the fiscal year 1931-32 as well as the current fiscal year which began on July 1, 1930. Dr. Mason indicated his willingness to recommend to the Trustees of the Foundation such an annual grant of \$12,500.00 for one or two years, this to be in addition to the income of \$12,500 per year the Foundation is now paying on its conditional grant of \$250,000 made on April 16, 1930.

Mr. Beal also pointed out that since, due to the payment of its gift of \$250,000, the Foundation had not transmitted to the University the fourth quarterly payment of L.C.\$7,188.25 which was due on May 15, 1930 under its previous annual grant to the University, the return of the principal and interest on this \$250,000 would make it in order for the Foundation to remit to the University this balance of L.C.\$7,188.25 due from last year.

Information was asked as to the technical status of both the first and second gifts from the Foundation of \$250,000 each. Dr. Mason

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Conference-Rock. Foundation with
Yenching Univ. Representatives

-3-

pointed out that the Foundation had made its second gift on the understanding that the first gift had already been matched. He also stated that as a general rule the Foundation preferred not to have two conditional gifts for one institution outstanding at the same time. He suggested that the logical course would therefore be for the Foundation to cancel the appropriation made by them on May 22, 1929, and to consider the appropriation of \$250,000 made on April 16, 1930, as their first gift toward the endowment for the work in Natural Science at Yenching. He pointed out that at any time the University completes the securing of other gifts to the amount of \$250,000 for the endowment of Natural Science, thus meeting the conditions of the Foundation's appropriation, the way will again be open for them to approach the Foundation for a second appropriation on the same general terms.

B. A. Garside

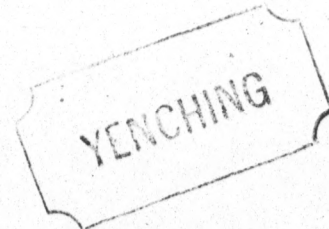
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THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

OFFICE OF THE PRESIDENT

October 1, 1930.



TRANSFER

Dear Mr. Garside:

During this morning's conversation I read extracts from a letter written to me by Mr. Roger S. Greene on August 8, 1930. I am sending you a copy of the items read for your information, as you requested.

Sincerely yours,

W. A. Mason

Mr. B.A. Garside,
150 Fifth Avenue,
New York.

MM:AEB

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Confidential

Extract from a letter dated August 8, 1930, from Mr. Roger S. Greene to Mr. Max Mason.

"The Chinese gift of Mex. 625,000 promised last spring to match the Rockefeller Foundation grant was never fully explained to us until Dr. Stuart returned. It appears now that the donor did not himself possess any such sum of free money, but was proposing to borrow it from the bank of which he is manager, and while placing it to the credit of Dr. Stuart for the University, had stipulated that this fund, and also the proceeds of the Rockefeller Foundation grant should be placed under his exclusive management for a term of approximately three years, with the understanding that during this period he should pay only 5% interest on the whole amount to the University. The expectation was that by judicious handling of this fund he would be able to pay off at least a large part of his loan from the bank and would then surrender the administration of the whole endowment to the University. It appears that the donor made this proposal quite frankly and in entire good faith, but that Dr. Stuart did not fully understand the implications, and did not explain the conditions to Mr. Gee or to me thoroughly. It was only through being called upon during the past week to consider the plan for investment of the fund that the exact nature of the transaction became clear to me and consequently to Mr. Gee. When Dr. Stuart returned to China at the end of July, he informed me that his Trustees in New York were very dubious about accepting this proposal, but finally consented to abide by the unanimous recommendation of a committee of four in China, of which Mr. C.R. Bennett, manager of the local branch of the National City Bank of New York, and I were to be members."

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R. F.

October 2, 1930

Dr. Max Mason,
The Rockefeller Foundation,
61 Broadway,
New York, N.Y.

My dear Dr. Mason:

I enclose herewith a copy of the memorandum minutes I have prepared of our conference yesterday.

These minutes are not intended primarily as a formal record but are chiefly for the information of our Yenching Trustees. This purpose has affected both the form and content of the material.

I would greatly appreciate it if you would go through the minutes and see whether they are in accordance with the understanding of yourself and the other representatives of the Foundation. If we have at any point misrepresented the opinion or the attitude of yourself or the other representatives of the Foundation I hope you will make the necessary corrections.

Mr. Warner, Mr. Wannamaker and myself are all deeply grateful to you and to the other representatives of the Foundation for the sympathetic and cordial way in which you have approached this extremely difficult and embarrassing situation which has arisen due to the lack of a clear understanding of the conditions under which Mr. Chou Tso Min proposed to match the Rockefeller Foundation grant. We earnestly hope that the Foundation will find it possible to assist the University to meet the difficult situation it is now facing through an annual appropriation of Gold \$12,500 per year for at least the current fiscal year which began on July 1, 1930, and also the fiscal year beginning July 1, 1931.

I have this morning received your letter containing the extracts from Mr. Greene's letter of August 8, 1930. I am very glad to have this very clear-cut statement from Mr. Greene for the information of the members of our Finance Committee.

Very sincerely yours,

J. A. G. G. G.

BAG-H

Enc.

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THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

October 3, 1930.

OFFICE OF THE PRESIDENT

YENCHING

TRANSFER

Dear Mr. Garside:

Thank you for sending me the copy of the memorandum on our recent conference, which agrees well with my recollection of the discussion.

There is, however, one point at which, possibly due to the different viewpoint, I would have adopted a somewhat different phrasing. We, of course, really wish to feel that the proposed annual grant will prevent the University from any essential loss in its activities, provided this is the fact. You include in your memorandum, page 3, the following, "though they expressed the judgment that even with this assistance plus gain from favorable exchange the University would have to curtail its work to some extent at least". I should prefer to have the memorandum read as follows, which really represents my recollection on this point, provided that the statement is true, namely, "they expressed the judgment that with this assistance plus gain from favorable exchange the University by exercising some economies would be able to balance its budget without serious curtailment of its work". I should be glad to know if you consider this statement to be in accord with the facts.

I find that our representatives have the feeling that the proposed annual grant from the Foundation would have the effect indicated by the positive form of statement, and if this statement be true I should like to make it to the Trustees in recommending the appropriation.

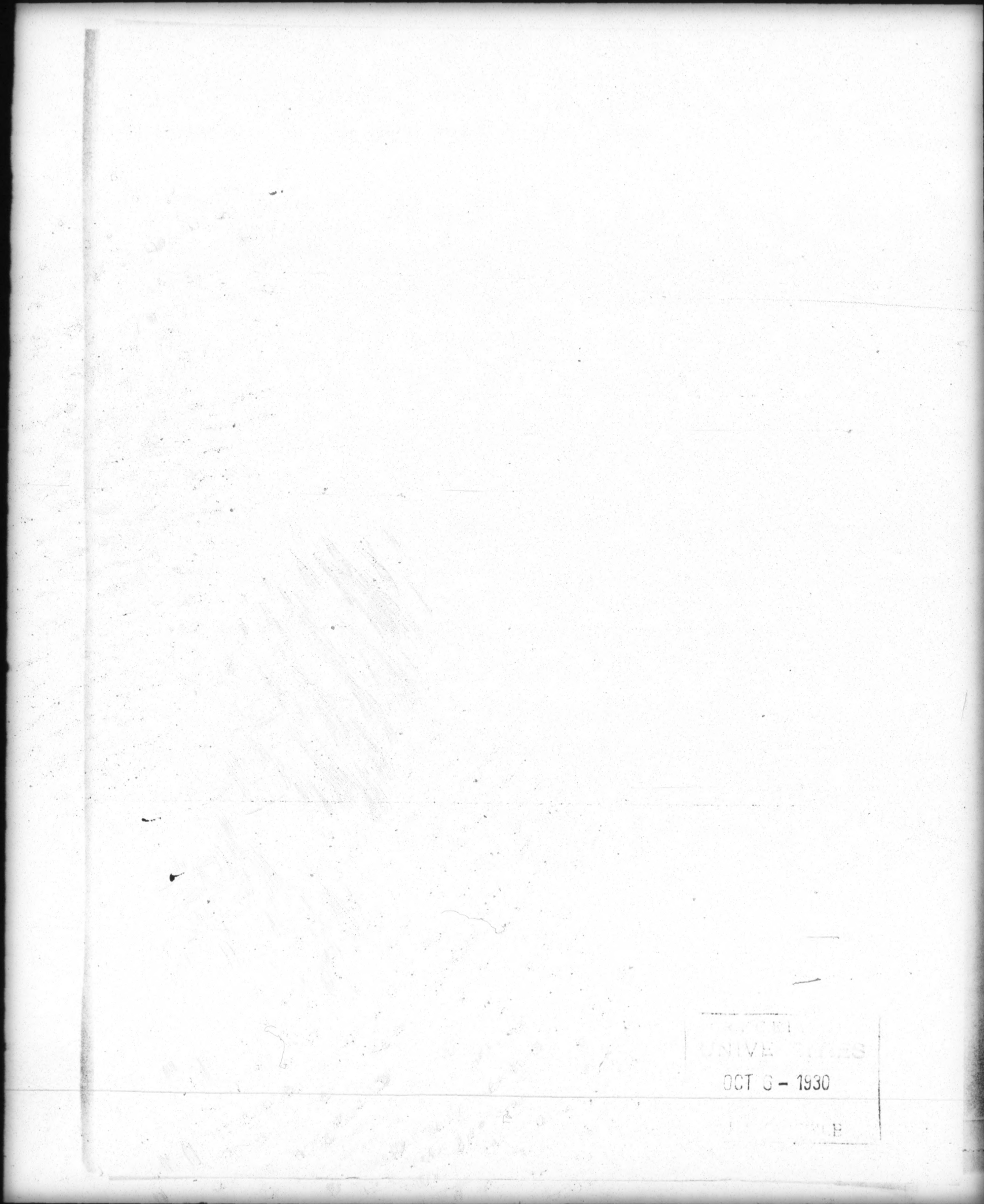
With best wishes, I am

Sincerely yours,

M. T. Mason

Mr. B.A. Garside,
150 Fifth Avenue,
New York.

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YENCHING

TRANSFER

October 3, 1930

Mr. George J. Beal, Comptroller,
The Rockefeller Foundation,
61 Broadway,
New York, N.Y.

My dear Mr. Beal:

From our conference on October 1, I understand that, with the repayment of the \$250,000 endowment fund received from the Rockefeller Foundation for work in Natural Science at Yenching, the Foundation is willing to pay to Yenching University the fourth quarterly remittance amounting to L.C.\$7,188.25, which would normally have been due on May 15, 1930.

If I am correct in this understanding I would appreciate it if you would send us, instead of a draft in local currency, a check or draft payable here in New York for the gold equivalent of L.C.\$7,188.25 at the rate prevailing on May 15, 1930.

We are requesting this payment in gold rather than in local currency because of the fact that we have already transmitted to the field from general University funds the amount necessary to complete the Foundation's appropriation for work in Natural Science at Yenching during 1929-30. This payment from the Foundation will, therefore, be applied to the reimbursement of general University funds held here in New York.

Very sincerely yours,

BAG-H

Asst. Treasurer

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YENCHING

TRANSFER

October 3, 1930

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Mr. George J. Beal, Comptroller,
The Rockefeller Foundation,
61 Broadway,
New York, N.Y.

My dear Mr. Beal:

In accordance with the agreement reached at our conference on October 1, we are sending you herewith a check for \$258,333.34. This is the principal amount of \$250,000 received from the Rockefeller Foundation on November 29, 1929, as a contribution from the Foundation for the endowment of work in Natural Science at Yenching University; together with the interest we have received on this fund at 4% from the date of its deposit in a special account on December 2, 1929, until its withdrawal on October 1, 1930.

Very sincerely yours,

BAG-H

Asst. Treasurer

Enc.

CC: Miss Lane

0585

THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

OFFICE OF THE COMPTROLLER
GEORGE J. BEAL, COMPTROLLER
H. M. GILLETTE, ASSISTANT COMPTROLLER

October 4, 1930.

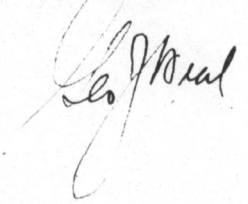
Dear Mr. Garside:

TRANSFER

Very many thanks for your letter of October 3rd enclosing check for \$258,333.34, this being a refund of our payment of November 29, 1929, under our appropriation RF 29078 to Yenching University toward the endowment of the Departments of Biology, Chemistry and Physics, together with interest at 4% from December 2, 1929 to October 1, 1930.

We will send you, in a day or so, a check for the equivalent of Mex. 7,188.25 at the rate prevailing on May 15, 1930, this being the final payment under our appropriation CM 2717 to cover one half of the budget of the Science Department of the University of Yenching.

Very truly yours,



Mr. B. A. Garside
Yenching University
150 Fifth Avenue
New York

GJB:RS

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R.F.

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October 7, 1930

Dear Doctor Mason:

It occurs to me that you might possibly find time to glance over the Report of the Dean of the College of Natural Sciences. The headings of the various sections are so clear that you can take the minimum of time to get at the substance of the report. Possibly some items of this report may be of use to you in your conference regarding the extension of the annual grant of the Rockefeller Foundation to the Science Department at Yenching. On the other hand, you may wish to ask certain questions after glancing over this report.

We are all grateful to you and the other friends at the Foundation for your understanding and sympathetic attitude toward the difficulties of the University.

Sincerely yours,

Assistant to the President

Dr. Max Mason
The Rockefeller Foundation
61 Broadway
New York City

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ccto J.L.S.

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YENCHING

TRANSFER

October 7, 1930

Dr. Max Mason,
The Rockefeller Foundation,
New York, N.Y.

My dear Dr. Mason:

We are grateful to you for your letter of October 3 and for the care you took in going over the memorandum minutes of our recent conference.

I have been happy to make the change you suggested on page 3 of the memorandum minutes. The phraseology you suggest more exactly corresponds with my recollection of what was said on this point, than does the phraseology used in my first draft of the memorandum. I have ventured, however, to use the word "hope" rather than the word "judgment" in this statement which in the revised draft of the memorandum reads as follows:-

"They expressed the hope that with this assistance, plus gain from favorable exchange, the University, by exercising some economies, would be able to balance its budget without serious curtailment of its work."

So many elements enter into this problem of revising the University budget that at this stage we cannot feel entire confidence that we can succeed without making some substantial modifications of the University's program. The most uncertain factor is that of the rate of exchange during the remainder of this fiscal year. If the present rate is maintained the University should be able to carry on its work substantially as outlined in the budget already adopted. Should it, happen, however, that the value of the gold dollar as compared to the silver dollar should decline materially, corresponding retrenchment would be necessary.

For your information I am enclosing herewith a copy of the revised memorandum minutes as they have now been stencilled for distribution to our Finance Committee.

Very sincerely yours,

BAG-H

Enc.

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CC: Mr. Wannamaker

✓ x to Nat. Sci. Endowment
✓ x to Endowment
✓ x JLS

Yenching University

October 7, 1930

Dr. J. Leighton Stuart,
Yenching University,
Peiping, China.

AIR MAIL

My dear Dr. Stuart:

We enclose herewith a copy of the memorandum minutes we prepared following a meeting with representatives of the Rockefeller Foundation held at 61 Broadway on October 1.

You will notice that Mr. Warner, Mr. Wannamaker and myself were present from the Yenching Board of Trustees. We had hoped that Mr. Barber would also be able to attend but he was called out of the city by important business responsibilities. For the Foundation there were present Dr. Max Mason, Dr. Carter, Dr. Spoehr who has recently taken charge of the Division of Natural Sciences, and Mr. Beal, the Comptroller.

The atmosphere of the conference was one of warm sympathy for, and appreciation of, the work Yenching University is doing. There was little necessity for the representatives of the Yenching Trustees to remind the representatives of the Foundation of the splendid contribution Yenching is making because all of the representatives had already a thorough knowledge and sympathetic understanding of the University, its work, and its needs. Also they had before them Mr. Gee's letter of August 5, which praises the work of the University in the highest terms.

The first part of our discussion necessarily dealt with the status of the first conditional gift by the Foundation of \$250,000, and the difficulties created by the fact that the Advisory Committee on Investments in China had found it impossible to approve the proposal that the Rockefeller gift be invested in accordance with Mr. Gee's suggestion. Dr. Mason read us an extract from Mr. Greene's letter of August 8, which gave us in very clear language the grounds for his disapproval of the proposed form of investment, and also explained the reasons why he felt that Mr. Chou's conditional gift did not meet the conditions under which the Rockefeller Foundation made the appropriation on May 22, 1929. We are attaching to the memorandum minutes of the conference a copy of this extract from Mr. Greene's letter, which Dr. Mason very kindly supplied.

While the attitude of all the men from the Foundation was extremely cordial and friendly it was obvious that they felt quite strongly, from the information contained in Mr. Greene's letter, that the conditions under which the Foundation made its appropriation on May 22, 1929, had

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never actually been met by Yenching University, and that their payment of their conditional appropriation had been made under a misapprehension. Dr. Mason voiced this conviction quite clearly, and suggested frankly that the first step which we should take was to return the \$250,000 which had been paid over in error. He also stated that it was a most fortunate circumstance that the Advisory Committee on Investments in China had brought to light the facts contained in Mr. Greene's letter while it was still possible to remedy the mistake. It was easy to infer that, had these facts come to light later on after the \$250,000 had passed out of the direct and complete control of the University so that an immediate return would not have been possible, an extremely embarrassing situation for all concerned would have been the result. My personal conviction as I listened to the discussion was that, while the Foundation might not have gone so far as to demand the return of their \$250,000, when the true facts came into their possession at some future date they would at least have greatly modified their friendly and sympathetic attitude toward Yenching University.

The representatives of the Yenching Trustees were taken somewhat by surprise by some of the statements made in Mr. Greene's letter, for we had not understood that Mr. Chou contemplated the borrowing of at least a substantial portion of his contribution of \$625,000 from the bank of which he was manager, and that he had not actually set up a deposit to your credit for the amount of his gift. Under the circumstances we had no alternative whatever except to agree with the representatives of the Foundation that the conditions of their gift had never been met, and that their contribution never rightly belonged to the University. We stated that the money would at once be returned with interest, and this was effected within thirty-six hours after our conference terminated.

The conference began its consideration of what should be done to assist the University in the financial emergency thus created. Under Mr. Warner's leadership we made as strong a presentation as we could of the proposal in your letter of August 5 that the Foundation approve a revision of the terms of their original grant so that their contribution of \$250,000 might be available to the University unconditionally. Since this proposal had already been before the representatives of the Foundation as a recommendation made by Mr. Gee in his letter of August 5, they had had ample opportunity to consider the proposal from all angles. As a matter of fact, we gained the impression that the four men from the Foundation had already discussed the proposal quite thoroughly among themselves and had reached their decision before the conference was called. Dr. Mason as spokesman for the Foundation brushed this request aside rather briefly, stating that the request for an unconditional contribution of \$250,000 was so radically different from the original action of the Foundation, and at such a wide variance from its customary policy, that he felt sure that such a request could not be presented to the Foundation with any hope for success. It was easy to see that he himself, as President of the Foundation, did not favor such an action; and without his approval the urging of such a request would be folly.

Dr. Mason did suggest, however, that the Foundation should be willing to make an additional appropriation of Gold \$12,500 for the fiscal year 1930-31 to replace the income lost by the University due to the return of the Rockefeller Foundation \$250,000. He expressed the hope that this income, together with the gain which the University will derive from the favorable rate of exchange now prevailing, would enable the institution to get through this year without any serious curtailment of its work.

Both Mr. Wannamaker and I pointed out that since the fiscal year 1930-31 is now well under way and it will be only a few months before we must begin our budget making for 1931-32, it was highly desirable that any such appropriation made by the Foundation should cover 1931-32 as well as the current fiscal year. I believe Dr. Mason agreed with this viewpoint, and that he will be willing to request the Foundation for a two year annual grant of G\$12,500 per year. I believe that all three of us from the Yen ching Trustees felt that this was the maximum assistance we could hope to secure from the Foundation at the present time.

We then turned to a discussion of the status of the two conditional gifts of \$250,000 each made by the Foundation on May 22, 1929, and on April 16, 1930. It was our hope that the Foundation would be willing to let both of their conditional gifts stand, considering that the second gift of \$250,000 had already been matched for the time being by the Harvard-Yenching Institute five year appropriation and that the immediate task of the University was to secure gifts from other sources to match the first appropriation as a substitute for Mr. Chou's conditional gift. Dr. Mason stated, however, that the policy of the Foundation did not favor having two conditional appropriations for the same institution standing unmet at any one time. He suggested that the logical procedure would be for the Foundation to cancel for the time being their appropriation of May 22, 1929, leaving their appropriation of April 16, 1930, as their only outstanding pledge to Yen ching University. He pointed out that the University will be free at any time they have completed the procuring of \$250,000 from other sources to return with a request for a second conditional grant on the same terms. He assured us that whenever the University was in a position to make such a request for a second appropriation we could rely on a very sympathetic and appreciative hearing.

With this understanding our conference terminated. All of us left the offices of the Foundation feeling the keenest regret that it had not been possible for us to secure any favorable reaction to our request for an unconditional grant of the Rockefeller Foundation's first \$250,000, but I believe we also came away with the conviction that we had narrowly escaped the danger of a serious misunderstanding with the Foundation. Dr. Mason made it very plain, even though he was extremely courteous about it, that the Foundation meant exactly what it said when it made its appropriation in 1929 on the condition that the payments by the Foundation were "to be made pro rata with collections made by the University and only after the University shall have secured cash and/or valid pledges for the supplemental sum of \$250,000 for the same purpose". Only when the University had actually received a clear title to another sum of \$250,000 could this condition be considered as satisfactorily met. The Foundation would not have found it easy to forgive the University had it failed to measure up to this condition absolutely and without any shadow of a doubt.

I am distributing copies of these memorandum minutes to the members of our Finance Committee. A meeting of that Committee will be held during the next ten days. We must give serious consideration to the financial problems growing out of this substantial reduction of income we have considered available for the 1930-31 budget. We will communicate with you again as soon as the Committee has taken action on these matters.

Very sincerely yours,

BAG-H

Enc

0592

THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

OFFICE OF THE PRESIDENT

October 8, 1930.

Dear Mr. Wannamaker:

Thank you for sending the copy of the Report of the
Dean of the College of Natural Sciences at Yenching, which
I shall be very glad to look over.

Sincerely yours,

John D. Rockefeller

Mr. Olin D. Wannamaker,
Yenching University,
150 Fifth Avenue,
New York.

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THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

OFFICE OF THE PRESIDENT

October 8, 1930.

YENCHING

Dear Mr. Garside:

TRANSFER

Thank you for sending me the copy of the memorandum which you have distributed to the Finance Committee. I am glad it contains the more positive form of statement in regard to the work of the University, although as we both agree the two forms were practically identical.

Our Executive Committee meets Friday and the question of temporary support will be brought to its attention.

Sincerely yours,

Mat Mason

Mr. B.A. Garside,
Yenching University,
150 Fifth Avenue,
New York.

MM:AEB

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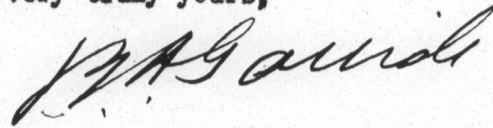
October 9, 1930

The Rockefeller Foundation,
61 Broadway,
New York, N.Y.

Gentlemen:

We acknowledge with thanks receipt of your check for \$2,345.17 to Yenching University, covering the final payment for the year 1929-30 on account of Appropriation CM 2717 toward the work in Science at the University; this draft being the gold equivalent of Mex.\$7,188.25 at .32-5/8.

Very truly yours,



BAG-H

CC: Promotional Office

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YENCHING

INDEXED

October 18, 1930

TRANSFER

Mr. George J. Beal, Comptroller,
The Rockefeller Foundation,
New York, N.Y.

My dear Mr. Beal:

We request that, in accordance with the action of the Trustees of the Rockefeller Foundation on April 16, 1930, appropriating to Yenching University "\$62,500 or so much thereof as may be necessary, in support of the work of the Science departments during the five year period July 1, 1930, to June 30, 1935, payments to be made in annual instalments of \$12,500", the Foundation make payment at this time of G\$3,125.00 to cover the first quarterly payment on this appropriation for the fiscal year 1930-31.

As the Foundation has already been informed, the University has met the condition of this appropriation, viz: that the "University secure an equal sum each year from other sources", by the action of the Trustees of the Harvard-Yenching Institute in making an appropriation of not to exceed \$12,500 a year for this same period of five years. We have today received from the Treasurer of the Harvard-Yenching Institute a check for G\$3,125.00 to cover the Institute's appropriation for the first quarter of the fiscal year 1930-31.

Very truly yours,

BAG-H

Asst. Treasurer

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FORM 168

THE ROCKEFELLER FOUNDATION
61 BROADWAY, NEW YORK

YENCHING

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TO

Mr. B. A. Garside, Asst. Treasurer
Yenching University
150 Fifth Avenue
New York City.

VOUCHER No.

DATE October 20, 1930 #1

TRANSFER

THE CHECK ENCLOSED IS TENDERED IN FULL PAYMENT OF THE FOLLOWING:

1st quarterly installment for the year beginning
July 1, 1930, on account of Appropriation RF 30020
to Yenching University toward the work in the
Science Departments \$3,125.00

Based on your letter of October 18, 1930, showing
receipts from other sources totalling \$3,125.00.

\$ 3,125. - check encl.

Dep - 10/20/30

CR 78

NO ACKNOWLEDGMENT REQUIRED. THE CANCELLED CHECK WILL BE REGARDED AS A RECEIPT.

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THE JOINT OFFICE FOR THE FOUNDATION

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THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

OFFICE OF THE SECRETARY

October 20, 1930 #2

My dear Mr. Garside:

TRANSFER

I have the honor to inform you that at the meeting of the Executive Committee of the Rockefeller Foundation held October 10, 1930, Appropriation 29078 to Yenching University was amended to read as follows:

May 2, 1934

RESOLVED that the sum of Two hundred fifty thousand dollars (\$250,000) be, and it is hereby, appropriated to Yenching University towards the endowment of the science departments on condition that the University shall secure in cash from other sources on or before June 30, 1932, an equal amount for the same purpose, and with the understanding that an amount equal to interest on this appropriation at 5% per annum from July 1, 1930, shall be paid to the University towards the budget of the science department until payment of the appropriation but not after June 30, 1932.

Upon notification from the Trustees of Yenching University that the amendment passed by the Executive Committee as above reported is acceptable to the University, we shall be prepared to make payments as provided toward the budget of the Science Departments.

Yours very truly,

Norina S. Thompson
Secretary.

Mr. B. A. Garside, Secretary
Yenching University
150 Fifth Avenue
New York City

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YENCHING

TRANSFER

October 22, 1930

Miss Norma S. Thompson, Secretary,
The Rockefeller Foundation,
New York, N.Y.

My dear Miss Thompson:

Let me acknowledge receipt of your letter of October 20, quoting the amendment made by the Executive Committee of The Rockefeller Foundation on October 10, 1930, to appropriation #29078. I will bring to the attention of the Trustees of Yenching University at their next meeting, which will be held within a few weeks, this generous action of the Foundation in amending their appropriation in such a manner as best to assist Yenching through the emergency which has been created by our inability to meet as yet the conditions under which appropriation #29078 was originally made.

Very sincerely yours,

BAG-H

0602

Yenching University

October 23, 1930

The Rockefeller Foundation,
61 Broadway,
New York, N.Y.

Gentlemen:

We acknowledge with thanks your check to Yenching University for \$3,125 covering the first quarterly installment on appropriation RF 30020 toward the work of the Science Departments for the year 1930-31, as set forth in your Voucher #549968.

Very sincerely yours,

J. H. G. G. G.
Asst. Treasurer

BAG-H

2nd gift (5-yr. period)

CC: Promotional Office ✓

Card marked

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CHINA UNION UNIVERSITIES

Fukien Christian University

Shantung Christian University

Lingnan University

West China Union University

University of Nanking

Yenching University

Princeton - in - Peking

CENTRAL OFFICE

Cable Address
Nanfushan, New York

150 Fifth Avenue, New York City

Telephone
WATkins 8703-45

B. A. GARSIDE,
Secretary-Treasurer

C. A. EVANS,
Associate Secretary-Treasurer

October 23, 1930

Memorandum to Mr. Wannamaker

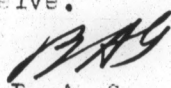
Mr. Wannamaker,

We attach hereto a copy of a letter we have just received from the Rockefeller Foundation.

You will note that the Foundation has taken a more generous attitude than we dared hope at the end of our recent conference with their representatives, since the Foundation continued for two years their first appropriation of \$250,000. The Foundation now has outstanding both conditional appropriations of \$250,00 each, the first to be met by June 30, 1932, the second to be met by June 30, 1935.

This will undoubtedly change the allocation of any undesignated funds received by the University during the next two years, for the logical procedure would be to apply such gifts to match the first \$250,000 with such funds.

From the phraseology of the revised appropriation the Foundation will pay over \$12,500 per year during the next two years on their first appropriation without requiring that this gift be matched from some other source. This is in line with our request, and also in accordance with what Dr. Mason intimated we might receive.


B. A. Garside

0604

November 5, 1930

Dr. J. Leighton Stuart,
Yenching University
Peiping, China.

My dear Dr. Stuart:

Let me acknowledge receipt of a cablegram which has come in from Yenching this morning. It was garbled in a few places, but I believe the following translation is substantially correct:-

"ROCKEFELLER FOUNDATION WITH REFERENCE TO CONFERENCE OCTOBER FIRST THIS YEAR WE STRONGLY RECOMMEND APPLYING IMMEDIATELY ANNUAL GRANT GOLD \$12,500 NOT FOR ANY LONGER PERIOD FIVE YEARS."

I presume that this cablegram was sent upon receipt of my letter of October 7 in which I described in some detail our conference with the Rockefeller Foundation.

Since the Rockefeller Foundation has already taken action along the lines indicated in the memorandum minutes of our conference, it seems unlikely that any new application at this time for a further extension of their annual appropriation would meet with a favorable response. I will, however, report your cablegram to the meeting of the Finance Committee which is scheduled for next week. I am also handing a copy of this letter to Mr. Wannamaker for his information.

Very cordially yours,

BAG-H

CC: Mr. Wannamaker ✓

0605

November 17, 1930

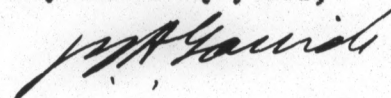
Mr. George J. Beal, Comptroller,
The Rockefeller Foundation,
61 Broadway,
New York, N.Y.

My dear Mr. Beal:

I am at this time sending the Rockefeller Foundation a letter quoting the action of our Yenching Trustees in accepting the revision of appropriation 29078 to Yenching University whereby the Foundation has appropriated Gold \$12,500 per annum for a period of two years beginning July 1, 1930, toward the budget of the Science Departments at Yenching. I trust that this action by the Yenching Trustees will enable you to begin payments on this appropriation.

If such payments are now in order we would appreciate it if you would make remittances toward the current fiscal year, which began on July 1, 1930, in quarterly installments. Since the first quarter of the fiscal year is now ended we would appreciate payment of the first installment as early as may be convenient for your office. We request that the remaining three quarterly installments be remitted on or about December 10, 1930, March 10, 1931, and June 10, 1931.

Very sincerely yours,



BAG-H

CC: Promotional Office ✓

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CC: Promotional Office

November 17, 1930

Miss Norma S. Thompson, Secy.,
The Rockefeller Foundation,
61 Broadway,
New York, N.Y.

My dear Miss Thompson:

At a meeting of the Committee on Finance, Property and Investment of the Trustees of Yenching University held on November 11, 1930, the following actions were taken relative to the amendment of appropriation #29078, which was transmitted to us in your letter of October 20, 1930:

"F-2878 VOTED on behalf of the Board of Trustees that the Secretary be authorized to express the very deep gratitude and sincere appreciation of the Board for the very generous revision of Appropriation 29078 conditionally to appropriate \$250,000.00 for the work of the Yenching science departments together with interest thereon for two years.

"F-2879 VOTED on behalf of the Board of Trustees that the Secretary be authorized to accept the terms set forth in the revision of appropriation 29078 of the Rockefeller Foundation as enumerated in the letter dated October 20, 1930, from the Foundation."

We trust that the above actions will make it possible for the Foundation to begin payments under this appropriation toward the budget of the Science Departments for the current fiscal year. I am enclosing herewith a letter addressed to Mr. Beal, proposing that these payments be made in quarterly installments. If you find that it is now in order for Mr. Beal to begin these payments I trust you will hand this request to him.

Very sincerely yours,
M.A.S.

BAG-H
Enc.

0607

THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

OFFICE OF THE PRESIDENT

November 26, 1930.

YENCHING

Dear Mr. Garside:

TRANSFER

I wish to thank you for your letter of November 17 quoting the actions taken by the Trustees of Yenching University relative to the amendment of the Rockefeller Foundation's appropriation #29078.

I am sending your letters to Mr. Beal, who will correspond with you regarding the payments.

Sincerely yours,

Max Mason

Mr. B.A. Garside,
Yenching University,
150 Fifth Avenue,
New York City.

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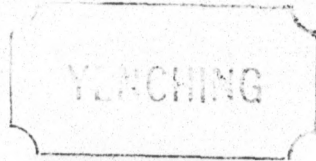
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FORM 168

2
THE ROCKEFELLER FOUNDATION
61 BROADWAY, NEW YORK

TO

Mr. B. A. Garside
Yenching University
150 Fifth Avenue
New York City



TRANSFER

VOUCHER No. 54131

DATE December 1, 1930

#1

THE CHECK ENCLOSED HERewith IS TENDERED IN FULL PAYMENT OF THE FOLLOWING:

1st payment covering first and second quarterly
installments for the year beginning July 1, 1930,
on account of Appropriation RF 30064 to Yenching
University towards the budget of its science
departments \$6,250.00

135-1

NO ACKNOWLEDGMENT REQUIRED. THE CANCELLED CHECK WILL BE REGARDED AS A RECEIPT.

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THE ROCKEFELLER FOUNDATION

61 BROADWAY, NEW YORK

OFFICE OF THE COMPTROLLER
GEORGE J. BEAL, COMPTROLLER
H. M. GILLETTE, ASSISTANT COMPTROLLER

YENCHING

December 1, 1930.

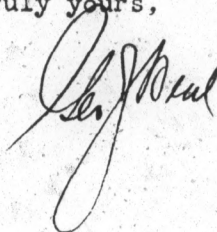
#2

TRANSFER

Dear Mr. Garside:

As requested in your letter of November 17th, we shall be pleased to make payments under our appropriation RF 30064 in quarterly installments. We are now enclosing our check for \$6,250 to cover the first and second quarters of the fiscal year, or July 1 to December 30, 1930. Our next payment will be for the quarter ending March 31, 1931, and will be sent to you on or about March 10th.

Very truly yours,



Mr. B. A. Garside
Yenching University
150 Fifth Avenue
New York

GJB:RS

Enclosure - 1 check.

\$6,250.- check encl.

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December 4, 1950

Mr. George J. Beal, Comptroller,
The Rockefeller Foundation,
New York, N.Y.

My dear Mr. Beal:

We thank you for your letter of December 1 enclosing
check for \$6,250 in reply to our letter of November 17. This check
covers the first half of the fiscal year 1950-51, or the six months
ending December 31, 1950, on appropriation No. RF 30064.

Very sincerely yours,

BAG-H

CC: Miss McCoy ✓

Former appn. 29078 revised ✓

card marked

06 12

December 6, 1930

Dear Leighton:

I am glad to have your letter of November 5th. I reply briefly.

attached
X to
Christmas Card. I trust you received the list sent you by Miss McCoy in ample time.

X to
Dr. Creel. I regret that you cannot make a place for him and assume that we can do nothing further here at the present time.

Rockefeller Foundation. Mr. Garside informed me yesterday of a letter from you dealing with the question of an investment of money in China, and asked whether I could attend a conference on the 16th. I note your penwritten comment on the margin of this part of the letter that it is to be considered confidential. If I receive from you any suggestion to be submitted to the Finance Committee or the Board of Trustees, I shall handle it as well as I can. I have not yet seen a copy of the communication to which Mr. Garside refers and do not know whether that is the letter to which you allude as something you might possibly send to me. I trust Mr. Garside will succeed in arranging for the conference without delay.

I am taking up other points in your letter of November 5th in separate letters.

Cordially,

Dr. J. Leighton Stuart
Yenching University
Peking, China

ODW*KK

0613