

JUL 11 1935

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Rural Reconstruction

THE ROCKEFELLER FOUNDATION

NEW YORK

June 1, 1935

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HAMILTON HOUSE
170 KIANGSE ROAD
SHANGHAI, CHINA.CABLE ADDRESS: ROCKFOUND, SHANGHAI
TEL. NO. 14959

Dear Max:

Grant is still up in the North and is just about to finish his course of lectures at the PUMC.

Houghton came down to Shanghai to meet his wife, who is arriving from America, and he is planning to return to Peiping shortly and to spend the summer at Peitaho, where he will set up his office and write his report on the PUMC. He is planning to submit a draft of this to me later on for any suggestions or criticisms I may care to make. This is a very satisfactory procedure. The PUMC cases are still before the court. I suspect they will be over within a day or two. Houghton apparently expects the PUMC to be victorious, but in any case he does not believe that the publicity, et cetera, will have any permanently bad effect on the institution.

What with the crash of the American-Oriental Bank, the PUMC mess and the U.S. silver policy, the United States is not very popular at the present time in China.

The newspapers the last day or two have had very disturbing news with regard to the action of the Japanese military in the North. I have just talked with Dr. J. Heng Liu, and a few days ago I met a prominent Japanese newspaper man, and both of these men seem to think that the Japanese military are going to definitely occupy Tientsin, Peiping and the surrounding territory. Just what effect this might have on our North China projects it is not possible to foretell at this time. Certainly, in some instances it might make our work difficult, but we will have to abide our time, and even if we start our cooperation we shall only supply the finances by installments. It seems rather preposterous that after China and Japan decided to make their legations into embassies, and a good

Mr. Max Mason

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deal of speeches ^{about} ~~and~~ cooperation, and at least partial friendship between these two countries, that the military authorities of Japan should behave as they are doing. It is an additional proof that the military people in Japan have little or no use for their own foreign office.

Yours sincerely,

Edward A. Tamm

Mr. Max Mason
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SMG:MC