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Lingnan  
Corres. / Fin. records  
Harvard-Yenching Institute  
1937-1938

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Associated Boards for Christian Colleges in China

One Hundred-fifty Fifth Avenue . . . . . New York, N. Y.

January 29, 1937

Memo to Mr. Wannamaker:-

Re:- Surplus in Restricted Fund, Harvard-Yenching Inst.

Attached hereto is a copy of the minutes of the January 5th meeting of the West China Executive Committee. You will note that Action E-1277 deals with the Committee's recommendation concerning West China's share in this surplus of \$25,250.

The Nanking Finance Committee has made an identical recommendation to the Nanking Executive Committee, which will meet on February 9th. Mr. Russell Carter is named as a representative to confer with representatives of the other Boards.

The Cheeloo and Yenching boards have discussed this matter informally, and seem inclined to favor similar action, though no official vote has been taken. Their executive committees will meet during the next few weeks.

The Fukien executive committee meets on February 2nd to take action on this and other matters.

*B.A.G.*  
B. A. G.

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Associated Boards for Christian Colleges in China  
One Hundred-fifty Fifth Avenue New York, N. Y.

*Annual Meeting*

Action of Various Universities on Aluminum Dividends  
with Harvard-Yenching Institute

Alahabad College (1/19) \$1,529.00 - no action taken.

Cheeloo University (2/19) \$2,657.95

NASEC-481 VOTED that the Executive Committee record its preference that Cheeloo's pro rata share in the surplus of \$25,250 now held in the Restricted Account of the Harvard-Yenching Institute be distributed to the Board of Governors, to be held by them as a capital fund for stabilizing the income available from year to year for carrying on the work in Chinese Cultural Studies at Cheeloo.

Fukien Christian University (2/19) \$2,657.95

E-1159 VOTED that with reference to the disposition of Fukien Christian University's share in the surplus of \$25,250 now available in the Harvard-Yenching Institute Restricted Account, together with additional funds which may accrue from further payments of back dividends on the Aluminum preferred stock held by the Institute, the Executive Committee take action as follows:-

(a) Regarding the surplus of \$25,250 now available, the Committee would prefer that Fukien Christian University's pro rata share be paid over to the Board of Trustees of Fukien Christian University to apply on the deficits which have accrued during recent years as a result of decreased income, thus making it possible to release an equivalent amount of funds for the construction of the urgently needed library building at the University. If, however, it is the consensus of judgment of the Boards of Trustees of the other beneficiary institutions or of the Trustees of the Harvard-Yenching Institute, that this \$25,250 be set aside by the Institute as an income stabilization fund for maintaining future income on the investments in the Restricted Account at a stable rate, the Fukien Trustees would approve such a use of this surplus;

(b) Regarding additional funds which may accrue from further payments of back dividends on Aluminum preferred stock held by the Institute, the Committee would recommend that the Harvard-Yenching Institute set up these funds as an income stabilization fund to be used for maintaining future income on the investments in the Restricted Account at a stable rate.

Lingnan University (3/19) \$3,986.80 - no action taken.

University of Nanking (3/19) \$3,986.80

EP-886 VOTED to approve the recommendations of the Finance Committee regarding the disposition of the University of Nanking's share in the surplus of \$25,250 now available in the Harvard-Yenching Institute Restricted Account together with additional funds which may accrue from further payments of back dividends on the Aluminum preferred stock held by the Harvard-Yenching Institute, as follows:

(a) That the Harvard-Yenching Institute set up these payments of back dividends as an income stabilization fund to be used for maintaining future income on the investments in the Restricted Account at a stable rate;

(b) That in case the Trustees of the Institute prefer to distribute some or all of this surplus among the Boards of Trustees of the beneficiary universities and colleges, this Finance Committee would favor having the Nanking Board of Founders set up its pro rata share of this surplus as a special reserve fund to maintain a stable income for carrying on the work in Nanking University to which the Harvard-Yenching Institute funds are allocated.

West China Union University (3/19) \$3,986.80

E-1277 VOTED that, in accordance with the recommendation of the Finance Committee, the Executive Committee take action as follows with regard to the disposition of West China Union University's share in the surplus of \$25,250 now available in the Harvard-Yenching Institute account together with additional funds which may accrue from further payments of back dividends on the Aluminum preferred stock held by the Harvard-Yenching Institute:-

(a) That, on behalf of the Board of Governors of West China Union University, the Executive Committee recommend that the Harvard-Yenching Institute set up these payments of back dividends as an income stabilization fund, to be used for maintaining future income on the investments in the Restricted Account at a stable rate;

(b) That in case the Trustees of the Institute prefer to distribute some or all of this surplus among the Boards of Trustees of the beneficiary universities and colleges, this Executive Committee would favor having the West China Board of Governors set up its pro rata share of this surplus as a special reserve fund to maintain a stable income for carrying on the work in West China Union University to which the Harvard-Yenching Institute funds are allocated.

Yenching University (5/19) \$6,644.70

EF-3510 VOTED that it is the judgment of these committees that the best interests of the institutions concerned could be conserved by using the surplus of \$25,250 now available in the Harvard-Yenching Institute as follows:

(a) That the Harvard-Yenching Institute set up these payments, representing back payment of dividends, as an income stabilization fund for the purpose of maintaining future income on the Restricted Account investments at a stable rate.

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MINUTES OF MEETING  
COMMITTEE ON RECOMMENDATIONS TO HARVARD-YENCHING INSTITUTE

Room 606, 150 Fifth Avenue, New York City  
11:00 A.M., Wednesday, March 31st, 1937

List of Members

Allahabad	-	Russell Carter	Nanking	-	Russell Carter
Cheeloo	-	George T. Scott	West China	-	George B. Huntington
Fukien	-	Frank T. Cartwright	Yenching	-	D. M. McBrier
Lingnan	-	Olin D. Wannamaker			

Those whose names are listed above were present, as were Mr. C. A. Evans and the Secretary.

Dr. Huntington was elected Chairman. The meeting opened with prayer led by Dr. Scott.

The Secretary presented a letter from Mr. Henry L. Shattuck dated December 8th, 1936, calling particular attention to the following paragraph:-

"From the back dividends declared on the 9,000 shares of Aluminum preferred amounting to \$65,250, I propose to reimburse the General account for the \$40,000 advanced to the Restricted Account. At the meeting of the Trustees next April the question of what disposition to make of the remainder of this dividend, and of further back dividends if any declared between now and then, will be considered. Mr. Donham suggested to me that you may care to transmit for consideration by the Trustees suggestions for expenditures (including payment of debt) of nonrecurring nature for which any surplus of back dividends might be expended. Any such suggestions may be sent directly to the Secretary of the Institute."

The representatives of the various Colleges reported on the discussions and suggestions of their Boards of Trustees with reference to the use of their pro rata shares of this surplus. After the discussion of a number of suggestions offered by various Boards of Trustees, it was

VOTED that this Committee, representing the Boards of Trustees of the seven institutions which are the beneficiaries of the Restricted Fund of the Harvard-Yenching Institute, recommend to the Trustees of the Institute that the accumulated dividends of \$25,250 in the Restricted Account be distributed to the Boards of Trustees of these seven institutions in order that each Board of Trustees may set up its pro rata share of this surplus as a special reserve fund to maintain a stable income for carrying on the work in each College to which the Harvard-Yenching Institute funds are allocated.

VOTED to recommend to the Boards of Trustees of the seven participating institutions that at their next meetings they adopt recommendations as to the disposition of their pro rata shares of any further payments of back dividends on the Aluminum preferred stock held by the Harvard-Yenching Institute.

The meeting adjourned.

B.A. GARSIDE  
Secretary

February 16, 1938

Re: Our Relationship to Harvard-Yenching Institute.

Dr. James M. Henry, Provost  
Lingnan University  
Canton, China

Dear Jim:

I am almost ashamed to remind you, under the present conditions in China, of the rather unfavorable relationship existing between Lingnan and Harvard-Yenching Institute. I feel, however, that I must do this.

I obtained access yesterday to a copy of the minutes of the two most recent meetings of the Trustees of the Harvard-Yenching Institute. I felt it would be of some value to me to have extracts from these minutes. Of course, my memorandum of extracts is strictly confidential. I discovered a good many things which were illuminating to me. The upshot of my reading through of the very long minutes of the two meetings was that I found Lingnan University appearing in a highly unfavorable light in the eyes of Dr. Elisseeff. The only one of the institutions mentioned which seemed to be considered more unsatisfactory, from his point of view, than Lingnan University was West China Union University. His report to the Trustees after returning from China was distinctly more favorable even as regards Cheeloo, Fukien, Hua Chung; far more favorable as regards Nanking; and, of course, incomparably more favorable as regards Yenching.

He commented caustically on the deficiencies of the library at Lingnan in Sinological material both in Chinese and in English, saying that the persons responsible in the library did not even know about the latest publications. He said that Chinese had always been considered an unimportant subject at Lingnan University. He said he had expressed to you his surprise to discover that the income received from the Institute was used by Lingnan University largely to defray the traveling expenses of foreign members of the faculty and that you said you would bring this matter to the attention of the faculty.

The sole favorable comment made had to do with our sending Mr. Huang, of our History Department, for a year of graduate study at Harvard. He spoke very favorably of Mr. Huang. I may add here that I saw him recently and he assured me that Mr. Huang would receive a fine fellowship for next year. He commented most favorably on him.

But, after all, the most damaging element in the report of Dr. Elisseeff to his Board of Trustees has to do with the failure of Lingnan University to submit any report in time for the November meeting of the Institute Trustees. The report from Fukien University arrived too late for that meeting of the Board, and West China had not submitted any report for several years. Definite action was taken to cut off the remittances to West China University

for two successive instalments because of the failure to submit reports. Warning was sent to Fukien that this was the principle to be followed in the case of all institutions. I do not know why special warning was not sent, apparently, to Lingnan University on the same grounds.

Of course, it is rather absurd to say that the money received from the trust fund held by the Institute is used by us largely for defraying the traveling expenses of the foreign staff. We had to defray these traveling expenses before the Institute came into existence, and we are simply continuing to do so. The true statement would have been that the income from the trust fund is a part of our budget, helping to meet the general current obligations of the Trustees of Lingnan University. We have always endeavored to make this entirely clear to the Trustees of the Institute and also the reasons why such is the case. Nevertheless, no matter what historical justification we may set up, we cannot continue to be so completely out of line with the requirements of the Institute.

I would gather, from references made to anthropological and sociological research projects at Yenching University, that these are definitely not considered within the sphere of the Institute's program. If such is the case, the work done by Dr. Fortune would not be considered interesting to the Institute. I do not remember that you have ever referred to any comment of Dr. Hissseff on the work of Dr. Fortune. Can we really show any research project whatever or any graduate courses in Chinese language, history, etc., which come within the area interesting to the Institute? It is quite obvious that we must make some effort to bring ourselves in line or we shall lose our current income.

In this connection, it is worth noting that the Institute is withholding from the various colleges in China certain deferred dividends received from the Aluminum Co. of America - dividends on preferred stock belonging within the restricted funds from which income is regularly paid to the colleges. In other words, the Institute assumes the right to determine when these deferred dividends shall be paid to the various colleges and it probably also assumes the right to determine more or less what shall be done with this income when paid. Whether we feel comfortable under such an assumption of authority or not, we have no power to combat it. The best thing to do is to satisfy the minimum requirements of the Institute at least.

But it would seem to be more profitable to go a little beyond the minimum in these matters, for I learned, going through the minutes, that the Institute has been distinctly generous to certain institutions with which it is highly pleased. It has made special grants to Hua Chung, not already allocated to that institution. It considered in a very friendly way special requests from Chealoo University, simply setting up certain conditions to be met. It considered very favorably a long array of requests from Nanking University, but deferred action because of the conditions in China.

In short, we are in danger of losing our entire income from the restricted fund of the Institute, whereas, if we comply with the unavoidable necessities of the situation, we might not only receive our full income but even additional special grants.

I earnestly hope that you may find it possible to send without delay some kind of report complying with the formal requirements of the Institute and that we may be able to adjust our program in such a way as not to entail the forfeiture of anything important.

Cordially yours,

Olin D. Wannemaker

ODW/MB



P.S. One other item in the minutes was highly interesting to me. Reference was made to a suggestion from some source that the restricted funds should be turned over by the Institute to the various colleges concerned. Dean Chase reported that he had discussed this matter with the President of the Institute, Dean Donham, and that the latter had reviewed the documents connected with the founding of the Institute. Dean Donham had come to the conclusion that the conditions under which the Institute was set up would preclude any legal possibility of handing over the restricted fund to the individual colleges.

I was not aware that any such proposal had ever been made. I am not completely convinced that such a proposal might not be successfully pressed upon the Institute Trustees. The whole situation seems a bit fantastic. The Trustees of the Institute have voted a special grant of \$50,000. to help the colleges out of their present emergency at the very time when it is withholding from the colleges a considerable sum of money derived in the form of deferred dividends from restricted funds belonging to the colleges and held in trust by the Institute. It is quite clear that the Director of the Institute wishes to restrict the use of the income from the restricted fund within a rather narrow area of scientific research in Chinese culture. No one would dispute the value of such research or of the training of persons competent to carry on such research. It is undoubtedly advantageous to the institutions to have a certain amount of pressure placed upon them from outside in this particular matter. On the other hand, with all the desperate needs from which China is suffering, it is at least an open question as to whether a greater benefit might not be derived by China during the course of the next fifty years from the use of the entire income derived from these restricted funds within somewhat more practical fields of study and training.

We should for the present conform with the requirements of the Institute insofar as possible while at the same time considering any feasible method of getting complete control of the trust fund held for Lingnan University by the Harvard-Yenching Institute.

Cordially yours,

ODW/MB

Olin D. Wannemaker  
American Director

*Copy sent with copy of letter to Mr. Brown 2/10/38 to*

*Mr. Hopkins*

*Mr. Scott*

*Mr. Gray*

# TRUSTEES LINGNAN UNIVERSITY

Canton Christian College of Arts and Sciences

The Lingnan College of Agriculture

OLIN D. WANNAMAKER  
American Director

Telephone: Watkins 9-8703

150 FIFTH AVENUE  
NEW YORK, N. Y.

February 16, 1938

*Strictly  
Confidential*

## Extracts from Minutes of Trustees of Harvard-Yenching Institute

April 12, 1937, Mrs. Blanche E. Williams, Cambridge, Massachusetts, left a bequest of Chinese bronzes to the Harvard-Yenching Institute. Sister-in-law of Mrs. Williams settled the estate. Note: It might be well to try to get the address of the sister-in-law and put her on the Lingnan mailing list.

✓ April 12, 1937, Professor Blake reported that Professor E.D. Merrill, administrator of the botanical collection of Harvard University, requested the Institute to grant \$2,000. toward the publication of the bibliography of flora of China prepared under Dr. Merrill's direction by Mr. E.H. Walker of the Smithsonian Institution of Washington. The request was approved in principle, to be carried out when all conditions were fulfilled.

Professor Blake also reported that the publication committee considered a request for a subsidy for the book on Eastern Wall Paintings by A.T. Johnston and Dr. Rowland but could not approve this because the book would lie outside the Sino-Japanese field etc.

April 12, 1937, after considering the response of a committee representing the seven beneficiary institutions in China regarding the deferred dividends of the Aluminum Co. of America the Trustees of the Institute decided to retain a small portion of the deferred dividends already received from the Aluminum Co., paying over to the seven institutions \$19,000. out of the total of \$25,000. plus already received, with the understanding that the \$19,000. distributed among the institutions would be held as a special fund to stabilize the income available for Chinese Studies.

† April 12, 1937, Dean Chase reminded the Trustees of a long discussion at the preceding meeting of the possible turning over of the restricted fund to the institutions interested in it. He stated that he had discussed the matter further with Dean Donham, who had examined the basic papers under which the institution was organized. It was

T-470

VOTED: That, in the opinion of the Trustees, the terms under which the Institute was established by the Trustees of the Will of Charles M. Hall make it impossible for the Trustees of the Institute to turn over the principal of the restricted fund to the institutions which benefit from its income.

(Note: Is it really impossible? Why should not all the interesting colleges confer and see whether this transfer of the fund could not actually be brought about?)

April 12, 1937. On the basis of suggestions made by Dean Chase and Dean Donham regarding the desirability of investigation of Chinese communities, especially the older ones, as a record of ancient China before it is too late, and on the basis of the high opinion entertained by various persons concerning Professor Wu Wen-tsoo of Yenching University, it was

VOTED: To authorize the Executive Committee to explore  
T-471 the possibilities of anthropological investigations along the lines suggested by Professor Wu at an expense not to exceed U.S.\$12,500. a year.

April 12, 1937. It was brought out in discussion that a special grant of \$5,000. had been made to Mr. Higginbottom, of Allahabad Agricultural Institute, in India, this grant to be supplemented by grants to be obtained from two governmental institutions. It came out in the discussion that the money was being used in part at least for the purpose of carrying out a 2-year program of research in the composition of the milk of Indian cows, that for this research new equipment, such as laboratory benches, drains, pipes, electrical fixtures, drying ovens, and muffle furnace had been purchased and that additional pieces of permanent apparatus were expected soon. Approximately rupees \$8,500. of the Institute's gift remained available for general science laboratory equipment, additional research apparatus, and science books.

(Note: It is apparently entirely possible for the Trustees when they so desire to vote funds for projects that have no relationship whatever to pure culture! Why does Lingnan University need to limit the use of its funds to pure Chinese cultural subjects?)

April 12, 1937. It was reported that the report of Fukien Christian University for 1935-36 was received too late to be presented at the last meeting when it was due. The Director had written President Lee that the report was satisfactory, made a certain number of suggestions, and warned him that, if reports are not received in time for the November meeting each year, the next payment due the university would be withheld.

Professor Elisseeff reported on Fukien University, calling it strictly a college and not a university, commenting rather unfavorably on various details.

April 12, 1937. The financial statement indicates that the salary of the Director of the Institute is \$10,000. and that the retiring allowance, presumably set aside each year, is \$500.

November 8, 1937. The salary of Mr. Gardiner, an assistant professor of the Institute, was fixed at \$3,000. a year for two years he is to spend in China.

(Note: Presumably, all traveling expenses are also paid by the Institute.)

There is indication that the Rockefeller Foundation made a grant of \$8,600. "for use during the year 1937 for expenses of printing and distributing a card catalog of the present holdings of the Institute." It was voted to request the Rockefeller Foundation to extend the use of the grant for the year 1938.

A grant of \$400. was voted to Professor Malcolm D. Farley of Fukien Christian University to enable him to go to the Near East to compare the ceramics there with those taken by Arabian traders from Fukien Province to the Near East, as well as to study for six months in Paris with Professor Pelliot.

November 8, 1937. In reporting on the activities of the Institute, the Director referred to "Professor Huang, a very good student in history, who was Dean of the Department of History at Lingnan University and was sent here by that University on the Director's recommendation. The Director added that Professor Huang's travel and living expenses for the year are being paid by Lingnan, and that he had told Provost Henry that, if Professor Huang's work was satisfactory, he would be given a fellowship of the Institute for next year."

November 8, 1937. The Director reported on his visit to various institutions in China.

Yenching: Highly favorable and detailed.

Fukien: Report said to comply in every way with requirements of Trustees, but the Director astonished to discover that the University was using money derived from the Harvard-Yenching Institute to assist in supporting courses on European diplomacy, social pathology, social origins and evolution, and the history of social thought; that part of the money which should have gone to the library was spent for books on history and sociology, etc., etc.

Cheeloo: Highly favorable in almost every respect. The Director reported a request from the President of Cheeloo for the salaries for two new teachers, one for biography and the other for research in Buddhism, U.S. \$2,500. each. The matter was given very friendly consideration, but it was voted that the Trustees could not accede to the request because they felt that, before any such provision could be made, the Director should know who the men are who are to teach these subjects and what their backgrounds are.

The Director further reported a request from the President of Cheeloo for U.S. \$10,000. to build a more suitable room to house the interesting collection of specimens to form the nucleus of a Sinological research museum and to provide a suitable place for the collection of the publications of the Harvard-Yenching Institute. He reported that he had informed the President that he was not opposed in principle to such a grant but did not know whether the Trustees of the Institute could vary their policy which was against subsidies for building projects. The vote of the Institute Trustees was that they did not, at that time, favor the appropriation of \$10,000. for the purpose requested.

(Note: It does not seem at all impossible that Cheeloo will obtain an additional grant for professors when conditions are met and it may even obtain a grant for an addition to its library.)

West China Union University: Very adverse report, especially as regards Professor Graham and his museum. The Director criticized severely the employment of old-fashioned Chinese teachers and various other things. He especially criticized the fact that the income from the restricted fund of the Institute was handled by a committee instead of going through the hands of the faculty of West China Union University. He stated that there had been no report of the use of the money.)

It was voted that Dr. Graham be supported only through August, 1938, and also that the Department of Chinese Studies of West China Union University be informed that the Trustees of the Institute desire them to provide a fellowship for Mr. Cheng Te-k'un to go to Harvard for study during 1938-39 and to allocate funds for this purpose from the income received from the restricted account for that year.

Referring to the fact that West China had failed to send its report for a third time in succession, the Director asked for more vigorous action to compel the sending of such report. It was

VOTED: That the two succeeding payments of income  
T-507 from the restricted fund of the Institute, which would be made to West China Union University on February 1, 1938, and May 1, 1938, shall be deferred because of the non-fulfillment of the obligation to send to the Institute a financial report for the year ended June 30, 1937.

University of Nanking: Highly favorable in every respect.

The Director reported various requests from President Chen:- A grant of U.S.\$3,500. to equip a museum to house Dr. Ferguson's collection, and an annual grant of \$5,235. for maintaining it;

A grant of U.S. \$2,400. for study in the decorated design on Chinese bronzes;

A grant of U.S. \$2,940. for continuation of the study of the bas-relief of the Han Dynasty;

A grant of U.S. \$1,000. for the study of the contribution of the Japanese sinologues in the field of Chinese history;

A grant of U.S. \$1,700. for the study of the grammar of the written language of the Shan Dynasty;

A grant (amount not stated) for an encyclopedic dictionary on Chinese bronzes;

A grant of U.S. \$1,870. for a study in the Kuan Chi of the famous Chinese painters and calligraphers;

A grant of U.S. \$500. for an index to contents of the Pih Chi;

A grant of U.S. \$2,000. a year for books for the library;

An annual grant of U.S. \$1,000. for supporting a history professor and an assistant with training in the Mongolian and Tibetan languages.

The minutes say that the consensus of opinion among the Trustees was that action on all these projects should await more favorable conditions in China.

Lingnan University:- "The Director stated that no report for 1936-37 was received from Lingnan University. Confirming his visit at Lingnan, he said that his stay there was not very long because of his illness, but that he had an opportunity to inspect the library and to have a talk with the members of the Chinese Department and with Provost Henry. The library is still weak in Chinese books, as well as in western books on Sinology; the most important works are lacking and the people in charge of the library are not even familiar with the newest publications. He added that the teaching of Chinese has always been regarded at Lingnan as of secondary importance, and that is why it has never been raised to a scholarly standard. The teachers are more interested in traditional literary essays than in scholarly work in history or language. This was strongly felt by the members of the University, and to improve the situa-

Extracts from Minutes of Trustees of Harvard-Yenching Institute

tion they sent one of their history teachers, Mr. Huang, to Cambridge and have paid his traveling and living expenses for one year. The Director told Provost Henry that, if Mr. Huang's work were satisfactory, he would be willing to recommend a fellowship for next year. The Director further told Provost Henry that he was astonished that the Institute's contribution to Lingnan is mostly spent for the traveling expenses of the foreign members of the staff, and Mr. Henry promised to call the matter to the attention of the faculty.

"Dr. North explained that that represented the conditions under which Lingnan operates; that the American budget was to be one thing and the Chinese another, and that they would not inter-lock."

Hua Chung: Very favorable.

A grant of U.S. \$4,000. was voted to Hua Chung College for the following items:

A chair of Chinese literature; a chair of Chinese history; books on Chinese culture; research projects.

November 8, 1937. Upon suggestion of the Director that appropriations might well be made for the libraries of the associated institutions in China, it was

VOTED: That the Trustees are favorable to the proposal  
T-517 made by the Director that an appropriation be made by them for the libraries of the affiliated institutions in China, but that action should be deferred until a more favorable time.

November 8, 1937. After further consideration, it was

VOTED: That the Trustees consider that the proposal of  
T-519 Professor Wu Wen-tsaio for the organization of an institute for research in the social sciences at Yenching University is outside the direct interests of the institute, and they ought not to undertake its support.

✓ November 8, 1937. It came out in the discussion that Professor Conrad M. Arensberg, whose salary and traveling expenses were to be paid by the Fellows of Harvard College, had been planning to go to China to work with Professor Wu at Yenching on sociological problems in regard to the organization of small communities, but that he could not go on account of conditions in China. He would therefore like to go to India. After considerable discussion, the suggestion of making a grant of \$3,000. to enable Mr. Arensberg to go to India to carry on his research at the Allahabad Institute was rejected because of the fact that Mr. Arensberg did not know the Indian languages necessary to do a perfect job.

Upon the suggestion of Dr. North, others also sharing, it was

VOTED: That \$10,000. be allocated from the unrestricted  
T-591 income to the Executive Committee, with power to use it, after consultation with the Associated Boards for Christian Colleges in China, in meeting emergencies and urgent needs of these colleges.

VOTED: That \$40,000., from the unrestricted income, be  
T-522 made available to the National Emergency Committee  
for Christian Colleges in China upon the completion  
by said committee of the raising of a fund of  
\$250,000. from other sources.

O.D.W.

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February 28, 1938

Dr. Serge Elisseeff  
Harvard University  
Cambridge, Massachusetts

My dear Dr. Elisseeff:

Great difficulties have been involved from the beginning in the development of the division of Chinese Studies at Lingnan in a manner entirely harmonious with the development of the Harvard-Yenching Institute. I am not sure whether the situation has ever been made entirely clear to you, since explanations to the Trustees of the Institute occurred before you became Director. Pardon, therefore, the following brief statement at this late date.

Originally the Trustees of Lingnan University were definitely promised \$1,000,000 from the estate of Dr. Hall. The Trustees received interest at 6% on this total sum for one year and a half before the new decision was reached which finally handed over to our Trustees \$700,000 of the sum promised and entrusted to the Harvard-Yenching Institute of Chinese Studies \$300,000 of the Lingnan capital sum. The \$60,000 received as interest on the total amount constituted a large item in the entire income of the Trustees of Lingnan University, and this entire income was involved in the support of the American faculty and certain other items in the total University budget for which the American Trustees have responsibility. On the other hand, the whole field of Chinese Studies was altogether outside the sphere of responsibility of the American Trustees. The Chinese Board of Directors was responsible for that division of the University, as well as for the total budget except for the specific assistance promised by the American Trustees.

To have transferred an income of \$15,000 from those items in the budget for which the American Trustees were responsible to the division of Chinese Studies would have meant the dropping of some of the most valuable members of the American faculty and a rather serious dislocation in the University. I am sure that the Chinese Directors and the Chinese administration would have regretted deeply to see such a transfer made. The American Trustees therefore proceeded on the hopeful assumption that it would be possible gradually to obtain additional income and thus gradually develop the department of Chinese Studies in harmony with the Harvard-Yenching Institute but without any sudden dislocation. Unfortunately, as I need scarcely explain, the depression rendered this hopeful assumption entirely unrealizable. On the contrary, the aggregate income available to

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the American Board of Trustees fell markedly and it has never been possible to restore this to the figure prevailing at the time when the Hall Estate funds were handed over to the various colleges and to the Harvard-Yenching Institute. The American faculty has been reduced by approximately 25% in personnel.

At one time a plea was made to the Harvard-Yenching Institute to set aside another \$300,000 from its surplus fund, the income from this new fund to be used for the development of Chinese Studies at Lingnan and the income from the original \$300,000 to be left in the general budgetary income of our Trustees. The answer was that this could not be done. Hence our Trustees have continued to make every reasonable effort to obtain additional funds in order to harmonize the division of Chinese Studies with the Harvard-Yenching Institute.

It so happens that one of our Trustees is about to make a trip to South China by air to obtain first-hand information as to the general conditions prevailing there, the situation at the University itself, and prospects for the near future. This Trustee, Mr. Harold B. Hoskins, has a lively interest in the special relationship between Lingnan and the Harvard-Yenching Institute. He would like to be thoroughly informed before making his trip to the University. He would be glad to meet you in person and get your point of view at first hand. He has suggested that I inquire whether you may possibly be in the city of New York in the near future. Since he is planning to take the Clipper airship on March 23 and must make serious sacrifices in his business in order to do this, it is not entirely easy for him to make a special trip to Boston. If, however, you do not intend to be in New York in the near future, Mr. Hoskins will endeavor to come up to Boston for the special purpose of talking with you.

As soon as I receive a reply to this letter, I will request him to let you know when he could come to Boston in the event that you are not to be in New York.

Sincerely yours,

ODW/MB

Olin D. Wannamaker  
American Director

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March 4, 1938

Harvard-Yenching Institute and Lingnan University

Dr. Hall, founder of the Aluminum Co. of America, left a special legacy to be disposed of by two executors, Arthur V. Davis and Homer L. Johnson. The restrictions imposed upon the executors were only very general. They allowed the legacy to accumulate to approximately \$11,000,000. before distributing it. The ultimate outcome of a great amount of discussion, appeals, and study was that various sums were given to six educational institutions in China and one in India and the residue of the fund was used to establish the Harvard-Yenching Institute of Chinese Studies. One third of the trustees of the Institute are appointed by the Harvard Board of Overseers, one third by the Yenching Board of Trustees, and one third by the joint action of these two groups of trustees of the Institute. Upon deciding to establish this Institute, the executors of the Hall legacy also decided to place in trust with the Institute a portion of the capital sum which had been earmarked for the several institutions of education. Thus, the \$1,000,000. which had been definitely promised to Lingnan University, and upon which the executors had paid \$60,000. a year to Lingnan University as interest for a year and a half, only \$700,000. was given outright to the Trustees of Lingnan and \$300,000. was placed in trust with the Harvard-Yenching Institute. These various trust funds are held by the Harvard-Yenching Institute as a single total capital sum designated as the "Restricted Account".

The institutions interested are:

Yenching University.....	\$500,000.00
Lingnan University.....	300,000.00
West China Union University.....	300,000.00
University of Nanking.....	300,000.00
Fukien Christian University.....	200,000.00
Shantung Christian University.....	200,000.00
Allahabad Agricultural Institute(India)	?

The restricted field in which the Institute is <sup>interested</sup> indicated is clearly indicated in its name. The Trustees of the Institute were very tactful for some years in relation to the use being made of the income from the various trust funds by the respective institutions. They have gradually become more exacting in their requirements, especially since the election of Dr. Serge Elisseeff as Director of the Institute. Theoretically - and ideally from their point of view - the entire income from each trust fund should be used for purposes clearly within the restricted field of "Chinese Studies". It has been very difficult for the institutions in China to comply wholly with these restrictions. For Yenching University there has been no difficulty because \$200,000. was added to the Trust fund in the case of Yenching at the time that the Institute was set up. Moreover, Yenching derives vastly more assistance than any

other institution because of the close inter-relationship between Yenching and Harvard through the Institute. Nevertheless, there has been a natural tendency to make Yenching the yardstick for the other institutions. The difficulty for Lingnan has been much greater than that for any other institution because of the fact that the responsibility of the Directors of Lingnan University and that of the American Board of Trustees are two entirely distinct things. Dr. Paul Monroe, who knows more about the colleges in China than almost any other one American educator, has expressed the opinion that the relationship between the American Trustees and the Chinese Board of Directors in the case of Lingnan University is superior to that existing in the case of any other of the institutions concerned. This relationship has been somewhat endangered by the anomalous situation created through the holding of this trust fund by the Harvard-Yenching Institute with requirements to use the income from it for Chinese studies while the responsibility for these studies rests with the Chinese Board of Directors and responsibility for <sup>curriculum</sup> other departments of the University rest with the American Trustees.

In the effort to relieve this situation, Mr. Wannamaker applied to the Harvard-Yenching Institute of Chinese Studies several years ago to set aside an additional fund of \$300,000. for the development of Chinese Studies at Lingnan University. This was declared by Dean Chase and Dean Donham of the Harvard-Yenching Institute to be legally impossible. More recently the question has been raised from some other source as to whether all these trust funds might not be handed over to the respective institutions. The opinion has been expressed by the Trustees of the Harvard-Yenching Institute that this is legally impossible.

It must be added that, when the Trustees declined Mr. Wannamaker's request to set aside another \$300,000. as a capital fund, they did grant for two years successively a special current appropriation of \$15,000. Because of the heavy pressure of the depression, the Trustees of Lingnan University did not use this special income or any considerable portion of it in such a way as to be able to make an entirely satisfactory report to the Harvard-Yenching Institute.

There was for a considerable time an inclination on the part of the Provost to resist the requirements of the Harvard-Yenching Institute. More recently, he has endeavored to meet these requirements by engaging a specialist in social anthropology, whose research work he assumed would be acceptable to the Harvard-Yenching Institute as belonging within the field of Chinese Studies. Such does not seem to be the case. Moreover, the demand of the Harvard-Yenching Institute that the annual report of each of the institutions concerned shall be received by the Trustees of the Harvard-Yenching Institute in the autumn, early enough to be presented at the autumn meeting of the Trustees of the Institute, has not been complied with by the Provost with any consistency. The latest default in this matter can be attributed almost entirely to the conditions created by the war in China. Nevertheless, three of the other institutions filed their reports on time, one filed its report only a little late, and one filed only a partial report. Lingnan, so far as the New York Office knows, has filed no report whatever for the period in question.

Since the election of Mr. Y.L. Lee as President and the return of Dr. Y.K. Cha as Dean of the University, an effort has already been initiated to

recall to Lingnan one of the ablest and most scholarly of its former professors, Dr. Chan Shao-yi, with the intention that he shall become the head of an Institute of Chinese Studies - or of Oriental Studies. If such a plan could be effectuated, this would probably place Lingnan University in a much better relationship to the Harvard-Yenching Institute.

One other detail has already greatly improved our relationship. The Lingnan Trustees are supporting for the present year with a grant of \$1,000. one of the younger Chinese teachers from Lingnan doing a year of graduate work at Harvard. The Director of the Harvard-Yenching Institute has already assured Mr. Wannamaker that this young man, Mr. Huang, has given an entirely satisfactory account of himself and that he will certainly receive a fine fellowship from the Harvard-Yenching Institute to continue his studies at Harvard.

This memorandum is accompanied by an exhibit bearing upon the <sup>deferred</sup> dividends of the Aluminum Co. of America on preferred stock constituting a part of the trust funds held by the Harvard-Yenching Institute for the colleges in China, and also by excerpts from the minutes of the latest meeting of the Institute.

Olin D. Wannamaker  
American Director

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# TRUSTEES OF LINGNAN UNIVERSITY

Canton Christian College of Arts and Sciences

The Lingnan College of Agriculture

150 Fifth Avenue, New York, N. Y.

Telephone: Watkins 9-8703

HAROLD B. HOSKINS  
President of the Board

OLIN D. WANNAMAKER  
American Director

April 1, 1939

Memorandum to File:

I have today reported, at Mr. Wannamaker's suggestion, no balance in the Harvard-Yenching account either on the field or in New York. (This report was made to Dr. Garside.)

Dr. Henry reported on \$12,631. for the fiscal year 1937-38 to Harvard-Yenching. However, during that year we received \$14,210.53. It was Mr. Wannamaker's decision that, in the event any question should arise, the difference of \$1,579.53 could be balanced against the emergency grant to the Directors in 1937-38, a total of \$15,000.

The report to Mr. Garside was made verbally.

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*MB*  
M. Brewer

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# TRUSTEES LINGNAN UNIVERSITY

Canton Christian College of Arts and Sciences

The Lingnan College of Agriculture

OLIN D. WANNAMAKER  
American Director

Telephone: Watkins 9-8703

150 FIFTH AVENUE  
NEW YORK, N. Y.

July 12, 1938

## Lingnan Trust Fund Held by Harvard-Yenching Institute

The Harvard-Yenching Institute of Chinese Studies holds in trust for Lingnan University \$500,000. handed over to the Institute by the Executors of the will of the late Charles M. Hall. The Executors at the same time gave to the Trustees of Lingnan University \$700,000. to constitute a part of the general endowment fund of the University. The clause of the will under which the Executors created and endowed the Harvard-Yenching Institute and also gave certain endowment funds to several institutions in China, including Lingnan University, and delivered to the Trustees of Harvard-Yenching Institute certain other funds to be held in trust for the several colleges, is quoted below.

"Item X. Upon the termination of the period of trust hereinbefore created in my Trustees by the expiration of said term of Fifteen (15) years, or by the death of the survivor of my said nephews prior to that time, I hereby direct my said Trustees to assign, transfer and deliver all of the property in their hands, and in such form as it may then be, as follows: One-third to the Trustees of Oberlin College, one-sixth to the Trustees of Berea College of Berea, Kentucky, one-sixth to the American Missionary Association, to be held by them as endowment funds, as hereinafter more fully described, the income thereof to be applied to the general uses of said legatees. The balance of said trust fund shall be applied by my said Trustees for the purpose of education in foreign lands, to-wit: Japan, Continental Asia, Turkey and the Balkan States in Europe, in such manner and through such agencies as to my Trustees may seem best. They shall have power to make gifts for the founding, development, support or maintenance of educational institutions already established, or which may in the future be established or maintained by any agency in their judgment thought to be fitted for such purpose. It is my desire, however, that such institutions should be limited to those managed or substantially controlled by Boards composed of Americans or British, and also that no part of it should be used for the purpose of instruction in theology, though it is not my desire that it may not be devoted to institutions a part of whose work consists in imparting religious instruction.

"My Trustees shall be fully discharged from all liability for the administration of the said one-third so retained by them on showing to the court to which they shall be responsible the application of all of said moneys left in their hands, as herein provided."

April 1  
1937

Re: Elisseeff's Visit; Harvard-Yenching Income (P37.75, P37.80)

Dr. James M. Henry, Provost  
Lingnan University  
Canton, China

Dear Jim:

Your clipper letter about the brief visit by Dr. Elisseeff reached me about two days before the steamship letter written on the morning he was expected to arrive. In other words, from my point of view, he left before he arrived. I can well imagine that you were, in a perfectly human way, relieved to have him come so near to doing that very thing. In any case, I am sure you handled the situation with your usual skill and that Elisseeff went away with a warm-hearted appreciation of the way he was treated.

I do hope that he comes through his present illness in a brief time. I am very sorry for him.

Curiously enough, a committee appointed by the various colleges concerned discussed a letter from the Harvard-Yenching Trustees some time ago, raising the question as to what we proposed to do with the accumulated dividends from the Aluminum Co. of America now partly paid to the Institute and expected to be paid in full in the near future. The committee held a meeting only yesterday to formulate an answer. It was a very prolonged discussion. Various finance committees had already met and passed resolutions which seriously hampered the committee, since it could not possibly feel free to ignore these resolutions of individual finance committees. I find that I misinformed you in my letter T36.19 in regard to this matter. The treasurer of the Institute trustees simply wrote to ask whether we should care, as suggested by Donham, to make proposals to the trustees of the Institute as to the manner in which we should expend these deferred payments when received. Mention was made of using the funds for non-recurring items of expense. In other words, the inquiry was definitely fraternalistic. But it did not go so far as to ask whether we should think it a good thing to have the Institute trustees hold these deferred payments as a reserve to stabilize our income in future years. Curiously enough, that proposal was made by the Finance Committee of Yenching University in its reply to the Harvard-Yenching treasurer. I should rather think that the intention of such a proposal from the Harvard-Yenching Finance Committee was to place itself in the sweetest relationship possible with the Harvard-Yenching Trustees. Such a reply - which Mr. Garside insists was not official but was a purely personal inquiry, written by members of the Yenching Finance Committee - would inevitably have the effect of placing the

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rest of us in an unfavorable light if we should request definitely that these funds be handed over to our various boards of trustees. We all felt that we had to be a little tactful with the Harvard-Yenching people. The ultimate outcome was that we voted a resolution suggesting that the accumulated income be handed over to the various boards of trustees in order that each board may set up its pro rata share of this surplus "as a special reserve fund to maintain a stable income for carrying on the work in each college to which the Harvard-Yenching Institute funds are allocated."

We did not feel that it would be wise to ask simply that the funds be handed to us without any suggestion as to how we should use them. In the case of Lingnan University, it seems to me that we shall be entirely free to draw on this money as we may need to do for strengthening the Division of the Social Sciences. With reference to the portion of the deferred dividends not yet received by the Harvard-Yenching Institute, we voted a resolution on my suggestion that this matter be taken up at the annual meeting of the ~~various~~ boards of trustees.

I send you a copy of the Minutes of this joint committee.

Cordially yours,

Olin D. Wannemaker

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Mr. Nannamaker

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HARVARD-YENCHING INSTITUTE

Office of the Treasurer  
24 Milk Street  
Boston, Massachusetts

May 4, 1937

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

Dear Mr. Garside:

At the meeting of the Trustees held on April 12, 1937, the following vote was passed, of which I enclose an attested copy:

VOTED: That a special dividend of \$19,000 from unexpended income of the Restricted Account be made to the Board of Trustees of Fukien Christian University, Lingnan University, the University of Nanking, Shantung Christian University, West China Union University, Yenching University, and Allahabad Agricultural Institute in order that each board may set up its pro rata share of this surplus as a special reserve fund to maintain a stable income for the carrying on of the work in each institution to which the Harvard-Yenching Institute funds are allocated; and that the Treasurer be requested to inform the institutions that this is an irregular distribution for present budget requirements and not to be counted on in the future.

Pursuant to this vote, I enclose checks herewith as follows:

Trustees of Yenching University	5/19	\$5,000
Trustees of Lingnan University	3/19	3,000
West China Union University	3/19	3,000
University of Nanking	3/19	3,000
Fukien Christian University	2/19	2,000
Shantung Christian University	2/19	2,000

A copy of this vote should be sent to each of the institutions and each of them should be informed that this distribution is from nonrecurring income and is not to be counted on for meeting their ordinary budgets, and that, as also stated in the vote, it is the desire of the Trustees that this distribution be used to maintain a stable income for the carrying on of the work in each institution to which the Harvard-Yenching Institute funds are allocated.

Yours very truly,

/S/ HENRY L. SHATTUCK

Enclosures

Treasurer

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May 5, 1957

Mr. Henry L. Shattuck  
Harvard-Yenching Institute  
24 Milk Street  
Boston, Massachusetts

Dear Mr. Shattuck:

I am acknowledging receipt of your letter of May 4th, enclosing checks issued in the following amounts:-

Trustees of Yenching University	\$5,000.00
Trustees of Lingnan University	5,000.00
West China Union University	5,000.00
University of Nanking	5,000.00
Fukien Christian University	2,000.00
Shantung Christian University	2,000.00

We note from the action of the Trustees that the total of \$19,000.00 is from unexpended income of the Restricted Account, and that each Board may set up its pro rata share as a special reserve fund to maintain a stable income for the work to which the Institute funds are allocated.

As suggested, a copy of this letter is being transmitted to the secretaries of the various universities, emphasizing the desire of the Trustees of the Institute that this distribution be used to maintain a stable income for carrying on the work to which the Harvard-Yenching Institute funds are allocated.

It is quite possible that the separate Boards will desire to take individual action, but meanwhile we wish to express our gratitude for this distribution, and feel confident that it will be well managed in the hands of the individual boards of trustees.

Very sincerely yours,

CAE:RC

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Memorandum to Mr. Harold B. Hoskins

May 26, 1938

The following extract from the Minutes of the meeting of the Board of Trustees of Harvard-Yenching Institute held on April 11 furnishes certain information we needed in reaching decisions regarding the special grants from the Institute.

"The Director stated that on March 12 he received a visit from Mr. H.B. Hoskins, one of the trustees of Lingnan University, who was shortly to go to China to get first-hand information about the situation at that university. In a letter of the same date (copies of which have been sent to the Trustees), he asked the Director to take up with the Trustees a request for any possible funds up to the amount of \$25,000. to help in what he called a critical situation at Lingnan. Mr. Hoskins knew of the back dividends on the Aluminum stock which have not been paid over to the affiliated universities and wanted at least to have the Trustees vote that Lingnan's proportion might be made available to it. The Director added that he had promised Mr. Hoskins that he would cable the Trustees' decision to him in China.

"The Director also reported that he had just received from Provost Henry, of Lingnan University, its report for 1936-37, which was due for the November, 1937 meeting.

"Then followed a long discussion as to the treatment of the accumulated dividends from the Aluminum stock, in which the facts were brought out that the five other affiliated universities in China wish to have their shares kept by the Treasurer of the Institute as an equalization fund of income for future years and that, if Lingnan received its share at this time, it could not participate in any equalization plan later on. The Treasurer pointed out to the Trustees that it is a stabilizer to have some accumulation of funds; that, if the Trustees gave all the accumulation of its share of income to Lingnan and earmarked the balance for the other universities, there would be no working balance. Mr. Keller stated that he was very much in favor of keeping a strong reserve. The Chairman remarked that the Trustees had a substantial accumulated income. The Treasurer felt that, if the Trustees gave Lingnan its full share of the accumulated balance, then they should retain in some form for the other institutions their full shares; that the entire balance should be set up as a special reserve, and Lingnan's income

should be taken out of it so as not to mix this balance up with the current income. He thought that at least three months' income should be retained because there had been times when the institutions were paid the exact income and they had had to wait for their next payments because there was no money in the bank to send them. The Chairman agreed with the Treasurer that a moderate reserve should be kept. In answer to an inquiry by the Chairman, the Treasurer stated that Lingnan's share of the unpaid dividends was \$10,410.00.

After further discussion in regard to what a fair reserve would be and as to what income the Trustees could safely guarantee to the institutions receiving funds from the Restricted Funds, it was

VOTED: That the Treasurer is hereby directed, upon request of the Chairman of the Board of Trustees and the Director, to make a special payment from the undistributed income balance of the Restricted Fund to Lingnan University of U.S. \$8,000., this payment to be charged to Lingnan University in the computation of any further special payments to it from the Restricted Fund.

VOTED: That for each of the fiscal years 1938-39, 1939-40, and 1940-41, the Treasurer is authorized and directed to make distributions from the current net income of the Restricted Fund (not including Aluminum Co. preferred back dividend balances or receipts) to the institutions participating in the Restricted Fund, in the minimum amount of \$75,000. per annum, payable in quarterly installments, in the proportions in which these institutions are now receiving income, drawing on the undistributed income balance of the General Fund if necessary to make up any deficiency in the current income of the Restricted Fund; and that if in any of these years the current net income of the Restricted Fund (not including any Aluminum Co. preferred back dividend balances or receipts) is sufficient, the Treasurer is authorized and directed to increase the distribution up to a total of not exceeding \$85,000. Any sum drawn from the General Fund for the purpose of making the minimum distribution shall be treated as advances to be repaid without interest, upon vote of the Trustees

or of the Executive Committee, by the Restricted Fund to the General Fund from any available balances of Restricted Fund income."

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In the minutes, the term General Fund means endowment of the Harvard-Yenching Institute or the income derived from that endowment. The Restricted Fund means the trust funds held for six colleges in China or the income from those trust funds. The Secretary, in stating that Lingnan's share of the unpaid dividends was \$10,410. intended to say Lingnan's share of the deferred dividends on Aluminum stock which had been received by Harvard-Yenching Institute but not paid over to the various colleges.

It is not quite accurate to say that the other five boards of trustees definitely wished Harvard-Yenching Institute to hold their balances in these deferred dividends. It would have been more accurate to say that these boards of trustees did not raise any objection to the suggestion that the money should be retained as a stabilizing fund by Harvard-Yenching Institute.

Of course it is clear from the minutes that the \$8,000. offered to us is our own money and not a fresh appropriation from the surplus of Harvard-Yenching Institute.

During 1936-37 and 1937-38, Lingnan's income from the trust fund has been \$14,210.53. But, if the Institute should pay to the participating colleges only \$75,000. in one year, the share of Lingnan would be only \$11,842.10. If the total payment is \$85,000., our share would be \$13,421.05. In other words, the Institute seems to have adopted a policy which will have the effect of accumulating a reserve in the Restricted Fund in case the Aluminum Co. pays the usual rate.

I have discussed fully with Garside the meeting at which the above actions were taken. From remarks he quoted to me, I think it would almost certainly be better for us to state that we do not wish to draw at this time the \$8,000. from our accumulated reserve. Garside says that one member of the Institute Trustees remarked: "I rather think we shall have to look forward to a renewal next year of our grant of \$50,000. to the colleges for the present year.", and that Dean Denham, chairman of the Trustees, replied: "In my opinion, it is more likely that we shall have to double the grant next year." A certain show of confidence in the Institute at this time and of respect for the apparent judgment of the Trustees that it would be wiser to leave our small reserve in their hands might be of some value in dealing with them next year. This forecast of a sizable grant to the colleges will naturally have a bearing upon our decision as to relationship with the Associated Boards.

ODW/MB

Olin D. Wannamaker

June 11, 1938

Dr. Serge Elisseeff  
Harvard-Yenching Institute of Chinese Studies  
17 Boylston Hall  
Cambridge, Massachusetts

My dear Dr. Elisseeff:

At the annual meeting of our Trustees, held on May 28, I made a detailed report on the general status of all the divisions and departments of the University, with a forecast of the most pressing needs for their improvement. My judgment on these matters was naturally based very largely upon detailed conferences with the leading professors of the University and also written statements submitted to me. Since our Trustees have not been able to get completely in line with the wishes of the Harvard-Yenching Institute, and we are very anxious to do this as rapidly as possible, you may be interested in a paragraph from my report on the Department of Chinese.

"The staff of the Chinese Department consists at present of one professor, an old-fashioned scholar without modern scientific training; two assistant professors holding the B.A. degree from Lingnan and the M.A. degree from the University of Hawaii; two instructors and two part-time teachers. The Chinese Administration desires a modern scholar as head of the department. The Directors seem unable at present to provide the budget for such a person. The American Trustees have provided \$1,000. during the present fiscal year, to enable a young member of the Chinese staff to begin his graduate work in the Harvard-Yenching Institute of Chinese Studies. He has made an excellent impression and will have a fellowship for the year 1938-39. He should obtain his doctorate in 1939-40. A younger teacher now at Lingnan, whose special field is linguistics, desires similar assistance from the American Trustees within the next two years, to begin his study at Harvard. If a modern Chinese scholar whose special interest is literature could be appointed to the headship of the department, we might expect a satisfactory development in a few years through these three men assisted by subordinate staff.

"Needs of Chinese Department within Three Years

- "1. A head professor scientifically trained (Literature).
- "2. Completion of doctoral work by Mr. Huang Yen-yü (History).
- "3. Training of a third young teacher now on staff (Linguistics).

June 11, 1938

Dr. Serge Elisseeff  
Harvard-Yenching Institute of Chinese Studies  
17 Boylston Hall  
Cambridge, Massachusetts

My dear Dr. Elisseeff:

At the annual meeting of our Trustees, held on May 23, I made a detailed report on the general status of all the divisions and departments of the University, with a forecast of the most pressing needs for their improvement. My judgment on these matters was naturally based very largely upon detailed conferences with the leading professors of the University and also written statements submitted to me. Since our Trustees have not been able to get completely in line with the wishes of the Harvard-Yenching Institute, and we are very anxious to do this as rapidly as possible, you may be interested in a paragraph from my report on the Department of Chinese.

"The staff of the Chinese Department consists at present of one professor, an old-fashioned scholar without modern scientific training; two assistant professors holding the B.A. degree from Lingnan and the M.A. degree from the University of Hawaii; two instructors and two part-time teachers. The Chinese Administration desires a modern scholar as head of the department. The Directors seem unable at present to provide the budget for such a person. The American Trustees have provided \$1,000. during the present fiscal year, to enable a young member of the Chinese staff to begin his graduate work in the Harvard-Yenching Institute of Chinese Studies. He has made an excellent impression and will have a fellowship for the year 1938-39. He should obtain his doctorate in 1939-40. A younger teacher now at Lingnan, whose special field is linguistics, desires similar assistance from the American Trustees within the next two years, to begin his study at Harvard. If a modern Chinese scholar whose special interest is literature could be appointed to the headship of the department, we might expect a satisfactory development in a few years through these three men assisted by subordinate staff.

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- "1. A head professor scientifically trained (Literature).
- "2. Completion of doctoral work by Mr. Huang Yen-yü (History).
- "3. Training of a third young teacher now on staff (Linguistics).

"Recommendation: That we seek advice of Director of Harvard-Yenching Institute as to best practicable advance for 1938-39, and authorize the Executive Committee to appropriate for this.....\$1,000."

I met the young man who has been teaching Chinese for several years at Lingnan and who is very highly regarded by those who know him to whom I allude in the item numbered 5 under the needs of the Chinese Department. This young man told me that he would prefer to continue his own studies for one year longer before coming to America. He is very anxious then to take up his studies at Harvard-Yenching Institute. I feel quite confident that we shall then be able to finance him for a year and I hope that he will qualify for a scholarship from the Institute for his second year. I feel that we are beginning to get on the right road. When Mr. Huang has finished the work for the doctorate with you and gone back to his job, and the other young man, whose surname happens to be Wong also - gets his specialized training in linguistics, the situation will be improved. There was a very strong feeling at the college, however, that we needed to get as early as possible a head of the department scientifically trained and specializing in Chinese literature. No one seemed to know where such a man could be found.

Let me add one other item of news which bears more or less directly upon your special interest. I think you know that Dr. Ree Fortune, a rather well known social anthropologist, joined our staff at the beginning of the second semester in 1936-37 to help in giving the right direction to our division of the social sciences. We were anxious to have him begin the training of Chinese for field exploration and research in Chinese anthropology. The war greatly interfered with this. I am glad to tell you that we have now appointed, to replace Dr. Fortune, an assistant professor from the University of Wisconsin who is well known in her field and very highly regarded. I refer to Dr. Charlotte Day Gower. She will spend the summer in England and go out from there to Canton. I am confident that, if the Japanese leave us the possibility, we shall be able with the help of Dr. Gower to give new life to our social science division, and that this will constitute a certain background or perhaps I ought to say a certain ally, for the Department of Chinese Studies.

The newly elected President of our Board, Mr. Hoskins, told me of his conversation with you and his hope that he will see you when you come through the city on your way to Europe. I wish I might have the same pleasure. There are various matters I should be happy to talk over with you in person. Will you be in the city for more than a single day?

Sincerely yours,

ODW/MB

Olin D. Wannemaker  
American Director



# TRUSTEES LINGNAN UNIVERSITY

Canton Christian College of Arts and Sciences

The Lingnan College of Agriculture

OLIN D. WANNAMAKER  
American Director

Telephone: Watkins 9-8703

150 FIFTH AVENUE  
NEW YORK, N. Y.

July 12, 1958

## Lingnan Trust Fund Held by Harvard-Yenching Institute

The Harvard-Yenching Institute of Chinese Studies holds in trust for Lingnan University \$500,000. handed over to the Institute by the Executors of the will of the late Charles M. Hall. The Executors at the same time gave to the Trustees of Lingnan University \$700,000. to constitute a part of the general endowment fund of the University. The clause of the will under which the Executors created and endowed the Harvard-Yenching Institute and also gave certain endowment funds to several institutions in China, including Lingnan University, and delivered to the Trustees of Harvard-Yenching Institute certain other funds to be held in trust for the several colleges, is quoted below.

"Item X. Upon the termination of the period of trust hereinbefore created in my Trustees by the expiration of said term of Fifteen (15) years, or by the death of the survivor of my said nephews prior to that time, I hereby direct my said Trustees to assign, transfer and deliver all of the property in their hands, and in such form as it may then be, as follows: One-third to the Trustees of Oberlin College, one-sixth to the Trustees of Berea College of Berea, Kentucky, one-sixth to the American Missionary Association, to be held by them as endowment funds, as hereinafter more fully described, the income thereof to be applied to the general uses of said legacies. The balance of said trust fund shall be applied by my said Trustees for the purpose of education in foreign lands, to-wit: Japan, Continental Asia, Turkey and the Balkan States in Europe, in such manner and through such agencies as to my Trustees may seem best. They shall have power to make gifts for the founding, development, support or maintenance of educational institutions already established, or which may in the future be established or maintained by any agency in their judgment thought to be fitted for such purpose. It is my desire, however, that such institutions should be limited to those managed or substantially controlled by Boards composed of Americans or British, and also that no part of it should be used for the purpose of instruction in theology, though it is not my desire that it may not be devoted to institutions a part of whose work consists in imparting religious instruction.

"My Trustees shall be fully discharged from all liability for the administration of the said one-third so retained by them on showing to the court to which they shall be responsible the application of all of said moneys left in their hands, as herein provided."

July 13, 1938

Miss Florence Bayley, Secretary  
Harvard-Yenching Institute of Chinese Studies  
17 Boylston Hall  
Cambridge, Massachusetts

Dear Miss Bayley:

Can you spare me a copy of the printed certificate of incorporation, agreement of association, special acts conferring certain additional powers, and the by-laws of the Harvard-Yenching Institute? We have never had a copy of this pamphlet in our files. As new members are elected to our Board of Trustees, it frequently happens that they desire information regarding the trust fund held by the Harvard-Yenching Institute for us, and ask questions which it is not possible to answer with sufficient detail unless we can quote from the document in question. This is the only reason why I wish to have a copy available. I hope there is no reason why you could not send me one.

I hope the weather is not as terrible in Boston as it is here in New York!

Cordially yours,

ODW/MB

Olin D. Wannemaker  
American Director

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# 交通部電報局

TELEGRAPH OFFICE

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ELISSEFF

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Note: Any enquiry respecting this telegram, please produce this form.

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OBSERVATIONS BY PROFESSOR ELISSEEFF  
ON THE WORK OF THE SIX AFFILIATED UNIVERSITIES  
BASED ON HIS VISIT TO CHINA DURING 1936-37

(Taken from the Minutes of the November 8th  
meeting of the Harvard-Yenching Institute)

"The Director presented the report of Yenching University for the year 1936-37, and gave the following information concerning his visit to Yenching: He lived for five days with President Stuart, afterwards made several visits to Yenching, and also took part in the Commencement exercises. From President Stuart, Professor Hung and Professor Ku Chieh-kan, he received the impression that, in order to attract more students and to make Yenching different from the national universities, they would like to have more courses in the various languages that are so important for historical studies; that Professor Hung has found a professor for Russian; and was looking for a man to teach Manchu; and was eager to have a teacher of Mongolian. The Director delivered a lecture on the methods used in Chinese studies and pointed out the importance of a knowledge of China's neighbors for the understanding of the development of Chinese history. He said that changes have been made in the staff of Yenching so as to increase the interest and stimulate the activity of Chinese studies, and that, although the special field of the new President, Mr. Luh, is psychology, he is deeply interested in the problem of language. The new Dean of the Department of Chinese Literature is a young Chinese scholar, Lu Kan-ju, who took his Ph. D. degree in Paris, was trained by Granet, Maspero, and Pelliot, and speaks French fluently. In order to have another man in linguistics, Dr. Stuart arranged with the French Ambassador to send a young Chinese interested in linguistics, Kan Ming-k'ai, to Paris; and also succeeded in obtaining a fellowship from the French Government for him. The Director added that the whole trend at Yenching is to reinforce as much as possible training in the different languages, which he considered a wise program, since it would put Yenching on a different level from the other universities and would attract more students.

The Library at Yenching is in very good shape, the Director said, although it is crowded, and its only lack is in the most important series in Western languages. Professor Hung asked the Director if it would not be possible to have a special subsidy to reinforce this section, which he considered a sensible request, since the other libraries in Peking are also very poor in Western books. He thought it was needless for him to say that the publications of Yenching University are of high academic standard and are valuable contributions to Chinese history. The work on the indices is being constantly improved by the criticisms which have been made by different scholars, and each publication is better than the preceding one. That fact was recognized by the French Academy, which granted the Prix Stanislas Julien to Professor Hung.

The Director next presented the report of Fukien Christian University for 1936-37, which he said complied in every way with the requirements of the Trustees. In addition to the preliminary report which he sent from China to the last meeting of the Trustees, the Director added that he was surprised to find out from the report of the university that the Institute is subventioning courses on European diplomacy, on social pathology, social origins and evolution, and on the history of social thoughts; that out of a total of \$1,036.47 for the library, \$209.52 was spent on books on history and sociology. He was also surprised to learn from Mr. Farley, one of the very active members of the Faculty who is interested in Chinese studies and whose collection of Chinese art and archaeology the University uses for the courses on history and archaeology, is receiving LC\$9,899.95 this year, and yet practically all his teaching is in English with about fifteen hours of instruction a week. The Director said he did not understand why a university should use a man for the teaching of English who would be more helpful in archaeological work and who would be able to give a course on Chinese relations with foreign countries or on Chinese archaeology. He said he would write to President Lin

about these courses and ask him whether it would not be possible to spend more money for purely Chinese studies.

The Director informed the Trustees that the report of Shantung Christian University for 1936-37 had been received. During his visit in Tsinan, he was much impressed by the improvement which had been made in the library, where, in contrast to three years ago, he found they now have a very important collection of valuable books. Acquisitions have been made systematically, and good selections have been made of the different local histories which describe the counties of Shantung Province. The Chinese Library now occupies two large rooms in the main library building. Professor Menzies' archaeological collection is displayed in a very systematic and up-to-date manner in four rooms there, each room representing a certain historical period, which enables the visitor or student to see the chronological development of Chinese bronze and ceramic handicraft. Many objects are of great archaeological value, and, while the collection is not large, it represents a good selection of objects of practically every historical period.

The Director said that the new President, Mr. Liu (a graduate of Harvard in international law) is much interested in developing the Department of Chinese at Shantung; that in a letter, dated June 23, 1937, the President asked him to appeal to the Trustees to enable Shantung to secure a good man for the teaching of geography and another for research in Buddhism, for each of whom salaries of US\$2,500 would be needed. The Director felt that, before money for such projects is given, he should know who the men are who are to do the teaching and what their backgrounds are. He felt that it was natural that they should want to have a teacher of Buddhism at Shantung, because that province was the important center of Buddhism, and around Tsinan there are still monuments of Buddhist sculpture. He thought the university should educate a man and then send him to Harvard so that he may have a good training in Sanskrit.

The Director added that President Liu also stated in his letter that the books which have already been added to the library, and which they hope to add during the next year or so, have used up a great deal of shelf space and they are finding it necessary at the University to convert to the use of the library the rooms which had been arranged by Dr. Menzies as a museum. The sum of US\$10,000 would enable them to build a much more suitable room to house the interesting collection of specimens which will form the nucleus of the Sinological Museum and also to provide a suitable place for the collection of the publications of the Harvard-Yenching Institute. The Director said that he had informed the President that he was not against the principle involved, but that he did not know whether the Trustees would be willing to give money for a building, since their general policy has been not to subsidize building projects.

Reporting on his visit to West China Union University, the Director said that he stayed in Chengtu two weeks with Professor Graham; practically every day he had a talk with some members of the staff and had several meetings with different committees. The first thing which astonished him was that some members of the staff think that in each affiliated university a Harvard-Yenching Institute must be established; that the idea is so strong in their minds that Dr. Graham wrote in his report that he met member of the "Harvard-Yenching Institute" at Nanking University, in spite of the fact that at Nanking they have an Institute of Chinese Cultural Studies; and in another part of the report Dr. Graham referred to the members of the "Harvard-Yenching Institute Committee" of West China Union University. The Director said he explained to them that the Institute has one office only in China, at Yenching University, and that the Institute located in Cambridge. He said there was also a misunderstanding in regard to publications; they thought that every publication of theirs should contain a statement that it was made by the Institute instead of from a subsidy of the Institute's funds. At a

committee meeting at which the Acting President, Professor Lindsay, was present, the Director explained that the money was given, not to a special committee or group, but to West China Union University for its Department of Chinese.

The Director felt that the difficulty in educational problems at West China is that the preparation of the students is very inadequate; some students from wealthy families have a good knowledge of Chinese, while others who come from the local schools have a very poor knowledge of it, a situation which makes it difficult for the teacher to explain Chinese texts. All the teaching is done in the traditional manner, which goes no farther than well-established commentaries on classical texts. During his visit to Chengtu in the spring of 1935, Professor Porter realized this weak point in the staff of the university and recommended to them a graduate of Yenching, Mr Chong Te-k'un, who had had two years teaching in Amoy. The schedule of classes shows that there are many instructors who give only two hours a week to teaching, and the number of the staff is consequently large, 15 teachers for 32 students.

The Director thought that every university should be asked to send him a list of all new candidates for appointment to professorships, with a statement of their academic careers, which would give him an opportunity to have general oversight of the teaching staff, and also would prevent the appointment of people merely because of their political or other influence. He said that his visit to different classes and his talk with professors only reinforced his opinion that the teaching of Chinese at West China is of college grade but that no true research work can be done by the staff. The Journal that is published is a collection of essays, written in beautiful Chinese, but without any scientific value.

The library lacks many important collections and desirable books. The money which has been given to the University by the Institute has been expended for other things, and the library has not received enough consideration. It is not used sufficiently by the students, not only because the old-fashioned staff has not encouraged the students to use it, but also because there are so many gaps in important works. The museum is temporarily located in the library. The Director pointed out to them that more planning should be done in regard to their purchasing, and asked Dr. Graham to prepare a catalogue of the museum.

The Chinese teachers are being paid on a very low basis, which makes it difficult to obtain good professors, since they prefer to go to the national universities rather than to stay with the missionary universities, where they are paid salaries out of all proportion to those the missionaries receive.

The Director recalled to the Trustees the fact that the five year period during which they permitted Dr. Graham's support to be provided from a surplus of \$20,000 received from the Restricted Income of the Institute that West China has on hand, terminated on April 30, 1937; and that they voted on April 12, 1937, that Dr. Graham's salary should be paid for six months from the end of that time, pending the Director's decision, after his visit to China, as to whether Dr. Graham should be retained, and at what rate of pay. He stated that Dr. Graham has received \$1500 for the six months which ended October 31, 1937. In order not to give up the work which has already been begun at the museum, the Director recommended the appointment of Dr. Graham for ten months more, at a salary of \$2500, which will take care of him through August, 1938, and that Dr. Graham should be informed that his connection with the Institute will then terminate. He stated that Mr. Garside has informed him that there is a sufficient balance in the original fund of \$20,000 to pay for Dr. Graham's expenses coming home. The Director added that Dr. Graham should be asked to make a catalogue as soon as possible and send copies of what has already been done.

In order to help raise the standards at the University, the Director further recommended that the Trustees vote that the Department of Chinese of West China make an appropriation in their budget for 1938-39 to send Mr. Cheng Te-k'un to Harvard for study

The Director stated that, for the third consecutive year, no financial report was received from West China, although the general report was sent. He reminded the Trustees that they have voted -- and the universities have twice been told -- that, if reports were not received for the November meeting of the Trustees, payments of income from the Restricted Fund would be withheld until such reports were received. The Director further reminded the Trustees that the cutting off of one payment is of no effect, since the next payment is not due for several months and the universities have time to report to Cambridge before that. He definitely recommended that the two succeeding payments should be held up.

The Chairman expressed the opinion that the University should be advised that appropriations by the Institute must be combined with the University accounts.

The Director further stated that he delivered four lectures at West China; one on Chinese bronzes; one on the activities of the Harvard-Yenching Institute; one to the students on Chinese studies in general; and another to the Szechuan National University on methodology in Chinese studies. He added that he noticed that there is not a complete set of the Sinological Index Series at West China, and asked permission to inquire of Professor Hung as to whether he is sending the indices to all the affiliated universities in China, and, if not, to instruct him to send them free copies, and also to do the same for Hua Chung College.

The Director stated that no report was received from the University of Nanking for 1936-37. Concerning his visit to Nanking, he said that the situation there is somewhat different from that at the other institutions because of the special Institute of Chinese Cultural Studies, where they are continuing to do a good piece of work. The Journal and the several publications they issue are of high academic standard and give much information in regard to Chinese history and archaeology. While at the university, President Chen handed him a letter, dated May 28, 1937, in which he stated that the grant from the Institute has been of great help in the development of their Chinese courses and research in the historical side of Chinese cultural studies; that it is their aim to develop Chinese courses, including Chinese history, which will be outstanding for two things: first, to help train young men and women to become excellent teachers of the Chinese language, including cultural subjects; and second, to continue a moderate program of research that will strengthen the instruction as well as carry a well-rounded program of research in Chinese culture. With the letter, President Chen enclosed special projects for research which he felt would be of value in this development, and stated that they were anxious at Nanking to have outstanding, well-trained staff members who would be able to combine research with instruction. President Chen added that during the past few years the income assigned to the University has been maintained at US\$12,631.58, or about US\$3,000 less than the grant of the first few years that during the years when exchange was high they were able to purchase a good many books on Chinese cultural subjects, but of late years the regular program has made it impossible to allow very much for the purchase of books. If conditions are sufficiently improved to allow the income to be restored to the original figure of about \$15,000, they would like to use the difference between the present amount and the restored amount for the purchase of books and to have this difference, amounting to about \$3,000 definitely designated for this purpose. President Chen realized, however, that this might not be possible and had included in his requests an item of US\$2,000 for books.

The consensus of opinion among the Trustees was that action on all these projects should await more favorable conditions in China.

The Director stated that no report for 1936-37 was received from Lingnan University. Concerning his visit to Lingnan, he said that his stay there was not very long because of his illness, but that he had an opportunity to inspect the library and to have a talk with the members of the Chinese Department and with Provost Henry. The library is still weak in Chinese Books, as well as in Western Books on sinology; the most important works are lacking and the people in charge of the library are not even familiar with the newest publications. He added that the teaching of Chinese has always been regarded at Lingnan as of secondary importance, and that is why it has never been raised to a scholarly standard. The teachers are more interested in traditional literary essays than in scholarly work in history or language. This was strongly felt by members of the university, and to improve the situation they sent one of their history teachers, Mr. Huang, to Cambridge and have paid his living and traveling expenses for one year. The Director told the Provost that, if Mr. Huang's work is very satisfactory, he would be willing to recommend a fellowship for next year. The Director further told the Provost that he was astonished that the Institute's contribution to Lingnan is mostly spent for the traveling expenses of the foreign members of the staff, and Mr. Henry promised to call the matter to the attention of the faculty.

Dr. North explained that that represented the conditions under which Lingnan operates; that the American budget was to be one thing and the Chinese another, and they would not interlock.

The Director informed the Trustees that he spent four days at Wuchang visiting Hua Chung College; that he delivered a lecture there on methodology in Chinese studies and was much impressed by the work that is being done in the institution. He said that President Wei had sent him a letter, dated June 18, 1937, in which he applied to the Trustees for a grant-in-aid to strengthen the Department of Chinese Literature and History in the College for the teaching of Chinese literature and history and to make possible some research in these fields. At present they have three full-time teachers in Chinese Literature and one in Chinese History; and, while they are able to offer the necessary courses, they are too short-handed to undertake much research work in Chinese studies, as they are doing in other departments in the college. This is a handicap even in the undergraduate teaching, because they are making the senior year a year of training in research in most of the departments, with the hope that their graduates may carry on independent study after their graduation from college. The great majority of students in China cannot afford to spend time in taking post-graduate courses. President Wei further wrote that, owing to their limited resources, they have not been able to build up their library for study and research in Chinese literature and history, and he reminded the Trustees that two years ago, when the College had the hope of having the Williams collection of books in New Haven immediately transported to Wuchang as a bequest to the College of Yale-in-China (to which Hua Chung is the successor), the Trustees voted to grant Hua Chung for 1935-36 and for four succeeding years annually thereafter the sum of US\$500 for the purpose of furnishing care and upkeep for the collection. As they have not been able to complete their new college buildings as soon as they expected so as to fulfill the condition of a fireproof building to house the collection, the grant has not been paid to the College. They are now erecting a group of buildings, one of which is the library, and another the Proctor Memorial Hall for the School of Arts. In either of these buildings, both fireproof, they would be able to fulfill the condition of the Trustees' grant when the Williams collection is sent out to Wuchang. In view of all these needs, President Wei applied to the Trustees for an annual grant amounting to LC\$12,000. The Director stated that the matter was taken up by the Educational Committee, who favored recommending to the Trustees that a grant of US\$4,000 be made to Hua Chung College for 1938-39.

Dr. North thought that the present situation gives that action all the more point, since the enrollment at Hua Chung has been practically doubled because the College has had to take care of government students."



September 29, 1939

Memorandum to Dr. Garside and Dr. Cartwright:

Subject to emendation by you gentlemen, the following is my suggestion for the minute in regard to the matter discussed yesterday. The purpose of the meeting was to discuss a letter of April 13, 1939 from Dr. Eric North to the Secretary of the Associated Boards reporting that, at a meeting of the Harvard-Yenching Institute, note was taken of the fact that the Institute was holding in its treasury \$60,000. of undistributed income from the restricted fund and the question was raised as to whether the Trustees of the several participating institutions would prefer that this should be distributed or retained as an equalization fund for offsetting future variations in exchange or in the earnings of the fund or whether it should be distributed in part and retained in part.

The discussion which followed took note of the two vital aspects of the problem - the urgent need of the six colleges in question for special income to meet their requirements during the present fiscal year, on the one hand, but also the importance of having adequate funds available after the cessation of hostilities in China for the proper development of the division of Chinese cultural studies in the various institutions. After due deliberation, it was moved by Mr. Wannemaker, seconded by Dr. and duly voted that, in the opinion of the joint committee representing the six institutions participating in the restricted fund of the Harvard-Yenching institute, no part of the undistributed income of approximately \$60,000. should for the present be requested from the Institute for expenditure within the current fiscal year, but that this total amount should continue to be held for later development of the Division of Chinese Cultural Studies unless emergency needs should arise which the participating colleges could not possibly meet in any other way than by drawing upon this undistributed income.

I shall be glad to confer with you gentlemen at any time convenient to you.

ODW/MB

Olin D. Wannemaker  
American Director

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HARVARD-YENCHING INSTITUTE

April 13, 1939

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

Dear Mr. Garside:

At the recent meeting of the Harvard-Yenching Institute note was taken of the fact that all of the institutions participating in the Restricted Fund are now out of debt to the General Fund for advances made when the income from the Restricted Fund was reduced and that there is now available undistributed income approximating \$60,000.

The Trustees have asked me to ascertain the judgment of the participating institutions as to whether they would prefer that this be distributed or retained as an equalization fund for offsetting future variations in exchange or in the earnings of the Fund, or distributed in part and retained in part.

Will you kindly suggest how this question can best be approached and give me your counsel on a sound policy?

Cordially yours,

(Signed) ERIC M. NORTH

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ACTIONS OF BOARDS OF TRUSTEES

HARVARD-YENCHING RESTRICTED FUND

- Cheeloo - NAS-560 VOTED that the matter be referred to a small committee (President, Treasurer, and Treasurer of Woman's Committee). Suggested that they act in unison with representatives of other five Universities. Agreed that the consensus of opinion of the Cheeloo Section was that there are sufficient needs to justify withdrawing a part of the fund for use at the present time. Further suggested that this might be money that could be used in the joint library project at Chengtu.
- Fukien - T-1190 VOTED (a) that if other interested institutions desire to confer regarding the undistributed income held by the Harvard-Yenching Institute that the Chairman and Treasurer be appointed a committee to represent Fukien; (b) that if it is the judgment of the majority of other interested institutions, that the funds be distributed, and Fukien receives its proportionate share that the use of such funds be referred to the Finance Committee for recommendation to the Executive Committee.
- Nanking - NF-1064 VOTED that the Chairman appoint two members to confer with representatives of the other Universities concerned, and to report to the Executive Committee. Suggested that if the other Colleges were in agreement, the University of Nanking would prefer to have such funds available for use. Appointed Morris and Cartwright.
- West China - G-1422 VOTED to refer this matter to a Sub-Committee (Decker, Cartwright, Wallace) to report to the Executive Committee with power.
- Yenching - T-3643 VOTED that the Chairman be requested to appoint two representatives from the Trustees of Yenching University to confer with representatives of the other five boards as to the procedure which the six boards of trustees jointly may propose to the Harvard-Yenching Institute with regard to the \$60,000 surplus which it is now holding in its Restricted Fund. Appointed Fairfield and Thompson.
- Lingnan - Matter was discussed and decision reserved until action is taken by united group.

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October 4, 1938

Re: Report to Harvard-Yenching Institute.

Dr. James M. Henry, Provost  
Lingnan University  
Canton, China

Dear Jim:

Thank you for the copy of your letter of August 29 and of the report mailed therewith. I have read your letter and looked through the report with a great deal of interest. I do hope we may be able to strengthen our whole Chinese Department in the course of the next few years, as I know you also wish to do.

In order to do unto others as I would have others do unto me, I venture to call your attention to certain items you have told Professor Elisseff that you would report more fully on later - the more complete list of publications by members of the Chinese Department; data on Professor T.W. Chan, data on Mr. I.X. Wong.

I congratulate you upon getting your report in so early.

Here are my very best wishes for a great improvement in the external circumstances of life in China within the next few months. In other words, may the Japanese sink to their helmet points!

Cordially yours,

ODW/MB

Olin D. Wannamaker

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