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Yenching
Corres.
Stuart, J. L. 1930 Nov-Dec

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燕京大學

YENCHING UNIVERSITY

PEPING, CHINA.

JLS

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

November 5, 1930.

Mr. Olin D. Wannamaker,
150 Fifth Avenue,
New York City.

My dear Olin:

I have your letters written under various dates early in October and shall make brief comments as follows:

Christmas Card. It happens that I had already planned to send these to a list of persons which I had been trying to find time to make up, so that your list will come just in time for that purpose. You can be sure that this list will not be used for any other purpose.

OK

ans'd 12-6. see Xmas file

Dr. Creel. I have written to him recommending that he apply to the Harvard-Yenching Institute for a fellowship. I do not think that in our present financial condition there would be the slightest chance of taking him on our regular budget.

OK

ans'd 12-6

Rockefeller Foundation. Your letter and the communication from Garside on this subject came in the same mail as did one from Mr. Gee of the Foundation with whom I had a conference yesterday. The result of this was that I am cabling today asking our Trustees to make an application for the interest on two hundred and fifty thousand dollars ($250,000) for a period not to exceed five years. This was at the suggestion of Mr. Gee. Meanwhile, I am thinking of writing a letter to the Trustees, the burden of which is that since as I repeatedly pointed out to them last winter, they were so anxious to guard against one set of risks they have incurred those of another type. If they had met the proposal of the Chinese banker promptly and in his spirit I am quite confident that the whole procedure would have gone through with satisfaction to everybody, and with no question of the technical issue

ans'd 12-6. see Rockefeller file

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1104

Above comments are quite confidential.

as to whether it was a gift or not, as he then certainly intended it should be. The long delay in reaching a decision and the successive points raised here by Mr. Greene on my return increased his irritation or misunderstanding of our attitude to the point where he said that if we were going to be so businesslike he would act on the same basis, and Mr. Greene after virtually accepting the procedure at last determined upon, changed his views with the results you know. This puts me in such a bad light with this banker and therefore with any others in his circle, that any hope of raising money in China from other sources is indefinitely postponed. I feel, therefore, that the Trustees can be asked to meet this new problem in their own American way. Whatever I write I shall probably send to you, however, for you to edit and then take it up with them if it seems to you wise.

C.E. Jenney. I am, of course, keenly disappointed at the final outcome which makes it seem unwise even to have him working in cultivation of future gifts, but do not question the wisdom of those who had to face this problem. I hope, however, that conditions will sufficiently improve before long for him to come to us. As I estimate his value it will be in the discovery and cultivation of a relatively small number of persons able to give in large amounts. This involves a period that would almost necessarily be unproductive even in prosperous times. It seems now that we must face the task of raising one half instead of one quarter of a million dollars to match the Rockefeller conditional gifts and get the Princeton income in a much more stable basis. These two major objectives to say nothing of others. If, therefore, Jenney had as many contacts as possible cultivated to the point of securing money when the financial conditions in the country made this possible, it would seem to me to be an investment worth venturing upon.

Pierce and Hendrick. Your letter has not dealt with this feature and I cannot but wonder whether that contract also has been discontinued. Judging by a recent letter from Conant there seems to be at least a reduction of activity. I wonder if one or more persons working as Conant was intended to do could not get subscriptions in small amounts scattered over a given area that would be cumulative of results and at least more than pay the costs. Here again one immediate gain would be the discovery of those who as conditions improve could be solicited for larger gifts. I fear, in other words, that a timid policy would result in losing the benefit from promotional efforts in the past and not being ready for better times when they

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come. Meanwhile, the money which we need so desperately is after all such a very small amount in proportion to that which is flowing in America in the possession of even that limited circle of potential friends whom we are striving to reach that we ought to be able to secure it. My impression, based of course on very superficial knowledge and far away from the present situation, is that this general condition is going on as it is for at least two or three years and that America will have to settle down to a considerably restricted program of production and expenditure, but that in this readjustment money will be continually made and spent, in both of which processes we ought to have a share under the two types of promotion represented by Jenney and F. and H. You will not take these paragraphs as in any sense a criticism of the Trustees and least of all strictures upon yourself. It is simply an outpouring of anxiety made much more acute by the contents of the last American mail.

Now for a few other items. Cabled Instructions. Hereafter in authorizing special grants for Princeton funds will you have this word sent through Garside in order to satisfy our local treasurers. In the case of the L.C.$1,500 in response to Leonard Hsu's request they feel themselves bound to abide by instructions which permit changes in the budget only upon direct word from the Trustees.

Mr. C.R. Crane. I am enclosing herewith a copy of a letter sent him during his recent visit here. His reply was very friendly but consisted in telling me of the commitments in which he was already involved or which had further claims upon him, so that any large gifts would be impossible. He held out the hope that smaller items, especially as they concerned persons, would be gladly considered by him, and he has one such in mind at present which Dr. Kenneth Saunders is handling. I hope you will still keep in touch with Brodie and perhaps take up such items and projects from time to time. For instance, the salary of William Hung. Speaking of this he feels that we had better let Mrs. Shoemaker alone and that he might later on try her again.

ans'd 12-6. see Crane file. We are following Mr. Brodie up

Mrs. Mildred H. Batty, 1560 East 14th Street, San Leandro, Cal. Please put her on our mailing list. She maintains a small theological scholarship here in memory of Harris P. Jones her former husband.

ans'd 12-6-3. see L.S. file

We are having a very long drawn out and extremely harrowing issue between faculty and students which had started before my return here last summer and is aggravated not only by radical agitators, but by misunderstandings and

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mutually irreconcilable attitudes on both sides. Whether it could have been averted or not by a different handling before official decisions had to be made on both sides is a question, but once one of these issues reaches that point it is extremely difficult to find a solution that satisfies all parties, and the crystallizing of attitudes makes this more difficult with the passing of time. I had hoped when I made my trip to Shanghai that the matter had subsided, only to return and find that it had broken out again. Among other consequences it takes an enormous amount of time in endless conferences. The consoling aspect of such affairs is I suppose that it is part of the training we are here to do, and that rightly handled our future position is strengthened, also that the great majority of students are thoroughly friendly and want a constructive solution to be found. It would take many pages to explain what this is all about, so I shall only say this much to let you know how preoccupied I have been both last summer and for the past three weeks about something that ought never to have happened, and it keeps me from the many things I should like to be working at.

Phillip Fu. He is planning to sail from Yokohama some time before or after the middle of next month according as he can finish the business which has again taken him to Shanghai, and will occupy him on his return. He wants you to know that he is planning this trip. His present thought is to go through San Francisco but not to stop on the Coast. He will proceed directly to Washington to report to the Chinese Minister, and then get to the major purposes of this trip. The most important probably is his following up with Mr. Henry Ford and his son the visit of their representative to China and the plans that may be worked out in consequence. He wants to help in our financial efforts in so far as he can, but after his own errand will have been sufficiently accomplished to free him for this. I shall write later with more specific suggestions, but you can meanwhile have the matter in mind.

sailed on 12-6-30

Very sincerely yours,

J. Leighton Stuart

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1107

YENCHING UNIVERSITY

WARNER GYMNASIUM FINANCES

I. Expended and authorized:

	Local Cur.	Gold
Architect's fees (for whole), ...	$ 7,721.40	$ 4,078.12
North Wing, ...	26,993.16	12,471.93
Central Section, including corresponding alterations in North Wing, . .	101,150.00	35,000.00
South Wing (Silver :gold @ 3.00) . .	31,799.30	10,599.77

II. Funds still needed:

Imported gymnasium apparatus, (Silver :gold @ 3.00) . .	8,211.00	2,737.00
Imported Lockers " " " " . .	11,481.00	3,827.00
Locally-made furniture and apparatus, (Silver :gold @ 3.00) . .	2,516.00	838.67
Deficit on North Wing " " " . .	12,342.98	4,114.33
Total	$202,214.84	$73,666.82

8 November, 1930.

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DEC 15 1930
JOINT OFFICE

Excerpts from Letter from Dr Stuart

Ack 12/8/30

燕京大學
YENCHING UNIVERSITY
PEPING, CHINA.

Confidential

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

November 10, 1930.

YENCHING

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

INDEXED TRANSFER

Dear Mr. Garside:

Letter to the Trustees. I feel sure that the enclosed communication will be given very serious attention by the Finance Committee. It and the Executive Committee will probably feel unprepared to act favorably upon my request without the approval of the whole Board. In this event I hope it will not be necessary to postpone action until the regular meeting next April. If the request is granted, the earlier this can be made known here the better. I trust that you will cable the decision when reached. Please also take pains to see that the communication is treated as entirely confidential especially because of the personal references.

Contribution from Mrs. W.O. Campbell. Mrs. Campbell of Sewickley, Pa. has written me that she sent to our office a gift of ten thousand dollars ($10,000) as a memorial to her husband the late Rev. Dr. Campbell. She also wishes her name to be given as little publicity as possible. My suggestion is that this sum be treated as an endowment, the income from which will be temporarily used for the expenses of the Practice Schools started by our Department of Education. You will recall that we are assured by Mr. Fred. Eldridge that two hundred and fifty thousand dollars ($250,000) has been written into the will of Mrs. MacLean for this department. He and she had hoped that they might contribute an additional two hundred thousand ($200,000) for the Practice School buildings and equipment, and for further endowment, but a recent letter states that the financial condition in the country at present and

See F. 2884 of November 4, 1930

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1109

various family problems make it improbable that they can carry out this intention. Meanwhile, he promised me six thousand dollars ($6,000) while I was last in America with which we have erected the first units for these schools. I am writing to him to pay this either through our office, or to send it here direct as he may prefer. If he chooses the former course as we hope he will, please cable authorizing us to draw. The final disposition of the Campbell memorial might be postponed until we shall have benefitted by Mrs. MacLean's will.

omit in letters to Dr. J.H.Leuba

See action 27-2786 of March 28, 1930

Mrs. Blair $2,000. Mrs. Mary Barbour Blair, Hotel Windermere, Chicago, claims that she paid her pledge for this amount by giving me a check early last May. My memory is so faulty that I cannot recall her doing so but am quite sure that if she did I would have transmitted it at once to the office. No information has been received by our treasurers here on the subject. Will you, therefore, look up the record and if she has not made the payment take up the matter with her as tactfully as possible. On securing the money advise our treasurers so that her intentions can be carried out without further delay.

Bachelors Apartment. You are probably aware that we have been renting the summer villa built by an official on the ruins and largely from the materials of the Old Summer Palace, and using this for the housing of a large number of single Chinese men or those whose families are not here. The owner has informed us that he will not care to extend the lease beyond this year. Our comptroller is urging that we erect a two story apartment house planned especially for this class of staff members and other employees with apartments of various types. He incurs a great deal of dissatisfaction because of the necessarily irregular, unequal and make-shift arrangements that housing these people by such expedients as the one mentioned above involve us. Nor can we get the best results under such conditions from their services. Furthermore, a building owned and operated by us becomes in effect a form of endowment. We should like, therefore, to erect on a site to be recommended to the Trustees later an apartment house accommodating approximately about forty men and costing approximately L.C.$80,000. We estimate that from the residence fund allowed us last year we shall have a balance of L.C.$25,000. We should like the Trustees to consider the advisability of supplementing this from the surplus gained by favorable exchange and enabling us to start construction promptly with the beginning of

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the spring weather. Formal action will be sent you by the Grounds and Buildings committee, but neither that nor the estimates in my letter can be taken as final until more detailed study has been made both of the location and the cost. It might be well, however, for the Finance Committee to act upon the proposal in principle at an early date and report this decision.

(Earl Norton Lockard. Will you please communicate with him, 802 W. Florida Street, Urbana, Ill. that we apparently will have our staff in the Department of English so organized that at least for the next two or three years we shall not be in a position to consider his application. I may say to you that this is at least partly because we are not at all sure that he is the best man we could secure for any vacancy we may have.)

Very sincerely yours,

Excerpt from Dr Stuart's Letter of November 19, 1930

J. Leighton Stuart

~~P.S.~~. Dr. Barlow Brown. There has been recent consultation between Mrs. Frame and myself as well as with our medical officer, the chairman of the Department of Sociology and others interested. We all like Dr. Brown very much and appreciate her devotion. We are also conscious of the sickness and wretchedness all around us which she could help alleviate. However, very reluctantly we seem forced to the conclusion that the university cannot wisely take any responsibility in the matter. The housing problem would be an acute one, as experience has shown that Dr. Brown is not entirely easy to arrange for in this respect, nor would it be very practicable for her to live by herself off our campus. Her knowledge of Chinese is very limited and leads her often to say something quite different from what she intended. With the abnormal sensitiveness of Chinese at this time she might unwittingly give offence to old style Chinese practitioners or local residents which would lead to embarrassments. There are further considerations such as a breakdown in her own health, or other tendencies which would involve us even though there would not be a formal contract. Mrs. Learmonth is carrying on a very successful clinic, and one important factor in the situation is that her position would be made very much more difficult. Both she and the doctor are very fond of Dr. Brown, but the latter has in the past frequently called

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upon them by day or night to help in some case that has gotten out of her reach, or in other ways added to their responsibilities without quite realizing all that was involved for them. For these and other reasons this seems the wisest course. According to the recent action of the Trustees any such case would be handled through the Women's College Committee. Mrs. Frame is writing to Mrs. Lee to the same effect, but I wanted you to have my point of view. Will you see that the matter is taken up with Dr. Brown in as kindly but as final a way as possible.

J.H.S.)

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Mr. Garside
for reference to Finance
Committee.

YENCHING

INDEXED

November 14, 1930.

#1

TRANSFER

Mr. Franklin H. Warner,
Claremont,
Cal.

My dear Franklin:

I am sorry to have delayed thus long in giving you the further information about gymnasium costs which I promised in my last letter. The Grounds and Buildings committee has been going into the whole matter very thoroughly and the results are summarized in the enclosed statement supplied by Dr. Galt. I regret very much that your estimates seem to have been rather optimistic, and that the final figure comes nearer to the original estimate. As I pointed out in my letter last summer we would rather have the north and central sections completed and equipped for use than to have the whole building erected with inadequate equipment. The most important features from this standpoint are, therefore, the apperatus, lockers and furniture. On the other hand, it undoubtedly is the most advantageous time to remit gold to this country, and this consideration of exchange plus the mounting costs of construction as described in that first letter, and confirmed by further calculations, seem to make it obvious that it would be more economical in the end to complete the building during the coming season. We, therefore, leave the whole problem to you for further instructions knowing full well how deeply interested you are in the gymnasium and in the welfare of Yenching. If it seems desirable not to go ahead with the south wing next spring, it might be well to have Mr. Garside cable us to that effect.

Tom Barker says that he has sometime since written you regarding the piece of furniture he was to secure for you, I hope you and Mrs. Warner are enjoying that lovely spot at Claremont and that Lucien is improving.

With remembrance to both of them,

Ever yours,

Leighton Stuart

Copy to FH Garside

Even with the assistance of Dr. Jenney and Pierce and Hedrick we shall have no easy task in matching the other Rockefeller grant, continuing the Princeton campaign and planning for the other scarcely less needed items in our program. However, I am reluctantly forced to the conclusion that , despite your active interest in the University's welfare of which I have had such abundant evidence, this appeal would not even in times of normal business be apt to bring the needed relief.

Therefore I venture to make this proposal and plea: that you transfer from the University's own endowment funds $250,000 to be invested in China under the direction of the Finance Committee of our Board of Managers and with the approval of our local Treasurers. The Chairman of the Finance Committee is Dr. Y.T. Tsur, first President of Tsing Hua College (American Boxer Indemnity), trusted associate of Dr. W.W. Yen, Director for years of the China Foundation (final remission of American Boxer Indemnity), banker, active in numerous philanthropic and patriotic movements. In setting up a Chinese committee for handling the funds to have been contributed by the Rockefeller Foundation and Mr. Chou Tso-min he was the first person named both by Mr. Greene and Mr. Chou. By such action on your part the rupture between Yenching and not only Mr. Chou but the influential group he represents can probably be healed. I have reason to hope that it would make possible not only the clear gain to the University of Mr. Chou's original proposal (which offer still stands) but additional gifts from Chinese sources which could count toward meeting our Rockefeller grants. It would be an experiment in a policy which will undoubtedly be urged upon you before very long from other sources in China. The goodwill thus generated will itself be an asset. If you fear that such a policy might unfavorably prejudice prospective American donors, it would always be possible for them to specify that their funds be continuously invested in the United States. I wish such hypothetical donors were more real an element in the situation! Finally, and in the very personal vein which I rarely introduce into our problems, such a course would hearten me more than you can quite realize when I am beset by financial and other anxieties so inextricably involved in our enterprise and of such vital consequence to our future that any relief to me becomes a real asset to the institution. I can promise you that I shall try to be as careful and as cautious in handling these funds as you are with those you control, and that nothing will be done without the approval of the persons mentioned above and others in whom we all have confidence. I am far more concerned about the success of this experiment than any one else can be. It contains a certain risk, but the unwillingness to take such risk involves us in others which may in the end prove much more disastrous.

Yours truly,

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燕京大學
YENCHING UNIVERSITY
PEPING, CHINA.

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

November 14, 1930.

Mr. O.D. Wannamaker,
150 Fifth Avenue,
New York City.

My dear Olin:

I am in receipt of your letters of October 11 and 14. Regarding the contents of the letters,

1) New York Sun Clipping. I have been somewhat dismayed by the opening sentence in Hunter's report in which he says that we are dropping our last religious course. This is, of course, not at all correct. We are carrying on as many elective courses in religion in an undergraduate department of religion as we have ever had. In fact, we are adding to them. What he should have said is that we have no required courses. In any further publicity on this subject do not fail to make this clear. The only issue that has come up at all is that of the professional school for Christian workers concerning which our Board of Managers took the recent action with which you are already familiar.

— Edgar B. Davis. If you have not already seen him I suggest that you do nothing without first consulting J.B. Chevalier of the Bankers Trust Company. He advised me not to propose at that time any gift for the university because of what he knew of Mr. Davis' private affairs. Mr. Davis himself implied as much in speaking of the present state of his oil operations. Furthermore, Chevalier said that the only thing he would be interested in would be something to do with the economic needs of the country, and I have had him in mind for strengthening our Department of Economics as part of the College of Public Affairs. Mr. Davis gave me to understand that he hoped to visit China in a year or two after which he would be in a better position to plan some form of giving help to that country.

— Fred Eldridge. I have a letter from him making it quite clear that while he will attend to the G$6,000

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advanced by us, we must not count on Mrs. MacLean for any further cash contribution. This is disconcerting, but in view of what I observed in America of his present attitude, family complications, the general business depression, etc., I was prepared for this development. The best hope I have in this matter I think is Phillip Fu's next trip to America. He has this whole problem in mind and if anything further can be done, it will be through the rather remarkable liking that he has taken to Phillip. Meanwhile, I have written him to remit the $6,000, and that we understand that nothing further can be counted on from Mrs. MacLean.

Sailer Residence. There is nothing to be concerned about in this matter. Randolph had wanted to put G$4,000 promised him by his mother into the house, whereas both parents had preferred that only one half of this sum be contributed to the house and the rest kept in reserve for such fittings, furnishings or other such special features as would tend to make Randolph more comfortable. It has all been worked out on this basis and I think everyone is satisfied. There is no reason to fear that they look upon this as exploiting their interests in the university in any way, nor that it will interfere with the endowment project of $10,000. Mr. Sailer will be in North China sometime next spring and I can then talk with him with Randolph present on this proposition.

Theodore Richards. Mr. Richards and his wife had lunch with me recently on a world cruise and they both confirmed their intention to supply scholarships for Hawaiin Chinese to study here, the details to be worked out largely in the light of promising individuals of whom they know. There is no likelihood of any direct gift from this source to university funds, and I do not think you need bother any further with the matter. His mind is quite fixed on this special form of helping us. There is no reason why they should not be put on a mailing list for appeals, but I doubt if we ever get anything of a special or substantial nature from them.

Letter to Trustees. I am sending to you herewith a copy of a letter recently mailed to Garside, which explains itself, also a copy of the covering letter which deals with this and other matters. I doubt if there is anything to add to what has already been expressed.

Very sincerely yours,

J. Leighton Stuart

November 17, 1930

Dear Leighton:

An issue of Peking News is in the press. You will be receiving copies shortly after this letter. I did everything possible to cooperate with Mr. Stelzle so that he could do this job for us according to our contract with Pierce & Hedrick, since I was determined, if possible, to get away from the office and do more personal cultivation. I came to the conclusion that Mr. Stelzle did not have the necessary time to gain a background and prepare the sort of thing we must have. Hedrick agreed with me completely in this judgment and we mutually concluded not to make further effort through Mr. Stelzle. Hedrick then proposed to refer the problem to another man in his organization. I decidd to do it myself, feeling that I would have to spend almost as much time in training another man.

I consider this issue too full of material. I should have made the articles briefer and perhaps held back one or more of them for the next issue. I shall see that future issues are more terse and more closely resemble advertisements rather than literary productions.

Meanwhile, will you help me by requesting a constant supply of new and varied photographs and clippings from local newspapers that Nash can provide? I should like especially photographs of the Yenching craftwork. There are excellent pictures in the little leaflets which the ladies print in Peking, providing the photographs are good enough for us to get the quality of cut necessary in America. This practical applied Christian work associated with the University will make a very strong appeal to many persons who would not be reached by information regarding courses in the physical sciences, research work in sociology, etc.

I should like greatly to have some good pictures from the Ching-ho Rural Experiment Station. We can always use, with good effect, campus scenes, but should as far as possible always have signs of life connection with pictures of buildings. Photographs of athletic games of the men and the women students can be constantly used.

JLS.....#2 November 17, 1930

I hope you will appoint someone who has a good sense as to which pictures are really a help to us and which are simply interesting to the inside circle and would be of no use to the public.

I shall be writing you again in a few days about another matter.

Let me add that I am not printing the folder on religious life and ideals for the present, but am still thinking about the problem. Shall be glad to have your reaction. printed Dec. 4 as ort

Cordially yours,

Dr. J. Leighton Stuart
Yenching University
Peking, China

ODW*KK

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Copy to Mr. Warnshuis

November 18, 1930.

Mr. Cyrus McCormick,
606 South Michigan Avenue,
Chicago, Ill.

Dear Mr. McCormick:

Word has reached me through our New York office of various newspaper reports as to the restrictions on religious work in Christian schools in this country. Special reference has been made to such an article appearing in the Chicago Tribune which must have come to your notice. Knowing of your deep and well-informed interest in Christian educational work in China, and because of your generous assistance to the Princeton units maintained at Yenching, I venture to write you a few lines on this important subject.

First of all, let me assure you that our university has not had the slightest interference from the government or because of any public agitations in carrying on all of our regular religious activities. We are duly registered under the new Nanking Government, but neither in the process of doing so nor since, have we had any restrictions placed upon our freedom in these matters beyond those which we had already adopted ourselves on the ground of effectiveness in religious influence. In other words, almost from the beginning of the university we have had the policy of voluntary attendance at religious services, and elective courses in these subjects rather than making either of them compulsory. We now have an undergraduate Department in Religion which offers about twenty-five elective courses, thus giving a wide range for the students to choose from. We also carry on Sunday and weekday church and chapel services for faculty and students and for our servants and workmen and for people in

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neighboring villages, all without any interference. The only issue of any kind has been a recent indication that the government may require that our School of Theology be detached from the university proper and be registered not under the Ministry of Education but under the Ministry of the Interior on the ground that it is a professional or vocational training school rather than post-graduate work in a university. Here again, the Dean of the School and almost all of its faculty feel that this would give them more freedom from academic requirements, and other advantages, and that they would prefer such an arrangement on a site of their own adjoining the main campus, even though the government does not press such a requirement. I have no reason to fear that there will be any further infringement of our religious freedom in the future. This is essentially true of the primary and secondary mission schools throughout North China and applies to all the colleges and universities over the country so far as I know.

There has been, it is true, interference in the recent past in the case of one or two colleges and a number of secondary schools because of some anti-Christian local official or agitations due to special local conditions. The Christian schools have also shared quitenaturally in the unfortunate consequences of communist or bandit raids in the places where these have taken place, but from what I can learn they have not suffered on the whole more than the well-to-do Chinese and other private or government organizations.

The Ministry of Education has strongly advocated the definite policy of separating education and religion, especially in primary and junior high schools, but this is not because of any anti-Christian bias as such, but because of an educational theory which is felt to be based on sound principles. Whether we agree with such a point of view or not, I am convinced that it is not intended to be a persecution of Christianity. It would be equally applied to any other religion. A group of churches and other Christian organizations chiefly in the lower Yangtse Valley sent a petition to the Ministry some months ago asking that these regulations be cancelled, and received quite a positive reply in the negative. My own judgment always has been that such a petition under present conditions in China was a mistake, and that popular opinion would have forced the Ministry to reply as it did even apart from its own conviction.

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The state of public opinion in China now is quite abnormal because of a nationalistic awakening which has made the people acutely sensitive to grievances concerning real or fancied foreign aggression, etc. in all of which issues Christian missions are involved in aspects that are political or racial, rather than religious when we are thinking from the Chinese point of view. I feel quite confident that if Christian schools continue to maintain high standards and heartily put themselves under the law of the land they will have an opportunity to exert religious influence by example and personal contacts, even in the elementary schools, and in all these respects plus elective courses ~~in general~~ and voluntary worship in senior high schools and colleges except where there is communistic instigation more or less directly inspired from Moscow. There is very little if any persecution of Christian work as such, and I feel confident that there ~~would be~~ will less of this as conditions in China become more normal.

If I may add a word about the political outlook, it seems to me that there is now more hope of a stable government and a unified program than at any time since the first revolution in 1911. There is more determination to suppress military revolutions and the independent aggressions of war lords, as well as to put down communist violence and banditry than I have ever known. As public opinion becomes more aroused on these basic issues, the government will exert itself in these directions, as is always true in a democracy.

While, therefore, there are many problems both for Christian work and in the slow process of national reconstruction, I feel more than ever that both are proving themselves fully worth while, and that an attitude of tempered optimism is abundantly justified. Real progress is always difficult and costly, but the stake that the whole world has in China is worth any efforts to help this country in this supreme crisis of its adjustment to modern conditions.

With pleasant memories of your visit here and most cordial regards to Mrs. McCormick and yourself,

Very sincerely yours,

J.L.S.

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燕京大學

YENCHING UNIVERSITY

PEPING, CHINA.

You News

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

November 24, 1930.

Mr. O.D. Wannamaker,
150 Fifth Avenue,
New York City.

My dear Olin:

I am sending you herewith a copy of the letter I wrote Mr. McCormick as you requested. Also a copy of an article I am writing for the Educational Review (organ of the China Christian Educational Association). By a curious coincidence I received the copy of your article on Religious Life at Yenching while I was preparing this one. I have nothing to question in your material except the reference to Miss Cheney as of the masculine gender about which a cable was sent you. If too late to make this correction, there are, of course, no serious consequences. On the whole I liked it very well indeed.

My article ought to be used with quite a little discretion, as much of it would not be understood by the average supporters of such work in America, but you can at least have it for reference and for use in such quarters as would not be disturbed by its contents.

Will you please send to Miss Woolley of Mount Holyoke College a copy of Dr. Warbeke's article in accordance with a promise I had made her in a recent letter.

Very sincerely yours,

J. Leighton Stuart

Dr. Warbeke is P in P & EVS. has done it K.

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1123

YENCHING

INDEXED

Yenching University

TRANSFER

November 26, 1930

Miss Hilda L.Hague,
Yenching University,
Peiping, China.

My dear Miss Hague:

Let me acknowledge receipt of your note of October 24, to which you attached the minutes of the Board of Managers held on October 20. This material reached us just in time for use at the meeting of the Yenching Trustees held on November 19. I suspect that we set a new record at this meeting, in having before the Trustees for their consideration the minutes of a meeting of the Board of Managers held one day less than a month before.

In the same mail with your note I received a letter from Dr.Stuart dealing with various items considered by the Managers at the October 20 meeting. Dr.Stuart appended to his letter a draft of the "Proposed Agreement between the University of Nanking College of Agriculture and Forestry, and Yenching University". When I compared the form of the agreement transmitted by Dr.Stuart with the one contained in the copy of the Managers' minutes you sent us I found there were differences in the first and sixth sections. Dr.Stuart's copy had the following sentence at the end of the first section:-

> "Budgets and reports covering the fiscal year ending June 30 shall be rendered annually to the Board of Managers of Yenching University."

This sentence was omitted from the draft appearing in the minutes. Similarly Dr.Stuart's copy has the following provision at the end of the sixth section:-

> "provided that additions to property and equipment necessitating the expenditure of funds beyond the regular income and resources of the agricultural experiment station, involving later adjustments, shall not be made without the action of the Board of Managers of Yenching University or its Executive Committee".

In presenting these minutes to the Board of Trustees we followed the form of the agreement sent by Dr.Stuart, on the theory that these two qualifying statements were added to the original form of agreement in order to provide certain safeguards for Yenching University. Of course, the opposite procedure may have been followed:- safeguards that were once considered necessary may have been omitted as a result of further consul-

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tation between representatives of Nanking and Yenching. Probably we shall soon be receiving additional copies of the Board of Managers' minutes and the uncertainty as to which is the correct form of this agreement will be cleared up. In case, however, you have not sent us additional copies of these minutes will you please let us know which is the correct form so that our records here may be accurate?

Very cordially yours,

BAG-H

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1 125

YENCHING

INDEXED

TRANSFER

Yenching University

November 26, 1930

AIR MAIL

Dr. J. Leighton Stuart,
Dr. Howard S.Galt,
Yenching University,
Peiping, China.

My dear Dr.Stuart and Dr.Galt:

I am enclosing herewith a copy of the minutes of the meeting of the Yenching Trustees held on November 19. I am hurrying these letters off to you by air mail in order to catch the steamer for which the regular mail closed on Monday. A sufficient supply of the minutes for the use of your Board of Managers and others who may be interested is being forwarded in the next regular China mail.

The most important actions of the Board of Trustees are those relating to the minutes of the Board of Managers. I will, therefore, confine my comments chiefly to these items.

Amendment in action relative to the correlated program. At the time of the April 23 meeting of the Board of Trustees the only information we had available as to the action of the Board of Managers at its March 1 meeting relative to the correlated program was that contained in Dr.Galt's letter of March 27. A few days after that meeting of the Trustees we received the complete minutes of the Managers' meeting on March 1 and discovered that to the original part of this action had been added the amendment quoted on page 2 of the attached minutes. We have been greatly puzzled as to exactly what was in the minds of the Board of Managers when this amendment was adopted. The amendment may perhaps be explained in ways which harmonize with our understanding of what is contemplated in the correlated program; on the other hand, some interpretations of it would seem to be quite at variance with what the different Universities in China are being asked to do in cooperating under a correlated educational program in China and a united financial appeal here in the West. For this reason the Trustees asked that we ascertain more fully the meaning of this amendment before any formal action is taken by them.

Annual reports to the Board of Managers. The number and volume of the annual reports attached to the minutes of the June 21 meeting of the Board of Managers was so great that the Trustees did not attempt to make a separate study or take separate action on each of the reports. The Board does, however, profoundly appreciate the splendid work of the administrative officers and committees of the University as shown in these reports, and is deeply impressed by the substantial progress of Yenching which these documents reveal. Also, these reports have helped them gain

*Failed to catch air mail

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1126

a clearer understanding of the problems and needs which still face the different departments of the University. I would appreciate it if you will bring action T-2901 to the attention of all those who were responsible for the preparation and presentation of these annual reports.

Amendment to outline of University organization, and amendments to By-laws of the Yenching College Administrative Committee. The Trustees noted the actions of the Managers and the appended documents with regard to these two items. Their rather hasty study of the material indicated that the matters dealt with were purely affairs of internal administration, so that no action by the Trustees was necessary.

Re-organization in the School of Religion. This subject occupied the major part of the time and attention of the Boar of Trustees during the meeting. Because of its great importance I am dealing with it in a separate letter.

Insurance, Endowment, and Pension Plan. Since the Trustees' Committee on Salaries and Pensions had not had an opportunity to prepare recommendations based on the Managers actions, and since Mr.Rounds found it impossible to attend the Trustees' meeting, the only action taken was to empower the Executive Committee to deal with this important subject as soon as the Committee on Salaries and Pensions could prepare its report. The Committee is now actively engaged in its work, and since it appears that the actions of the Managers are rather closely in accord with the recommendations made by our Committee in August, I hope it will be possible to arrive within a short time at decisions which will be satisfactory to everyone interested.

Agreement between Yenching University and the University of Nanking College of Agriculture and Forestry. Dean Reisner had told us something of the negotiations going on between the two Universities so the actions taken by the Yenching Managers did not come as a complete surprise. The Trustees took action No.2804 confirming these arrangements for closer cooperation between the two institutions, without having any prolonged discussion, and without any objection whatever being raised. I am sure that everyone on the Board of Trustees warmly welcomes this closer cooperation between the two Universities.

It may be said in general that this meeting of the Trustees was well attended and was permeated by a spirit of sympathetic and intelligent interest in Yenching and its problems and accomplishments. I always feel after a Yenching meeting that in our Yenching Board ofTrustees we have one of the most active and valuable groups assisting in the home base administration of our Christian higher educational institutions in China. While I am sure that you on the field feel (and quite rightly so) that sometimes our Yenching Trustees do not do all you might desire, yet I am sure you will also agree with me that we have hereat the home base one of the finest boards grappling with these problems of Christian higher education in China.

Very Sincerely yours,

BAG-H

Enc.

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1127

November 27, 1930.

Mr. E.M. McBrier,
150 Fifth Avenue,
New York City.

My dear Mr. McBrier:

I have your letters of October 20 and 24 and have noted carefully the contents. I had been trying to find time to reply to the earlier one, but the tone of the later one would have made any such reply seem inappropriate. You have not hesitated to express your views with extreme frankness and with complete confidence in the accuracy of your own judgment. I appreciate the former and recognize your right to the latter. None the less I emphatically take exception to a number of your conclusions regarding the Christian purpose and effectiveness of this University. You are judging these by your own conceptions based on experiences begun many years ago, and a stay in China long enough to collect a certain type of impressions, but not sufficiently so to give you any adequate insight into the nature of the forces which are changing conditions of every type of Christian work, and therefore the policies of many of us who are continuing steadily in the midst of these swirling changes. Because you do not understand the nature of many of the problems we are facing, you explain our course as due to timidity, temporizing, yielding to governmental or other pressure, etc. This is not only unjust, it is uninformed. You ought as a trustee of this University to have had a better understanding of the difference between such an institution having adopted the general program that we have, and a small secondary school in an inland province. What may be the best course for the one from the standpoint of Christian courage and effectiveness may not be for the other.

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You quote Dr. Felt, but you do not realize that from the first establishment of this University, he has while outwardly appearing to be its friend, rarely missed an opportunity to reflect upon it to some such effect as in his remarks to you. This is familiar knowledge to quite a number of persons here.

You agree with Mr. Parker's judgment regarding the School of Religion and imply that the rest of us are cloaking our cowardice or time-serving opportunism under the pretence of principle. This is again brutally unjust. I can testify that the fine group of Chinese teachers in that faculty have been in favor of the proposed course before it became an administrative issue at all purely on grounds of what they regarded as a more satisfactory arrangement. Even Mr. Parker admits that he advocates his course from the standpoint of expediency rather than religious principle. You know nothing of the continual attacks upon this faculty because of its uncompromising and faithful conduct of Christian work and teaching, which they endure only because of a courage and conviction for which you give them no credit because they do not conform to your particular ideas of how such work should be carried on under existing conditions.

One chief difficulty with your argument is that it proves entirely too much. The breakdown of Christian work all over China as carried on by the methods which you approve is so generally admitted that I need not attempt to give evidence. I need not go any further than the conditions prevailing in the Methodist churches to which Mr. Felt refers as they are now, in contrast with the way in which they were flourishing some years before the recent changes took place. It is not only Yenching University but practically every form of Christian effort that is suffering from the storm. Whether you believe it or not, I and at least the majority of Western members of our faculty and a proportion of Chinese that will compare favorably in their numbers and character with any similar group, are carrying on here in the way we are convinced is the bravest and wisest one by which we can make our contribution to the Christian cause. I have no question but that when those who come after us will look back on this time, this will become clear, and I am earnestly hoping that this will be made apparent in the life time of those whose friendship and active support we are counting on now, among whom I would name you as one of the first. Meanwhile, there is not in actual fact a single religious activity which is being in the slightest degree altered or discontinued because of any fear or opposition. You cannot yourself quote a feature in which we have varied from the policies of some of the schools you so much admire, except in the fact that we have registered under the Government,

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1129

which apart from other reasons seems to me to be the one Christian course to take.

Now, as to the McBrier Fund, you are of course entirdly free to do with this money as you wish, and I for one do not want money for this or any other purpose, badly as we need it, which is not given heartily and with confidence in the way in which university business is being conducted. However, I think you would stultify yourself as well as do a very great injury to me and to Yenching by taking your proposed course at this time. Whatever else may be claimed for Yenching it is now easily the most influential Christian College and one of the leading ones of any kind in the whole country. I should think you would feel it to be supremely important that every opportunity be taken advantage of to enable it to be a strong religious force. The more you are dissatsified with conditions as they are, the more would it seem desirable to make adequate provision for improvement. As a matter of fact I am now in correspondence with a Chinese whom I had wanted to recommend to you as preeminently qualified to come to us purely for the purpose of direct religious influence with the college students as apart from the School of Religion faculty. These negotiations will of course be held up now until I hear from you again. It is, however, worth knowing that there are some things that money cannot do. Too much of the American treatment of the missionary enterprise and one explanation for the present debacle, is that it has been thought of in terms of immediate returns in proportion to the cash spent. Our real difficulty now at Yenching is not the cowardly fear of opposition, nor unwillingness to use any method that would seem effective but a wave of indifference to religion which has swept over this entire country, and which all the established methods upon which you count so much would still further intensify if unwisely forced. Such pressure by the way is again possible only because of the American money which we in such schools have behind us, and has no value unless approved by Chinese Christians and responded to by the students. I have promised you before and I do so again that I am eagerly watching for ways in which this fund can be used to real advantage. You have refused some of my previous suggestions, as I hope you will continue to do when they go against your judgment. I ask you now to be a little more patient. It would be easy to have proposals by which your money could be wasted or even do harm under the guise of unflinching, indomnitable evangelistic fervor. I have too much respect for you and myself, as well as for the Master we are serving, even to suggest any such uses. None the less I feel confident that the time will come and may be soon, when it will enable us to do things here of enormous value which would be impossible except for this special fund.

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I have written thus at length and as frankly as you have been writing me because this last letter especially has hurt me very deeply, and because I am convinced that you are unwittingly wronging both me and the whole institution. It adds one more oppressive burden to the many others I am carrying at this time, most of which are inherent in an extremely difficult and baffling situation. Yours is gratuitous because at bottom it indicates lack of confidence in me and my associates, and the assurance that you only are right in matters of policy, and you only are zealously concerned over the distinctly religious purpose of Yenching. I who am in China still only for the one reason which brought me here, and that is to give every bit of all that I have to give to the cause of Christ as his missionary, feel that I and those who are sharing in this purpose here with me, have a right to be trusted as to what should and what should not be undertaken at any given time in the way of Christian work in this institution. If you and other members of the Board do not have such confidence the more straightforward course would be to allow me to resign as I am ready to do whenever this desire is indicated, and enable you to put someone here whom you can trust to make the University more effectively religious according to your standpoint.

Very sincerely yours,

P.S. As it happens I had completed the manuscript for an article to be published in the organ of the China Christian Educational Association just before receiving your letter. I venture to enclose a copy of this. It may further disturb and disappoint you as to the religious policy here, but on the other hand it may help you to understand the difficulties which are inherent in the situation.

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1131

File

Yenching University

November 28, 1930

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

My dear Dr.Stuart:

When I wrote you on Wednesday the letter dealing in a general way with the meeting of the Yenching Trustees on November 29 I stated I would write you a separate letter discussing the action of the Trustees relative to the School of Religion. This matter is of such vital importance to the University that it deserves separate treatment, and there are so many possibilities of misunderstanding that we must strive to give you the clearest possible picture of the conditions under which this matter was dealt with by the Trustees, the attitude of the Board individually and collectively, and the meaning which the Board attempted to condense into action T-2902.

General background. In advance of the meeting we had mailed to all members of the Board of Trustees mimeographed copies of your letter of September 18. Everyone, therefore, came to the meeting with this general knowledge of the issues involved. Your letter of October 23, together with the minutes of the October 20 meeting of the Board of Managers reached our office just the day before the meeting of theTrustees, and because of the importance of this material our office immediately had both the letter and the minutes mimeographed and this was at once distributed to all members of the Board of Trustees who were in or near New York, so the majority of those present at the meeting had had a day in which to study this fresh material from the field. Moreover, two of the Trustees who were present and took a leading part in the discussion have spent the major part of their life in North China and have only recently returned from that field, while three others know China and Yenching from first hand presence on the field. I believe, therefore, that we had gathered together at this meeting of the Yenching Trustees as well informed and as intelligently sympathetic a group of men and women as could be collected anywhere in America to deal with a problem affecting both the educational program and the Christian influence of one of our Christian higher educational institutions.

General attitude of Board. The consistent attitude of the Board as a whole, and of each individual present at the meeting, was one of warm sympathy for the field Board and administrative officers of the University; and was also one of eagerness to cooperate with the field in every possible way and to avoid any cause of misunderstanding or friction. Over and over again the statement was made that those of you on the field are the ones who are in the best position to understand and evaluate the situation you are

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1132

facing, and to propose solutions for the problems that confront you. The Trustees appreciate the fact their chief function must be that of backers rather than leaders.

On the other hand, however, the Trustees cannot escape the responsibilities which their representative position, as well as the dictates of their own judgement, place upon them. I believe that the Board is able to evaluate with a fair degree of accuracy the effect which important changes in policy at Yenching would have not only upon the supporting constituencies here in the West, but also, to a less extent, upon other phases of educational and Christian work in China in which representatives of the Yenching Board are interested in other capacities. In dealing with any important matter of Yenching policy the Board must necessarily keep in mind both the effect of such a policy upon Yenching support and good will here in theWest, and also the probable repercussion which such a policy will produce upon the other forms of Christian work which the cooperating Mission Boards are carrying on in China.

How far our Yenching Board of Trustees is qualified to predict the effect upon the University itself of any important change in policy may be a more difficult question. Personally I believe that with the group of men and women we have on the Yenching Board we can place a great deal of reliance upon their judgment as to the effect which any important change in general policy is likely to produce upon Yenching over a substantial period of time.

Meaning of action taken by the Board. With this general background in mind let us turn to the study of the action taken by the Trustees relative to the reorganization in the School of Religion. This item in the docket was approached by a brief review of the gist of your letter of September 18, and by the reading in full of the discussion and action of the Board of Managers at the meeting October 20, and of the comments on this subject in your covering letter of October 23. Mr.Wannamaker also summarized briefly a letter from Dean Chao dated May 11, 1930, discussing the proposed segregation of the School of Religion. Later Mr.Wannamaker circulated to the Board of Trustees mimeographed copies of this letter from Dean Chou, but at the time of the meeting they had the benefit only of his verbal summary of Dean Chao's communication. General discussion was then invited, and the lead was taken by those members of the Board ofTrustees who have had the greatest amount of first hand experience in and around Peiping. Practically all members of the Board, however, participated in the discussion to some extent.

It soon became obvious that the Board was practically unanimous in its disapproval of the proposed "segregation of the School of Religion and its removal to the site adjacent to the University campus", but at the same time the Board was most solicitous that no action be taken which would cause any avoidable embarrassment to the Boards and administrators on the field, or would be the source of any misunderstanding between the Trustees and the field.

The Board of Trustees attempted to study the proposed segregation and removal of the School of Religion from two standpoints:- the standpoint of political expediency, and the standpoint of educational policy. Unquestionably the consideration of political expediency was the more prominent of the two. While everyone recognized that for some time the University has been discussing such a proposal purely on its educational merits, it was felt that the matter would probably not have been actively pressed

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for some time to come had it not been for the actions of the Ministry of Education reported in your letter of September 18 and referred to in the preamble of the action of the Board of Managers.

I believe it is fair to say that the Board of Trustees was almost unanimous in their disagreement with the statement you make in your letter of September 18 that while the University is entirely ready to close at any time rather than to submit on an issue of principle, "this cannot possibly be explained to the Chinese government or public or even to our own University people as an issue of principle". The Trustees felt that if submission by the University to a course of procedure dictated by the Ministry of Education is not an issue of principle, then it would be difficult for us to conceive of any situation which could not be rather fluently explained away as a matter of practical procedure rather than of fundamental principle. The Trustees are profoundly convinced that rather than finding it impossible to explain such a question as this as an issue of principle, it would be impossible for either the University or the home Board to convince the Christian forces supporting the University both on the field and at home that the matter was not an issue of very fundamental principles. This conviction was strengthened by the fact that your letter of September 18 introduces the subject by explaining at length the communications from the Ministry of Education which brought this question into the foreground, and the resolution of the Board of Managers begins by the acknowledgment, "The question having arisen in connection with the communication from the Ministry of Education as to the relation of the School ofReligion to the University as a whole".

I believe it is fair to say that the Board ofTrustees has heretofore consistently taken the attitude of approving practically every recommendation that has come to it from the field with regard to the policy of the University in its relationship to present conditions in China, to the Chinese government, to the Ministry of Education, and to desirability of registration under the Chinese educational authorities. Frequently the Board of Trustees has taken action with considerable inward misgivings, but I believe they have succeeded fairly well in keeping these misgivings from showing on the surface. Yet the Board has now reached the conclusion that the University has retreated about as far as it should in the direction of concession to every demand made upon it by forces that are avowedly hostile to the Christian purpose for which the institution stands.

In the first place, the Board feels that, as a matter of fundamental justice, the University is entitled to claim certain rights under its registration with theChinese government. At the time the University was first registered under the Peking government, and still later when it was again registered under the Nanking government, it was carrying on work in the School of Religion as one of the recognized departments of the University. While it is perfectly true that the School of Religion was not one of the departments for which registration was asked, it is equally true that no attempt was made to conceal the existence and operation of such a school when application for registration was presented. The Trustees have no accurate information as to the specific documents submitted to the Ministry of Education, or of whether any reference of an informational nature was contained in these documents as to the presence and work of the School of Religion. We understand, however, that the material requested by the Ministry of Education was extremely voluminous so it seems improbable that all references to the presence and operation of the School of Religion could possibly have been deleted. Even though such deletion were accomplished, we understand that representatives of the Ministry of Education

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have in each case made exhaustive personal inspections of the institutions for which registration is asked before such registration is consummated. Even a very hasty visit to the Yenching campus would have revealed to any inspector the presence and work of the School of Religion. Furthermore, Yenching University is so well known to the men in the Ministry of Education, that it is inconceivable that these men are not already acquainted from personal knowledge with the fact that Yenching has for many years possessed a School of Religion, and that the School of Religion was operating at the time of the University's registration and has continued its operations subsequent to the granting of registration. Therefore, for the Ministry of Education to make any contention that it was ignorant of the existence of the School ofReligion until it noted your advertisemmnts in the Shanghai papers last summer would be the height of puerile quibbling. The explanation that aChinese official knows many things in a personal capacity which he does not recognize in an official papacity, can be stretched a long ways, but it could hardly be extended far enough to cover this particular situation.

If the University should concede such a demand as is now made for the segregation and removal of the School of Religion, simply to propitiate anti-Christian forces in the Ministry of Education, the question at once arises as to whether the institution possesses any rights and safeguards whatever under its registration with the Nanking government. If such a demand as this can be enforced, then practically any demand, no matter how unreasonable, might be presented at any time. It seemed to the Trustees, therefore, thatthe present is the time to raise the very fundamental question whether the University is not entitled to have certain basic rights respected under its registration with the Nanking government. If there is still any truth whatever in Dr.Arthur Smith's statement that the most fundamental characteristic of the Chinese people is their reasonableness, the Trustees hope that on a clear-cut question of right and wrong the University would receive support from all except a handful of irreconcilable radical and anti-religionists. Apparently such an issue must be raised sooner or later, and, as a matter of simple strategy, it is far better to raise such an issue without waiting until one is forced into a desperate last stand for existence.

The Trustees were forced to keep in mind also the effect which the segregation and removal of the School of Religion at Yenching at the initiative of the Ministry of Education would inevitably produce on other Christian educational institutions throughout China. At the present time at least two of our other union Universities where schools of religion are an integral part of the University organization, are applying for registration. In each case they are taking the same course as did Yenching:- omitting the School of Religion as one of the departments for which registration is asked, and setting up separate administrative machinery for carrying on the operation of the School of Religion, but at the same time leaving its physical location within the general campus of the University and leaving its practical position and influence substantially what it has been in the past. Should Yenching, which has taken the lead in the matter of registration, now take the lead in moving its School of Religion bodily from the campus of the institution, it would place the other two Universities in a position where it would be practically impossible for them to proceed with registration. Neither of the other Universities have the funds to effect such a removal, and the governing boards and supporting Mission Boards would probably not contemplate for a moment the carrying out such a removal even if it were financially possible.

Moreover, the Trustees are convinced that the issue at stake is so important that if Yenching does segregate and remove its School of Religion under the present circumstances, this act will be considered all over China as another triumph for the anti-Christian forces and another defeat for the forces of Christianity. In reaching this conclusion the Trustees have been influenced to some extent by discussions which individual members of the Board have had during recent months, both in the West and in China, with outstanding Christian leaders from widely separated sections of the Chinese Republic.

Furthermore, the Trustees believe that it is high time that a word be spoken on behalf of religious liberty in our institutions in China. They have agreed without serious protest to all the regulations of the Chinese educational authorities that religious instruction and worship be made entirely voluntary, and that the aim of our educational institutions be stated in educational rather than religious terms. But when the government goes farther and begins to take steps in the direction of eliminating religion entirely as being outworn and unscientific superstition which has no practical place or value in daily life, then the rights of religious liberty are at stake. Not from one source but many we have been hearing during recent months that a great many of the leaders in China, non-Christian as well as Christian, have been very much amazed at the seeming willingness during recent years with which Christian educational institutions and other bodies have accepted without murmur and without protest some of the unreasonable demands made by a radical and atheistic Minister of Education, together with his associates, some of them with even more radical tendencies, both in the central government and scattered throughout the provinces. We recognize that much may be said on the other side as to the earnest struggle all of our institutions have made in the face of what have seemed to be overwhelming odds, but the prevalence of criticisms I have just mentioned has indicated at least that these institutions have not given as much publicity to their struggles as they might have given.

The Trustees also were compelled to consider the effect which would be produced on Western friends and supporting agencies of Yenching by such an action as the segregation and removal of the School of Religion under the present circumstances. They did not wish to put this consideration too much into the foreground for it would be most unfortunate if the impression got abroad in China that the University found it impossible to carry out a wise and desirable action simply because they feared loss of support from the West. It was recognized that this would give the ground for further agitation of imperialistic domination from theWest. But the Trustees were forced to face the cold fact that at the present time many of the most substantial givers toYenching, as well as the supporting Mission Boards themselves, are becoming profoundly uneasy over the whole question of the possibility of the University continuing an active and aggressive Christian program. Those individuals and organizations are perfectly frank in their statement that they are not contributing their money primarily that a group of Chinese young men and young women may study chemistry and mathematics and history, but they are making their financial sacrifices in order that these young men and young women may come to form a personal acquaintance with, and personal allegiance to, Jesus Christ and His message to humanity. Whenever Yenching becomes an institution which teaches simply the curriculum of courses in the sciences and the arts, even though these are taught with the highest educational efficiency and with the finest Christian spirit, most of these supporters,who have founded and are now maintaining Yenching, will be no longer interested in the institution and will direct their gifts

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elsewhere. The Trustees are convinced that for Yenching to take the step which is now proposed, and under the conditions now existing, would appear to these supporters in America as marking a long additional stride in the direction of loss of distinctive Christian character and program.

All of the above discussion deals with the viewpoint of political expediency. The Trustees did not spend a great deal of time on the other viewpoint of desirability from an educational standpoint of segregating and removing the School of Religion. Had the matter come up purely from this viewpoint, and with no question of principle involved, it is certain that the Trustees could have done nothing more than relegate the proposal to the very indefinite future. At the present time no funds are available which would permit even a substantial beginning on the work of erecting a new plant for the School of Religion on a plot of ground still to be secured outside the University campus. The Trustees already have a long list of urgent financial needs, both capital and current, for which they are seeking to secure funds, or for which they hope to seek funds as soon as needs of prior importance have been met. Even though the Board of Trustees would agree that the segregation and removal of the School of Religion is entirely desirable from an educational standpoint (and this in itself is a highly debatable question) it would probably be a matter of a number of years before they ~~he~~would be able to encourage any hopes of effecting such a segregation and removal. This being the case, the Trustees would be very reluctant to commit themselves at this time as being in favor of such a policy because such a committal would obligate them, either directly or indirectly, to undertake an active search for funds to carry out such a program.

I have written at such extreme length because the Trustees are most solicitous that you who are guiding the destiny of the University will not have any misunderstanding of the attitude and intention of the Board here in New York. Again and again during the meeting members of the Board expressed themselves as hoping most earnestly that there would be no misunderstanding on the part of the field, and after the meeting several of the Trustees spoke to me still further along the same line. We are keenly aware of the tragical situation which would be created in the University if the administrators and governing boards on the field lined up on one side of this vital question and the Board of Trustees was arrayed against them on the other side. The Trustees recognize that unless the action they take here in New York meets with hearty support on the field, the result is bound to be most unfortunate from every angle. Needless to say, in this instance as in all others, the Board of Trustees will welcome any new information which the field may care to send which will place the matter at issue in a different light. We know that the field will likewise give the most earnest and sympathetic attention to the considerations which led the Trustees to take the action they did, and will earnestly strive to appreciate the position which the Trustees have found themselves forced to assume.

Very sincerely yours,

J. H. Gaustad

BAG-H

CC: Dr.Galt

YENCHING

TRANSFER

Yenching University

December 3, 1930

Dr. J.Leighton Stuart,
Dr. Howard S. Galt,
Yenching University,
Peiping, China.

My dear Dr.Stuart and Dr.Galt:

Mr.Franklin Warner has just written inquiring as to detailed plans for the equipment of the Warner Memorial Gymnasium. I have given him such information as is available here in our office, but I find that our information is not very complete or satisfactory. I think it would be very helpful, therefore, if you would send either to our office or to Mr.Warner a fairly detailed statement as to the desirable equipment for all three sections of the Gymnasium, indicating what equipment has already been purchased, together with a statement of the equipment still required, its approximate cost, and the time when purchases should be made. Information should also be given as to the extent to which this equipment can be obtained in China, and the extent to which it should be purchased here in the West. Can you also indicate how far balances may be available on the field for meeting a part at least of the cost of this equipment, and how far we shall require funds in addition to what have already been transmitted?

To date Mr.Warner has paid over G$40,000 on his pledge toward the Gymnasium. Sixteen thousand of this amount was for the construction of the first wing of the Gymnasium, and $30,000 for the construction of the Central wing. Five thousand still remains to be paid on the Central wing and this amount is ~~being~~ reserved here in New York for the purchase of equipment. Mr.Warner has also signified his willingness to make payment early in 1931 of the amount necessary to produce approximately L.C.$31,300 which it is understood will be required to complete the last wing of the Gymnasium.

The last Construction Department balance sheet which we received from Yenching shows that on August 31 there was a surplus on the field of L.C.$25,381.13 in the construction account of the central portion of the Gymnasium, but this was counterbalanced to a large extent by a deficit of L.C.$14,343.98 in the north wing of the building. This left a net surplus of approximately L.C.$11,500 in the combined Gymnasium building account at the end of August. Since the August 31 Construction Department balance sheet was prepared you have drawn an additional draft for G$5,000 on the central section of the Gymnasium, which draft produced L.C.$14,450. Thus you have had available since August 31 the net surplus on that date of L.C.$11,538.21 plus your last draft of L.C.$14,450, making a total of L.C.$25,988.21. We have no means of knowing how far these

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1138

funds have been required, or will be required, in the completion of construction work on the central wing. Will you please give us an up-to-date statement of the status of the Gymnasium construction account, together with a forecast of any further expenditures required for construction on the north wing or central section?

Mr.Warner has also asked for information as to the progress of construction on the central wing. When you write will you give us up-to-date information on this point?

Very cordially yours,

BAG-H

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1139

燕京大學

YENCHING UNIVERSITY

PEPING, CHINA.

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

December 3, 1930.

P.Y. already wrote this answered 2-12-31

Mr. O.D. Wannamaker,
150 Fifth Avenue,
New York City.

My dear Olin:

I am sending you a copy of a letter to Corwin in order to avoid writing on the same matter twice and also to let you know precisely how I have described the case to him. There is nothing that occurs to me to add which would not present itself to your own mind as you think over the proposition. You will, of course, realize the desirability of reaching a decision as soon as sufficient study of the matter has been made and actions by the various groups concerned taken. Assuming that part of the expenses, and I hope a generous part, can be met by the Princeton School, the remainder could probably be charged to the total college budget here before any division among the different departments is made as an item of general interest.

I am also sending you a copy of a reply I have made to Mr. McBrier. From the reply you can understand fairly well the contents of his letter to me. I am thinking of writing to the Trustees on the whole subject of our religious policy and asking them in effect either to approve it or to have the Board itself so reconstructed that we can count on the backing of a sympathetic group. The other alternative would be for them to attempt to force a different policy here which would be impracticable, and would at once lead to the resignation of quite a number of those who would be held responsible for carrying out such a policy.

The last mail brought the very interesting reports of the negotiations with Pierce and Hedrick and the promotional plans in general. I can

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appreciate something of the difficulties, and can only express sympathy with you in trying to deal with them. The immediate thing that the Trustees must somehow face and find solution for is the matching of the Rockefeller conditional gift for two hundred and fifty thousand ($250,000) before June, 1932.

Very sincerely yours,

J. Leighton Stuart

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J. L. - file

December 6, 1930

Dear Leighton:

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

C. B. Jenney. Since receiving your letter expressing your keen disappointment that Dr. Jenney cannot begin work immediately, I have discussed this problem again with one of the members of the Finance Committee whom I have been consulting at other times regarding promotional problems- Mr. Gamble. I shall discuss it also with the two available members of the Committee on Promotion. I entirely understand how you feel about this. If I were on the other side of the world, I should probably not be quite so patient in writing about it, as you are, since I should sense the possibility that a cautious policy at home might very naturally be adopted and might result in retarded growth of the University, whereas a little more boldness would ultimately abundantly pay for itself. I am going to discuss this question still further. I am, however, impressed by the fact that both Mr. Pierce and Mr. Hedrick have definitely advised us not to use one of their field representatives until the financial condition improves. My own judgment will be somewhat influenced by the results of the effort now being made in behalf of Lingnan. I secured for this service a man named Young, who has in his time raised a great deal of money. He seems a very intelligent person and of the right temperament. He is, of course, eager to prove his ability. We are cooperating with him as fully as possible through the use of Dr. Henry. If the results are practically negative, this will be pretty good evidence that expenditures on the budget of Dr. Jenney or of a Pierce & Hedrick man, without your presence, and under the present quite abnormal financial conditions, would not be justified.

I ought to add that my own interpretation of Dr. Jenney's suggestion that he postpone beginning work with us, is that he took this action partly out of a feeling of uncertainty in his own mind, and that it would not have been psychologically wise to endeavor to persuade him to begin work immediately. He had already, months ago, suggested both to you and to me a modification of his plan, which would have been most difficult to work successfully and with the approval of the Yenching authorities. I feel that in dealing with him as I am now doing, I have the greatest probability of retaining his interest and having him throw himself into the Yenching problem as soon as it seems sensible to do so.

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J. L. S..... #2 December 6, 1930

to the

Let me assure you that I am using Pierce & Hedrick ~~with a~~ maximum degree apart from engaging their field man. Although I have found their publicity man, Dr. Stelzle, not satisfactory in preparing material for folders, etc., I have insisted that their publicity department edit the material I wrote on the religious life of the University and let us test their form of printed matter as compared with my own. What their publicity man did was simply to clip some paragraphs from my manuscript. I have accepted his job, and this piece of printed matter is now going into the mail. Although I do not admire what he did, I do think that the folder is more likely to be read than some of my own, which have contained too much matter. I hope you will like the copy sent you herewith.

I am getting something out of this connection. We shall learn here how to put matter into the mails so drafted that our friends can scarcely escape from reading it.

Moreover, the publicity department of Pierce & Hedrick accepts full responsibility for newspaper releases. We have a definite agreement for a certain number of releases. His firm sends periodical releases to 400 important newspapers. I am to provide them with material and they are to put it in acceptable form for these newspapers. They have just yesterday submitted to me a very well prepared and rather long article, consisting, in this instance, of interviews with Dr. Henry, Mr. Murphy, and myself. Because of the conspicuousness of Henry's interview, Mr. Stelzle drafted this particular article with more reference to Lingnan, though Yenching is given much prominence in the latter part of the article. I have inserted a slight modification and have suggested by telephone to Hedrick that in giving Yenching University much the greater prominence in his next release he include mention of Lingnan as he has mentioned Yenching this time, in such a way, that the two institutions may appear to the readers of these papers as the two outstanding institutions in the north and south of China, respectively.

It takes a great deal of confidence and patience to keep trying to accomplish something by means of this connection with an outside firm. I really should much prefer to do all of this myself. That, however, is physically quite impossible. I am convinced that if we go ahead patiently and confidently, we shall eventually get the results.

In this connection, let me say that Mr. Pierce was most emphatic in saying that the State of Colorado was by no means a favorably place for endeavoring to raise money for Yenching. He considered the Southwest far more promising, and the Atlantic seaboard, including Pennsylvania, likewise. I think, therefore, we are not making a mistake in refraining from the heavy weekly expenditure for Conant until the general situation would justify his ~~accomplishing~~ something in the Southwest.

I still continue to believe that I shall so develop things here that I myself can get away for a certain amount of outside effort. Although I have been greatly disappointed in the unsatisfactory handling of our printed matter by Mr. Stelzle and have been very candid in expressing myself to Mr. Hedrick, I think the firm will develop something satisfactory

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1143

December 6, 1930

to us and that I shall be relieved of a certain amount of this work and be thus enabled to get away from the office. I am definitely aiming toward that end and hope to be able to make trips covering Princeton alumni and other Yenching prospects.

Do not hesitate to write very frankly your feelings regarding promotional matters. As I have said above, I know under what pressure you are living and how eager you are to have things accomplished.

In the matter about which you and I exchanged confidential personal notes during the summer, there is no prospect of action in the near future. I will not make any definite decisions without notifying you sufficiently in advance.

Cordially,

Dr. J. Leighton Stuart
Yenching University
Peking, China

ODW*KK

Ach 1/6/30.

燕京大學

YENCHING UNIVERSITY
PEKING, CHINA.

YENCHING

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

December 8, 1930.

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

INDEXED

TRANSFER

My dear Mr. Garside:

Natural Science Rate of Exchange. You will have heard from the treasurer regarding the action of our Faculty Executive Committee approving of the request from that college that they be granted a fixed rate of 3/1 on the income available for their budget. It seems to be definite now that there is an income of the interest on three quarters of a million dollars, in other words, G$37,500,which must be used for this purpose. This college budget was planned in the expectation which seemed to be well founded, that the negotiations with the Chinese banker would result in a larger total income. They have, however, been extremely conservative and considerate in making their plans, and are only carrying on such features as seemed necessary in view of commitments to the P.U.M.C. and other accepted responsibilities. This rate will enable them to meet the requirements of the budget except for perhaps two or three thousand dollars local currency which might be made a first charge against the surplus. All indications are that the present low value of silver will continue or even drop further. (Yesterday it was $3.71) It is with no failure to realize the uncertainty of the future for this college that I join them in the request that this rate be guaranteed.

Natural Science Endowments. Now that we have definite information that one of these offers expires June 1932, I hope the trustees will make active plans for assuring the fulfilment of the conditions for securing this endowment. We are getting ample information here as to the seriousness of the financial depression in America and the indications that this will not lift in the near future, or even may become more serious. The difficulty of raising the money for this purpose in the next year and a half is therefore fully realized here. One

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1145

conclusion that it seems fairly safe to arrive at is that I should not be expected to spend any time in America on this objective before the expiration of the limit given us. This problem is on my mind at least part of every day and night so that the trustees will not take offence if I press the importance of it. It may be that they can arrange among themselves a loan with or without interest to be provided in some more or less personal way by themselves, and underwritten until the new money can be found. Another wild idea that occurred to me was that each member might undertake to contribute or raise ten thousand dollars in the next year and a half. Other more practicable schemes will doubtless suggest themselves to the trustees themselves. I can scarcely overstate however the importance of securing this fund. The total loss from our inability to match it would be so serious that the question might even be raised of temporarily closing the institution. While that is not likely to happen, it at least brings home the importance of the issue.

The hope which I have had of trying to match it in China is pretty well dashed both by the more limited time allowed us and the continually dropping exchange. My cable by the way asking for the maintenance of the interest for five years was on the strong suggestion of Mr. Gee of the Rockefeller Foundation here. What could have been matched by local currency six hundred and twenty-five thousand a year ago would now require nearly one million dollars. A gift of that size is practically out of the question in so limited a time and with the unfortunate experience with our Chinese banker. I would not, however, be entirely without hope that if the sum needed were underwritten in America it could at least partially be repaid from efforts made in China over a sufficient period of years.

Transfer of Endowment to China. I am enclosing herewith a copy of the minutes of a recent meeting of the Finance Committee of the Board of Managers. Dr. Galt has already written at length on this subject so that I need make no further comments beyond pointing out that this group were asked to consider the advisability of investments in China entirely apart from any promotional considerations because of the incident of the Chinese banker last year or any similar efforts in the future. Dr. W.W. Yen whom I had seen in Tientsin the week previous could not be present as we had hoped he might, but authorized the use of his name in strong approval of such a policy. I might add that Mr. Beddow of Thomson and Co., is equally confident that there are investments possible in China and paying a relatively high rate of interest which are about as safe as human institutions make possible.

Very sincerely yours,

See Managers Minutes binder 11/26/30

J. Leighton Stuart

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1146

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UNIVERSITIES
DEC 31 1930
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YENCHING

INDEXED

Yenching University

TRANSFER

December 8, 1930

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

My dear Dr.Stuart:

Let me acknowledge receipt of your letter of November 10, with which you enclosed a letter addressed to the Board of Trustees.

Proposal of transfer of Endowment Funds to China. I have sent copies of this material to the members of the Finance Committee. A meeting of theCommittee has been called for December 16 at which time we will have Mr.C.R.Bennett as our guest. The primary purpose of this meeting is to give the most careful and serious consideration to the policy of investment in China of Endowment Funds held by the Board of Trustees. We are confident that Mr.Bonnett can give us thoroughly competent and impartial advice on this important problem. We have been hoping that we might also secure the attendance of Mr.Dwight Edwards, because he should be able to give us valuable assistance in dealing with this problem. I understand, however, that Mr.Edwards will probably be away next week so we may have to content ourselves with informal conferences with him during the present week.

I need not assure you that the members of the Finance Committee will give the most thoughtful and sympathetic consideration to the proposals you have sent. We understand that further material will follow since we received from you last week a cablegram requesting that final action on the proposals in your letter of November 10 be postponed until we had received the minutesoof the Board of Managers. For this reason the meeting of the Committee with Mr.Bennett on December 16 will probably confine itself to a general study of policy, and will not attempt to reach any final decisions.

Contribution from Mrs.W.O.Campbell. You will have have noticed that the Finance Committee by action F-2884 allocated this endowment toward matching the Rockefeller Foundation gift. I will report to the Finance Committee your suggestion that this fund be allocated, temporarily at least, toward meeting the expenses of the Practice Schools started by the Department of Education. I believe that as yet the Promotional Office has had no direct word from Mr.Eldridge as to the payment of the Gold $6,000 which he promised when you were last in America.

Mrs.Blair $2000. I believe that the $2,000 to which you refer is the sum paid over by Mrs.Blair in May~~th~~, 1930. At the time Mrs.Blair

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1 148

the World Acquaintance Travel Bureau in regard to the settlement of certain items in connection with her travel expenses to the Orient. She asked that our office collect from Miss Schooley the amount Mrs.Blair considered due her, and that we apply this on her pledge to Yenching. The Finance Committee approved this procedure, and assumed responsibility for a small difference between Mrs.Blair's figures and those of Miss Schooley. Later on Mrs.Blair paid in slightly more then enough to complete the $2,000. Apparently our office has been at fault in not communicating the full details of these gifts to the Field Treasurer's office and Dr.Lew, and authorizing the Field Treasurer to draw these funds. I am at this time writing a letter to Dr.Galt covering the matter.

Bachelors' Apartment. I have transmitted to the members of the Finance Committee your suggestions with regard to the construction of a bachelors' apartment. I am sure the Committee will give the proposal very careful consideration at its next meeting. There is one detail in the proposal, however, which I am afraid will not be very productive. You suggested that a part of the cost of such a building might be met by the use of gain on exchange. You will have received the minutes of the November 11 meeting of the Finance Committee which by action F-2866 allocated all possible gains in exchange during 1930-31 to cover some of the most urgent needs in connection with the University budget and repairs and extensions in the H.L.S.& M.System. It will, therefore be quite useless for any of us to make any further proposals during the coming year for any expenditures whatever, no matter how urgent their nature, to be covered from gain on exchange.

Earl Norton Lockard. I will write to Mr.Lockard along the lines you suggest.

Dr.Alice Barlow Brown. We are grateful to you for this very frank, but sympathetic,discussion of the various factors involved in Dr.Brown's proposed return to Peiping. I trust that the action of the November 11 meeting of the Finance Committee in stating as a matter of policy that "as a matter of principle it is not within the scope or power of the Committee to endorse any personality, movement, or undertaking in China except as sponsored and approved by the University administration on the field" will meet not only this particular case, but similar proposals which come up from time to time. One cannot but be in sympathy with such thoroughly worthy undertakings as Dr.Brown is proposing; but for the University to become involved in undertakings which are outside the province and control of of the institution is to court constant difficulties and misunderstandings. We have tried to deal as courteously and as diplomattically as possible with Dr.Brown, but as yet we have not had any word from her since the action of the Finance Committee was transmitted to her. I do not know, therefore, the present status of her plans.

I am afraid that this letter will arrive too late forChristmas greetings, but perhaps it will reach you in time to convey our warmest good wishes for the New Year.

Very cordially yours,

B.G-H

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燕京大學
YENCHING UNIVERSITY
PEKING, CHINA.

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

December 9, 1930.

YENCHING
INDEXED
TRANSFER

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

Dear Mr. Garside:

In further comment on the case of Dr. Alice Barlow Brown about whom I wrote you a few weeks ago, I am now ready to approve of her coming to China under a committee of faculty wives who are making her a definite offer on their own responsibility. It can be treated as Yenching University social service extension work, and while the University will not be officially behind it, yet the strength of the personnel of this committee and the other details which they have worked out seem to me to protect all the various aspects of the question.

Will you, therefore, write to her, 672 Maple Avenue, Winnetka, Ill. to the effect that this can be treated as a Yenching University activity. She says that her pastor requires some sort of authorization relating her activities to the University. The ladies are writing her direct as to the details of other arrangements with her.

Very sincerely yours,

J. Leighton Stuart

3 5 6
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1150

Copy for Mr. Sailer

Dec. 10, 1930

YENCHING

Mr. E.M. McBrier
150 Fifth Ave.
New York City

INDEXED

TRANSFER

Dear Mr. McBrier:

Following up my recent letter on the subject of the McBrier Fund I should like to put before you some of the ideas which have been formulating in my mind during the past few months. Let me assure you again that the use of this money remains as much a matter of deep concern to me as it was when first suggested and that the hesitation about proposals has been due to a desire to have it used as effectively as possible in the spirit of your purpose and to guard alike against diverting it to ease up budget problems on the one hand or wasting it on ill-advised projects on the other. I have thought much about the idea of iviting lecturers to come from other countries and hold special meetings. You yourself suggested Robert P. Wilder as an illustration. This use of the money can well be kept in mind but after much careful thought and consultation with others here I am convinced that for the immediate present such a method would be very costly with very doubtful returns. I have also been canvassing the idea of securing a western or Chinese person preferably the latter who would supplement the type of work that R.H. Ritter is now doing. Such a person might be given academic status as a teacher in some department to make his relationships with students more easy and natural. The official status is however relatively unimportant. The difficulty has been to find a suitable man. I had thought before receiving your last letter that such a person had been discovered, but on further enquiry the individual in question seems less fitted than I had hoped he would prove. Various other ideas have occurred to me and have been talked about with others. Among these I shall propose two immediate uses realizing that these are both experimental and can be abandoned for others that might on further study of the subject seem effective.

1) Dr. T.Z. Koo has resigned from his position as associate of Dr. David Yui of the National Committee of the Y.M.C.A. and has been invited by the Association of Christian Students of Hopei Province to come here next spring as full time secretary for religious work. You will recognize this name as one by which

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1151

our province is now over. The association consists of groups of Christian students in government and private colleges and middle schools and is a student initiated and conducted organization quite active and full of promise. If we made a contribution not to exceed R.C. $5,000 for twelve months to the expenses involved in Dr. Koo's salary and the other expenses involved we could claim his services for a large part of the time and see how he develops in this type of work. It might be desirable to take him into the University later as our own full time worker, though I doubt if this would be any more beneficial than the suggested arrangement. You doubtless know, or know of Dr. Koo and do not need to be told of his brilliant gifts and Christian consecration. An advantage in this plan would be that our students and those in other schools in this region would be brought together in Christian purpose under very helpful and natural circumstances.

William Hung has made the tentative suggestion that we ask for the authorization to provide scholarships for students about to graduate from middle schools or from other colleges, the former to enter Yenching as freshmen and the latter as graduate students. These would be selected personally by members of the faculty who are specifically charged with the responsibility of looking after them. It is unfortunately becoming true that good students cannot afford to come to Yenching and we are tending to be a school for the more well-to-do. If boys who could win the respect of their fellows were thus enabled to come here and knew what our intention was, they could do effective work and take an active part in leadership at the two points that count most, both are the first year of the college course and ex-graduates, and therefore very much looked up to by other students. The impending exodus of graduate students here would set the tone for the other If these students were selected also with reference to geographical location and the schools from which most of our students are drawn, they would have a natural contact with their respective groups and could take definite responsibility for them. If one of the faculty kept in constant touch with and tried to train them for religious work, they would also out from here with that experience behind them to carry the method elsewhere. If furthermore we consulted with some of other Christian colleges or middle schools and arranged for advanced students to come to us for some form of special t with the thought of taking positions in these institutions would render the double service of helping to supply teach of a much needed sort and with the experience gained whi us as well as of strengthening our own religious life. T idea appealed to me more than any other that has yet been

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1152

and I very strongly recommend that you allow us to try it out. I should prefer that you allow me to take the responsibility of selecting ten such students to begin with and deal with them personally rather than through our official committee on loans and scholarships. I should, of course, consult with people like William Lung and others most interested in this project, and we would endeavor to keep in very close touch with the individual students. I could write at great length as to why this method seems to have more possibilities than others which would naturally suggest themselves to you out of your past experience, but shall only say that conditions being as they are among students in China and probably in other parts of the world, this method seems to offer more promise than any other.

Mr. Lung made the remark that ten such students a year wisely selected and assisted would transform the whole religious tone on our campus.

I want also to urge with all the insistence I can that you ought not to think of diverting this fund away from Yenching purely from the standpoint of your desire to have it used to help forward the Christian movement in China. This institution is in danger of being lost to the Christian cause in ways some of which you realize quite acutely and others of which I am more conscious than you. We want very much the help that this fund can be to us in fighting against such tendencies and I beg of you to give me the confidence both in reference to my judgment and in my earnestness of purpose to be your co-worker in putting this fund to effective use.

With the warmest admiration and gratitude, I remain

Very sincerely yours,

(J Leighton Stuart)

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UNIVERSITIES
FEB 9 - 1931
MAIL SECTION

3 5 6
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1153

YENCHING

INDEXED

Yenching University

TRANSFER

December 22, 1930

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

My dear Dr.Stuart:

I have just received a note from Mr.Warner written shortly after the receipt of your letter to me under date of November 14 dealing with Warner Gymnasium finances.

Mr.Warner writes quite frankly and informally, and probably does not intend that his letter should be quoted. I gain the impression, however, that he is somewhat surprised to learn that, on the basis of the statement prepared by the field, an additional G$27,860.82 beyond the G$46,000 already contributed by his family will be required to complete and equip the Gymnasium. Apparently these figures are substantially greater than the estimates on which he has been doing his planning. He states that he will have to consult with his brother and sister as to the possibility of obtaining contributions from them before he can decide what payments will be available next year. He indicates that if the brother and sister are unable to help, it may be necessary to have the field complete the building without the last wing and to let it stand that way until he can either accumulate enough alone or get help from the remainder of the family or someone else to complete the building.

Mr.Warner also expresses some surprise that the estimate for furniture and apparatus is substantially in excess of G$5,000. He states that "they will have to cut this G$5,000 to as that is as far as I can go this next year".

Probably Mr.Warner is writing to you directly in regard to these matters, and possibly he will be equally frank in his statements to you as he has been in this note to me. I believe Mr.Warner desires the Finance Committee to take some action on certain problems involved, and in that case a more formal communication will go to the field a little later on. I am, however, sending you this informal note at this time in order to be sure that you are kept fully informed of developments, and particularly of Mr.Warner's plans and attitude. He has shown such admirable loyalty and generosity for the University that it would be most unfortunate if we pressed him a little too hard just at this time when practically everyone here in America is feeling the effect of the serious and wide-spread financial depression.

Very cordially yours,

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1154

December 20, 1930

Dear Leighton:

I have read with interest your letter of November 14th.

Religious Instruction and Work. I am glad to have your correction of the clipping from the New York Sun regarding instructional courses in religion. Am delighted to have a copy of your letter to Mr. McCormick on that general situation, which I think will satisfy him.

Edgar B. Davis. I have already reported to you an interview with Mr. Davis. I do not believe that this hurt our cause at all, and I think that in due course Mr. Davis will give a generous donation to the University.

Fred Eldridge. Although I tried to reach Mr. Eldridge once or twice by telephone to invite him to lunch with me, I failed to call at a moment when he was in his office. I have not ventured any other move than this, knowing how delicate the relationship is with him and with Mrs. MacLean. I shall leave the matter to be handled by Phillip.

Investments in China. Mr. Garside had already handed me a mimeographed copy of your letter to him and that to the Trustees in preparation for the conference of the Finance Committee with Mr. Bennett. He has no doubt written you fully regarding that conference. Mr. McBrier, Mr. Barber, and other members of the Finance Committee present showed the most earnest desire to do everything in their power to support you and cooperate with you in this matter. After long discussion, the decisions were reached, which will be or have been reported to you by Mr. Garside. So earnest was the desire of the Trustees present to uphold your hands that there was a general expression of the feeling that a member of the Finance Committee ought to visit you in person at the earliest practicable date to show the desire of the Trustees to cooperate both with you and with Chinese friends interested in the University.

I believe no other details in the letter require special comment.

Cordially yours,

Dr. J. Leighton Stuart
Yenching University
Peking, China

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燕京大學

YENCHING UNIVERSITY

PEKING, CHINA.

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

December 22, 1930.

Mr. O.D. Wannamaker,
150 Fifth Avenue,
New York City.

My dear Olin:

Mrs. Leonard Hsü. I regret to inform you that our medical officer definitely advises against her going with her husband to America because of active tuberculosis. She would have difficulty in entering the States as the wife of an alien, and would even if allowed to do so be exposed to unfavorable conditions. On the whole I am quite relieved as this is undoubtedly best for her. Leonard has practically decided, but not finally, to carry out his original plan but is wondering whether the Rockefeller Foundation would permit him to shorten his period of work in America and spend the remainder of the year in similar travel and investigation or literary work in China. I advised him to let this question await arrival in America and consultation with you and others. He is leaving here about the 20th of next month, and will go direct to Chicago. I am advising him to concentrate on his work under Professor Park at that place in the hope that he will have a discipline that will make him more accurate and thorough in his own literary efforts, and with stricter standards of high grade intensive programs for the department. He should be encouraged to visit Princeton and the P.Y.F. trustees and elsewhere for no more time than other interests require.

Department of Sociology and Social Work. The idea has occurred to me that it might be possible to take advantage of Leonard's presence to induce the University of Chicago to undertake the former of these departments as their contribution towards University service in China. With the interest of the new President in this country through the connection of his brother with Yale-in-China, and his own popularity reinforced by the support of Professor Park and other members of that department, this might be worth trying. You already know of the interest of President Vinson of Western Reserve University in a similar department of Social Work. Here again Leonard's presence in the country might help.

The apparent disloyalty to Princeton, and especially to Burgess, Gamble and others who have been primarily interested in this unit will

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present itself at once. On the other hand, we must realize that the School of Public and International Affairs at Princeton does not include either of these subjects, and that the authorities there are not actively interested in them. The only objection from this source is the impression that somehow this department has more religious influence than the others which is without basis in fact. The present religious influence in all these departments is through the personalities and the prevailing attitude taken in classroom work and in all of our community life. I should like to see history transferred tothe Princeton group which with Political Science, Jurisprudence and Economics would be as much as that constituency can possibly maintain well. It might be that the Rockefeller Foundation would treat all of these subjects as within the scope of their present grant or a future capitalization of it, and that the three American universities would jointly maintain our present College of Public Affairs, or that the two departments discussed under this paragraph would be separately organized. These are suggestions for your consideration rather than anything in the nature of formal recommendationa. You will understand better than I how delicate the whole issue is and will use your judgment as to whether to do anything in the matter. I think, however, you need feel no anxiety as to the readiness of the administration here and the departments concerned to approve of what is here proposed.

Princeton P

Princeton Teaching Fellows. I have been watching the experiment with Taylor and Free with no slight interest, and while there is no cause to complain of the way things are working out, I cannot but raise the question as to whether the sending of such men is worth the cost, either from the Princeton promotional standpoint ~~of~~ or that of the benefits received here. Nothing could be finer than the way in which these two young men are trying to do their duty in the face of unexpected difficulties and a quite critical attitude on the part of some students toward the former. Their impressions of standards maintained here and the quality of the work in the classroom are naturally influenced by comparison with those at Princeton from which they have so recently come as students. They both are quite ready to appreciate the limitations of Chinese students and make all allowances for them as well as for the more elementary stage of our own development. The question is rather as to whether the reports they will take back in correspondence or in personal comments, are such as to create sufficient enthusiasm among their associates to stimulate giving to the point of making this investment worth while. Looking at it from our own internal standpoint, I incline to think that we can on the whole do better in providing for the teaching load by

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1157

to Wannamaker
Dec. 22 1930

maintaining permanent staff members whether Western or Chinese, or by the presence of persons like Corwin and Duncan who bring more prestige and experience. Of course, the question is somewhat affected by the proportionate cost carried by us in relation to the Princeton School and the young men themselves. From the religious standpoint these two men contribute virtually nothing, and while considerate and essentially in sympathy, I am compelled to realize that the lack of positive influence tends to become slightly negative, and that they are probably quite typical of the better present day American collegians. One possible solution might be that every third year (or second or fourth year) two young fellows might be selected and sent out to maintain continuity with the Princeton campus. Another suggestion is that whenever an exceptionally choice spirit both in his religious qualities and academic attainments seemed ready to volunteer for such service, and especially when such an individual could be supported to some extent at least from specially secured funds, we should be glad to welcome him. In any case, both Tayler and Free have pointed out to me that their successors would be greatly helped if they knew earlier that they were to come on such a mission and could prepare accordingly. Among other advantages, they could correspond with the departmental chairmen here as to the specific courses to be taught as had not been possible in their own cases. With this statement of the matter I leave any specific plans for next year to your own judgment.

Phillip Fugh. He is now definitely determining to sail from Shanghai on the S.S. President Cleveland January 9, and arriving in Seattle January 24. He will proceed directly to Detroit and from there to New York. He will tell you some of the hopes that he and I have for his helping in some of the more acute financial problems we are now facing. He is greatly concerned over the necessity of meeting the Rockefeller conditional gift within the limited time we are allowed, and will tell you of the projects which we have in mind. You have learned to appreciate him so heartily yourself that I need say nothing more as to asking you to look after him while in the States as well as to utilize him in so far as he can be of help.

Nankai Promotion. I am a member of the advisory committee in China for this university and want to be generous in helping forward that very worthy institution. On the other hand, we must consider our own interests and I feel that it is no violation of the spirit of my present relationship to share with you a copy of the report that has just come to me. Read this carefully and note where it touches some of our prospects, but do not disclose the fact that I have sent it to you except where you can count on the matter being treated confidentially and where there is some practical

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1158

consequence to our own welfare.

The Hopei Christian Student Association. I am sending you the enclosed report which may be of help. We should specially like Mr. McBrier's attention to be called to it.

Dr. Daniel Blain. I am sending a copy of a letter which I think explains itself. I do not see how we can hope to include him in our next year's budget, even if he were ready to come which I think is not the case, but he is a very desirable personality and should be kept in mind.

Peking News. Two packages of this have just come to hand and I want to congratulate you on the results. It indicates much careful thought and ought to be of no slight value among our friends.

Very sincerely yours,

J. Leighton Stuart

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1159

December 23, 1930

Dear Leighton:

I send you by this mail a copy of Bulletin No. 2, of the Tenth Series of the Institute of International Education, subject matter, Fellowships and Scholarships Open to Foreign Students for Study in the U.S. I have gone through this bulletin and checked all scholarships that seem to be interesting from our point of view, and marked certain paragraphs that require special attention. We have checked a duplicate copy which we are keeping at the office. It is my idea that some one at Yenching should take special responsibility for studying this bulletin. This faculty member should call the attention of every departmental head to special scholarships that would be interesting to graduates specializing in that particular department. This knowledge would tend to increase the number of Yenching graduates applying for fellowships or scholarships in America or the likelihood of their success in such applications. If the departmental head selects one or two scholarships or fellowships that would be particularly desirable for one of his graduates and centers his effort upon obtaining one of these appointments, it seems to me that we ought to have a considerable percentage of success.

I have called attention in the notations in the pamphlet to certain special personal connections which might help a little in a few instances.

Perhaps the checked pamphlet might be considered a reference book not to be removed from the office where it is placed, but available to each head of department or professor who might wish to examine it.

I hope at least that it may be of some service.

Cordially yours,

Dr. J. Leighton Stuart
Yenching University
Peking, China

CD:*KK

-COPY-

December 24, 1930

Dr. J. Leighton Stuart
Yenching University
Peping, China

My dear Dr. Stuart:

By this time you have undoubtedly heard of the tragic death of Mr. Li. I am enclosing copy of a letter to his uncle in Washington which gives the history of the case up to the time of the finding of the body. His uncle, Mr. Y. C. Mei, arrived in St. Louis on the 21st of December and seems to feel that it may not be necessary to send the body back to China. He says that several students who have died in this country have been buried here and he thinks that is the thing to do in this case. Mr. Mei expects to take it up with his wife when he returns to Washington and see if she will take the responsibility of saying whether or not burial can take place here. In any case, the body has been properly prepared for shipment and will be held in a receiving vault until we are informed as to just what is to be done.

Mr. Mei tells us that a few years ago Mr. Li had a nervous breakdown and that on another occasion he was found unconscious, so that it is possible his mental condition was the result of some deep-seated trouble.

No student we have had here in years has made a better impression on his instructors. His work was far above the average and everyone of us felt that he was destined to take a very high place in the botanical world. The students received him as one of them; he entered into all their plans for recreation and amusement arranged from time to time and we have no cause for regret through lack of attention paid to him.

Mr. Mei took charge of Mr. Li's personal effects, including his watch, clothing, etc., and his passport was turned over to the U.S. Immigration Officer in St. Louis. Mr. Mei directed that his notebooks and books on botanical subjects which he had purchased be sent to Yenching University, together with several volumes which obviously belong to your library. We are likewise sending some of his lecture notes and drawings which will give you an idea of the excellent work he was doing. This box is now being packed and will go forward by freight since it is rather heavy and there is no particular need for haste.

Mr. Mei assured me that he would write to you and I am depending upon him to give you his impressions and any additional information that I have neglected to include. I would only ask you to express to Mr. Li's parents the high esteem in which we held their son and our heartfelt regret that his mind became unbalanced to an extent that he did not know what he was doing. I do not need to add my personal regret at the outcome of an experiment from the results of which we both expected so much. Will you please show this letter, with enclosures, to Mr. Hu and anyone else whom you think should be informed as to the particulars. I do not feel that I

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can at this time write more than this single letter, although of course I shall be glad to supply additional information to any who might have the right to request it. I think that after the holidays some of the students will wish to write to Mr. Li's parents, if for nothing more than to express their admiration for him as a student and campanion. Their plans for the Christmas holidays in which he had been included are being abandoned out of respect for his absence.

I am,

Yours sincerely,

Geo.T.Moore,
Director

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1 162

YENCHING

INDEXED

Yenching University

TRANSFER

December 27, 1930

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

My dear Dr.Stuart:

I enclose herewith a confirmation copy of a cablegram we sent you on December 24.

The first part of the cablegram is sent in response to a request we had just received from the Western Nilson Sporting Goods Company. They had just filled an order (presumably from Mr.Wee) for a starting pistol and ammunition, which had been shipped on the President Pierce. They have been warned that the importation of fire-arms into China has been prohibited and that the Chinese government would probably seize the pistol and ammunition unless a permit had been sent to the proper officials in Shanghai by the time the steamer arrives.

The second part of the cablegram reports the very tragical death of Mr.Li Chien-fan. I have no doubt that before this letter reaches you, you will have received from other sources full information as to the circumstances surrounding Mr.Li's death. About ten days ago Dr.George T. Moore wired us an inquiry as to the name and address of Mr.Li's uncle in Washington, so we inferred that something serious had developed. We were greatly shocked to receive a further wire from Dr.Moore a few days later announcing that Mr.Li's body had been found and that apparently his death was a case of suicide due to temporary insanity.

As the matter had been reported to us, we understand that for some weeks Mr.Li had been in a very depressed and nervous condition, due probably to overwork, and aggravated by trouble he was having with his eyes. Dr.Moore had consulted with Mr.Li once or twice in an effort to assist him and had arranged for him to see an occulist where it was fitted with a pair of glasses. However, it required a few days for his eyes to recover from the effects of the treatment, and this temporary handicap apparently depressed Mr.Li even more.

On the morning of Tuesday, December 16, Mr.Li left his boarding house, giving his land lady the impression that he planned to go to Washington to visit his uncle in the Chinese legation, Mr.Y.C.Mei. He seemed somewhat uncertain about his plans, however, because he also made some statement to the effect that he was going for a walk in Osage Hills, where Botanical Garden students frequently go on hike. Within an hour or two after leaving his boarding house he visited his bank where he drew out

1163

$50, leaving, however, a balance in his account. Somewhat later in the same day he went to the Union Station at St.Louis and purchased a day-coach ticket for Washington over the Pennsylvania Lines.

Mr.Li did not return to his boarding house that night, and because his landlady and Dr.Moore were somewhat concerned about him, they ascertained that he had purchased a ticket to Washington and wired his uncle to meet the train on which he was due to arrive. He did not arrive, however, and inquiries failed to reveal any trace of him. On Friday, December 19, a hunter in one of the suburban areas near St.Louis found his body hanging from a tree. It is presumed that the tragedy is a case of suicide resulting from temporary insanity induced by his melancholia and general ill health.

We have not as yet received any further details than I have summarized above. I believe that you will probably have a much fuller description of the case than I have given by the time this letter reaches you.

We understand that Mr.Li had shown himself an unusually brilliant student, and that his teachers at the Missouri Botanical Gardens had high hopes for him. His death at the beginning of what appeared to be a career of great promise is indeed a tremendous tragedy.

Very cordially yours,

BaG-E

Enc.

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燕京大學

YENCHING UNIVERSITY

PEKING, CHINA

DEPARTMENT OF HISTORY

December 29, 1930. #2

YENCHING

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

Mailed 7 Trustees 2/21/31

INDEXED

TRANSFER

Dear Mr. Garside:

Referring to the necessity of matching the Rockefeller conditional grant before June, 1932, and the extreme difficulty of securing gifts in America under present conditions, I am prepared to make the following proposal to the Trustees. I shall endeavor to secure an advance of one million dollars local currency (which is about equal to G$250,000 at present exchange) in China on gifts which will be realized in the course of the next few years from Chinese sources known to me. Upon adequate evidence of this to the local representatives of the Rockefeller Foundation the contribution from that source will be claimed by the Trustees and remitted to me for investment in China at my personal discretion. It will be far simpler and safer to allow the whole matter to be handled by me individually than to attempt to protect the interests of the University through the processes ordinarily adopted in the West. I can be made a Committee of One for the purpose. I am fully conscious of the anxieties the Trustees will have as to the fiduciary, racial and other aspects of this very unusual proposition, accentuated by their recent experience in the case of the Chinese banker, No one could be more concerned than myself over the seriousness of all these considerations. Nor do I claim to possess any technical qualifications for making investments. On the other hand, I have put a great deal of effort into making possible this offer and would not lightly undertake such a responsibility unless I felt that there were adequate security to justify it. If my proposal is accepted I shall deposit with you and the local Treasurer a statement to be opened in the event of my death giving all needed information as to how the funds are being held and will be ultimately replaced by the promised gifts.

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1165

The dilemna thus forced upon the Trustees is as to whether they have sufficient confidence in my intelligence and integrity to prefer this alternative to what appears now to be the only other one, that they themselves assume full responsibility for securing the money with which to meet the Rockefeller conditions. It should be made clear, however, that if my proposal is refused I do not see how it would be possible for me to be of any further assistance in trying to raise money for this purpose.

If the Trustees should prefer to retain the Rockefeller money in America and remit an equal amount of university endowment to me it will be equally satisfactory. It might also be possible to transfer the money recently asked by the Finance Committee of the Board of Managers for investment in China to my personal control, though I should very strongly advise against such a course. It would be entirely proper, however, to invest the Rockefeller grant under the direction of the Managers, perhaps with the addition of Mr. Roger S. Greene as an adviser, and place in my care the same amount of university endowment. A possible variant of the second alternative which would combine previous suggestions of mine with this one is that the Trustees effect a loan in America, guaranteed by a group of themselves as individuals, and that this be used to match the Rockefeller grant and to meet my proposal. It could be repaid as money is secured in America or as it accumulates here, according as exchange and other factors indicate.

In any case, I invite the attention of the Finance Committee to the possibility of building up our resources by investment in China at a rate which may be used either to help the existing budget or to accumulate additional endowment. The prevailing rate of exchange is peculiarly favorable for such a purpose. The investments could remain in China or if silver appreciates be returned to America with an additional benefit. At a time when money cannot be secured in America by begging and when I would be spending my time there to little purpose, a portion of our present assets can be made to secure additional sums through the contacts I have here with trustworthy and competent Chinese who will contribute their experience and brain power out of their goodwill for Yenching when they cannot give money at once in the large sums needed. As in so many other aspects of University policy--primarily in maintaining such an institution at all--are the Trustees willing to trust the judgment of their representatives in China, or will they continue to be controlled by their own preconceptions of conditions here? If the latter,

omit it is only reasonable to insist that they compensate by their own successful efforts for their repudiation of mine as outlined herewith.]

You will of course realize the desirability of replying to this proposal with a view to all the contingencies involved and as promptly as carefully considered action makes possible.

Very sincerely yours,

J. Leighton Stuart

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1 168

YENCHING

TRANSFER

January 17, 1931

COMMENTS ON DR.STUART'S LETTER OF DECEMBER 29,1930

INDEXED

The proposals made in Dr.Stuart's letter may probably be summarized as follows:

1. Dr.Stuart will endeavor to secure an advance of L.C.$1,000,000 (assumed to be equal to G$250,000 at present exchange) on gifts in China which will be realized in the course of the next few years from Chinese sources known to him.

2. As soon as these funds are in hand, evidence of that fact will be presented to the local representatives of the Rockefeller Foundation, who will recommend to the Foundation that it pay over to the Trustees of Yenching University its own gift of G$250,000 to match the amount received in China.

3. Upon receipt of this G$250,000 from the Rockefeller Foundation, the Trustees will transmit this sum (using either the Rockefeller Foundation funds or an equivalent amount of other University endowment funds) to Dr.Stuart for investment in China at his personal discretion, he to assume personal responsibility for the handling of this G$250,000 and, as a protection to the University in case of any accident to himself, will deposit with the Field Treasurer and the New York Treasurer a statement to be opened in the event of his death, giving all needed information as to how the funds were being held and would ultimately be replaced.

4. This proposal is quite distinct from the recent request of the Finance Committee of the Board of Managers that a sum of G$250,000 be transferred to China for investment under the direction of the Board of Managers, so that if both proposals should be approved by the Yenching Trustees, the total amount of endowment funds transferred to China for investment would be G$500,000. It would thus be possible

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1169

for the Trustees to transfer the G$250,000 to be received from the Rockefeller Foundation to the Board of Managers for investment under their direction (possibly with the addition of Mr.Greene as Adviser), and to transfer to Dr.Stuart for your personal administration a second G$250,000.

Dr.Stuart's proposals, together with other information available concerning the plans and proppects for matching the Rockefeller gift, and for enlisting the assistance and support of influential Chinese financial leaders, present several alternative courses:-

1. Have Dr.Stuart remain in China to complete the negotiations referred to in his letter for the advance of one million dollars silver which would be reported by the field to the Rockefeller Foundation as meeting the conditions of their gift. Presumably the Trustees would be willing to lend their support to the proposed transfer of G$250,000 to China if such transfer were not objected to by the Rockefeller Foundation after they were frankly apprised of all factors in the situation.

2. Have Dr.Stuart remain in China, and urge that efforts be made both on the field and at home to secure gifts, large and small, toward meeting the conditions of the Rockefeller gift.

3. Have Dr.Stuart come to the United States on the understanding that the Trustees will support him in the following program:-

(a) That efforts be made to enlist the interest and support of Mr.Ford in making contributions to match one or both of the Rockefeller gifts.

(b) That if these efforts are not successful, the Trustees will give Dr.Stuart their assistance, individually and collectively, in his endeavors to secure other contributions to match the Rockefeller Foundation gift.

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If a trip to America by Dr.Stuart is contemplated the Trustees should reach some early decision as to their attitude with regard to the transfer to China in line with the proposal of Dr.Stuart of

1. any new funds obtained from the Rockefeller Foundation or from individuals either to match the Rockefeller Foundation appropriation or as gifts for other purposes;
2. such present endowment funds of the University as the Trustees may have discretionary power to transfer to China without the violation of any legal or moral obligations to the donors.

BAG-H

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YENCHING

INDEXED

TRANSFER

Yenching University

December 30, 1930

AIR MAIL

Dr. J. Leighton Stuart,
Dr. Howard S. Galt,
Yenching University,
Peiping, China

My dear Dr.Stuart and Dr.Galt:

We are enclosing herewith a copy of the minutes of the meeting of the Finance Committee held yesterday. Because of the importance of the actions taken by the Committee, we are hurrying off copies of this letter to you by air mail so as to catch the steamer for which regular mail closed yesterday. We will also send second copies of the letter by regular mail next week.

Study given by Finance Committee before meeting. You will note that the minutes show that only four regular members of the Finance Committee were present at the meeting. This does not indicate, however, that the absent members were unacquainted with the actions taken or that absentees may have had different views than those represented at the meeting. We have been making efforts throughout practically the whole month of December to secure this meeting of the Finance Committee. As a matter of fact, two preliminary meetings were held about a fortnight ago and at that time the actions formally adopted yesterday were drafted in a preliminary way and distributed to all members of the Committee for further study and for suggestions as to changes.

The first of these meetings was a luncheon conference held with Mr.C.R.Bennett at the Hotel Prince George on December 16. At that meeting all those who were present yesterday, together with Mr.George Barber, were in attendance, and discussed at great length with Mr.Bennett the whole question of investment in China of endowment funds belonging to the University. On December 17 a meeting of the Finance Committee was attempted, with the expectation that the matters dealt with yesterday would be considered and disposed of. However, a legal quorum could not be secured for the December 17 meeting due to the imminence of the Christmas holidays and the fact that a large number of the Committee were tied up with urgent personal affairs. So the best that could be done on December 17 was for those present to go over in an informal way all the matters up for consideration, and to draft for consideration by the absentees tentative actions dealing with these matters. In advance of the meeting yesterday we had received detailed comments from Mr.Barber, Mr.Rounds, and Mr.Stock, and somewhat more general comments from Mr.Garner.

I believe we can feel every assurance, therefore, that the actions taken by the Committee yesterday represented the thoughtful and mature judgment

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1172

of practically all members of the Finance Committee.

Transfer of endowment funds to China for investment. This important question had formed the nucleus of our discussion with Mr.Bennett, and had also been given very careful study over a prolonged period by every member of the Finance Committee who has any familiarity with matters of investment. Our conference with Mr.Bennett convinced all of us that he is not only a thoroughly reliable business man, but that he is also deeply interested in Yenching University and is warmly sympathetic with the program and aspirations of the University. He is also familiar with the history of other organizations in China, such as the China Foundation and the Peking Union Medical College, which have during recent years dealt with these same problems of investment in China of substantial amounts of endowment funds. But in spite of Mr.Bennett's warm sympathy in the University, it was obvious that he could not approve from a business standpoint the transfer to China at this time of any substantial amount of endowment funds.

He stated that investments of small amounts could be made with a fair degree of safety if a great deal of care and discrimination was exercised, and selection was limited to a very small group of securities available in China. He indicated that his experience with the China Foundation had shown that this Foundation has at the present time only a relatively small percentage of its holdings in Chinese securities, and that it is taking steps as rapidly as it can to transfer these funds to Western securities. It was his impression also that the Peking Union Medical College has little or none of its endowment funds invested in Chinese securities. This last statement surprised us somewhat because we have long been familiar with Mr.Roger Greene's support of the policy of investing endowment funds in China whenever this can be done with safety.

The Committee also made a very careful study of Dr.Stuart's letter of November 10 and Dr.Galt's letter of December 1. The list of securities held by the China Foundation and by Tsinghua College was also reviewed with great interest by the members of the Investment Committee. I suspect, however, that in the judgment of these members, a study of this list of holdings of the China Foundation convinced them still more of the undesirability of making investments in Chinese securities, and also the undesirability of making investments in securities hyielding as high a rate of income as is offered by some of the securities in this list. The present market prices show that, with very few exceptions, the securities yielding high rates of interest have suffered the greatest declines in market value, whereas the securities of a more conservative class and with smaller interest rates have held up quite satisfactorily.

Action F-2906 represents the mature judgment of the Finance Committee, and I am convinced that it has the support also of practically every member of the Board of Trustees. At the present time it would not be possible for the University to liquidate so substantial a part of its endowment securities without incurring a serious loss. This does not indicate any weakness in our list of endowment investments, for, on the whole, they have stood up much better than the average list of endowment securities of educational and philanthropic organizations here in America; but simply means that all grades of securities are now selling at such depreciated levels that it is disadvantageous to make any substantial changes.

Moreover, after fully a year of very careful and sympathetic study, the members of the Finance Committee have not as yet been convinced of the desirability of the policy of transferring such a substantial amount of the Uni-

versity's endowment funds to China. I am sure that Dr.Stuart realized from his contacts with the Committee last year that this inability of the members of the Committee to approve the proposal is a matter of sincere regret to them. Again and again during the last year I have heard members of the Committee say that they would agree to approve this proposal to transfer endowment funds to China if they could find any possible means by which they could take such a step without violation of their own feeling of responsibility as Trustees of Yenching University. They have sought eagerly for some justification of such a step and have turned to such men as Mr.Greene and Mr.Bennett, who are warm friends of Yenching University and are intimately acquainted with the investment situation in China, in the hope that those men might justify their adoption of such a policy.

The Finance Committee is still unwilling to give a final negative to the proposal and is now actively engaged in a search for some member of the Committee who can make a special trip to Peiping during the coming months to consult with you at first hand in regard to those matters and secure all the facts and viewpoints which should be considered in passing judgment on so important a proposal. It is too early for us to have any very definite knowledge as to who on the Finance Committee could make such a trip to China but there are encouraging prospects in one or two directions. I hope that within a short time we may have something more definite to report.

Re-allocation of $10,000 Campbell gift. It is the judgment of the Finance Committee that the most urgent problem now confronting the University is the matching of the first $250,000 gift of the Rockefeller Foundation. While appreciating the urgency of many of the other financial objectives which the University is now seeking, they feel that the only possibility of matching this $250,000 gift is to utilize every available contribution during the next two years to apply on this objective. It is the judgment of the Committee, therefore, that no change should be made in the allocation of the Campbell gift. This judgment was reached on the understanding that there is nothing in the correspondence with Mrs.Campbell that would make such an allocation out of line with her wishes in making the gift. If there are other factors in the correspondence with Mrs.Campbell which the Committee did not have before them when this action was taken the Committee would, of course, be eager to restudy the matter on the basis of such additional information.

Request for funds for bachelor apartments. I believe that the minute on this subject is so complete as to require little further comment. The Committee discussed this request from the field at some length and with a real eagerness to find some means by which the expenditure of L.C.480,000 for the erection of such an apartment building could be approved. They were simply unable to find any source whence this money could be secured. Aside from the surplus which it is understood is now available on the field from the last appropriation made by the Trustees for construction of new residences, there is not, so far as the Committee could see, a single additional dollar now available for such a building; nor are there any bright prospects of further gifts available for such a purpose at any time in the immediate future. As you know, the Plant section of our University accounts is already seriously embarrassed by a deficit of more than $360,000 standing against the Residence account, due primarily to appropriations we have made during the last two years for the construction of new residences. It will probably be a matter of several years at best before this Residence deficit can be cleared off our books.

1930-1 Budget. I have already written to Dr.Galt commenting on the present status of the 1930-31 budget as revealed in the budget analysis

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attached to the Finance Committee minutes. I believe that nothing further need be added at this point. We will await with interest the comments of the field on this budget analysis.

The one point in connection with the 1950-51 budget which elicited the most comment by the Committee was the smallness of the probable gain in exchange during the current fiscal year. The present set-up of the budget is such that practically all the available funds in gold for general University purposes are now being expended in America for the payment of salaries of Western staff and the purchase of necessary equipment and supplies so that there is relatively little gain in exchange in these general funds. The specially designated funds are being sent to the field in the form in which they are received, so any gain in exchange is a matter of the field financial administration and has no direct relationship to the Board of Trustees.

Unified budget policy. About half the time of the meeting was devoted to this one subject. The question of a more unified administration of the budget has long been in the background of the Trustees' thinking. Year by year the proportion of the general University funds has grown smaller and the proportion of funds going to "financially independent units" has increased. This tendency offers the very obvious danger that, instead of having a University with a unified plan and procedure, we may gradually evolve a loosely knit federation of semi-independent groups working oftentimes at cross purposes and without the united strength which a more homogeneous administration would produce. Several letters arriving from the field within the last few days, which we did not bring specifically before the Committee, have re-emphasised the drift away from unity in budgetary administration and control. I refer particularly to letters T50-93 and T50-94. The Finance Committee recognised that the proposals they are making are of such importance that final approval should be taken only by the Trustees after consultation with the field. Action T-5010 is, therefore, expressed in the form of a recommendation to the Trustees and the field administration of the University.

The first proposed step in the direction of a more unified budget is the securing of representatives of all the important groups, interested in special phases of the work, as members of the Budget Committee of the Board of Trustees. I believe that this will be a simple matter.

The second proposed step is that the field should make whatever adjustments may be necessary so as to place general responsibility for the formulation and administration of the budget in the hands of a single committee which would contain representatives of at least the most important phases of the work known as "financially independent units". We must look to the field for information as to the desirability and feasibility of such an organization. If the field should find that such a proposal does not offer a feasible solution we hope that you will formulate some different procedure which will accomplish the same result.

The third essential step in such a unification of the budget must be for the Trustees to assume the same responsibility for the income of the "financially independent units" as they have heretofore assumed for general University funds. It has been the policy of the Trustees to say in substance that they will make every effort to secure the interest of individuals and groups who desire to contribute toward special pieces of work, will transmit all funds received for such special pieces of work if, when and as received, and will do everything that can be done in the way of following up pledges for such designated work that are delayed in payment or seem in danger

nos dealing. Here again the action recorded in the minutes is not the result of any hasty or ill-advised judgment by a small group of members of the Committee, but represents the mature and profound conviction of practically every member of the Committee. I use the qualifying word "practically" simply because there are one or two members of the Committee who have not expressed themselves definitely on this point. Everyone with whom I have talked or corresponded has been emphatic in their agreement with the viewpoint and policy set forth in action F-2012.

I believe it is fair to say also that the conviction of the Committee that the University must immediately cease all thought of expansion and embark on a very conservative policy of strengthening the position already gained, is not due to the passing psychology engendered by the present financial depression. As early as January, 1929, the Finance Committee warned the field in very clear language that expansion must cease and every effort be devoted toward conserving what has already been gained. Even during the period of inflated optimism which prevailed in 1928 the Committee, and the Board of Trustees, frequently expressed their uneasiness at requests from the field to take care of additional staff members, additional students, additional courses, and additional departments. At no time has there been any decrease in the loyalty of the Board of Trustees or in their desire to make Yenching as fine and as complete a Christian University as it is in their power to create and maintain. Their fear has been, however, that an attempt to do more than available resources justify would seriously injure the whole enterprise. Undoubtedly the present financial depression has brought the need of conservatism and caution more clearly before the minds of the Trustees, and particularly of the Finance Committee, but this attitude did not grow up as a result of the depression and would have been brought to the forefront during this present fiscal year even though prosperity had continued on the same scale as was reached in 1929.

The facts set forth in the introduction of action F-2012 impressed the Finance Committee as being very fundamental and very serious. We recommend them to you for the most attentive study. The rapid progress of Yenching during recent years has been accomplished only at the expense of straining every available resource, securing from the friends of the University the maximum contributions they were able to make, and oftentimes mortgaging the credit of the University to the limit in negotiating bank loans and borrowing temporarily from designated funds with the expectation that restitution would later be made. We are all tremendously proud of the magnificent results that have been obtained and no one for a moment regrets the efforts that have been made. Yenching is both a material and a spiritual manifestation of the triumph of faith and loyalty.

But in the judgment of the Finance Committee the time has now arrived when the greatest service we can render to the University is that of conserving the progress that has already been made. This, the Finance Committee profoundly believes, can be accomplished only by the complete abandonment for a prolonged period of time of any thought of further expansion in physical plant, in staff, in student body, or in program. We appreciate the fact that there are some additions to the plant which you feel should be made to round out the building program on which the University has embarked. All those will have to be postponed to the indefinite future. Without doubt most of the departments of the University feel that if they could add a professor here, an instructor there, or an assistant somewhere else, it would materially improve their effectiveness. All thought of such additions will have to be given up. Suggestions come in from time to time that, if a little more dormitory space were provided, or facilities were arranged for the admission of a few more students, it would help certain colleges or departments to round out their

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1176

of lapsing; but that further than this the Trustees will assume no responsibility. The step now proposed is that the Trustees, in defining their contribution toward the budget, will each year underwrite and guarantee the receipt of anticipated income for the "financially independent units" in the same way in which they now guarantee their appropriation to the general University budget.

As a fourth step in this same direction, it is proposed that the Trustees shall hereafter define their contribution to the budget of the University in gold rather than in local currency (except in cases of specific gifts for designated work which are received in local currency and must be transmitted in the same form). This would mean that the Trustees would thereby transfer to the field full responsibility for the wise use of all gains in exchange, and for meeting any shortages due to losses in exchange. In years when the exchange situation was unusually favorable, as has been the case this year, it would be necessary for the field to set aside its own reserve to guard against the inevitable change toward less favorable rates of exchange; and in years when the rate of exchange shifts in a direction disadvantageous to the University, the sole responsibility of adjusting the budget to compensate for this loss would rest with the field. This would mean also that the field would have to find from its own resources the funds to meet such current and capital needs as are now being sent to the Trustees from month to month with the customary suggestion that they be provided for "from gain in exchange". In short, such a change in the method of transmitting funds toward the University budget would mark a substantial degree of progress in the direction of transferring financial responsibility from the Trustees to the field. This is a trend that is manifest in all of our Universities at the present time. The Trustees are not only willing but anxious to go as far and as rapidly in this direction as is most advantageous to the University.

At best it will be some weeks before a meeting of the Executive Committee or the full Board of Trustees could be held to deal with these important recommendations. It would expedite a final decision on these matters if the field would make an immediate beginning of the studying of these proposals, and would send us as soon as you can your reactions to them.

Funds for 1931-32 budget. The hour had grown so late when this item on the docket was reached that the Committee felt it would be impossible to give the subject adequate study. Because of the urgency of the matter it was recognised that the item should not be postponed to the next meeting of the Committee so a special Committee was appointed with power to deal with the matter at the earliest possible date. We are hoping that the Committee can convene somewhat later this week and that full information can be sent you in the next regular mail. I trust this information will reach you in time for your use in formulating the budget for next year. So far as I can see now the income for 1931-32 will be substantially the same as is shown on the budget analysis for 1930-31.

The one point at which a substantial change is contemplated in the policy of the present year lies in the suggestion that the expenses of the Yenching Transitional Office (exclusive of the extra cost involved in such emergency activities as are carried on by Dr.Janney and Pieper and Hedrick) should be made one of the items of the budget in the same way that Yenching's share in the cost of our Central Office is now so included.

University financial policy. The Committee reserved as much of its time as possible for a consideration of this item because everyone agreed that it is one of the most important steps with which the Finance Committee is

work more effectively. Such thoughts of student increases will have to be given up. From year to year new courses are being added in the various departments and occasionally a special effort is made to make such adjustments within the resources of the University as to permit the establishment of a new department. All thought of adding any further courses or departments must be given up. The Committee feels that the field must go further and must for 1931-32 make substantial reductions in its current expenditures. It would, of course, be impossible for us to suggest at this distance the places in which such reductions must be made, and we do not underestimate the difficulties the University will face in attempting retrenchment in any of its departments. But is the judgment of the Committee that the only safe course the University can pursue in 1931-32 is to work under a budget within which the total expenditures shall be substantially below the level for 1930-31.

Each year as the Trustees have dealt with the budget for the new year they have found it almost impossible to picture with any degree of clearness the program contemplated by the University for the new year in comparison with what it has undertaken during the year just closing and during the years immediately preceding. The Committee, therefore, requests that, in connection with the estimates for the 1931-32 budget, the field send, for the information of the Trustees, comparative figures showing what is contemplated for 1931-32 as regards the number of staff and the number of courses in each of the various departments of the University, placed side by side with these same figures for 1930-31 and the three preceding years. These statistics should enable the Trustees to gain a much clearer picture of the extent to which the University has developed in its various departments from year to year.

Salary of Mr.Nash. Here again the Committee found that the time available did not permit a thorough discussion of the problems involved, and accordingly referred the matter with power to a special sub-committee appointed earlier in the meeting. I hope that this committee will be able to reach a decision before the end of the present week.

Plant balances and overdrafts. Actions F-2914, F-2915, and F-2916 simply give validity to the recommendations of the sub-committee charged with the analysis of Plant Fund balances and overdrafts as of June 30, 1930. I wrote to Dr.Galt on December 18, sending a copy of this analysis and commenting extensively thereon. I believe that no further comments at this time are necessary.

Investment matters. A number of urgent investment matters are now pending but it was impossible for the Finance Committee to deal with them at yesterday's meeting so they were postponed until the next meeting of the Committee which will probably be held early in January. We so often press the busy men and women who comprise our Finance Committee for their attendance at frequent and prolonged meetings of the Committee that they drift dangerously close to the point of open rebellion. The last few months have been particularly difficult because of the number and urgency of the financial matters confronting them. Not only has the Committee found it necessary to deal with financial questions referred to it by the field, but it has also found it necessary to devote a large amount of time to a consideration of the general investment policy and specific questions of the purchase and sale of endowment securities. The investment responsibilities alone are extremely heavy, particularly at this time of financial depression when all securities must be closely watched and when it is necessary to distinguish between fluctuations in market values due purely to market conditions, and more serious changes

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1178

in the intrinsic value of the security due to fundamental conditions within the security itself. All the members of the Committee are deserving of the warmest appreciation of the University for the way in which they are carrying on their functions. We know that the field will feel that at some places the Finance Committee is too cautious and too conservative. You will be interested to know that the chief criticism leveled against the Finance Committee here in America is that it adopts too daring policies, both in dealing with problems of University finance and also in handling the University's investments.

Very cordially yours,

BdG-H

Enc.

CC: Latermail