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August 24, 1935.

Dear Mr. Horch:

You asked Mr. Kimmell to give you a weekly report of the Master Institute on August 23rd. Unfortunately we could not comply with your request, as 3000 catalogues of the Master Institute have arrived from the printer and we had to check them, which took practically the whole day.

This morning I am endeavoring to give you that information which you are requesting.

We paid \$50.00, as per our agreement to the printer upon the delivery of the catalogues. We have at present in our bank account \$2.48.

Of course you realize that when you sent \$50 on August 2nd, towards the payment of the catalogue, the School at that time, being in need of a much larger sum to enable itself to cover the most urgent expenses, found itself in a very serious situation.

I advised you about the situation during our recent board meetings, as well as in my financial report of August 1, and also in my Master Institute report #198.

Had it not been for the payment of \$40.00 by our Patron, Mrs. Necarsulmer, which she made earlier than usual because of my request, the Master Institute could not have continued its existence at that time.

I trust that you will give your attention this coming week to this serious matter.

Yours very sincerely,

Director.

New York, September 4, 1935

Dear Mrs. Lichtmann,

I regret to hear that the School is in such financially strained condition. I am sorry to advise you of the following.

All Trustees are fully aware that the Roerich Museum has no funds but is burdened with huge debts. We are facing 3 law suits this week amounting to \$11,000.- These suits must be settled, otherwise great damage will come upon the Name of the Museum. With the other commitments of the Museum you and all Trustees are fully acquainted.

According to the Bookkeepers Statement, the Master Institute has given on balance \$230.- to the Museum during season 1934-1935

Funds received by the Museum:

July 1934	\$40.-
October	50.-
November	60.-
December	150.-
Jan. 1935	175.-
	<u>\$531.-</u>

Funds given to Master Institute

May 1935	\$150.-
June	100.-
August	50.- (L.L.Horch)
	<u>\$300.-</u>

(I wish to assure you that any sums advanced by the school Department and other Departments and friends are very highly appreciated by me)

This is considerably below the anticipated sum which you expected to have as surplus during the season 1934-1935, according to the Budget of the Master Institute which you submitted on March 25th, 1934 in the presence of Prof. N. Roerich to the Trustees.

In this Budget you expected from Tuition fees \$20,000.- and a surplus of \$3355.- which was listed at that Meeting as an Income for the Museum.

According to the statement given to the Board of Regents, from 1934 June 30 to July 1st, 1935, \$5904.25 was received from Tuition fees. During the season of 1929-30 \$37,173.56 was taken in by the school in tuition fees.

I repeat again that the Museum is not an Income producing Institution and therefore it cannot support another Department. It is but natural that the school should substantially assist the Museum financially for the space and privileges which the school receives from the Museum.

In reply to your Statement that the School is financially depleted on account of Sums given to the Museum, it seems to me it would be more correct and just to say that one of the causes why there exists a lack of funds in the school is the embezzlement of funds by the Boakeeper.

The President and the Museum do not accept any blame for the lack of funds which the School has at present nor for anything else which might occur to this Department. The Director of the Master Institute, School Department has enjoyed full freedom of actions and has had a separate Bank account, according to Professor Roerich's Ruling.

It is also unfortunate that the Roerich Museum Press has only given \$25.- to the Museum during the Season 1934-35. According to the Roerich Museum Press Budget submitted by its Director Miss Grant on March 25th, 1934 to the trustees, a surplus of \$1100.- was expected to be available for the Museum.

The only Department which has given substantial funds to enable the Museum to keep open was the Roerich Society. According to the Roerich Societies Budget \$1000.- was the expected Surplus for the Season of 1934-35. The Roerich Society gave \$1150.- to the Museum in that period.

I deeply regret that you could not draw your "Administration". I would have rather preferred that the Secretaries salary should have been eliminated in favor of the Director salary, especially as the Summer Session was so poorly attended.

I wish to assure you however, that if there would be funds available that some funds would be advanced to the School. At this moment I do not know how to find funds for settling the Law Suits and for the large payments which now must be made to Miss Norton, Westinghouse, and others. The Chemical Bank wants larger Payments and threaten us with a legal action,

Very sincerely yours,
Louis L. Horch.

N.Y. Sept. 4, 1935.

Dear Mrs. Lichtmann:

In the last letter of Professor Roerich of August 2nd, a mention is made to a certain sum in regard Mr. G. Roerich's Taxes. This information must be for you, as I do not take care of any of his matters.

Sincerely yours,
Louis L. Horch.

Sept. 5, 1935.

My dear Mr. Horch:

I received today your letter of Sept. 4th to which I wish to answer as follows:

While I note what you are writing about the situation of the Roerich Museum, I also, as the Director of the Master Institute of United Arts, the School of the Museum, have kept the Trustees fully informed during the recent months about the serious financial condition of the Master Institute.

In my last two statements, sent to you directly during the last two weeks, I asked for a comparatively small sum to help the School prior to October 1st, which is the beginning of our season, until the enrollment of the students begins and the tuition fees will be paid.

As per your bookkeeper's statement the Master Institute has loaned from its funds to the Roerich Museum \$531.00. As this statement is incorrect I am submitting here the itemized statement of the moneys given by the Master Institute to the Roerich Museum, since May 7th, 1934.

May 7, 1934.....	\$40.00
July 11, "	40.00
Oct. 13, "	50.00
Oct. 23, #	60.00
Nov. 30, "	150.00
Dec. 26, " Proceeds from Mordkin Recital..	56.00
Jan. 7, 1935.....	50.00
Jan. 10 "	50.00
Jan. 16 "	75.00
	<u>\$571.00</u>

You state in your letter that you have thus far returned to the Master Institute \$300.00, counting your own check for \$50.00, which you sent in August as also part payment of the loan to the Master Institute. Thus the balance left is \$271.00, which represents the debt of the Roerich Museum to the Master Institute.

This was the sum which I begged to have returned to the Master Institute, as it would have enabled me to pay the most urgent obligations of the Master Institute, circularize the new catalogue, pay for some advertisement prior to the school season, and to order necessary repairs and painting of the studios, in order to prepare the school in a fitting condition prior to the enrolling of the students.

Thus you can see that I only asked for the return of the debt, and not for any excessive sums.

I also wish to draw your attention to the fact that I stated in our Board Meetings recently, as well as in my financial statements of the Master Institute, that my administration was not included in all