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TO THE BOARD OF TRUSTEES OF PEKING UNIVERSITY

1925

It has been customary for me to make an Annual Report to the Board of Managers, but I have not yet undertaken preparing one for the Trustees. Indeed it has so happened that I have been able to meet with you in person at your last three Annual Meetings. However, since returning to China last May I have been so impressed with the rapid and startling developments in this country and their bearing on the affairs of our University that I have repeatedly had in mind attempting to interpret these to you.

But all through the past autumn and thus far into the winter the immediate claims of each day have been too insistent to permit this, and I am now taking advantage of the leisure while on a coasting steamer to Shanghai to formulate my ideas. It may be just as well that this has not been done earlier as in some issues at least there has been time for a more matured conviction, and at any rate it will reach you as you are getting ready for your Annual Meeting.

THE POLITICAL OUTLOOK Since the early autumn there has been almost continuous civil strife in China, thus far without any advance toward stable government. Nor is there any immediate prospect of improvement. It has been merely a succession of factional struggles in which ambitious leaders combine against others and after achieving their purpose or failing resolve themselves into new groupings. Whether the "Christian General" will prove an exception and strengthen his position until able to enforce some disinterested constructive policy it is too early yet to speak with confidence, but certain it is that thus far his actions have aroused the distrust of almost all Chinese whether Christian or non-Christian and of the great majority of foreign observers. Sun Yat-Sen is very sick now but if he lives he will be the leader in a new revolution against foreign, or more strictly European and American, interests in China, supported by the radical younger element and endorsed alike by Japan and Soviet Russia. In any case it is the emergence of this new force that demands our attention. The fighting among various military chieftains and the individuals who successively constitute a precarious and powerless "Central Government" in Peking are of no consequence in themselves. But they are causing much misery or at least annoyance to the people in the affected areas and are producing a general disintegration throughout the country resulting in lawlessness and discontent. Meanwhile the intellectual awakening especially in student circles has generated an intense nationalism, - nationalism rather than patriotism. This might well take the form of protesting against internal disorders but - largely no doubt because of vigorous and heavily financed Russian propaganda - is rather being directed against western domination. Russia and Japan have little else in common but they share in the desire to arouse China against western influence. There is much talk about demanding the revision of "unequal treaties" which is helping to breed anti-

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foreign sentiment." This may at any time or place under slight provocation take the form of actual violence with the result that the government concerned could feel compelled to assert its rights thus aggravating the resentment against foreign interference. The Diplomatic Corps in Peking and the Nations they represent are in an extremely difficult position. It is idle to predict what lies ahead, but we can be reasonably certain that stable government is not to be expected for some time yet.

THE ANTI-CHRISTIAN MOVEMENT From what has been said above you will have surmised correctly that this is more largely racial than religious. Or perhaps it is more accurate to describe it as fear of a wide-spread, highly-organized, well-financed propaganda from the West the visible result of which to Chinese eyes is the westernization of those who come under its influence both in habits of thought and in formal relationships. It is regarded as of a piece with political aggrandisement and commercial exploitation and is described as a subtle form of imperialism and the instrument of capitalism. This revolt against the domination of the white race in China as among the other peoples of Asia is fomented by the spread of Bolshevik ideas from Russia and the advocacy of a Pan-Asian alliance by Japan. The racial aspects of the issue are, however, reinforced by a purely anti-religious sentiment which is almost universal among the young intelligentsia except in so far as they are genuinely Christian. The ancient scepticism of Chinese thought as to spiritual issues has made it easy for the intellectual leaders of to-day to accept the philosophy of naturalism or atheism which as they freely assert they carry to its logical affirmations unhampered by the long Christian tradition in the west which prevents most thinkers there from going to such extremes. They are therefore entirely sincere and even earnest in regarding religion and especially education under religious auspices as a menace, a reactionary force making for controversy, conservatism and confusion of ideas. This helps to explain why the present agitation is primarily against Christian education and is convincing evidence of how effective they regard it to be. This is not the place to comment on the faults in Christian schools which are perhaps to no slight extent responsible for the bitterness of the present attacks. But it is worth noting that several of the leaders in them are former students in mission colleges and that a number of "strikes" and other outbreaks are occurring in mission schools.

The remainder of this report can best be occupied by stressing in the light of present tendencies in China, certain features of what as I conceive it should be our own policy.

DEVELOPMENT INTO A CHINESE UNIVERSITY The institution exists for the purpose of extending the Kingdom of God into China and the strengthening of a truly Chinese Christian Church. Its western founders wish it to accomplish this purpose most effectively and to remain as a gift from them for the finest and fullest maintenance of this function. But thus

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far it has been almost entirely controlled, staffed, financed, protected, from the West. How can it become Chinese and be assured in the process of remaining actively Christian? In so far as this question can be satisfactorily answered will the value of the University in the judgment both of western Christians and of the Chinese public be recognized. For despite all that may be feared from anti-Christian agitations I for one am more confident than ever of the permanent and hearty endorsement by the vast majority of thinking Chinese of a wisely conceived Christian University. Never was the need for such more evident nor its strategic importance to Chinese Christianity more unquestionable. It would seem to me that the process of making the University Chinese in character should be along four lines:

(1) Faculty: Chinese men and women should be secured for vacancies or additions on the staff whenever the right ones can be found and they should be given full responsibility in such positions as they are called upon to fill. But only the best of each grade should be selected. There should be no race discrimination and there should be developed a comradeship based on mutually sharing the same motives, hardships, hopes, duties, etc. In no feature of our institution has a more encouraging beginning been made than in this respect, and we can be very proud not only of the splendid nucleus of Chinese teachers and the way in which they are meeting the confidence placed in them but also of the attitude of our foreign teachers toward them and the happy harmonious fellowship between the two groups. In fact the present problem is more one of training the Chinese to work together than in breaking down the barriers between them and the foreigners. In this and in other respects these gifted young Chinese may be thought of as themselves in training for the time when they must carry the burden and do it together. If we can accomplish this the students could for the time being - to put it in the form of an exaggerated statement - be regarded as a by-product.

(2) Board of Managers. This is now predominantly foreign and the Chinese control is still somewhat nominal. It would be difficult for this to be otherwise under the present theory by which the constituent missions appoint the majority of the members. As the Presbyterian China Council pointed out on the minutes of its last meeting, the union universities are becoming less and less closely related to the local missions in actual administrative issues. Even when disposed to appoint Chinese the number of those who can in any true sense represent the Mission or Church and qualify as Managers of a University are pitifully few. On the other hand there are well-qualified Christian Chinese who could be drawn upon not necessarily from our immediate area only and who would if they found themselves in a majority on the Board take their responsibilities very seriously while giving to the University a prestige in Chinese eyes of great value in view of present tendencies. Not only so, but if they are ultimately to take over its control would it not be the part of wise foresight to exercise them in it - as in the case of the Chinese teachers - while we western

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missionaries are still sufficiently in authority to ensure the continuity of our basic principles? The Board of Trustees would remain in ultimate control and guarantee that the true interests of the Mission Boards and other contributors were conserved. I realize that there are obstacles toward putting this proposal into effect but am convinced that it would greatly increase the friendly respect of Chinese for us and make it much easier to secure Chinese funds.

(3) Government Recognition. This matter has been under consideration by missionary educationalists for several years and our students are eager to have our schools registered. They now have various disabilities in consequence of having attended schools that are not registered and these could be - probably will be - made more serious as the government becomes stronger. Several of the "strikes" in mission schools have been in order to force those in charge to secure this privilege. There have been on the other hand several factors which tend to make the authorities unwilling to encourage this step on the part of our schools - fear of the Roman Catholics and of Japanese political schemes disguised as educational, complications with our governments, opposition from communist and other radical elements among their own people. It is quite certain that registration will be impossible unless compulsory attendance on religious exercises and required classes in religions - they usually say biblical - instruction are discontinued. Whatever may be the best course for those engaged in primary and secondary education, it seems probable now that colleges will be allowed to register if in addition to the above points certain academic requirements are complied with. The question for the colleges has, therefore, assumed a two-fold aspect: First and chiefly, can our religious objective be better realized by forcing students to attend church and daily chapel and take curriculum work in religion, or by making all such features voluntary while throwing around the students every influence calculated to develop spontaneous religious activity and study; and secondly, what should be our policy if either the government becomes strong enough to compel all schools to cancel such regulations or public opinion becomes sufficiently aroused to boycott our schools or in other ways force a change of policy. In our own institution this is the second session since we have removed the requirement of attendance upon Sunday services or daily chapel and the results have convinced us all that we made no mistake. We have only one required course in religion, two hours a week in the Freshman year with several possible courses to select from, and our faculty are now discussing whether purely from the standpoint of religious benefit this requirement should be retained. Personally, I am coming rather definitely to the opinion that in view of all the elements in our present situation and what may be expected in the future, we shall do well to have all our religious instruction elective. If in consequence we can become recognized by the government I feel confident that the quality of students we shall attract, our general acceptance in the country, and our direct religious influence upon our own students will all be improved. My own

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chief hesitation at this stage is due to a desire that the Christian Colleges act together in a matter affecting us all.

(4) Finance. Chinese support is something that we are all thinking of. The moral value of money given by the Chinese makes such gifts much more desirable than the actual monetary benefit, because it shows as nothing else could that we are being approved by them. It must be planned for. But apart from the political disruption and its economic effects, especially in North China, I doubt if we can hope to secure Chinese money in appreciable amounts until the other three developments mentioned above have taken place. The government and private schools are all sorely in need of funds and public-spirited Chinese naturally feel those to have the first claim. Our own alumni are still very few and have in the main entered idealistic, or at any rate, unremunerative careers. If we can carry out our program successfully for the next few years I have good hope of gradually securing funds from Chinese and their helping forward the whole process which has occupied these paragraphs.

Religious Life. From what has been implied above, you will understand something of the ferment among the Chinese students and the radical theories of life which are everywhere current among them. An institution located in the pulsating center of all such intellectual activity could not hope to have its students sheltered from such influences, and as a matter of fact, they are quite conscious of what is going on around them. Our position ought to be - and is - that the Christian religion as we believe and practice it, has nothing to fear from modern scientific or other knowledge but rather welcomes all such as in harmony with and helpful to the truth with which it is immediately concerned, that the spiritual interpretation of the universe is at least as reasonable a philosophy as the one now dominant in China, that the broadest culture and the highest morality require a religious basis, that we seek to supply those who in life service or in other callings will help create for China a church thoroughly Christian and as thoroughly Chinese, and that the principles of Jesus Christ and the living energy that comes from faith in Him alone can give the personal character that must come before China's political, industrial and social ills can be cured or her proper relations with other nations be established. Meanwhile, if faculty members among themselves - despite their heterogeneous personnel - and in dealing with their students and the students among themselves in turn can actually practice the teachings and faith of Jesus we shall furnish a demonstration far more telling upon Chinese life than the mere number of students whom we are enabled to win to Christ and His service. This latter, of course, will continue to be our constant effort. We are considering the re-organization of our theological staff so as to merge it with the Department of Religion in the Men's and Women's colleges, and have this faculty of Religion offer elective courses of great variety and attractiveness in every year of the college, with the chance to major in Religion in the last two years, especially with vocational intent, taking graduate work leading to an M.A.

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degree as in any other subject, or going on for a B.D. on the present standards. We shall thus meet the present opposition or indifference by featuring this subject, with a much more flexible arrangement than exists at present, and thus enlarge the range of usefulness for the splendid group of teachers in this field which is our most precious asset. Whatever is decided as to this particular plan, we shall on the new site be able to have personal and group contacts with our students under conditions that ought to enable us to come nearer realizing our ideals than has been possible as we are.

Financial Matters. It is with reluctance that I come to this topic, and yet any statement to you concerning our university's affairs would be very incomplete otherwise. You will have presented to you in other forms the details of our needs for carrying through the construction work and for next year's budget. I shall only remark that the lack of adequate funds for both these aspects of our development constitutes by all odds our most harrassing problem. It is scarcely ever out of my consciousness, and is making what would otherwise be a challenging and gloriously worth-while, if difficult, enterprise, into a haunting burden of discouragement and anxiety. On the other hand, if the comparatively small amounts needed for the few remaining necessary buildings and for endowment, or otherwise providing for the shortage in our budget, could be provided we could carry on however modestly until from donors in China or abroad the extensions we desire could be secured. You will be interested that Chinese who are told what our budget now is all marvel that we can do so much with such limited resources. I appeal to you, our trustees, to exert every effort for providing that plant and annual income without which we cannot function.

Conclusion. I had not intended to write so lengthy a message but cannot refrain from a few words on a different note. This report has been frank in commenting on the threatening changes in Chinese life and thought and our own spiritual and material problems. It would be incomplete not to refer to the surpassing significance of our common task. Many indications are reaching me of what our own students and outside Chinese are saying of us. It sobers one to hear these favorable comments and their hopes of what we are going to be. The opportunity is supremely great. The concentrated dynamic of a single institution in our location, with our ideals and policies, dedicated to our objectives, may have an incalculable influence upon the winning of China to Christ and the establishment of international friendship across the Pacific in a time of rapid and radical changes.

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YENCHING UNIVERSITY
PEKING, CHINA

Peking, July 15, 1927.

To the Board of Trustees of Yenching University:

From time to time I have undertaken to send you reports concerning the religious life of the University, the bearing on its affairs of the awakening national self-consciousness, and other phases of our common task. This is an attempt to deal with the financial problems of the University as viewed from the standpoint of my special responsibilities. Perhaps little will be said which you are not already quite familiar from your own knowledge of the facts as well as from annoyingly insistent comments by myself and others in Peking. However, I venture to feel that a summary of present conditions and future requirements will not be without value, and am confident that it will be received by you with the understanding sympathy and readiness to help which have characterized you in all the issues which I have thus far brought to your attention.

1. Problems of Construction. The Grounds and Buildings Committee of the Board of Managers has recently been endeavoring to allocate to various buildings the large item of undistributed funds which appears in the monthly statements of the Construction Bureau. As this effort progresses shall we be able to see more clearly in what instances particular buildings or other features have been kept under or have exceeded the original estimates or the amounts donated. This information is being forwarded to you and with the further advantage of Mr. Gibb's presence will enable you to form your own conclusions as to the bearing of these figures on work as yet unfinished. Of course, we have all felt the burden of the ever increasing costliness of the Power Plant over the successive estimates furnished and the diversion of undesignated funds to this single feature that we had counted on using elsewhere. The oppressive weight of the campaign deficit in which apparently much money contributed for specific purposes is still tied up is another misfortune one consequence of which is that building work except for certain favored units is now almost at a standstill and the grounds are in a state of unfinished disorder. If my understanding is correct there is still due from the sale of the old site enough to clear off this deficit and thus release funds needed for projects already authorized and started.

Another serious embarrassment has been in the matter of housing our faculty. The foreign style residences first erected with funds specially contributed exceeded on the average the amounts secured for them, but fell far short of accommodating those families who had to be provided for. The all but absolute lack of progress during the past two or three years in securing additional gifts for residences has been most disappointing, and this has been aggravated by the no less absolute necessity of finding some solution of the housing problem. We have secured leases for houses in the neighborhood and have taken advantage of all available old buildings on property bought by us. But in every instance this

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has involved more or less expenditure to secure some degree of comfort and sanitation, and there are now no funds--again we are forced to speak in absolute terms--even for the renovation and installation that all such properties require. Despite orders to the contrary we are forced to borrow among ourselves to put in order a few houses to accommodate the people to whom we are obligated this autumn. It is only the accidental circumstance--to be regarded from this standpoint as fortunate--of the absence of an unusual number of the staff who had homes that enables us to get along at all through the coming session. To go into detail: the resignation of Messrs. Chamberlain and Vincent, and for the time at least of Messrs. Bartlett and Terman, the withdrawal of Messrs. Britton and Nash and the anticipation of their furloughs by one year of Misses Konantz and Dickinson, the political anxieties which have led to the advice that Messrs. Tayler and Mead do not bring their families with them this autumn, the delay in the return of the Burgesses and Dr. T. T. Lew, the decision of Mrs. Davis to stay in the city next session for the children's schooling, the furloughs of the Barbours, Tewksburys and Gibbs, have put a number of houses temporarily at our disposal. But as against this, the Chinese who are being quartered in the homes of the Barbours, Davises and Burgesses and of Misses Konantz and Dickinson must be otherwise provided for next year, the Taylers and Meads must be housed, etc. Doctors Homer Lew and J. S. Li and Mr. K. L. Chen have recently been married, Messrs. Andrew Cheng and Shadick will be before the session opens. The first named is on the Agricultural Budget, and Miss Gouldy has graciously solved the problem created by the marriage of the second. It is quite clear that hereafter there should be no expansion unless adequate residential equipment is provided. This should apply to the conditions upon which Mr. Terman is permitted to return, the Department of Journalism is authorized and Princeton-in-Peking is to be extended. . . . It is wasteful to pay annual rental for houses into which we have to put rather expensive improvements with no assurance of continuous use. We should erect very few, if any more, of the costly two story foreign houses such as we have been building. I recommend that hereafter we build simple Chinese houses of the general type put up in the Prince's Garden and for Dr. and Mrs. J.C. Li, costing about six thousand silver (Mex.\$6,000) or bungalows with one upstairs room. It may be that a few neighboring houses can be bought and improved to advantage. But it is essential that permission be given for erecting or purchasing about six additional houses before March 1928. Under the present trying conditions in this country the morale of our foreign and Chinese teachers simply must be maintained and the basic factor in doing so is that they and their families be given comfortable homes.

Scarcely less urgent is the need of additional Men's dormitories. The two existing quadrangles, after office space and other claims upon them have been deducted, accommodate about 400 students. The Chinese building on the south edge of the campus can take nearly 50 more, and by using attics and other space perhaps as many more can be packed away as a temporary expedient. In view of the derangements affecting other colleges we shall be sorely put to it this year to receive all those who wish to transfer to us and thus not have their course of study interrupted, to say nothing of those who seek to enter as Freshmen. We have under consideration the using of rooms scattered through the academic buildings as improvised dormitories, a makeshift

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solution unsatisfactory alike to teachers and students. It would be highly desirable if we could start construction next spring on enough of the new lake-shore units to accomodate about 150 men. Expansion beyond that figure need not be hastened. But this total would require almost no increase in the teaching staff or in equipment, and none in general overhead or plant. In other words, we have a larger faculty than the present enrollment really justifies although the number and variety of courses offered requires their maintenance. Economy and efficiency are best combined by increasing the enrollment up to about 600-650 men, rather than by reducing the number of teachers. Under such circumstances the fees from 100 additional students amount to approximately ten thousand silver (Mex. \$10,000) which can be treated as practically that much net income. The contribution of dormitory units thus becomes in effect an additional endowment, accomplishing two things: the enlargement of our spiritual influence and of our material resources. Mr. Gibb will be able, with access to our architect's working drawings, to compute the exact cost of these units and the number of students each will accommodate.

The pressure for increasing dormitory provision for women students is not so immediate an issue, but should be kept in mind as one that we shall soon be joyously facing. The outstanding need of the Women's College, at present, is a Gymnasium, although it may be that simple Chinese-style homes for a few teachers singly or in small groups should be put before this.

Next to these items in order of need I should place the equipment of the Men's Athletic Field at the north-east corner of the campus, and the improvement of athletic facilities on other parts of the grounds. Apart from the usual reasons for this expenditure, provision for sports and physical exercise can be under present conditions of unique character-building value and of no slight help in winning student loyalty which will be the ultimate factor in holding our place during the revolutionary disturbances through which we shall soon be passing.

The above represent almost all that is necessary to round-out our working plant. When the gift of Mrs. Marmon can be released for improving the grounds and if this amount can be doubled we shall have a physical equipment beautiful, serviceable and a source of pride and high hopes for the future. Other features will be needed and can doubtless one by one be provided. But until these are supplied we shall work under a harassing sense of limitation and incompleteness. Mr. Gibb will be prepared to give figures on all the above items. But the total amount required will only be a small fraction of what has already been expended. Having started out eight years ago with nothing but a vision of opportunity and a determination to realize it, and struggling on through discouragements that will be vividly recalled by all those concerned, we need not flinch at the comparatively small requirements called for in completing our first unit of construction.

11. Problems of Budget. Taking as a basis the statement of income furnished in a letter from Dr. E. M. North under date of July 6, 1926, and assuming that the income from the Hall Estate endowments is assured, we can with rigid and sometimes harmful

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economies just about carry on for the next year or two. We shall also assume that the constituent Mission Boards will maintain the grants in men and money upon which they originally determined, and that the Departments of Sociology and Political Science will hereafter be entirely cared for by Princeton-in-Peking. There are, however, several considerations which we should keep in mind even in endeavoring to maintain our present program. The grant from the Far Eastern Division of the Rockefeller Foundation for our premedical sciences will soon have exhausted its five-year period. The nationalistic movement will undoubtedly increase the cost of all labor. Our salaries both for Chinese and foreigners--especially perhaps the latter--were fixed when living conditions were much easier, and should soon be increased in order merely to give equivalent values. We have no reserve for insurance or pensions, almost none for sabbatical years of absence, emergencies, etc. Annual budgeting for equipment, notably in library and athletics, is not on a scale in keeping with our plant and pretensions. To do no more than maintain our work as now projected we should have an increase of perhaps from 10% to 20% of our present income. It would be almost impossible to reduce our current expenses. In preparing the budget for one year upon which we are now entering, the Faculty Executive Committee spent many uncomfortable hours in taking it up item by item, department by department, teachers one by one, to see how we could effect economies. Allowing for features specially provided, there seemed not to be a single department that could be eliminated without cutting into the living organism, nor any individuals who could be spared without doing injustice to the courses offered. As in the case of the Physical plant, the true blend of economy and efficiency will be secured not by reduction but by a relatively slight increase. Such increase would very much improve the morale of faculty and students and relieve no little tension. Speaking personally, the greatest possible relief that could have come to me during the past harrowing session or that would help me as I face those perhaps more critical ones just ahead would be assurance that this marginal difference could be provided. A large proportion of my working hours is expended in harassed efforts to satisfy those who desire funds for perfectly proper purposes or to "get by" some perplexing financial issue. In as intimate a communication as this aims to be, it may be permissible to say that my usefulness in higher and more significant emphasis will perhaps be increased about in proportion as the pleas of the above few sentences could be met. To state in broader terms the provision for current expenses that would be adequate for developments both within the institution and in adjustments with its present supporting constituency and future environment, we ought in my judgment to plan in the very near future for an additional endowment of one and a half million dollars (U. S. currency). This figure is meant to include the Women's College.

It would seem that in order to meet these needs definite plans should be made and put into effect with as little delay as possible. For the past two years very little new money has been secured except from the Hall Estate and for McBrier Hall. As each monthly financial statement comes to me from New York I always scan it eagerly to note any such items and always of late with the same depressing result. I am writing thus not at all in criticism or complaint. The death of Mr. Lewis must have caused a serious derangement of your promotional efforts.

Recent happenings in China must have made it all but impossible to interest people in putting money into any form of altruistic enterprise under such chaotic and threatening conditions. These and other difficulties are in no sense ignored in urging--as I hereby do--that the Trustees undertake some process, beginning in the early autumn, for a vigorous continuance of our financial campaign. You may feel that this can best be done by securing a competent successor to Mr. Lewis. It may be that experience may have led you to adopt some other method as more likely to prove fruitful. Meanwhile, we at this end shall do our utmost to demonstrate that anxieties as to our permanent and welcomed place in Chinese life and the misfortunes we may suffer when the Nationalists reach North China are groundless, and that this institution is more gloriously worth supporting in the new order now struggling into birth than it ever was before. If we survive the impact of the revolutionary movement when it finally gets control of this region--and I have always been confident that we shall--we shall have a place of superlative influence for conserving the past investments in the Christian Movement and in the healing or reconstructive work that must begin at once for the church, for social, economic and other national progress, and for international peace and goodwill. The next year or two will probably be decisive, and in fighting thus for our very existence we shall need to muster all our resources of every sort. Success in securing American money will not only accomplish the results with which the earlier paragraphs of this report are occupied, but will have valuable spiritual by-products in heartening our faculty when they need all such encouragement, in strengthening the loyalty of our students, and even more in proving to the now watchful Chinese public American confidence in their country and undisturbed desire for her welfare. Lifting thus a lengthy and otherwise wearisome report on financial needs into the plane of its spiritual significance, I commit the whole problem to you with the hopeful assurance that you will now as always accept your share in the responsibilities of our common task and with my determination by God's help to make our University as worthy as possible of your efforts on its behalf,

Respectfully submitted,

J. Leighton Stuart

A Post-script

The communication on University finances was finished at Feitaiho and sent to Peking to be typed a few days before your cable of July 16 was forwarded from there. It is difficult to speak with restraint about the desolating effect of this news and much of what might be said is already understood by you. I am returning to Yenching to-day to face the issue. Apart from teachers' salaries and a few items which may be eliminated (e.g. Formal Opening, Books for the Library) everything had been already worked over until it could be scarcely be reduced any lower, so that practically no relief can be found there. We shall break off negotiations with two or three very choice and much needed Chinese Christian teachers if we can do so without breach of faith. It would be almost impossible to dismiss any of our present staff (already in several instances carrying extra work because of the unusual number of those to be absent next session)

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not only because of courses of study already announced but also because in the present chaotic conditions they could scarcely get any other position at this late date. The only two possible courses are, therefore;

- (1) to try to raise some money locally from Chinese sources and,
- (2) to cut all salaries on whatever percentage is necessary.

As to the former, one could scarcely conceive a less favorable time than the present; and as to the latter, I have already commented on the inadequacy of the present scale and might add that amid all of the present uncertainties the one certain feature after the Nationalists arrive is that the cost of living will at once be materially increased. The salary cut will make more so the already difficult task of maintaining faculty morale, and can only be enforced as a temporary device.

The most alarming feature of the cable is, however, the implication that the Hall Estate will not even pay interest as promised. If we are to lose this source of income the sooner we know it the better, and in that event I recommend at least for the present closing down the institution. The small amount of cash available after deducting income for the School of Religion and Department of Agriculture would count for little in operating the physical plant and maintaining our Chinese staff. Even assuming the Mission Boards can continue to supply foreign teachers (the day after the cable reached me I had the first intimation that L.M.S. would probably be forced to discontinue the support of Mr. Tayler and Miss Wood), an institution chiefly staffed by foreigners has no future under new conditions in this country. Judging by the experience of recent years, apart from the Hall Estate, we have

no supporting constituency to appeal to and no effective process even for attempting to do so. Once the present staff--built up with patient effort and remarkable good fortune--is allowed to disintegrate, it would not be easy to gather them or their like together again. At this crisis failure to keep the property in use and full to capacity would make the holding of it risky. In short, the very existence of the University is at stake.

A. Unless these endowments, especially the ones we speak of as our own are retained, or until an equivalent income can be provided from other sources, we would seem to be forced to discontinue, although the loss of every kind none of us will care to contemplate. Personally, I should prefer to spend my remaining active years in directly religious work, preferably in China or failing this in America, to continuing to attempt the next impossible and doubtfully worth-while task of maintaining a University with as wholly insufficient and precarious a financial basis as this one would be left with, and this in the face of the storming strength of Chinese Nationalism. What makes my attitude serious is that it would be shared by at least the majority of my colleagues and perhaps by almost anyone outside who might be considered for Administrative responsibilities. I shall undertake to carry through with honor and fidelity to all obligations incurred until June 30, hoping passionately that the endowments we have been counting on are not to be taken

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away from us, and endeavoring to sustain the uncomplaining fortitude and hopefulness of staff and students.

B. After that date some solution must be found for liquidating obligations and disposing of the property. Meanwhile, let us pray and strive for continued life and usefulness of our university as we never have before.

J.L.S.

(Note by New York Office: The cable of July 16th, to which Dr. Stuart refers in his postscript summarized actions EF-2119, 2120, and 2121 of the Joint Meeting of the Executive and Finance Committees on July 15th, and was as follows:-

"ILLNESS OF JUDGE WILL CAUSE DELAY IN HALL ESTATE. DATE AND DECISION UNCERTAIN. TRUSTEES OF PEKING UNIVERSITY MUST BORROW U.S.\$100,000 AS MATTERS NOW STAND TO COVER EXPENSES TO OCTOBER 31, 1927. TRUSTEES OF PEKING UNIVERSITY CANNOT NOW APPROVE BUDGET FOR A WHOLE FISCAL YEAR. REDUCTION OF MEX. \$41,000 MUST BE MADE OF WHICH MEX. \$20,500 MUST BE WITHIN FIRST TERM. BOARD APPROVES BUDGET FIRST TERM REDUCED BY THIS MEANS. PREPARE FOR POSSIBILITY OF SERIOUS ACTION SECOND TERM."

On August 5th the Surrogate rendered a favorable decision on the point at issue, and a few days later the Trustees of the Hall Estate sent a check to cover income for the first six months of 1927. On August 11th, the following cable was sent to Peking:-

"COURT DECISION HALL ESTATE FAVORABLE. REDUCED BUDGET SECOND TERM AS PER OUR CABLEGRAM OF JULY 16th AND OUR LETTER OF JULY 19th IS AUTHORIZED. PLEASE SEND BY EARLIEST POSSIBLE MAIL COMPLETE AMENDED BUDGET FOR THE CURRENT YEAR."

During July and August there has been transmitted to the field over forty-five thousand dollars gold for building operations and twenty thousand dollars gold for current budget. These amounts must have materially relieved the financial pressure on the institution. - B. A. Garside.)

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REPORT OF PRESIDENT STUART
TO YENCHING BOARD OF TRUSTEES
April 23, 1930

One advantage of being in America is that of getting to know the members of the Board of Trustees. It has always been a source of great satisfaction to me that Yenching has here in America a body of men and women who combine conservative stability of judgment with a vision of the opportunities confronting the University and appreciation of the changing conditions in China under which we are working. You can rest assured that we in China understand and appreciate that the Board of Trustees are always backing us up and cooperating with us.

On the expiration of the first decade of the present administration I sent the Trustees a report covering that period. Therefore, no further report along that line is necessary at this time. There are, however, three matters to which I would call your attention:-

First, the new Chancellor. I am anxious that the Trustees shall realize what an asset we have in Chancellor Wu Lei Chuan. He is a scholar who has taken the highest possible honors in the old China, and all but the highest honors in the new China. He has a deep seated Christian character and a winsome personality that charms all with whom he comes in contact. He is always happy to cooperate with us in all our relationships with the Chinese people.

Dr. Wu accepted the Chancellorship on the understanding that he would be a non-resident chancellor. For a long time I have been trying to make him feel that we want him to reside among us, not only because of his help in administrative matters, but even more for his own sake. It seems to me that it would be peculiarly fitting if the Trustees would send him a formal letter of appreciation, and would urge that he reside at the University. During recent months his physicians have warned him against over-exertion, so it is necessary that he carry no more than a light schedule. I wish very

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much that he might be persuaded to live quietly and comfortably in the Prince's Gardens, keeping only light office hours, and free from routine duties, but always ready for consultation and assistance in determining matters of University policy. I personally would be most happy to work thus with the Chancellor and under his guidance.

Second, the formal opening. I need not discuss the formal opening of the University last fall, as we may more fittingly hear from the other Trustees who were present for these ceremonies.

Third, the present session at the University. Thus far the present academic year at the University has gone forward without disturbances. The one immediate problem now causing difficulty on the campus is that of salaries and provision for pensions and insurance. This problem has already been brought to the attention of the Trustees and you have appointed a special committee to deal with it. I am much more anxious that our staff shall be adequately provided for so that they can pursue their work of instruction and research without the constant strain of personal financial difficulties, than I am concerned over the possibilities of student troubles or political or military disturbances.

I should like to discuss briefly with you two University problems which still continue:- religion, and money. These are the only two real problems we now have. I have not been greatly disturbed over the others that might be mentioned.

First, the Christian purpose of Yenching and how it can best function. At the present time the Chinese government will not permit required religious instruction or attendance on religious worship. If we should make any effort to enforce such requirements, the results would inevitably be serious, and might result in closing the University.

Yet long before the government adopted its present attitude toward required religious instruction and worship, Yenching voluntarily chose to

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YENCHING UNIVERSITY

燕 京 大 學

PEKING, CHINA

Christian — International — Co-educational

AMERICAN OFFICE
150 FIFTH AVENUE
NEW YORK CITY

OLIN D. WANNAMAKER
Assistant to the President

February 18, 1931

President's Report

OFFICERS OF THE UNIVERSITY

1931

WU LEI-CHUAN
Chancellor

J. LEIGHTON STUART
President

HENRY W. LUCE
Vice-President Emeritus

OFFICERS OF THE TRUSTEES

FRANKLIN H. WARNER, *Chairman*
GEO. G. BARBER, *Vice-Chairman*
MRS. O. R. WILLIAMSON, *Vice-Chairman*
E. M. MCBRIER, *Treasurer*
B. A. GARSIDE, *Secretary and Assistant Treasurer*
C. A. EVANS, *Assistant Secretary and Assistant Treasurer*

FEB 18 1931

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President's Report

To the Board of Trustees of Yenching University:

As the time draws near for another Annual Meeting I shall attempt to acquaint you with some of the major developments in the University since the Meeting of a year ago when I was privileged to be with you in person

Budget for 1931-32. Having been working on this more or less for several weeks past, and been engrossed with it for ten days or more almost to the exclusion of everything else, it may be as well to comment on it first. This is the more fitting in view of your repeated and earnest instructions in recent letters about avoiding further expansion to which the Budget about to be submitted to you is the most conclusive reply. As a matter of fact I had been convinced of the wisdom of such a policy even before leaving here on my last trip to America, and since my return have steadily advocated no enlargement of our program in any respect whatever, at least until all that we have already undertaken is on an assured basis of adequate support. There is nothing argued for in recent communications from you which was not urged in effect in my address to the Faculty at the last Professional Conference, copies of which may have reached you. This is a principle therefore in which I am not only in thorough agreement with you but have been trying faithfully to apply. After some recent experiences and in moods of dejection when things become distorted, it seems as though my days were spent in resisting the pressure from all directions to meet enlarging opportunities or in explaining why money cannot be provided for perfectly obvious and justifiable needs. But a study of this Budget in comparison with those of the current and of previous years will reveal very little growth in university supported instructional features. The increase has come almost entirely: in the Natural Sciences in response to definite responsibilities to the Rockefeller Foundation and with corresponding benefits; in certain Social Sciences supported from Princeton sources; in undergraduate and graduate work in Chinese subjects provided for by the Harvard-Yenching Institute; in Journalism with special funds; in more attention to the upkeep of the physical plant on grounds of economy as well as efficient operation; and in the unavoidable increase in cost of living, for instance in Salary Schedules. Whether we have been wise and foresighted in the construction of this large plant may be debatable, but we must all share in this responsibility, and little if any saving would be effected by closing out part of it. After meticulous study of the items under "O and M", and considerable paring down, we feel that any more would be detrimental and dangerous. Our calculations have convinced us also that any substantial reduction in student enrollment would reduce income without a corresponding economy in other respects. Nor can we

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discover any further economies under the head of General Administration that seem practicable. The Women's College is preparing its own balanced Budget in close consultation with the other units. Accepting then the above statements, the only opportunity for either expansion or reduction under university funds (in the strict sense) are the College of Arts and Letters, Psychology (College of Nat. Sc.), our contribution to Economics, and the School of Religion. In all these there has been a rigid check on any additions and some decrease. Nor does it seem possible to pare down any further without cutting into the living organism. Chinese is an obligation to the H. Y. Institute. English is basis as a medium. The Government requires provision for two foreign languages, hence the necessity for either French or German, and there are reasons for retaining both. It would be tedious if I went thus through the whole list, but each of you by doing so will doubtless reach the conclusion that anything less would result in no substantial saving while vitiating our academic structure and our duty to the students.

In the matter of Salaries a committee had been meeting weekly through the autumn with the result that a new Single Standard Schedule for Chinese and foreign teachers was unanimously agreed upon, in which certain special allowances were recognized as proper for the latter. This was to be applied to all new foreign members of the staff, but not made retroactive. I am delighted to report that every foreigner now at Yenching has voluntarily gone on the new basis, and thus given fresh evidence of the reality of their Christian idealism, and that in consequence the Chinese have recovered from a threatened disillusionment and estrangement. There is now an even greater good feeling between the two groups than before. When it is pointed out that exchange has been dropping from 4:1 to nearly 5:1 during this process the decision of our foreign teachers is the more to their credit.

It had seemed hard enough to attain a balanced Budget with the income already known to be available. But when the devastating news came in the midst of budget-making that the N. Y. Promotional and other items - never so treated before - were to be deducted from the sum remitted to us, it of course added no little to our difficulties. We appreciate deeply the confidence in us expressed by the privilege of calculating our income in Gold, and of course it was a powerful temptation to cover this new loss by adopting a higher rate of exchange. We at first tried to adhere to our original rate of 3:1 but finally felt compelled to change to 3.50 :1, which left a deficit of \$50,000, a sum slightly less than the N.Y. Promotion etc. at this rate of exchange. We have had long debates on whether to order a Salary cut and when to cut down other items, but have finally achieved our objective of a balanced budget. Whether the rate we have fixed on is too risky it is impossible to predict, but we cannot carry on with less.

Other features will be sufficiently clear perhaps without further comment. Please note, however, that we are trying to carry out your instructions as to a uniformly administered and centralized policy. May I also raise the question if it is a fair equivalent with present exchange and teachers' Salaries for a Mission Board to continue the practise of supplying us with only L.C. \$3000. instead of a missionary on the staff?

The Financial Problem of the Immediate Future. This is the real anxiety which haunts me almost unceasingly, primarily with reference to matching the R.F. conditional gift before June 1932. If this grant for Premedical Science is allowed to lapse, it does not seem morally permissible to use the

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remaining income (G.\$25,000.) for the College of Natural Sciences since this was intended for advanced Science teaching conditioned upon adequate provision for the more elementary work for which we should no longer have any funds. The sum of G. \$25,000. is insufficient for both features. It would not be possible to spare any money from general university funds for this unit, so that there would seem to be no recourse but to close it. But we could not justify the claim to be a University without any work in the subjects supported from this source, nor would the new government regulations permit the use of the name University without this College. In pointing out that no money could be spared from other sources this is literally true, with the exception of the teachers supplied from the Women's College to those Departments. The gravity of the situation consists in this fact which can only be accepted by recognizing the impossibility of reducing any more the cost of general overhead and operation, and the instructional work supported out of university as against special funds. In other words, after reserving what is absolutely required for administrative and operating costs, the present plant, being as it is, what is left for instruction and other educational features has already been spread so thin that it cannot be further drawn upon to care for the Natural Sciences, nor does it seem possible to close out any other university supported items and thus release money for them. If, therefore, the Trustees feel unable to give assurance of securing the R. F. grant within the time limit, I recommend that the University be closed after the session of 1931-32 until the time when additional funds sufficient at least for minimum requirements will have been secured. With what heart-breaking reluctance I write these words you who know my belief in the potentialities of Yenching University for the cause we love can easily imagine. But the opinion has been deliberately reached after days of careful study of the facts and many a wakeful night. Recent letters from the office and from individuals have urged us to avoid expansion and to look forward to further reduction, with the intent of all of which I am in hearty accord. But an educational institution projected on the scale of ours has a line below which it cannot be efficiently conducted, and in my judgment this will have been reached with the loss of the special income for Natural Sciences. A further consideration is the uncertainty of exchange by which we happen to be benefitting at present. But underlying all these factors is the disclosure this issue compels of the basic financial weakness of the institution. It has been created by four mission boards which, after their initial gift for capital outlay and relatively diminishing appropriations to its maintenance, feel no responsibility for supplying its actual needs, but continue their control through representatives appointed primarily to care for their respective denominational interests or to ensure their jointly agreed upon policies, rather than because of their capacity as individuals to provide for the necessities of the undertaking which had been started. It would seem therefore that the constituent bodies thus represented should in a crisis such as this either rally to avert the threatened disaster because they are convinced that the institution has a value for their purpose which justifies their support, or reach the conclusion either that it has no longer any such value for them or that their resources are insufficient to meet its needs, in either which case they make arrangements for transferring it to a control which can or cares to ensure its survival. If again there seems to be no other process for securing in America and Great Britain the necessary backing either because the record of the University thus far has not been such as sufficiently to commend itself, or because modernized missionary zeal and

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international philanthropy cannot be counted on, then the sooner this is acknowledged the better. In bringing the problem to your attention in language which may seem to be lacking in restraint I should like to make clear the following four points:

(1) There is in my thought not only no criticism of the present members of the Board of Trustees, but a steadily increasing esteem. Admiration is too cold and formal a word. I have become extremely fond of those with whom I have more recently become acquainted, and more so than before with those already known, during these years of working together. It is as your servant and comrade that I am forcing myself to describe a general situation which if not remedied may be urged in less sympathetic terms by those who have not the happy personal relationships which I deeply prize. I am sure you will not misunderstand my purpose.

(2) Nor is there any revolt against mission board control. Personally I wish there were more, and am profoundly convinced that these agencies could do nothing more strategic for their own interests and solve the monetary difficulties of the University most satisfactorily for its spiritual objectives, by providing generously for its maintenance. The objections are of course the complicated machinery of ecclesiastical finance and the decline in missionary giving. Incidentally the former of these will seem even to Christian Chinese one more argument against too highly institutionalized religion. However, if these agencies intend to continue their formal control of an institution originally so founded it is an inevitable corollary that they also continue to provide adequately for its maintenance. I am emphasizing this because no one connected with the institution out here can do so with a more sympathetic and constructive spirit. And on that very point, the appeal that Yenching University can make to many a potential but indifferent or disaffected giver could be utilized for awakening interest in the whole cause. I am not attempting a solution but am asking that one be found, and in doing so am aiming to preserve the Christian function of the University. For unless those who are primarily concerned with its future from that standpoint are able to make provision, it must temporarily at any rate close down, or be goaded into seeking to free itself from what may seem to many out here as a throttle grip upon its life.

(3) I am not unaware of the seriousness of the economic depression in America and elsewhere. I can speak for the entire group here in assuring you that we are willing to endure without complaint any restrictions or delays due to this cause. When the cost of the N.Y. Promotional Office was suddenly deducted from the income we had been counting on, with the implication that it cannot be expected even to bring in enough to cover its own cost or that there is not enough expectancy and venturesomeness in our supporting constituency to underwrite its expenses, we revised our Budget so as to make the required adjustments. I mention this merely to indicate that we are trying to be intelligently cooperative during an exceedingly hard period. But the problem that oppresses me is much more fundamental. It is for this reason that when in the autumn of 1929 the R.F. had made its conditional grant, I accepted the offer of the Chinese banker. It is not that there were no risks, but because I felt then as I do now that those risks were far less than in the only other alternative which is the one we are now facing. That was before the N.Y. Stock Exchange crash and was due to my consciousness out of much experience of the lack of resourcefulness in

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our present system of control.

(4) It is only a question of time until the local administration becomes entirely Chinese, and already we are subject to government regulations as to the financial requirements for academic institutions. The racial or religious conflict which is so feared in many quarters can in my opinion be most satisfactorily avoided if Western Christianity is determined to maintain a high educational quality in whatever enterprises are under its name.

While the necessity of matching the R.F. premedical grant is the most urgent issue before us, and becomes somewhat of a test case, yet the whole situation should be faced. By June 1935 the second R.F. grant should be claimed on similar conditions. Only thus can we maintain the College of Natural Sciences as it is now projected and without further expansion. The advantage to the Christian cause of making under Christian teachers the best provision for these particular subjects that exists in the China of today is obvious. The College of Public Affairs is on a very precarious basis of support, and yet there is perhaps no single undertaking in Christian education in this land that has a larger possibility of influencing helpfully the new social, economic and political struggles. These two Colleges with their respective contributions to scientific and social progress should be well balanced. Journalism is only temporarily guaranteed. The physical and other non-academic welfare of our students is probably the weakest feature in our current Budget, which is unfortunate because of the splendid gymnasiums and other facilities we possess and even more because of our religious purpose. On the School of Religion I shall comment in another paragraph. Other needs are somewhat familiar to you and can be reserved for future consideration.

The Correlated Program. Permit me to make a reference to this chiefly in order to supplement what has been written above about mission board policy. Almost a decade has passed now since the Educational Commission made its report and although various developments have accentuated its arguments, yet little progress has been made in Higher Education toward the policies recommended. At the Board Secretaries Conference when these were presented I urged that if this were to be achieved the initiative and the insistence must come from the Boards rather than from the field, and subsequent events have sustained the assertion. It is the Boards who are responsible for the extravagance and expansion involved in allowing more starveling institutions to struggle along than they can support, and I have been a conservative reactionary in pleading for a much smaller program well maintained as winning for the Christian cause more respect and counting more for its service than the policy which has been followed. Ideally one first-class Christian University would be perhaps as much as could receive adequate and assured support. That is impossible to hope for now, but the only real way to restrict expansion, and effect reductions that improve rather than impair efficiency, is in the direction of concentration in as few institutions as possible. The others should

be transformed into a new and superior type of middle school - possibly with a Junior College attached - which is the weakest point in the educational system both government and private, the period when religious influence can be best exerted, and a solution of the financial burdens which will at the same time actually be an advantage from every standpoint save that of institutional ambition. If this concentration should in the judgment of those responsible be best located elsewhere, let Yenching become an Academy analogous to the best ones in the States. But apart from any personal bias and writing as one primarily occupied with the welfare of the whole Christian Movement, Yenching has the plant, the prestige, the faculty, in relative sense even the endowment, the location in the city destined to become the cultural and educational centre of the new government, the climate, and other features which would confirm previous actions of the Council of Christian Higher Education looking in this direction.

School of Religion. The action of the Trustees in reply to that of the Board of Managers has created a serious situation. The Chinese Chancellor, the Dean of the School and its whole faculty with one exception, the General Faculty Executive Committee and the Board of Managers unanimously, have all approved a course which has been repudiated by the Trustees. Nothing like this has ever happened before in our history. Fortunately, however, the Chancellor in his letter to the Ministry of Education pointed out that the course proposed would require time to secure proper authorization, land, funds, erection of buildings, etc. Fortunately again perhaps we have not been able to purchase the site desired, nor have we any money with which to do any construction even though we had the permission and the land. It is not therefore an immediate issue, though it might become so if at any time the Government enforced its regulations, or an agitation were stirred up from within or without the University against a group which themselves desire the demands that would be made but are helpless because of "foreign domination". I shall do my best to mediate until a solution satisfactory to all will be reached. Meanwhile the real problem of the School is not in these respects, but in its finances. It ought to have an income of its own entirely independent and enabling it to carry out your instructions about assessment for general overhead, power house utilities, etc, as is not now possible. It does not require much more for its own use but this additional income would add greatly to its increasing usefulness, and ought to be comparatively easy to secure. If the Trustees will concern themselves over this aspect of the School's affairs, we shall try to see that it does not suffer in any other.

Personnel. The Chancellor left for his old home in Hangchow the first of February, ostensibly on a three months' leave of absence after what has certainly been for him eighteen months of continuous and strenuous responsibility. But he has also resigned and cannot be persuaded to return to Yenching until and unless a new Chancellor will have been elected. He is quite willing to continue here as a member of the Faculty, and feels that he can care for our official correspondence and give advice on matters in which his judgment has special value as usefully as though he kept this title, as well as keep in far more friendly and helpful relations with students. He reminds us that he really came to Yenching originally for this last named purpose and that he only accepted this office for a two year period. My attitude is that I want him in the institution under whatever terms will content him best, and that we shall count on his help in meeting government regulations as to a Chinese executive head in some suitable way.

The Dean of the Women's College has been repeatedly entreated by all of us to reconsider her resignation, but there seems no longer any reason to hope that she will. Nor is there any likelihood of discovering before next summer a qualified Chinese for the position. The Faculty of the College are now urging her to retain the title after her departure, while one of their number serves as Acting Dean.

The very able Comptroller has also resigned and desires to have this take effect the end of March. He argues that much of what he contributes to our administrative and other affairs is because of his personality rather than his office which does not need a person of his calibre and costliness, that he is really helping us to effect an economical re-organization by this decision, and that he can continue to be actively useful to the institution as a business man. This is all not without force but we shall miss his cheerful and versatile devotion.

Dr. Galt has after much long-suffering asked at last to be freed from his duties as Acting Treasurer, and we are hoping that Mr. Edwards on his return to China can be persuaded to assume in general his responsibilities in this office. The Associate Treasurer had also asked for and been granted a year's leave of absence beginning next April, with no commitment as to returning here afterwards. But of his own accord he has proposed that he stay on until June, 1932, before having his year off. With him here and by relating the present comptroller duties to the Treasurer through competent clerks we can probably decrease overhead costs and simplify our organization.

The Registrar had also resigned, or rather after coming to us for one year in that capacity and staying on for a second and now a third merely to help us through a difficult period, he had quite reasonably felt that he ought to delay no longer his own career. But he and the young treasurer have both been brought to realize the claim on Chinese to identify themselves with an institution such as ours and thus make effective the money and effort put into it by westerners. From this application of the Christian purpose they have therefore given up attractive careers, the one in scholarship the other in banking, in order to help make Yenching what it ought to be for China and the Christian cause. The decision, solely for this reason, of these two superior young Chinese, and the equally fine spirited action of our foreign teachers in going on the same salary basis as the Chinese staff, have been the bright spots to me during the dreary task of preparing the Budget under conditions as described above. Dr. Mei's office will probably be made over into some such title as that of Director of Studies and Records, including divisions for Registrar, Admissions, Alumni Secretary etc.

In Conclusion. This report has already grown to a length so taxing on your patience that I shall not attempt to comment in detail on other matters of general interest. Taking advantage of a most unjustifiable attack by one student last summer on Dean Frame, a small group of radicals conducted a long drawn out attempt to injure the institution, using all the usual communist technique of maliciously mendacious accusations, inflaming racial feeling, arousing the student body to mass action, etc. Whether this group are in Soviet pay, or are merely discontented with the existing social order of which a University like ours is supposed to be alike a creature and a cause, or merely seek glory and excitement for themselves, it is difficult to ascertain. Nor does it matter much when - as in this instance - the

faculty although refusing all their successive demands kept the loyal support of the great majority of students, so that they have completely failed, and the University is decidedly in a stronger position because of the occurrence. There is a perceptible increase this session in religious interest among students, especially in student initiated activities. Statistics dealing with different aspects of the composition of our student body have been sent you from our Registrar's office. Among other features you will notice that more students come from Kwangtung (Canton) and Fukien than from our own home province. In fact we constantly hear that students from all over the South are looking forward to coming to Yenching.

However, rather than rambling on regarding the various developments and desires that would ordinarily be discussed, I feel the grim necessity of returning to the one crucial issue which, as it seems to me should claim the attention of the Trustees at this Annual Meeting, the problem of meeting the conditions of the Rockefeller Foundation grant. While it is not impossible that the R.F. might extend the limit one or two more years, yet I earnestly hope that this expedient will not be resorted to. Not only would it tend to create an unfavorable impression upon the officers of the Foundation as indicating serious weakness, but it would only postpone the fundamental questions raised in this report. For even with an improvement in American business and one or two more years of grace, there is no assurance that dependence solely on our promotional organization with or without the help of Dr. Jenney or calling me away from my task here to stray again over the country, would achieve the purpose. May I suggest that, unless the University be allowed to close down and thus discredit the Christian Movement as an instance of its having started to build a tower or wage a war without having first counted the cost, there seem to be three courses of action:

(1) Our Trustees as at present constituted, especially those serving in representative capacity other than on behalf of the Princeton-Yenching Foundation, to assume somehow the responsibility.

(2) So to reconstitute the Anglo-American control as to ensure both the Christian purpose of the University and capacity to finance it.

(3) To yield to the pressure that will undoubtedly make itself felt to seek support from whatever sources will enable it to continue functioning creditably as an educational institution whether its Christian character can be conserved or not. It will be hard enough at best to resist the subtle tendency inherent in present world-conditions toward secularization but mission board policy toward the union universities in China - in contrast with denominational colleges - is in danger of becoming unintentionally one of the more potent forces in that direction.

To Board of Trustees

2-18-31

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Forgive me, my fellow trustees, if in what has been written above anything may seem harsh or hasty. I assure you that none of it is either. It is better for me to point out problems and dangers, even though I appear excessively alarmed or unreasonably exacting, than to allow matters to reach the threatened crisis with resulting confusion and clash of views. But after all I find myself unable to fear that a University created out of nothing as an adventure of faith and of idealistic human service will really be imperilled by the exigencies of any particular stage in its growth. In this confidence I am willing - with the one exception of continuing in administrative responsibility after June 1932 if the R.F. grant is allowed to lapse - to cooperate to the limit of my strength in whatever may be the best process for enabling Yenching University to realize the high endeavor of its founders and its many friends.

/s/ J. LEIGHTON STUART

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Yenching University
August 25, 1936

To the Board of Trustees:

It is now only a few days before the date for beginning our new session as officially fixed for all schools by the Ministry of Education. Dormitories are opened to students on September first. During the next two days we have our regular faculty professional conference. Then come Freshman Week which is also establishing itself in our tradition, the days for registration, and the Opening Convocation on the tenth. Academic work follows a fairly stereotyped routine but I shall try to bring to your attention certain features which may have some special interest.

The financial outlook is reassuring, despite the inadequacy of our dependable income from endowment funds and fixed appropriations from mission boards or similar sources. This is chiefly due to the renewal of emergency grants from the Rockefeller Foundation and the Ministry of Education and to smaller ones from the British and American Boxer Indemnity Trustees. We are thus enabled to carry on by careful economies and eliminations with about 80% of what we were able to count on a few years ago. In addition to the monetary help which enables the institution to maintain its work as would otherwise be impossible, grants from each of these sources constitute the most gratifying form of endorsement, as they have all been made upon the recommendation of trained investigators and solely because of their estimate of the value and quality of the work done here.

The activities of the Rockefeller Foundation in China are confined now almost entirely to training courses for rural reconstruction service and are largely concentrated in a group of four institutions in North China cooperating with one another and with the Mass Education Movement under the brilliant leadership of Dr. James Yen. Their own outstanding Medical College is responsible for Public Health, a government university for Agriculture, a private Chinese one for Political Science and Economics (especially in research), and Yenching for Education and Sociology. Students are given practical field work and inspirational guidance in the centres now being started in different provinces by Dr. Yen and his associates. We are therefore strengthening our faculty with experts in rural school administration, rural cooperatives, local government, social organizers etc. In view of the fact that over 80% of China's vast population is rural, that the Government and many leaders of thought are alert to the urgency of improving the living conditions of these masses if the nation is to survive the ferment of new forces, and the need for workers not only technically trained but with the spirit of heroic and unselfish service, the significance of this whole enterprise is sufficiently obvious.

More students took our entrance examinations this year than ever before in our history and we could easily have selected enough to ensure our usual capacity enrollment. But there has been a growing conviction among some of our most thoughtful teachers that our contribution to educational advancement in the country and our own ultimate advantage would be increased by accepting only those who give evidence of training and ability sufficient really to make the best use of a college education. We actually accepted

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only 20% of those examined. It may well be that we shall therefore register quite a drop in enrollment and that this may involve a further shrinkage in following years. In this event we must reconsider the size of our teaching staff to avoid too great a disproportion. It has been a rather courageous stand in a country where economic conditions make it very hard for most of the more promising students to pay the relatively high fees we are compelled to charge and where other institutions are swelling their numbers in a race for prestige and budgetary relief. One of the most practical forms of aiding both the university and such exceptionally gifted but impecunious students would be scholarships that cover the actual cost to us per capita and would enable us to remit tuition fees. In any case we are making a new departure about which you will wish to have further comments in the light of our experience.

While more students applied for entrance than ever before yet the numbers in the Shanghai and Canton examinations were fewer. In the latter place this may have been largely due to the political disturbances in South China then at their height, but in both centres it was also caused to some extent at least by the anxieties regarding Japanese aggression in our region. On the other hand, all the present indications are that their military leaders, having failed to make the attempt a year ago, are being restrained by other forces within Japan and in the general world situation, and time is unquestionably with China in this matter. From the institutional standpoint therefore our problem, at least in the immediate future, will not be one of external interference or danger, but rather of internal relationships. While armed invasion or assertion by military force of administrative control are not probable, yet there is a constant and insidious infiltration of Japanese influence, often in the most insolent and objectionable forms, and each instance of this arouses student resentment. We shall try to introduce plans for closer faculty and student consultation and widen our conception of education to include realistic and pertinent disciplines for such a time of approaching crisis as the one in which we are living.

As to the larger aspects of the Japanese menace the situation is essentially as described in my communication of early June. Since the military leaders have not seized this region by force as they could easily have done there must be other factors restraining them. One of these is undoubtedly the conflicting political views within their country and the precarious economic balance. Another more recent development is the possibility of closer understanding between Great Britain and Soviet Russia which is giving them no slight concern. But even more than any of these perhaps is the to them disconcerting evidence of a new political solidarity in China, as revealed especially by the recent outbreak in the South. So far from being "just one more civil war" it is in reality a notable triumph for the Nanking Government which has been able to liquidate a corrupt clique in Kwangtung and will before long settle, by force if necessary, by patient negotiation if possible, the Kwangsi issue where a nobler type of leadership has had fostering personal animosities against General Chiang Kai-shek and other less unworthy sources of misunderstanding. For these and other reasons, the Japanese are attempting to gain their objectives by other than crass military methods. Meanwhile the Chinese resentment is crystallizing and will sooner or later lead to some form of effective resistance unless wiser counsels prevail. This means in effect that Japan must cease to think of China merely as

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a source of raw materials, or a market, or terrain to be controlled for strategical ends in the anticipated war with Russia, or the next stage in imperialistic conquest, and awake to realize that it is - or is rapidly becoming - a nation conscious of its right to maintain its own freedom of action and administrative and territorial integrity, and with a power of mass emotion and action which when once sufficiently aroused may be able to defy all mechanized implements of modern warfare. One wonders how much of all this their rulers sense and whether the people of Japan would insist on a saner course if they were made aware of the Chinese attitude. With many of them it is not an issue between themselves and China at all but rather between themselves and western countries as to which should have the exclusive privilege of exploiting China. The test therefore is as to why any of us are in this country at all. In so far as we are endeavoring to aid the Chinese people in the titanic struggle in which they are engaged against all the natural and human obstacles we have a mission here - regardless of racial alignments - that is welcomed and wanted and are contributing to that better international order which must be brought into being if the fierce nationalisms of our time are to be prevented from destroying all the most precious values of our common heritage. In the exhilarating endeavor to do our utmost in one phase of this assistance to China, I am

Very sincerely yours,

(Signed) J. Loighton Stuart

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學大京燕

YENCHING

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YENCHING UNIVERSITY

PEIPING, CHINA
American Office
150 Fifth Avenue
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INDEXED

Peiping, China
January 6, 1937

3 copies

To the Board of Trustees
and the Advisory Council:

The past few months have been for us at Yenching - as in China everywhere - a period of almost continuous tension. The increasingly articulate national consciousness and the notable progress toward political unity were alike stimulated and given an outlet for impassioned expression by the invasion of Suiyuan. The interest of the whole nation became concentrated on the Suiyuan resistance as had never happened before in its long history. Our students were typical not only of their class but in varying degrees of all Chinese in their delegations to the front, the making of bandages, collecting of money, patriotic rallies, posters, pamphlets, etc. They fasted for a day, endured a week of unheated dormitories and dining halls, and in many other ways raised money to supply comforts to the soldiers in the bitter northern cold.

Meanwhile the Japanese Ambassador and the Chinese Minister of Foreign Affairs had been holding repeated and lengthy conferences without other result than the convincing revelation these afforded of a grim determination on the part of the Nanking Government to permit no further concessions affecting China's sovereign rights. There is no question but that they were steadily preparing for eventualities and rather expecting that war would be inevitable in the near future. How nearly this was averted will only be known by those most directly involved. But there seems to be at last more outspoken opposition to this policy of armed intimidation among Japanese liberals as well as business men and even their military leaders appear to be aware of the folly of further coercive threats.

Then came the sensational news of General Chiang's detention in Sian. This attracted such world-wide attention, and the details have been so publicized, that it is unnecessary to make other comment than that what at first seemed to be a disaster of surpassing magnitude, and the disruption of the country again after its long struggle toward unity, proved in a most spectacular way the reality of the new unification, the nation-wide support of the Government and the amazing popularity of Chiang Kai-shek. Indeed, if the whole occurrence had been deliberately staged by the Government to demonstrate to the world how substantial has been the progress toward political solidarity and patriotic sentiment, it could scarcely have been more effectively dramatized. Within two hours after his departure from Sian, there were spontaneous celebrations from the Suiyuan trenches to Canton, from the coastal ports to the Tibetan border. For ourselves, it was perplexing to make plans for Christmas which would not offend patriotic sensibilities or be nullified by the threatening uncertainties. As it turned out, we carried through the

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religious features as usual, and a moderated social and athletic program, with special emphasis on the informal opening of homes to students, all of which was responded to in the best of spirits, with the climax in the evening as the news came of General Chiang's escape while we were singing carols around the Luce Pavilion on the Island, while skaters glided over the lake holding red Chinese lanterns.

Amid the almost universal rejoicing there is, however, an undercurrent of dissatisfaction which cannot be ignored. No more constructive service could be rendered by intellectuals than in the clarifying of these two issues now so confused - the protection of territorial administrative integrity from Japanese encroachments and an enlightening policy of social reconstruction which will effectively neutralize communist influence. An enormous amount of money and energy has been unavoidably devoted to the former of these which General Chiang and his colleagues would otherwise have expended on the latter. But with perhaps less of the former menace hereafter to be feared and a sobering realization of the urgency of agrarian and other economic improvements, this Government has achieved so much thus far in the face of staggering obstacles that I have full confidence in its ability and intention to undertake the progressive measures which become more possible with growing confidence among its own people and less of foreign interference.

Since this communication has dealt so largely with the Nanking Government, it may be of interest to mention the Yenching faculty share in its present personnel. Dr. Leonard Hsü, formerly chairman of our Department of Sociology, has been loaned now for the fourth year to the National Economic Council, and more recently to the Ministry of Industries, for significant planning chiefly concerned with rural rehabilitation. We are at present debating whether our own need for him is sufficiently pressing to justify our calling him back from so useful a contribution to the national welfare. Dr. Shuhsi Hsü, chairman from its inception of our Department of Political Science, has been insistently urged to join the Ministry of Foreign Affairs, and in view of certain critical issues now pending, it has been agreed that he should have a six-months leave of absence to serve as their technical adviser. Dr. Timothy Lew has been given a similar period to accept appointment under his friend of student days in America, Mr. Sun Fo, son of Dr. Sun Yat-sen, and head of the Legislative Yuan. The American equivalent of Dr. Lew's status would be that of Senator. Mr. P. C. Chang, who joined our Department of Education this autumn, has already been drafted for an important task in the Government's program of popular education. Others have been offered posts which having thus far been declined should not be mentioned.

Similar demands are being made on various graduates of ours now on the faculty. Mr. H. C. Chang and Dr. Y. C. Yen, both of whom have had extensive graduate study in America and observation of conditions in Europe, one in Social Administration and the other in Criminology, have been allowed each a temporary leave. Mr. Chang has been the magistrate of a hsien (county) in which the Governor of Shantung is experimenting how to conduct affairs according to the best modern standards of efficiency and honesty. This is part of a larger program of Rural Reconstruction carefully planned and chiefly financed by the Rockefeller Foundation, in which Yenching is actively associated in the technical training of students. Dr. Yen is doing research for the Shanghai Municipal Government, the results of which will have important consequences for the national policy in prison reform.

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Another very different instance of the contributions our Chinese faculty are making to the general welfare is in the field of Christian literature. The faculty of our School of Religion publish two widely-read periodicals in Chinese, and are authors of books or articles in that language which are constantly appearing. Dean Chao's Jesus won first prize in a recent contest. But it happens that as I write, there has come to my desk the current number of The Chinese Recorder, organ of the missionary body in this country. Glancing at the Table of Contents, I note that three of the ten contributed articles are by members of this faculty and a fourth is by a Yenching graduate, while another professor is one of the group who prepared a fifth article in the form of a symposium. It is of further interest that all of these ten articles are by Christian Chinese and it will probably be found that their English style would compare favorably with any of us to whom it is our native language.

Without giving further instances, a few interpretative comments with reference to faculty members on leave may be in place. These absences, while disturbing to academic routine, tend to vitalize our teaching and relate it to actual conditions which is especially pertinent for a country in a period of rapid change. These demands indicate an appreciation of the high quality of our teaching personnel, as well as the notable tendency of the Government to draw into its service men well trained and with moral character. It gives a suggestion of the value to China of various forms of American educational and missionary service during this critical formative period. I derive a somewhat more personal satisfaction from the loyalty with which these men invariably make their decisions, considering the interest of the University rather than of individual preferment, and very largely leaving it to my judgment. In view of the lure of government office through a long tradition in this country, this attitude is the more heartening, and it is one of the many signs of a nascent sense of public responsibility which augurs hopefully for the moral basis essential to all the sorely-needed political, economic and other reforms.

From all that has been written above, you will easily detect the note of optimism for China and for our own part in the national progress with which I begin the New Year. In fact I am hopeful now as never before since my arrival in China thirty-two years ago, tempered as this feeling is by the many vicissitudes and harmfully deterrent factors to such progress from causes both internal and from foreign sources.

Reighton Stuart

YENCHING UNIVERSITY

Peiping, China

February 10, 1937

Office of the President

To the Board of Trustees:

I am writing to report to you the developments in the recent meeting of the Council of Christian Higher Education, especially as these bear upon the efforts of the ABCCC to secure further unity and upon the joint financial campaign now being conducted in America.

In accordance with your action taken when I was present with you about a year ago, and after consultation with Dr. E. H. Cressy, I sent a letter to the president of each of the seven other union institutions, a copy of which is attached to this communication and is self-explanatory (Appendix A). Dr. Cressy called a conference of the presidents and other representatives of these eight institutions for the morning of February 3, postponing the opening of the whole Council until that afternoon in the expectation that the results of the morning discussion could thus be passed on to the larger body for official action. All of the eight institutions were represented, but the presidents of Lingnan, West and Central China were unable to be present in person. Dr. T. T. Lew was the only other Yenching representative and did little more than testify to the unanimity with which our whole faculty supported my proposal.

Over three hours were spent in an animated discussion of the issues involved, all in excellent spirit. It is probably safe to assert that no one challenged any of the statements made by me nor the principles and ideals underlying the proposal, although questions were asked on various points. It was, however, made transparently clear that none of those present were in favor of the proposal on the only terms which could possibly make it effective. There was, to put it mildly, no enthusiasm for the present campaign, and the inference could fairly be drawn that talk of further correlation was tolerated as a condition of securing whatever benefits might be hoped for from that source. It was suggested that a committee study the matter further, or that the various local boards of control be consulted, and the needlessness of all such devices was pointed out. I repeatedly stressed the desire of the Yenching faculty either to have our proposal adopted for the reasons urged, or to acknowledge frankly and finally that we as a group did not approve any essential changes in our respective institutions, which was a position we of Yenching could thoroughly understand and respect; that Yenching had always objected to a joint financial campaign in America on any other basis than that of a thorough reorganization of the institutions concerned; that we could not "both eat our cake and have it"; and that we owed it to those who were promoting our interests in the States to make our attitude irrefutably clear and cease the vague generalities and insincerities which had characterized much of the negotiations thus far. One president just returned from America deprecated any action that would have a negative psychological effect in that country! Another one pled for the joint campaign on the naive ground that a weak institution could not conduct one alone. But it was perfectly evident that none present were willing to pay the price of risking their present entities. Dr. Cressy, as chairman of the conference, was asked to report its conclusions to the Council, which he did with his usual sympathy and restraint.

That body unequivocally confirmed the attitude of those representing the union institutions, although - as always - there was great reluctance to face the implications. The issue was brought to a head when certain new developments were referred to the Business Committee of which I happened to be a member. These

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concerned a Department of Agriculture at F.C.U., a Medical College at Lingnan, graduate work at Nanking, and Home Economics at Ginling, together with various increases in enrollment. I took the position that any intelligent treatment of these concrete features involved either an acceptance or a rejection of the Yen-ching proposal and that I could not make a decision otherwise; that on the latter assumption I was entirely ready to approve not only of these but of any other expansion which a given institution could finance, subject only to the procedure we had agreed upon of first referring it for advice to the Executive Committee of the Council; but that if we had any thought of looking forward to a closer integration all such developments should be dealt with very differently. No other member of the Committee was willing to put any such qualifying statements into the approval that all were ready to give to those four items, and an impasse was avoided by my agreeing to explain my vote verbally as a recognition of the desire of all our institutions to maintain their present essential status. No one challenged this interpretation.

It was felt that correlation should be thought of in two different aspects: (1) On the field we are a group of cooperating institutions, with friendly relations of mutual independence, but ready to seek advice through the Council as to any new developments that might have consequences for others of our membership. (2) Correlation in any sense of further union or centralized control - whether in the West or China - is not desired, and any financial efforts in America should be on the acceptance of this policy. I urged that a statement should be voted upon for transmission to the ABCCC and this was passed in the Report of the Business Committee attached herewith (Appendix B). The language is guarded and gracious but its import unmistakable in the light of the full discussion forced upon the Council by the Yen-ching proposal and by my insistence that this issue be no longer evaded.

In order to be realistic it can be assumed that as far as action in China is concerned this is final. It would seem that the ABCCC can take one of two alternative courses:

(1) Erect a single Board of Founders for such institutions as are included by their present Trustees, this Board to make grants upon compliance with conditions specified. You will probably agree that such procedure is extremely unlikely in the immediate future.

(2) Discontinue any joint financial efforts except on a basis that frankly treats these as being merely for convenience and economy on behalf of certain of certain independent and in many ways competing institutions. You are already familiar with our Faculty contention on this point.

In any case, we have done everything possible at this end toward the realization of your proposal at the other, and shall count confidently on your making such plans as - in view of these developments - are for the best welfare of our own University.

Very sincerely yours,

J. Leighton Stuart

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*Reports + Statements to
Adm. Off. on Fields*

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA.

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

June 17, 1937

To the Board of Trustees
and the Advisory Council:

This letter, written almost on the eve of Commencement Day and in the midst of examinations, social and other closing functions of the college year, can most fittingly be occupied with our own academic affairs, rather than with the political developments which within recent years have cast their shadows over our campus life at least as heavily as they have weighted my recent letters to you.

On my desk are the reports of our various administrative officers, prepared for the approaching Annual Meeting of our Board of Managers. It is a temptation to quote extensively from these and thus to share with you much that is of intense interest to us who are working here. But I cannot presume too much on your patience and must limit myself to the salient features.

Perhaps in our own consciousness the one which stands out most vividly is the calmer mood of our students in the face of national dangers as they realize the strengthening of political unity and of the determination of their leaders in thought and action to protect the country against further encroachments on China's territorial integrity or political sovereignty. Patriotic sentiment is no less intense and would flame out on the slightest provocation, but it is quiescent for the time partly because of greater confidence in the Government's policy and the consequent effect of this on that of Japan, partly because they are becoming increasingly aware of the importance of internal reconstruction as prerequisite to any successful resistance of foreign aggression.

The most notable event in the matter of administrative personnel has been the acceptance by Dr. H. H. Kung of the position of Chancellor just before sailing for London to represent China at the Coronation. Since the establishment of the present National Government it has very properly been required that the head of an educational institution must be a Chinese, and we have complied by requesting qualified members of the Chinese faculty to act in this capacity. But it has made exacting demands on their time and, pending the election of a fully functioning Chinese executive who can combine the offices of Chancellor and President, it has seemed wisest to ask Dr. Kung, who has long been Chairman of our Board of Managers, to act somewhat as does the Chancellor of a British university, in which the Vice-Chancellor performs the regular duties of the office. To have as Chancellor this lineal descendant of China's venerated Teacher, Confucius, himself with degrees from Oberlin and Yale and an experienced educator, as well as one of the highest officials of the Central Government, is symbolic, I trust, of the established place which Yenching has achieved in the national life.

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With the severe limitations forced upon us by prevalent economic and political factors, we are rigidly guarding against any expansion. Even so, it has been possible, with generous assistance from the Rockefeller Foundation and in cooperation with other institutions, to offer rural service training courses both in classroom and in experimental field work, this latter with the special permission of two provincial governments. These include for us local government, social organization, farmers' cooperatives, and educational administration. By providing such disciplines coincident with the wide-spread awakening as to the basic importance to the nation of rural rehabilitation, we are at once giving our students an incentive to the most idealistic forms of practical service and the virtual assurance of an adequate livelihood. A slight variant from these is the new workshop for ceramics wherein modern chemistry endeavors to revive China's ancient pottery industry. This has been made possible by a grant from the Trustees of the British Boxer Indemnity Fund.

The Trustees of this Fund have honored us further by selecting Yenching as the basis for an experiment in adapting the Oxford tutorial method to Chinese conditions, with special reference to what is known as "Modern Greats", a grouping of Philosophy, Political Science and Economics. In addition to an older representative from Oxford for briefer periods, the son of Vice-Chancellor Lindsay of Oxford University has accepted our invitation to direct this program for the initial three-year period.

Professor Serge Elisseeff, Director at Harvard of the Harvard-Yenching Institute of Chinese Studies, after visiting the five other China institutions which share in this enterprise, is spending his final month in China with us, and assisting us to improve the technique of our graduate and research work in all phases of Chinese study.

It has come almost as a surprise to ourselves to realize how much we are doing in graduate and research work over a wide range of subjects. This is apparent alike in the number of professors who are directing such studies or special projects for which grants have been made from various sources, in the publications, some of which are attracting very favorable attention, and in the fellowships our students are winning for further study in Europe and America, or in China, especially at Yenching. Perhaps the most brilliant results thus far have been in Chinese History and related topics, but there is much also in the Natural and Social Sciences. To take an instance at random, the Sino-Belgian Indemnity Trustees recently offered four fellowships in Physics, of which two were won by Yenching students.

Yenching has always felt the responsibility of the university to its community and previous letters of mine have referred to various instances of this relationship. The School of Religion will serve as another illustration. Its Dean, T. C. Chao, has been University Chaplain since we moved to the new campus, preaching here and elsewhere practically every Sunday. During the past session he has made several trips by special invitation to address student gatherings and university audiences through the Yangtse Valley region and elsewhere, has published a succession of books and articles, and attended a number of ecclesiastical conferences. Dr. T. T. Lew was appointed last autumn to the Legislative Yuan (about equivalent to the American Senate) and in addition to constant literary work, both religious and broadly educational, has served as a member of the National Christian Council and similar bodies, and is now on his way to represent China at two great

international Christian Conferences in Oxford and Edinburgh. Dr. J. F. Li is active in matters as divergent as archaeological research and our share in what is known as the North China Rural Christian Service Union. So with others. Almost every member of this faculty offers courses on his special subject in the undergraduate colleges.

For a small and youthful university, with very slender resources, conducted on a bilingual basis and dealing with two dissimilar cultures, we have had a somewhat reassuring recognition in regard to our general academic standards and our more advanced research or publication. But our primary purpose has been after all to help forward the process of mediating to this country the finest values of the West through the training of students fitted to serve in the many forms of progressive effort which China requires during this supremely critical formative period. That we have made some progress in carrying out this purpose is shown by the comments upon our graduates which are constantly coming to us, - comments upon the general high average of character and responsibility. There is widespread unemployment of college graduates, arousing concern even to the point of remedial action by the National Government. But the unemployed Yenching graduates seem to be no more than 2%, and the demand for those from certain departments is impossible to meet. Quite a number of them go abroad for further technical study, not a few of these having won competitive fellowships. Others can be found in every part of China and in scarcely less widely diversified careers. In general we endeavor to train them for those which have the most social significance and give expression to patriotic or spiritual idealism. It is not without interest in this connection to note the way in which our own faculty is being recruited from this source. We have about 100 full-time teachers and administrative officers of instructor rank and above, about two-thirds of these being Chinese, and of these 26 are our own graduates, chiefly of course as yet in the lower ranks. They have usually taken advanced degrees in America or elsewhere.

One closing reference in this too lengthy shop-talk narrative is to the remarkable showing of our women students as suggested by the proportion of this year's seniors elected to our China Scholastic Honor Society, Phi Tau Phi. Of fifteen in all, nine were women, although only 52 of the 144 in the class are women. Of the 37 students graded in the top quarter of the class, 21 are women. There are various attempted explanations of this phenomenon, no one of which is perhaps sufficient. But it is a wholesome sign of the stirring of new energies in this ancient people.

Shepherd

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Confidential

September 3, 1937

To the Board of Trustees:

I have not written to you as it had been in my thought to chiefly because of the uncertainties in the situation. I knew that you were keeping informed as to general developments in the country through daily press reports and able to infer from these the consequences to Yenching. All mail is now being censored and it is unwise therefore to write freely. It may be possible to send this by an American friend, and if too late for her it can wait till the next chance. For over a month during these trying times my secretary has been away owing chiefly to a minor operation delayed because of the overworked conditions at the P.U.M.C., and I have had to write all my letters by hand - as I am doing now - to be copied by my faithful Chinese clerk, or mailed as written. The claims of many kinds, and the weariness from dealing with the problems created by this catastrophe, talking about it as practically the one topic of conversation wherever one goes, or thinking about it when alone, can be easily imagined. I have become more than normally an addict to my no longer secret vice of reading detective stories as the only recourse for getting away from it all, especially in the unusual heat of the latter part of this summer. The military activity has also filled the region with small bands of defeated soldiers trying to harass the Japanese who are after them with slight regard to the safety of the innocent bystander, also with bandits, desperadoes etc., so that we are debarred from excursions to the hills or walks away from the highways. A day or so before he left Dr. Shields and I went for a stroll in the Yuan Ming Yuan (Old Summer Palace) and ran into a nest of these "irregulars" from whom we had a narrow escape from being fired upon or kidnapped. Since then one French priest in a Catholic school a few miles further on was seriously wounded in a raid on their place and eight others were carried off for ransom. It is this sort of thing that makes our Embassy people so nervous about our staying on out here, and leads our numerous Chinese who are not entitled to "faculty residences" to plead with us to let them somehow live within the enclosures. The disorders and wholesale destitution will be appalling as cold weather comes on. The Japanese have destroyed many villages and the lives or livelihoods of large numbers of peasants throughout this whole area. In the cities things are scarcely better except that the direct effects of military ruthlessness are less apparent. The worst type of Japanese and Koreans are swarming into these North China cities,

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expropriating people from shops and homes, extorting money or property through intimidation, almost forcing the purchase of cheap opium derivatives, while employees of public services are being displaced by Japanese or their hirelings. And this is only the beginning.

As to the University, we have never wavered in our determination to carry on - unless stopped by the Japanese. I have tried in every way through our own and the Japanese Embassies, through Chinese and foreign friends, to secure some sort of assurance on this point, and some process for allowing students to travel with safety from Tientsin, but thus far without success. Professor Lucius Porter went to Tientsin on the latter errand a week ago but can get nowhere. Students are arrested as they enter or leave the railway stations there and held indefinitely for examination with no charges and no redress if suspected of being anti-Japanese or communist, which to the military mind are apparently synonymous terms. Students from the South do not of course dare to come north, and travel conditions are virtually impossible even if they tried. We are having a second examination for new students next week here and possibly in Tientsin. We may have in the end some 500 more or less to enroll. I enclose a copy of new regulations which suggest the discipline we shall have to enforce. Cut off from their homes, or impoverished, as many of them will be, the financial complications will be serious. Every one on trains and at the city gates is subject to search, and Chinese suffer of course from the humiliation and the petty hold-up that often goes with it.

Our teachers are scattered all over China, having gone off on holidays or for other reasons with no hint of the cataclysm that would engulf the country. Letters or telegrams of anxious inquiry come through after many days on the way and we have no means of reply except by tardy mail and the Embassy wireless upon which I cannot impose too often as it is greatly overloaded. But the one immensely cheering aspect of all this confusion has been the unwavering loyalty of our Chinese staff without a single exception. Those here have stayed by with no attempt to flee elsewhere for personal safety and from all those absent have come message expressing concern over what may be happening to Yenching and pledging their readiness to return if needed and when possible. The significance of this is that a spirit had been developed here which ought to be very heartening to those who have shared in the creation of Yenching and in the religious convictions upon which it was founded. In contrast our amply endowed neighbor, Tsing Hua, disintegrated with the first outbreak of danger, and is left now deserted.

All that we have been through during these eight weeks since the Japanese pulled off their first incident, and all that we are facing in the immediate uncertainties, are however unimportant in comparison with the outlook for the future. It can be safely assumed that with the most hopeful calculations

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of Chinese resistance this area will be doomed for long years to be under Japanese military domination. What has haunted me since the seizure of Manchuria as the only thing we needed really to fear has happened. How thoroughly they will reproduce the repressive measures so consistently and cruelly carried out in Korea and Manchuria is not yet apparent. Whether their aim to exploit a subservient and systematically debased populace for their own economic and imperialistic advantage and the ideals for which we stand are at all compatible is now to be tested. We shall do our utmost to comply with hampering restrictions and harassing interference, but when it comes to issues of principle we may be forced to reconsider our policy for the future in the light of radically changed conditions.

In the midst of this welter of slaughter and the enlarging areas of wanton destruction, with the terrorization that is deliberately intended and the agonized multitudes who innocently suffer, I cannot but feel a certain exhilaration that China has determined to resist this wholly unprovoked aggression. Not to have done so would have been to lose her national soul and to have nurtured a craven race, fit only to be the cringing serfs of their arrogant conquerors. Whatever the material and military consequences, the Chinese people ought to be disciplined by this hard experience into overcoming some of those national weaknesses which have made this invasion possible and forming qualities of character which will protect what is left of their country from its further extension. As Americans and Christians we can sympathize with them in this struggle, the more so because their leaders knew the odds against them but entered upon it from a sense of public duty. In the fashioning of this national spirit, and in expressing such imperishable ideals as freedom, truth, brotherhood, righteousness, service and love, Yenching has had its modest share and whatever the future holds for us on this campus and in our corporate capacity, our endeavors thus far will have been worth the cost. The realization of such ideals, however imperfectly and for however brief a period, will have been our contribution to the rebirth of this people, and somehow we must contrive to have this live on in the hard period of reconstruction which will follow.

It will not be expedient, and perhaps unnecessary, to write frequently as frankly as I have this time, and all communications sent here must be very guarded to avoid harm to the institution.

Very sincerely yours,

J. Hightower

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