

THE ROCKEFELLER FOUNDATION  
NEW YORK

March 23, 1935

Dear Max:

I have not written you very frequently since I got back here, which has been partly due to the fact that we have been so much on the go that it has been highly difficult to find time for correspondence.

Conditions have changed very materially in China during my year's absence. This has made it necessary to study the situation as it now exists. In general, it can be said that the Reconstruction Movement has gained a good deal of ground. It shows signs now of becoming a permanency. There is a good deal of earnestness exhibited and multitudinous plans are being produced all over the country. This presents difficulties for us, as you may be sure the word was passed around very quickly that the Foundation's policy in China had been changed. Consequently, I have been fairly swamped with various requests, most of which, however, are quickly disposed of by a polite refusal. In addition, the institutions which benefited under our old Natural Science program are loth to believe that we are no longer going to grant fellowships and grants-in-aid, et cetera to their institutions, and I suspect that it will take about a year to convince them. In the meanwhile, they call upon me and write letters, which takes a good deal of my time. Furthermore, the complications in connection with the Shanghai land have kept me fairly busy, and I am afraid that we are not at the end of these difficulties despite the action taken by the Executive Committee recently. However, despite all interruptions Doctor Grant and I feel that we have made considerable progress in connection with our main object. We shall be sending you either by this mail or the next mail specific items for consideration by the officers and the Executive Committee.

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DHS

EEB 7/5 601  
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DHS Rural  
Reconstruction

APR 15 '35

HAMILTON HOUSE  
170 KIANSE ROAD  
SHANGHAI, CHINA  
CABLE ADDRESS: ROCKFOUND, SHANGHAI  
TEL. NO. 14989

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These will include an appropriation to Ting Hsien of considerable magnitude, assistance to Yenching and Nankai Universities, and a couple of projects from Nanking in connection with public health and medical matters. I will not go into the details of these items here, as we are attempting to send you full information with each item.

Mr. Fosdick, who probably will see you almost as soon as this letter arrives, will be able to give you a detailed picture of the political, economic and financial situations in China, which are none too brilliant. However, the newspapers bring us just as bad news, if not worse, from Europe, and I gather that the situation in the United States is distinctly worse than it was when I left in January. There is no question but that Japanese influence in China is becoming constantly stronger, and it would appear that this is going to increase in the future. It does not appear, however, that this would necessarily interfere with the Foundation's program in China.

I am attaching hereto a statement which Doctor Grant recently prepared for me, giving his philosophy with regard to our program in China. This is not sent as a definitive document but merely to give you an idea of our general thinking and with the hope that you and the other officers will be willing to give us the benefit of your comments.

*copy filed  
601  
Mass Ed. Movement  
with diagram  
attached* I am also attaching hereto a diagram showing the proposed organization for a Chinese hsien (county). This was prepared by the Ting Hsien group and represents their thinking at the present time of the organization necessary for a "planned society" for a Chinese county. Undoubtedly, this will be subject to change but it is the beginning of what

may be an extremely significant development.

It appears that the Ting Hsien experiment is the most significant piece of work going on in China at the present time in connection with reconstruction. Doctor Grant and myself are convinced that one of the important contributions of the Foundation will be in connection with aiding in the training of personnel for reconstruction programs. We shall have more to say about this in our special communication concerning Ting Hsien.

You will recall that in my earlier communications, and indeed in my report, I referred to the needs of the Agricultural College of Nanking University. I have spent very little time in Nanking so far, and it is my opinion that in all probability we shall not be in a position to make a recommendation concerning Nanking until the autumn. The agricultural situation there is very complex and the presence of British and American experts who are studying certain phases of agricultural economics has augmented the complexity of the situation.

I may make a visit to Canton in May, particularly with regard to the situation at Lingnan University. I am rather disturbed about Lingnan, as I fear that the general financial situation is such that the immediate needs will be to maintain the present status quo. This would mean our continuation of emergency grants to hold their present faculty together. This does not inspire me with any enthusiasm. President Henry, of Lingnan, is coming to Shanghai early next month, and I shall have a conversation with him at that time, which may result in my deciding not to go to Canton.

The Governor of Kiangsi, which as you may recall is the province which has recently been freed of communists, has invited Doctor Grant and myself to visit Nanchang, the capital of the Province, and other regions, to look over their work in rural reconstruction. I felt it necessary to accept this invitation, particularly as it was inspired by Madame Chiang Kai-shek, but I have gone to considerable pains to explain to the Governor directly and indirectly that there is very little likelihood of any considerable assistance from the Foundation. The Governor of Kwangsi in Southwest China, has also invited us to visit that province, which has incidentally developed quite a reputation for itself for its reconstruction work in the last few years. In this instance, I have decided to let Doctor Grant go alone for a reconnoitre, and whether or not I go later will depend on his findings.

Dr. A. Stampar has recently returned to China on a year's contract. He is employed by the Health Section of the League of Nations, but is working under the National Economic Council. When he was here before he made some extended trips to the Northwest, and he is planning to return to that section of the country shortly. He is anxious to have us visit that region, but I am of the opinion that this is not the time for us to consider it. We cannot afford to be drawn into too many propositions. We are planning to concentrate our efforts as far as possible, and we shall have to constantly fight pressure which would tend to diffusion of our time and money. A judicious use of our Research and Developmental fund, however, will make it possible for us to strengthen our position in the country by occasional grants to rather isolated activities. We realize that we are up against a



Mr. Max Mason

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tough proposition, and that it will take our very best efforts to demonstrate to you and the Trustees within the next two years that the China venture is really successful, and we know that we can count on your sympathetic consideration of our difficulties.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Clayton A. Lunn", with a long horizontal flourish underneath.

Mr. Max Mason  
The Rockefeller Foundation  
49 West 49th Street  
New York, N.Y.  
U. S. A.

SMG:MC

Enclosures

Statement of Dr. Grant re RF program in China  
Diagram - proposed organization of Chinese county