

359 5528

UBCHEA ARCHIVES
COLLEGE FILES
RG 11

Yenching
Corres.
Stuart, J. L. 1937 Jun-Aug

3
5
9
5
5
2
8

0343

June 7, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

Rex Wheeler passed along to me a copy of the letter he wrote you on May 24th, expressing his views and concern on the subject of the Wheeler Memorial Chapel. I did not know that Rex was writing this letter and have not had a chance to talk with him since it was written. But he has brought up a topic which has been very much in our minds during recent months, and which we have already been intending to write you about sometime this spring so that you may be giving the matter very careful study before you come to America this fall.

As you know, there has for a long time been a growing sense of dissatisfaction by all the donors of the funds for the Wheeler Memorial Chapel that no steps have been taken toward the erection of this building or toward any other disposition of the funds. For a time the problem was temporarily avoided by paying over to Mrs. Rachel Wheeler the income on these funds. But with her death two or three years ago the ultimate disposition of this money again became a problem which we have no right to ignore.

A few years ago there was some fear lest the erection of a chapel on the Yenching campus might cause difficulties in some government circles which were suspicious of too definite a religious emphasis among our Christian Colleges. But the danger of any such unfavorable reaction has certainly diminished during the last few years, and perhaps has just about disappeared.

Another objection raised sometime ago was that the funds available would not be adequate to construct a building of proper size and dignity. With the investment of the largest part of these building funds in China at liberal interest rates, and the remainder in America at somewhat smaller percentages, there has been a substantial increase in the amount of funds we have on hand. Of course, building costs in China have also fluctuated in the meantime, but we hope that the fund has increased faster than costs have risen.

If I have correctly interpreted the audited reports of the Field Treasurer for the year ending June 30th, 1936, there was at that time a total of CS\$96,931.78 in the Wheeler Memorial Chapel Fund being held in Peiping. These were held as follows:-

S SCHEDULE FOR TREASURER'S ACCOUNT - CAPITAL TRUST FUNDS

Wheeler Memorial Chapel Fund	CS\$ 76,192.50	
Schedule 16 Construction Dept. Account		
Wheeler Memorial Chapel	24,707.74	
Less Expenditures to date	<u>3,968.46</u>	
	<u>20,739.28</u>	CS\$ 96,931.78

0344

June 7, 1937

We assume that the interest accruing on these funds during the past year will by now have brought the total available somewhat above CS\$100,000. Perhaps there may be other funds in this account - either principal or interest - which I have failed to discover as I have glanced hastily over the Field Treasurer's report for last year. There is, however, one factor in relation to these funds concerning which we have no up-to-date information. It is this:- What is the present market value of the securities in which the Wheeler Chapel Funds are invested, and how readily marketable are they?

The balance of the Wheeler Chapel Funds still carried on our books here in New York amounts to approximately US\$10,000. Of this amount \$5,000 was loaned to Rex Wheeler some years ago and his note is still outstanding. The remainder is invested and is bringing in a fair rate of interest, although at the present time the market value of the securities is somewhat below the cost price.

If the above figures are reasonably accurate we would thus have available for erecting the Wheeler Chapel a little over CS\$100,000 already in Peiping, a little less than CS\$15,000 which can be immediately realized on the securities held here in New York, and another CS\$15,000 or more which would be available if Mr. Wheeler pays his outstanding note of US\$5,000.

We would earnestly recommend that before you start for America you make whatever study is necessary and engage in whatever consultation with individuals and groups there on the field may be desirable, in order to permit you to bring with you definite information and recommendations on such points as the following:

1. Does the field desire to go ahead with the construction of the Wheeler Memorial Chapel? If so, should this construction be undertaken in the immediate future, or should it be postponed still longer? If any further postponement is desired, about how long will it be, and what are the factors which justify such postponement?
2. If it is desirable that we proceed with the construction of the Chapel in the near future, what are the recommendations of the field as to the type and size of the proposed building? Are the funds now available adequate for constructing a suitable building? If not, about how much more would be required? What would be the possibilities of securing some or all of these additional funds in China?
3. If the field does not desire to go forward in the fairly near future with the construction of the Wheeler Chapel what accounting can be made to the donors of the money? Already there have been intimations from some of the donors that if their gifts can not be used for the purposes already designated, the funds should be returned to them without further delay. Have we any right to hold the funds longer if the donors desire their return? If we believe we do have such a right how can we best present the case to the donors?

Our Yenching Finance Committee has discussed these matters in a general way during recent months and I am quite sure that it will wish to take the matter up with you in a thoroughgoing manner this fall. So we hope that you will have all the facts clearly in mind, to the end that some mutually satisfactory solution can be found for this situation which has become increasingly delicate with every passing year.

Very sincerely yours,

0345

YENCHING UNIVERSITY
Peiping, China

Office of the President

June 9, 1937

Mr. E.M. McBrier
150 Fifth Avenue
New York, N.Y.

My dear Mr. McBrier:

I am enclosing herewith an itemized account of expenditures authorized by me for the McBrier Fund during the fiscal year now closing. The references to the expenses for the religious survey by Mr. Rugh are sufficiently clear to you from his letters to you on the subject. The two scholarship students have quite lived up to my expectations in their active part in religious work, and Mr. Wang has developed rather unusual qualities of leadership, both in organized groups and in personal work. The purchase of hymn books has been urged by Miss Wood and others entirely on the ground of the increased value of services of worship, and in view of all the circumstances, I feel sure you would approve if these were explained to you in detail. The two last items help to make possible, in one case, a summer conference in North China; and in the other, a national movement, both of which are dependent entirely upon such contributions from individuals, and both of which have a very direct bearing on the effectiveness of our own student share in Christian work at Yenching. The former is to take the form this year largely of training workers, and as usual, is chiefly under the leadership of Yenching students. We are expecting to benefit by the latter, and as a matter of fact, at the last meeting in Shanghai, the chairman and one of the other leading figures were from Yenching, so that I have no hesitation in assuring you that our own religious work will benefit from such influences. It has been a very real joy to me to be able to act as a steward of this fund to this extent. With the larger plans in view, I have avoided any further use of the funds in hand, although there have been many other opportunities which seemed to me of less direct bearing on the special purpose of this fund.

I understand from Miss Wood, the secretary of the School of Religion faculty, that the proposed budget which had been delayed chiefly because of one item, is now practically ready to be forwarded to you.

Very sincerely yours,

/s/ J. Leighton Stuart

jls c

0346

McBrier Foundation Fund

		<u>Dr.</u>	<u>Cr.</u>
1936			
Dec. 1	By Balance		1070.34
2 B 33319	To Arthur Hugh for religious survey expenses	30.00	
1937			
Jan. 2 C 14260	To Wang Wen Pin for scholarship	80.00	
3 C 14266	To Liu Te Tseng "	50.00	
23 B 33844	To Liu Te Tseng "	25.00	
Apr. 8 B 34156	To Arthur Hugh for printing religious survey	50.00	
May 21 B 34457	To Myfanny Wood for 24 songs of Praise bought	49.00	
28 B 34522	To Miss Wang Ke Ching for Summer Conference held	100.00	
June 2 B 34544	To Y. P. Mei for the Chinese Christian Students Movement	100.00	
	Balance on hand .June.30/37..	<u>585.54</u>	
		LC\$1070.34	<u>LC\$1070.34</u>

June 8, 1937

0347

燕京大學
YENCHING UNIVERSITY
Peiping, China.

Office of the Controller

Telegraph Address
"Yenta"

June 10, 1937.

President J. L. Stuart,
Yenching University.

My dear President Stuart:

With reference to the question of investment prospects in China, I wish to submit the following material for your perusal.

Introduction

Investment, in the financial sense, is an act of using capital for the purpose of procuring income. There are many factors which the investor takes into consideration before he commits himself to an investment. The most important of these factors are (1) the risk and (2) the income. Risk pertains to the safety of principal while income pertains to the return on the investment. The two elements appear in varying degrees in every investment. The investor strives to get the combination of a maximum of income and a minimum of risk. Investments, therefore, vary from those having a large degree of safety with a small income to those having a relatively small degree of safety with a large income.

Income has been treated by financiers as made up of two component parts: the net or true interest and a premium on the risk assumed. Theoretically the net interest in all investments tends to equality and the difference in interests received arises through a premium on the risk solely. In the United States, for instance, the U. S. Government securities are regarded as the final word in the matter of safety. If the government bonds yield about 3%, the income thereof represents the net interest since the risk is thought of as nil. Now suppose a railway debenture yields 5%. The income is divided 3% as net interest and 2% as premium on the risk. If a premium on the risk exceeds the net interest, the investment passes into the class of speculation. On this basis, if any investment yields 6% in America, it is regarded by prudent investors as high speculative.

Interest Rate in China

Here in China, the situation is very different. At present the safest investment as regarded by many, is, perhaps, the Shanghai Municipal Council debentures. They yield about 5.3%. This is over 2% higher compared with American securities of similar standing. Does the disparity all rise through the comparative degrees of safety or is there a more fundamental difference in the two markets? This opens the

0348

the/ question of the theory of interest rate which is beyond the scope of the present discussion. In passing it may be said that interest, which expresses the annual value of the use of the capital, is determined, as is in all value, by the law of supply and demand. Where there is a great demand for a limited supply, the marginal utility will be high, the capitalist can exact a large return in the form of interest. If the demand is slight relatively to the supply, then the rate of interest will be low. The difference between the interest rates in China and abroad can be best interpreted as a difference in the relative amounts of free capital available. It is not a direct reflection on comparative degrees of safety.

The Currency Reform of 1935

Since the Monetary Act of November 1935, the paper notes of the Government banks are made legal tender. All investments in China are linked up with the national currency. If the currency should collapse, then nothing could be salvaged. After the announcement of the new currency in November 1935, there was a good deal of anxiety regarding the future. The events that followed, however, have fully reached the expectation of the optimists. "Since the enforcement of the currency decrees," states the Finance and Commerce, a leading Shanghai journal on Far Eastern economic subjects, "exchange stability has been maintained to a degree never before experienced in China, whilst reserves of silver within China have been greatly strengthened. ... China's exchange during the past year (1936) has been more stable than that of any country in the world." Mr. J. J. Paterson, Chairman of the Hongkong and Shanghai Bank, at the annual meeting of shareholders regarding the new currency said, "After a full year's trial, we may say that the new currency has worked most satisfactorily with a minimum of fluctuations." ... "Sir Frederick Leith-Ross" continued Mr. Paterson, "has stated that the Chinese monetary reforms have been justified by their results. Everyone will agree that so far there has been no hitch but rather there has been every sign of skillful management by the Central Bank."

In his address at the annual shareholders' meeting, Mr. A. d'Anyers Willis, Chairman of the Board of the Chartered Bank of India, Australia and China, reported, "In happenings in China which have made the greatest impression on the Western banking world in the past year or so, probably that of the change in China to a managed currency stands out relatively as the most important. In last year's speech, misgivings were expressed regarding the ability of the Chinese Government to maintain a managed currency. So far the arrangements have been successful. ... There is no reason why they should not continue to be a success."

Referring to the success of the new monetary system, Mr. E. Monico Gull, formerly Secretary of the British Chamber of Commerce, Shanghai, stated in the Banking, Insurance and Financial Review, "Granted that the background of the new currency system leaves a good deal to be desired, its application has been characterized by remarkable success. ... China seems, after many years of trouble and doubt, to be really on the road to better times and to be becoming increasingly fitted to play her part in helping the world towards recovery."

0349

Investment Outlook

Regarding the outlook for loans in China, the Investor's Chronicle, calling for a new policy in China, declares: "The recent introduction of the Shanghai-Hangchow-Ningpo Completion Loan on the London stock exchange was a portent for holders of Chinese bonds. It confirmed the already growing conviction that a new policy is directing the Chinese Government finances." "Out of the confusion of the past ten years," it continued, "the investor may conclude that the Chinese Government is steadily reducing the main elements of risk which had appeared in Chinese bonds." Due to the increased stability, better earnings and greater confidence, the demand for Chinese bonds is growing. The London Evening Standard reports, "China is showing increasing stability as regards financial, trading position and political situation with the result that investors are paying increasing attention to Chinese customs loans, salt loans and railroad loans. ... Unlike many other countries China has built up a reputation for honesty with regard to payment of interest on her loans."

In a leading article in the Finance and Commerce, referring to China as a field for investment, it says, "As week by week our local exchange market becomes more quiescent, and the speculative business, dependent upon some measure of fluctuation, recedes further into the background, a new and more encouraging attitude is gradually being adopted abroad in relation to this country's prospects of general economic and financial development. A year or two ago it would have been difficult to find any comment which did not emphasize difficulties and uncertainties, but the experiences of the past twelve months have brought about a remarkable change, and today a totally different note is sounded. The discussion now is almost invariably of possibilities of trade expansion and opportunities for investment."

Chinese Securities in London

Chinese investments may be classified into two categories, namely, the bonds issued by the Chinese Government in foreign currencies, mainly in sterling in London, and the securities in the Shanghai market in Chinese national currency. It is the former to which the two preceding paragraphs chiefly referred. This class may be subdivided as follows: loans secured on the maritime customs such as the 4½% gold bonds of 1898, the 6% Sterling Indemnity Loan of 1934, etc.; loans secured on the Salt Gabelle, such as the 5% Reorganization Gold Loan of 1913 and the 5% Gold Loan of 1912 (Crisp Loan); and the railway loans, such as the Lunghai Railway 5% Gold Loan of 1913, the Shanghai-Nanking Railway 5% Gold Loan of 1913. The following table shows the present (June 9, 1937) market quotations of some of these bonds and their actual yield.

0350

NAME	PRESENT QUOTATION	ACTUAL YIELD
Chinese Government 23rd Year 1934 6% Sterling Indemnity Loan	£104 3/4	5 1/2%
Chinese Government 5% Reorgani- zation Gold Loan of 1913	£100 1/2	5%
Chinese Government 5% Gold Loan of 1912 (Crisp Loan)	£91 3/4	5.42%
Chinese Republic of China 5% 1925 Gold Dollar Bonds	U\$100	5%
Lunghai Railway 5% Gold Loan of 1913	£41 1/2	4.73% to 9.48%
Shanghai Nanking Railway 5% Gold Loan of 1913	£87 1/2	5.71%
Tientsin Pukow Railway Gold Loan of 1908	£72 1/2	3.55% to 7.10%

The way the Chinese securities in the London market have recently improved is a direct reflection of China's strengthened financial position and of increased confidence abroad. The following table shows the comparative prices of some of the Chinese securities in London during the past year.

NAME	Average Quotation March '36	Average Quotation March '37
Hukuang Railway 1911 5% Gold Loan of 1913	£51	£70
Lunghai Railway 5% Gold Loan of 1913	£29	£41
Honan Railway 5% Gold Loan of 1905	£33	£80
Tientsin Pukow Railway Gold Loan of 1908	£49	£71

Shanghai Securities

The Shanghai securities in Chinese National Currency may be classified as: (1) Chinese National Government internal loans and (2) the debentures issued by the foreign municipal councils and bonds and stocks by the public utility companies in the foreign concessions.

Before the reorganization in February 1936, there were over fifty different issues of internal loans issued by the Chinese Government. By this reorganization 33 different issues were consolidated into the 25th 6% Consolidated Loan which is divided into five series redeemable from 12 to 24 years. The total amount of the consolidated loan is \$1,460,000,000. At present (June 9, 1937) the market quotations vary from 80 for series E to 86 for series A. They yield approximately 7 to 7½% without calculating the profit on drawn bonds.

The bonds of the foreign municipal councils and public utility companies yield much less than the Government loans. The following table shows their present (June 9, 1937) quotations and yields.

NAME	PRICE	YIELD
F.M.C. 6% 1936 Debentures	\$102½	5.84%
S.M.C. 5½% 1936 Debentures	\$103½	5.30%
Shanghai Tele. 6% Debentures	\$100½	5.94%
Shanghai Power 5½% Debentures	\$93½	5.85%
Shanghai Power \$6 Prefs.	\$134½	6.22%
Shanghai W.W. 6½% "	\$16.-	5.60%
Shanghai W.W. 6% Debs.	\$103½	5.78%

Conclusion

In the foregoing paragraphs I have tried to present the relevant facts concerning the investment possibilities in China. Financial experts in the Chinese market will probably agree that the securities mentioned above constitute a "gilt edged" list. It may be said that as long as there is a resemblance of law and order in this country, it is not likely that they will create any problem to the investors.

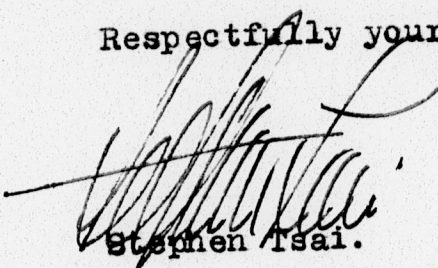
0352

President Stuart - June 10, '37

6

investors./ While the returns on these investments may appear imprudently high to a Western observer, they are not out of proportion with the local market conditions of the supply and demand for capital.

Respectfully yours,

A handwritten signature in dark ink, appearing to be 'Stephen Tsai', written over a horizontal line.

Stephen Tsai.

ST:H

0353

3
5
9
5
5
2
8

YENCHING

INDEXED

June 14, 1937

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

Dear Dr. Stuart,

Let me acknowledge receipt of your letters of May 15th and May 29th.

May 15th. This deals with Dr. Wee's request that he be permitted to return by way of Singapore. Since Dr. Wee's movements are entirely under the supervision of the field authorities of the University, we will merely pass the gist of your letter along to him without the necessity of bringing the matter before any group of the Yenching trustees. (I deem it unwise to show him the letter, for there are certain passages in it which would stimulate afresh the feeling of unhappiness he has had since the arrival of the cable disapproving the request.) We all recognize in K. A. an able, and intensely loyal and hard-working, colleague. But like most intense individuals emotions play a large part in his make-up. For his sake we regret that the trip to Singapore has been considered inadvisable, though we have no basis for forming any judgment as to the merits of the case.

May 29th. This is your China Clipper letter dealing with the subject of honorary degrees. Of course all the problems mentioned in your letter are old and familiar friends of the authorities of every American university, and differences are probably more of degree than of kind. Perhaps it would be difficult to convince the presidents of some American universities that even in China one could find more intense or varied pressure in behalf of candidates for honorary degrees than they themselves have to withstand. But as a rule our American universities find that the advantages of having the authority to confer honorary degrees outweigh the problems this authority always brings. Some abuse the power - others use it in a way which is of value to the institution and brings genuine recognition and honor to the recipients of its degrees.

Only you in Peiping can decide what position Yenching should take on these matters. It is not for the trustees even to weigh or analyze the reasoning by which you arrive at your conclusions - the conclusions themselves are the important thing. Personally I regret that you did not cable us some intimation of the field's attitude on these matters, so we could quietly have headed off any action by the Trustees on May 14th.

So far as any honor to Mr. McBrier is concerned, surely the field cannot have suspected - as one or two sentences in your letter would indicate - that Mr. McBrier himself desires any such recognition or even has any inkling that his colleagues have made such a proposal. I am

0354

Dr. Stuart

-2-

June 14, 1937

quite sure that when Mr. and Mrs. McBrier sailed for Europe a fortnight ago, neither had any suspicion that such a proposal had been made. (Indeed, I am quite sure that if Mr. McBrier had any hint on the subject, he would have registered a vigorous protest, for he neither seeks nor desires honors of any kinds.) When Mr. and Mrs. McBrier return at the end of the summer we will all try to see that they never learn anything about this benevolent conspiracy which went awry. I'll send confidential notes to all the trustees who were present at the meeting, asking that they be on guard against any chance "leak" of this information. I know that you on the field will take similar precautions.

The important question is not the granting or withholding of recognition for a single individual, but the policy to be adopted toward the general use of the authority granted. As matters now stand, Yenching has authority to confer honorary degrees of Doctor of Divinity and Doctor of Laws as it may choose. We assume that so long as the situation described in your letter continues the University will not wish to avail itself of that authority. We will therefore make no further references to this authority in our correspondence with the field, or in any statements or reports which might give this information publicity which would be embarrassing to the University administration.

By the time this reaches Peiping the work of the current fiscal and academic year will be over. I suppose we would all gratefully recognize that it has been one of the best years the University has enjoyed. The trustees and friends here in America deeply appreciate the wise and devoted leadership which you at the head of the institution are exercising. We sincerely hope that you are going to find time this summer for a number of weeks of real rest and relaxation.

Most cordially yours,

BAG/C

0355

YENCHING

June 15, 1937

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

Dear Dr. Stuart,

Enclosed herewith is a copy of the minutes of the meeting of the Yenching Committee on Promotion held on May 24th.

As you will note, the major item dealt with by the Committee was the review of the comprehensive promotional objectives adopted by the Yenching Trustees some time ago, and the selection from this list of the immediate promotional objectives to be sought during 1937-38. The Committee is undertaking in a serious way to attain at least these minimum objectives, and will at the same time be on watch for special opportunities to make progress in other directions as well. As a first step toward the attainment of these minimum objectives, the Committee is working on the conditional gifts needed to get the year's work off to an encouraging start. At least one such conditional gift has been pledged, and specific efforts are being made to secure the other two.

After dealing with this topic, the Committee took the action indicated with reference to Miss Speer's activities while here in America. This is a matter we must clear with the Presbyterian Board.

Going back to the subject of Ultimate Total Objectives, the trustees would be grateful if the field authorities would from time to time send their recommendations for corrections of this list as changes in conditions and plans make such changes desirable. For instance, certain items might be cared for from funds received in China - others might be reduced or eliminated as the program of the University undergoes modification. On the other hand, there may be recommendations for increases or for the addition of new items - though these should be kept at a minimum for the present at least until this very large list has been substantially reduced.

Sincerely yours,

BAG/G

0356

YENCHING

June 15, 1937

President J. Leighton *STUART*
Yenching University
Peiping, China

My dear Dr. Stuart:

A few days ago we had the privilege of meeting Miss Edna Eckert who is planning to journey to the Orient during the next few months. Miss Eckert is a distinguished dramatic artist who plans to give a number of programs during her tour of the Orient, portraying some of the great characters of history and literature. We will leave to Miss Eckert to give a more adequate description of the very interesting work she is doing. While I have not personally had the privilege of being present at one of Miss Eckert's programs, I know that she has won wide-spread approval and has been highly praised by a longlist of discriminating critics.

Miss Eckert plans to visit Peiping while she is in China, and may wish to consult with you as to possible arrangements for one of her programs. We know that you will be happy to show her every courtesy and to render assistance wherever you can do so.

With greetings and good wishes, I am

Very sincerely yours,

BAG:MP

0357

YENCHING

June 17, 1937

President J. Leighton Stuart,
Yenching University,
Peking, China.

Dear Dr. Stuart,

We have just received from Dean Chase the following request, written on behalf of the Harvard-Yenching Institute:-

"After the recent meeting of the Trustees of the Institute, one of the Trustees suggested that perhaps it was a duty of the Board to try to find out what had been accomplished by the graduates of the six institutions in China who might be regarded as having been helped by Institute funds. His statement was a bit vague, but I gather that what he was interested in was the later careers of graduates whose work had been essentially in Chinese studies in the six institutions.

"I imagine that records are kept of the graduates, and that this information could be got together. Would you let me know if this is correct, and whether you would collect such information, or whether you think it would be better if I wrote directly to the separate institutions,"

I have written Dr. Chase, saying that our office will be happy in trying to secure this information from the six beneficiary institutions. We would be grateful if you would pass this letter along to the proper person (probably Dr. Porter, though possibly somebody else) with a request that this information be compiled in due course and forwarded to our office. In addition to students who have taken all their collegiate work at Yenching, you probably have quite a number who did some or all of their undergraduate work in some other College, then came to Yenching for advanced work in Chinese studies. It would be well to indicate, in these latter cases, where the student began his collegiate work and how much he did before coming to Yenching.

Similar requests are going to each of the other five Colleges.

Sincerely yours,

BAG/G

0358

*This letter sent to - A.C. large donors,
Dr. Stuart Personal List
Faculty members, from in
California area*

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.

0359

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

0360

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.

Shafter Stewart

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT

June 18, 1937

TELEGRAPH ADDRESS
"YENTA"

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

My dear Dr. Garside:

I am sending you herewith a letter from our Controller regarding investments in China. This is for the information of the Trustees, and in the hope that this might well be continuously studied by them in the light of changing conditions in both countries. I have nothing more to urge at this writing than that open-minded consideration of such a possibility be maintained.

Very sincerely yours,

J. Reighton Stuart

jls c

0362

VIA
TRANSPACIFIC AIR MAIL

YENCHING

June 21, 1937

President J. Leighton Stuart
Yenching University, Peiping

My dear Dr. Stuart:

Your letter of May 18th has just come to my hands. Doubtless you already know that we are bringing all the pressure possible to have Dean Speer available for Yenching promotional work for as long a period as possible. We hope to have definite word soon as to when and where she will be available.

Doubtless my letter concerning the Fall plans, written June 7th, is already in your hands. We have planned during September to set up the work on the Pacific Coast and in October to put pressure on an effort to capitalize on our Yenching investment there during the past few years. Definitely it is now planned that several presidents and deans of China colleges will be there on the Coast at that time, and Dr. Thompson, Chairman of the Promotional Committee, with whom I have just talked, feels with me that it is of great importance that you be there at the same time, since it will be impossible for us to change our plans.

We cannot determine of course the relative importance of this as compared with the projects you mention, but we do feel that we ought to lay before you the facts - that beginning not later than the second week in October, there will be a fairly intensive effort staged on the Pacific Coast in the interests of Yenching; at the same time some of the other colleges will also be active, particularly Lingnan and Nanking; and that in our opinion your absence from this field at that time would be a distinct disadvantage to Yenching. In the final analysis, however, the decision must rest with you as to whether you can forego the meeting of the China Foundation on October 8th in Hangchow and plan to be with us in California not later than that date. As I have already told you, Mr. McBrier will be there and will help us point up and emphasize the Yenching appeal.

We are sending this letter air mail and I hope it will reach you quickly and that you will advise me at the earliest possible moment as to your decision, since we have already been making some plans for your presence in California as outlined above.

We have several important cases here in America that we believe you can help us close for Yenching while you are here. In the meantime, we keep the pot boiling and are receiving some encouragement.

With very kind regards, I am

Sincerely yours,

B. M. Hedrick

BMH VS

0363

VIA TRANSPACIFIC
AIR MAIL

YENCHING UNIVERSITY

Dr. J. Leighton Stuart
Peiping, China

June 21, 1937

Dear Dr. Stuart:

Dr. Mildred H. McAfee, President of Wellesley College, Wellesley, Massachusetts, now a member of the Yenching Board of Trustees, has expressed a desire to have colored enlargements of three pictures from the Yenching collection in her office at the college and in her own home. She has gone over the pictures we have here and has selected the following as most suited to her needs. She would like to have the maximum dimensions of the pictures (not including the mat) 24 inches.

- 1 - Bashford Hall - center; McBrier Hall - left; Biology-Physics Laboratory - right.
- 2 - Pavilion in one of the leased compounds. This picture has a foliage of willows in the foreground; the pavilion is hexagonal, with marble balustrade in the center and marble steps, opens into a winding covered walk leading into the background.
- 3 - The "Twins" and two of the Girls' Dormitories, photographed in the snow.

I am sorry I cannot give you the correct numbers of these pictures, but there is no complete set in the office showing the numbers to correspond with a list I find in the files. Apparently when the two albums were made up, the numbers were cut off in the mounting, and I am at a loss to know the number applying to the picture in each case. However, I am sure Miss Cummings can help me by selecting the best picture available of the three subjects Miss McAfee wants shown on her walls.

In having these photographs colored, Mr. McBrier asks particularly that great care be used. He does not think that the red on the columns and under the eaves in most of the pictures is rich enough and thinks that the artist should be able more nearly to duplicate the Chinese red lacquer finish.

It would be well if the pictures could be ready for Miss McAfee early in the Fall. Mr. McBrier has suggested that it might be possible for Miss Speer to bring them with her. If this is not possible, they could probably be mailed in a metal tube, to insure their arrival in good condition. Mrs. Macmillan will superintend the framing after they reach President McAfee, working out with her the style of frame most suitable.

Our supply of colored photographs for distribution to donors and prospects is very low and in a few days I will mail Miss Cummings a list of what we need, ready for use in the fall. But since it is so important to do everything possible to keep Miss McAfee so actively interested in the Wellesley connection with Yenching that she is displaying now, I am sending this letter air mail to save a little time.

Sincerely yours,

Elvena Van Sciver

0364

INDEXED

YENCHING

June 25, 1937

Dr. J. Leighton Stuart
Yenching University
Beiping, China

Dear Dr. Stuart:

A letter we have recently received from Dr. Wynn C. Fairfield contains the following paragraph:-

"There is one other matter which I was asked to take up with Yenching University and I think it will make for clarity if I ask you about it rather than write directly to Leighton. In that way we will have a straight line of contact rather than a triangular arrangement. In connection with the committee discussion of T. T. Lew's salary for 1937-38, the question was raised whether he was not receiving a government salary. I pointed out that according to the last word I had heard, he was planning to resign from the Legislative Yuan at the end of the summer and assume full time connection with Yenching University whether on the field or on a leave of absence in America. The question was then raised whether some refund was not due from the University for the six months of 1936-37 while Dr. Lew was in Nanking. I know how sensitive Timothy is about this whole matter and how easily frightened and I do not want to upset him in any way. It really doesn't affect his personal status but is a question between Yenching University and the American Board. I think that a reasonable solution would be to reckon up what the University paid out on his account during the year from July 1, 1936, to June 30, 1937, and to credit back to the American Board any balance of the \$1482 if there should be any. In the long run, I think that this will tend to establish confidence in the University and promote good-will on the part of the committee, which is almost entirely new. We miss Dr. Barton's presence with us. He had always been the leading spirit and provided a large measure of continuity."

I have acknowledged Dr. Fairfield's letter briefly, stating that we are reporting the matter to you for your comments and suggestions. I did not attempt at this time to discuss the merits of the suggestion he makes, although I pointed out that since the American Board was compelled some years ago to reduce its appropriation for Dr. Lew's support from \$1800 to \$1482, the University

0365

Dr. Stuart

-2-

June 25, 1937

has had to supplement this grant each year to the extent of several hundred dollars, in order to provide for Dr. Lew's support; and that even though this particular year Yenching might not have had to spend all of the \$1482 for the support of Dr. Lew, the saving would not amount to more than a small part of what the University has advanced from general funds during recent years.

Very sincerely yours,

BAG:MP

P.S. Whetton nature
feel the Am. Bd. is
justified in suggestion Dr.
Fairfield makes, we should
supply them with the figures
he suggests.

0366

Yenching University



June 25, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

We enclose herewith a copy of a letter we have received from Mr. Ritter, together with a copy of the reply I am sending him.

A few days ago I had a conversation with the Secretaries of the Presbyterian Board, both with regard to Mr. Ritter's resignation and Mr. Hanna's appointment. While Mr. Hanna has been under the Presbyterian Board before, and they have detailed information about him, they are making further investigations just now before deciding the question of appointing him as one of the Presbyterian quota on the Yenching staff. I hope that some decision on this point can be reached within a very short time. We will transmit such decision to the field immediately.

Very sincerely yours,

BAG.A
Encs.

0367

June 25, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

We enclose herewith a copy of a letter we have received from Mr. Ritter, together with a copy of the reply I am sending him.

A few days ago I had a conversation with the Secretaries of the Presbyterian Board, both with regard to Mr. Ritter's resignation and Mr. Hanna's appointment. While Mr. Hanna has been under the Presbyterian Board before, and they have detailed information about him, they are making further investigations just now before deciding the question of appointing him as one of the Presbyterian quota on the Yenching staff. I hope that some decision on this point can be reached within a very short time. We will transmit such decision to the field immediately.

Very sincerely yours,

BAG.A
Encs.

0368

June 25, 1937

Mr. Richard H. Ritter
85 Sherman Street
Hartford, Connecticut

Dear Mr. Ritter:

Let me acknowledge receipt of your letter of June 14th in which you tell of your decision to present to the Presbyterian Board your resignation as one of its quota on the staff of Yenching University.

I can say to you very earnestly that everyone at Yenching would sincerely regret having you withdraw permanently from the Yenching staff. We have received many evidences from year to year of the warm admiration and affection in which both you and Mrs. Ritter are held on the Yenching campus, and all show appreciation for the excellent and distinctive service you have been rendering the institution. I am quite sure that everyone on the campus is eager to have you back again - if not immediately, then at any time in the future that you are free to return.

The question of whether you should resign from the Yenching quota at this time in order to permit the appointment of someone who can go out this year to replace you, is a question which we will have to leave for the decision of the Presbyterian Board. Of course we all recognize that the University is always in urgent need of additional members of staff, and it is usually unfortunate in many ways to leave an unfilled vacancy for too long a time. If the way for your return should open up later, there might be a vacancy at some other point in the Presbyterian quota, or - what would be highly desirable - the Board might be persuaded to restore to its quota one of the reductions which it made during the depression. No matter what decision may be reached on this question of your technical relationship to Yenching during your stay in America, we will continue to think of you as one of the valued members of our Yenching group. We will see to it that you receive copies of all the publicity material going out from the Yenching Office, and we want you to keep always in touch with us. Whenever you happen to be in New York, make it a rule to drop in at the office and see us.

With all good wishes, I am

Very sincerely yours,

BAG/A

CC: Dr. Stuart
Yen. Proms.

0369

EXTRA

The Peiping Chronicle

June, 28, 1935 4.30 p.m.

DARING BANDIT ATTEMPT TO SEIZE PEIPING FRUSTRATED

**Prompt Action on Part of Local Defence Units
Saves Peiping from Capture by Outlaws
From Fengtai; Brigands Routed and flee
In Demilitarized Zone**

Thanks to prompt action on the part of local authorities a daring attempt by a band of bandits at Fengtai to seize control of Peiping ended in failure this morning.

Shortly after midnight yesterday a band of bandits, variously estimated at from 200 to 300, appeared at Fengtai, junction of the Peiping-Mukden, Peiping-Hankow and Peiping-Suiyuan railways, and seized an armoured train standing on the track there. The bandits then took control of the train and advanced on the Yung Ting Men, firing on the troops guarding that section of the city wall.

The incident was immediately reported to Peiping and troops were sent to guard all entrances into the city. Finding it impossible for them to force their way into the Chien Men station the bandits who manned the armoured train fired five shots into the city with the guns on the train. Fighting then ensued between the guards and the bandits, as a result of which the bandits were dispersed and the armoured train was recaptured by the defence forces.

The remnants of the bandits are now fleeing in the direction of the Demilitarized Zone with the Government forces in hot pursuit.

Order at Yung Ting Men and Fengtai was restored this morning and railway traffic between Tientsin and Peiping is expected to be resumed shortly.

Peace and order in Peiping was well maintained by the local troops, police and gendarmes during the night and no untoward incident occurred inside the city. Between 1 to 10 o'clock this morning traffic on the main thoroughfares in the city was suspended but normal traffic was resumed shortly before noon.

Altogether five shots were fired by the bandits from the armoured train. All these shots failed to explode and no casualties were inflicted by any one of these shells. One of the shots fell into a hotel at Tung Chinchitao, one fell at Erlung Road and a third fell in the Art College at Chien Chinchitao, all in the West City. The other two shells have not yet been located.

The authorities here have the situation well in hand and there is not the slightest danger to the peace and order in Peiping.

0370

YENCHING

June 28, 1937

President J. Leighton Stuart
Yenching University
Peiping, China

Dear President Stuart:

I have before me a request from Miss Keith Clark, Associate Professor of History and Political Science, Carleton College at Northfield, Minnesota. Professor Clark has been known to us for some time as a teacher who has the gift of interesting her students in Far Eastern affairs, one of her major courses being on that subject. She also has in recent years given courses on the Near East, on American foreign relations, on international relations, on comparative governments, and on international law, the last-named course alternating with one on immigration questions taken up internationally.

Professor Clark writes: "May I ask your suggestion about a project of my own. Of course everyone wants to return to the Orient. I want to have a teaching job at Yenching -- have ever since I visited it. Dr. Leighton Stuart was not there at the time, so I don't know him. I do know Mr. and Mrs. "Jimmie" Chuan; I think he is president of the board of trustees; she is a Carleton graduate. I don't know quite how to go about it. I want to go the second semester of the coming year, February, 1938. I am certain I can swing the Sabbatical leave. And I am not certain of help this year from the Kellogg Foundation. President Cowling suggested getting in touch with other Foundations -- it seems their young men do teach on the side, while they are researching in the Orient. Why should not a woman be sent?! Dr. Duniway went out a few years ago for the Carnegie Endowment. Why not do the unusual thing, and send a woman? I could especially handle a course of lectures on American Diplomatic relations with the Orient. And of course I do a definite teaching job in Government, International Law, or general European History."

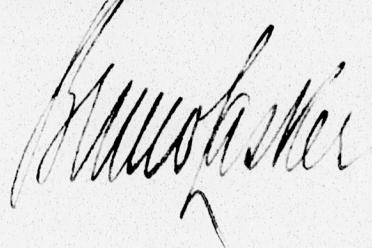
0371

I note from the biographical information in the Carleton College Catalog that she graduated in 1898. In other words, she must be a person nearly sixty years of age. Apparently she would be quite happy with a teaching position at Yenching at the prevailing compensation for missionary teachers. I do not know her personally and so cannot tell you much more about her except to say that her reputation is an excellent one. I am simply forwarding this request to you so that if there should be the remotest chance of your being able to make use of her services you will be able to communicate with her directly. I am also sending a copy of this letter to Mr. Garside.

May I take this opportunity of congratulating you and those faculty members and students who have a hand in this enterprise on the first two numbers of Democracy. The articles printed seem to me to blend in an admirable way the expression of that idealistic democratic sentiment which is embodied in Yenching with frank, and yet by no means bitter expositions of the problems that face the Chinese government, and this combination ought to be a very influential and helpful one.

With best regards,

Yours sincerely,



BL:JM



0372

YENCHING

June 28, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

My dear Dr. Stuart:

Mr. Herbert Houston sailed last week for Europe as a special representative of the World's Fair 1939 Incorporated for the purpose of interesting Oriental countries in the fair, which is to be shown two years hence in New York City.

He carries with him a secretary, the son of Thomas J. Watson, President of the International Business Machines Inc., Thomas J. Watson, Jr.

The senior Watson is a very high caliber religious man, whose wife is the sister of Helen Kittredge of the Presbyterian Board. It is not desired to have her name mentioned in any way with respect to arousing any interest about our Colleges with Mr. Watson. We have tried to interest the father in the work of the Colleges, but without a great deal of success. This trip of the son, however, opens a path to cultivate an interest in China.

Looking to the future, young Watson would make excellent material for a board member if the proper presentation is made to him and he can be made to see where a real contribution either in time, material or life could be made. He just graduated from Brown University and is twenty-three years of age. He possesses a fine personality and is greatly enthused over this trip.

It might not be out of order to communicate with the United States representative in your city to ascertain when Herbert Houston will arrive so that preparation can be made for giving the proper welcome to Mr. Watson if the opportunity is presented in any way. Of course, one thing we wish to avoid is having either Mr. Watson or the party arrive on the campus without adequate preparation being made for welcoming the guests. One reason for not giving letters of introduction is that the party left very hurriedly and there was no way that we know of to catch them by mail. They should be arriving about the second week in August insofar as we are able to judge at this time.

Very truly yours,

CAE:RC

0373

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT

June 29, 1937

TELEGRAPH ADDRESS
"YENTA"

Rec'd July 26/37

Mr. B. M. Hedrick
150 Fifth Avenue
New York, N.Y.

My dear Mr. Hedrick:

Since writing you regarding my movements next autumn, various other developments have taken place about which I wish to keep you informed, and to have your fullest and frankest advice. The plan of making a trip to the South Seas would seem to me inadvisable next autumn despite the considerations mentioned in my last letter to you. If I am to be in the States at all, I could scarcely do justice to both of these areas next autumn and winter. Meanwhile, however, there is a possibility that after the summer some influential Chinese friends may open the way to a few prospects in China or further south, and I ought not to neglect so promising a possibility. Our Board of Managers is also planning to renew the Million Dollar Endowment Fund which had been more or less put aside, partly because of general economic conditions, but chiefly because of the Japanese menace in North China. They would not want to attempt very much without me present, at any rate at the beginning of such an effort. Another aspect of the problem is the new solution which has been adopted regarding a chancellor. Dr. H. H. Kung's acceptance is a purely titular one, at least until he retires from government service. The formal dealings with the government, the handling of official correspondence, representing the University on public occasions, are all comparatively simple, but my Chinese colleagues are reluctant to take responsibility individually or collectively for dealing with students and other internal administrative issues, in my absence. Here again, if the session can get well started, working arrangements can probably be found. The point of all this is that I should like to have at least until the latter part of November before leaving China. This almost amounts to proposing that I begin active work in the States after Christmas. In this event, would it be best to carry out the plan of working on the coast with Mr. McBrier, or should I go east where it still seems to me most of the hopeful prospects are. Are there any fixed dates for Mr. McBrier's own plans, and would such a delay be annoying or inconvenient to him? I had originally planned to leave Shanghai about the middle of October, and am of course bound by no absolute requirements beyond that. It is purely a matter of balancing such considerations as those mentioned above with those with which you are familiar.

In general -- apart from the special opportunity to work with Mr. McBrier -- I should have felt it preferable to get to New York as

0374

* 2 *

soon as possible. This would give opportunity for conferences with yourself and others most actively connected with recent promotional developments, for strengthening the personal and group associations with our Trustees, and for carrying out the whole program. This last I recognize can well be done without my presence, and the other matters have unquestionably been kept in mind by yourself.

Awaiting, therefore, your own counsel which I shall treat as instructions as nearly as can be done without injuring vital interests at this end,

Very sincerely yours,

Freightland Stuart

jls c

0375

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT

July 6, 1937

TELEGRAPH ADDRESS
"YENTA"

Rec'd 8/2/37

Mr. B. M. Hedrick
150 Fifth Avenue
New York, N.Y.

My dear Mr. Hedrick:

Your letter of June 21 by air mail reached me a few days ago. I had not been well for about two weeks following Commencement and have also been very much preoccupied with matters incident to the closing of the session and other immediate business. There has been no opportunity to consult further with any of my colleagues, nor can I hope that they will have much to add to my own thoughts. It is extremely unfortunate that I had not been kept advised of these plans for the Pacific coast. Except for vague references that Mr. McBrier planned to meet me whenever I should arrive on the coast and work for a while there, there had been no intimations as to what the program was to be. In fact, it was after waiting for some sort of instructions that I wrote my earlier letter to you and again the more recent one. These will both make plain how completely lacking in information I was as to what was intended. There is not much to add to the more recent one. It would be almost impossible for me to abandon now the agreement to be present at the China Foundation meeting on October 8. That date was partly fixed for my convenience in order that I would certainly be in the country at that time. Apart from that, however, the other two peculiarly Yenching issues of which I wrote you still hold. The problem of how the work can be carried on in my absence is very far from solved, even apart from any share I ought to have in the proposed financial efforts in China. The earliest I could properly hope to reach the coast would, therefore, be about the middle of November, which apparently would be too late for your purpose. I suggest, therefore, that Dean Speer, Mr. McBrier himself, and Dr. Young, or someone else, be drafted to represent the Yenching interests. If it seems to be a satisfactory solution to you, we might consider freeing K. A. Wee to return again to the States. Whether in this case this would absolve me from making the trip at all, or whether I could leave on some such schedule as suggested in my last letter, would be for you to decide.

While I realize that you are in no way responsible, yet I had hoped and rather assumed, that I should not be called upon to work in the joint financial campaign since my attitude to it is so well known, but that arrangements would be made for me somewhat along the lines which obtained on my last visit.

Very sincerely yours,

J. Leighton Stuart

jls c

0376

July 6, 1937

Dear Dr. Stuart,

I note with due humility that we haven't formally acknowledged your letters of March 18th and 19th, though the items dealt with in both letters have been discussed at some length in correspondence which has passed between our offices in intervening months.

Your letter of March 18th discusses the need for a specialist in the department of New Testament next year. Soon after you sent it you received and acknowledged the report we sent of our efforts along that line. While we haven't been able to accomplish much in line with the terms we were authorized to offer, our Yenching promotional office has been actively at work trying to provide a more permanent solution of the problem of inadequate support for the School of Religion by securing an additional \$75,000 in endowment for that School. More than \$30,000 of the proposed \$50,000 Gamewell Endowment in the School of Religion has now been pledged, and we hope that the fund will be completed sometime this year. There seems at least a fair hope that another \$25,000 for which Mr. McBrier has been working will also be forthcoming, eventually if not immediately.

While not exactly pertinent to this particular problem, I might report that plans seem to be working themselves out whereby Professor Woodburne of Crozer Seminary will go out to China this summer, spending the autumn semester at the University of Shanghai. He might be available for some or all of the spring semester, 1937-38, at a minimum of cost. It might be worth checking up with Herman Liu if the School of Religion is interested.

The March 19th letter deals with Vernon Nash, concerning whom we have already reported. Nash seems to be going ahead happily enough with his plans for a year of study at Columbia, and hopes to get in some promotional work for journalism as well.

Cordially,

BAG/G

0377

學大京燕
YENCHING UNIVERSITY

July 7, 1937

Dear Miss Van Sciver:

Your letter to Dr. Stuart about pictures for Miss McAfee has been turned over to me.

The pictures you describe must be from some rather old collection, several years ago, the originals of which we do not have in this office. It may be they are in Mr. Mead's collection, but he is away at present, and I will be away when he gets back. However, I have left a note for him with the descriptions, and if he is successful in locating the originals, he can go ahead with the order.

As to the color of the red columns, etc. we will do our best. The colors are now slightly faded from many summer suns and rains, but I think we can get a good color. Our front gate has recently been done over and it is now the most brilliant of shiny vermillion - quite stunning, and I am sure when we try to reproduce it in any colored picture or slide the effect will be quite startling! *Other columns are more subdued.*

Well, we will of course do our best for Miss ~~Mae~~ McAfee in every way, and if we cannot locate the exact ones suggested, will substitute the nearest we can.

Miss Speer has already gone - before your letter came. As we are more or less on vacations during the summer, and processes are slow enough in China anyway, I cannot say how soon these pictures will be ready, but we will do them as fast as possible.

Very sincerely yours,

Tris Cunningham

0378

July 9, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

At last Mr. Paul D. Cravath has been formally appointed as one of the members of the Yenching Board of Trustees, representing the American Board. He has accepted this appointment, and so is now a "regular member in good standing".

Mr. Cravath is just starting on a trip to China, as you probably know, and is planning to spend a number of months in Peiping. We know that you will be in close touch with him, and that you will be glad to learn of his appointment as a Yenching Trustee.

Very cordially yours,

BAG/MP

0379

July 12, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

We cabled you Friday regarding Hsition Lin. The original cable which you sent was immediately communicated to him, to which he responded that he would make decision within five days.

We did not think it advisable to send a cable immediately in view of the short time lapsing until your cable of July 9th was received. We pressed him for a decision, and this morning received a cable, which we are passing on to the field, as follows:

HSITION LIN ACCEPTS YENCHING OFFER ARRIVING SEPTEMBER
TEACHING RECENT POLITICAL THOUGHT HISTORY OF POLITICAL
THEORIES AND GENERAL INTRODUCTORY COURSES DETAILS BY
MAIL

I am sending this information on in the absence of Mr. Garside, who is away for a short vacation.

Very sincerely yours,

CAE:RC

0380

July 12, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

The attorney for the estate of Jennie A. Couldy is recommending ~~is recommending~~ that we send power of attorney to be signed by Mrs. Li, if she desires me to act in that capacity. This covers the same ground as used in the Jenkins estate, which he states will be satisfactory. Same must be attested to before the United States Consul.

I will be pleased to act in whatever way she desires.

Very cordially yours,

CAE:D

1880

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

INDEXED

OFFICE OF THE PRESIDENT

July 13, 1937

TELEGRAPH ADDRESS
"YENTA"

ack. 8/12/37.

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

My dear Dr. Garside:

Your letter regarding the erection of the Wheeler Memorial Chapel was duly received. I had meanwhile received one from Rex on the same subject. Let me first of all assure you that we are fully aware of the important reasons for going ahead with the construction of this building, and are just as anxious to find a prompt and satisfactory solution as are the members of the family and the Trustees. As a matter of fact, we went so far last year as to mark off the foundations and ask for construction bids, and accept the most favorable one. A very attractive design had been worked out by the Presbyterian Architects Bureau, and approved by our committee in charge. The reasons for our delay have been explained before, but it may be well to review them in the light of the present situation.

1. The one that had over-shadowed all others was the threat of Japanese invasion. This was most acute two years ago, and although since then there has been an increasing hope that this menace in its most crassly objectionable form had passed, yet, as you are well aware from the cabled dispatches of the past few days, it has been renewed in an acute form. What the outcome of the present issue will be you will have learned long before this letter reaches you. But until we can be entirely reassured on this point, there could scarcely be any criticism of us if building operations of every kind were postponed.

2. The original pledge was of course never fulfilled, and the amount available would never reach the figures that had been originally intended. The form of investment insisted on by Rex, while undoubtedly safe, has still further limited the possible total that might have been reached, and has been subject to fluctuations. Meanwhile the cost of building has been considerably increased and we would probably have to reconsider the whole design. In any case, it is too late now to begin construction until after thawing next spring. The matter can meanwhile be studied further in the light of the two factors mentioned above, and the following one.

3. There has been much discussion of the use to which this building could best be put in addition to its primary purpose as a chapel. Looking at the problem, not from the standpoint of the Wheeler family, but from that of our Chinese faculty and students and the public here generally, it would seem rather strange to erect so costly a building to be used only by a limited number of people for brief periods on Sunday, and for much briefer periods on week days. It should be remembered that we already have one large and

0382

two small chapels which are entirely adequate for ordinary purposes. With our much-publicized need of money for the most urgently pressing requirements of the university, both in matters of equipment and of current expenses, it would seem quite inconsistent to spend so much money for this purpose. Of course it can be explained that the money was given for this and could be used for nothing else, but this would not entirely remove the questionings. Even apart from Chinese reactions, I cannot but feel perplexed over the right Christian economics of a case like this should we put so much money into a building, used as little as this would be, with the very heavy additional charges for heating and other maintenance costs, in the present economic distress, not only in our own affairs, but in the world at large, and with more serious reconsideration of earlier concepts. For this reason, we have tried to combine the chapel with something else urgently needed. The original plan was to have the Christian Fellowship offices and social rooms in a sort of basement or first storey. This was abandoned in favor of combining the provision for a music building with the chapel, but it was felt that the site selected, almost immediately east of Bashford, would not be desirable if music practice were constantly carried on. The whole question of site was reopened, but without any satisfactory solution. Nor on further conference is the combination of the chapel and music altogether satisfactory.

Here the question now stands. The discussions will doubtless be resumed in the early autumn when the committee of which Dr. Galt is chairman, will review all the elements of the problem, including your letter and the one from Rex. I am writing to assure you that we are eager to find a solution acceptable to the family and one that will commend itself to our university community.

The erection of a chapel would of course free the space in Nindo Hall for some other use. This will apply also to the smaller chapel in Sage; but this remodelling would in itself involve quite a bit of additional expense for which we have no funds.

How much the building of a chapel would strengthen the religious life and activity of our community is an open question. The ones we have are easily accessible and are regarded generally as so furnished as to provide all the external setting can do for the awakening of the religious spirit. As against this of course, is the moral obligation to the donors and the very strong sentiment that Rex especially has.

Very sincerely yours,

J. Heigham Stuart

jls c

0383

RECEIVED
UNIVERSITIES
AUG 7 9 1937
JOINT OFFICE

3
5
9
5
5
2
8

0384

YENCHING

July 14, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

Your letter referring to the loan on the Union Central Life Insurance Company policy was referred to that company. A copy of their reply with enclosures is sent herewith.

Apparently they are willing to decrease the loan or to eliminate the loan and decrease the coverage of the policy. If this is in accordance with your wishes, we shall be very glad to act for you.

Your letter of June 18th to Mr. Garside regarding the investment of funds in China is at hand, and will be presented at the next meeting of the Finance Committee.

Most cordially,

CAE:RC
Enc.

0385

July 15, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

My dear Dr. Stuart:

We are quoting herewith the cable sent you yesterday:

HARVARD YENCHING VERY IMPATIENT OVER DELAY IN RENDERING SUPPLEMENTARY
AUDITORS REPORT REQUESTED LAST FALL DELAY MOST DETRIMENTAL STOP IF
POSSIBLE CABLE PRESENT STATUS

While every word of the first part is true, yet it presented a method of camouflaging the last sentence, which were very anxious to get to the field. We studied it for some considerable time, wondering whether the present status we were asking about might not be considered as relative to the Harvard-Yenching Institute account. We hope not.

We were greatly concerned over the telegraphic reports which are occupying the front page headlines. This morning's news brings us word that the Yenching faculty is staying on the campus. As a matter of fact, the telegraphic dispatches today seem to indicate some relief in the tension, although the situation is still exceedingly grave. Naturally, people are calling and asking about conditions, and we hope you will have some means of letting us know how things stand.

The first part of the telegram referred to a situation which really is disturbing. A letter from Mr. Henry L. Shattuck requested information as to the supplementary auditors report concerning which we wrote the field last fall. It will be noted that Messrs. Lybrand, Ross Bros. & Montgomery called attention to certain discrepancies in the report of Thomson & Company. Up to date no reply has been received, and Mr. Shattuck is suggesting that a new firm of auditors be secured in China. A copy of his letter is enclosed herewith.

It is quite possible that by the time this letter reached you very drastic changes will have transpired and that either our deep concern for you all would prove to be unfounded, or that a more serious situation has developed. Nevertheless, we cannot help but feel deeply concerned. Our prayers are with you during these very trying days.

If opportunity offers for you to get any word through when situations arise as they are at the present, we certainly would welcome a cable, as so many people who are interested in Yenching begin to ask questions as to the latest news from the campus. Of course, we will have to leave this entirely to your judgment. On the other hand you can realize under what pressure we are working at this end.

Very truly yours,

CAE:RC

0386

Miss Van Seiver

學 大 京 燕

YENCHING UNIVERSITY

PEIPING, CHINA

American Office

150 Fifth Avenue

New York

OFFICERS OF THE TRUSTEES

GEORGE G. BARBER, *President*
MRS. JOHN H. FINLEY, *Vice President*
SIDNEY D. GAMBLE, *Vice President*
FRANKLIN H. WARNER, *Vice President*
E. M. MCBRIER, *Treasurer*
B. A. GARSIDE, *Secretary and Assistant Treasurer*
C. A. EVANS, *Assistant Secretary and Assistant Treasurer*

OFFICERS OF THE UNIVERSITY

C. W. LUH
Chancellor
J. LEIGHTON STUART
President
MARGARET B. SPEER
Dean of the Women's College
STEPHEN I. O. TSAI
Controller

J. G. L. /

July 19, 1937

To Members of
Board of Trustees

Ladies and Gentlemen:

Last week we sent a cable to Yenching University on routine affairs and a reply was received immediately. Thereafter we sent the following cable:

"EACH TRUSTEE EXPRESSES DEEP SOLICITUDE WITH PRAYERS FOR
STRENGTH FORTITUDE WISDOM ALL ANXIOUS REGARDING YOUR WELFARE
IF POSSIBLE CABLE STATUS"

The following reply came to hand this morning:

"SOLICITUDE DEEPLY APPRECIATED THUS FAR CAMPUS QUIET WILL KEEP
YOU ADVISED", and then follows an inquiry as to the sending
out of a new staff member.

This would all indicate that the field is taking the situation
calmly, and that they will keep us informed as to conditions.

We are sending you this word, as we know you are all anxious
regarding the condition in North China.

Very sincerely yours,

CAE:RC

0387

July 20, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

The Gamewell Memorial Fund is progressing very well indeed. Up to date there is pledged \$37,500, nearly one-half of which is paid in. There is every prospect of completing the \$50,000 goal by August 31st.

August 31st is Dr. Gamewell's eightieth birthday and it might not be out of order for the field to cable felicitations at that time. His address is 4709 Pine Street, Philadelphia, Pennsylvania, or it may be sent to our office and we will forward it.

Very sincerely yours,

CAE:RC

0388

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT

July 21, 1937

TELEGRAPH ADDRESS
"YENTA"

ack. 8/20/37.

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

My dear Dr. Garside:

I am enclosing herewith a report to the Board of Trustees on the present situation. Use your discretion as to how generally to share this with other friends of the University. I should especially like Mr. Godfrey Cabot to have a copy. Miss Van Sciver will probably think of others who could be included. There are a few of my relatives, a list of whom she also has. If any more general use is made of the article, it might be well to tone down the reference to the Japanese pastor, and use some such phrase as "a respected Japanese resident of the city", or even eliminate the mention of a messenger. I should not want this well-meaning man to suffer through any word of his efforts reaching members of his government. In general, the issue is now so clear, and the position of Yenching so unequivocal, that caution is both less useful and less commendable than when there was more hope of settlement through other means than war.

//

I am not unaware of course of the danger to me personally and to the better-known Chinese members of our faculty in the event of war. (Tsing Hua and Yenching may both be singled out as centers of anti-Japanese influence by which they mean of course support of China's patriotic rights. Various individuals may be marked for assassination by ronin.) There may, ~~therefore~~, be danger to property and life in the ordinary vicissitudes of war, or for special reasons. I feel clearly that Yenching will be fulfilling its Christian purpose and its efforts to ~~save~~ China, if the institution or any individual in it suffer because of its known advocacy of the elemental principles which a nation must maintain to be free and independent, and its efforts to aid this country in the hard struggle she has been making. My more personal message to the Trustees, is, therefore, not to be too much concerned over the material aspects of the present danger, but to accept any losses as part of the clearly recognized risk involved in the determination to render this particular form of service to the Chinese people in their need."

serve

Very sincerely yours,

J. H. H. H. H.

jls c

P S Kindly send a copy to Mr. W. H. Danforth, Purina Mills, St. Louis, Mo.

0389

RECEIVED
CONVERS
AUG 16 1937
JOINT BRANCH

3
5
9
5
5
2
8

0390

學 大 京 燕

YENCHING UNIVERSITY

PEIPING, CHINA

American Office

150 Fifth Avenue

New York

OFFICERS OF THE TRUSTEES

GEORGE G. BARBER, *President*
 MRS. JOHN H. FINLEY, *Vice President*
 SIDNEY D. GAMBLE, *Vice President*
 FRANKLIN H. WARNER, *Vice President*
 E. M. MCBRIER, *Treasurer*
 B. A. GARSIDE, *Secretary and Assistant Treasurer*
 C. A. EVANS, *Assistant Secretary and Assistant Treasurer*

OFFICERS OF THE UNIVERSITY

C. W. LUH
Chancellor
 J. LEIGHTON STUART
President
 MARGARET B. SPEER
Dean of the Women's College
 STEPHEN I. O. TSAI
Controller

July 21, 1937.

CONFIDENTIAL

To the Board of Trustees:

It was very reassuring to receive your recent cable with its strong expression of sympathy. I should have written earlier reporting to you the situation but events have moved so rapidly and with such alternating hopes and fears that each day I waited for something more definite, knowing that meanwhile you would be reading the cabled reports in the press.

It will be two weeks tonight since a contingent of Japanese troops practising manœuvres near Marco Polo Bridge, on the pretext that one of their men was missing, made the utterly unreasonable demand that they be allowed to enter a small walled city presumably to search for the missing man. He having lost his way in the dark had already returned to his post. This, however, did not prevent the Japanese soldiers from bombarding the town and replying to the defensive firing of the Chinese troops stationed there. The Japanese troops had not the slightest treaty right to be in that neighborhood, still less to be drilling at night or to attack an unoffending town. Whether or not this occurrence in itself was premeditated, the Japanese military leaders were obviously seeking some such pretext from the way in which they began at once mobilizing soldiers and equipment on a war basis, made truce agreements with the Chinese leaders and broke them, and presented the usual demands violating Chinese territorial or administrative rights. For some time it had been evident that they were preparing for something, and the procedure in its flimsy pretence and prearranged troop movements followed the pattern of the Mukden incident, September 18, 1931, which led to the loss of Manchuria. That this is an attempt to get control of North China by force, having failed through intrigue and intimidation, can be safely assumed.

The local Chinese authorities seem to have passed through three stages. For some days they apparently felt that the incident really was a minor one and could be settled by conferences which were held daily for long hours. They are somewhat simple-minded military officers and perhaps have never quite understood either the duplicity or the determination of the dominant group of younger army officers on the other side. But they stood their ground bravely and thereupon negotiations entered upon the second stage in which the Japanese pointed out that they were really here to help the North China leaders in throwing off the control of Nanking, that all their forces could be used for this purpose in which both sides would make common cause. When it is remembered that for some time past the Japanese Ambassador has been under instructions to negotiate with the Nanking Government on a friendly basis

0391

for settling all outstanding issues, giving repeated reassurances that Japan had no intention to interfere with Chinese territorial or administrative affairs, the moral turpitude of such proposals is revealed. Either the Tokyo Government approves such machinations or it is unable to control its own accredited army representatives.

Those so-called "political measures" forced the realization of how serious a crisis had been precipitated, and in this third stage the local officials determined to make it a basic issue of the national survival by referring the whole matter to the Central Government. The leading figure in the North has never been quite sure whether Chiang Kai-shek would back him up when this long expected emergency arose, and had been vacillating for some days. It almost seemed at one time as though between Nanking and here the opportunity would be fumbled as in previous instances. I have never questioned General Chiang's attitude and his summary of national policy released for the press yesterday is so statesmanlike and in every way admirable that I am enclosing it herewith. It leaves no doubt as to his own stand. The same is, I now feel sure, true of General Sung Cho-yuan. The commanding officer of one of the divisions of his 29th Army is very objectionable to the Japanese and they are trying to have him removed from the city.

The point at issue is really quite simple. Stripped of all the labor-ed sophistries and disingenuous circumlocutions of Japanese propaganda and put in straightforward language they want to gain control of North China as they have of Korea and Manchuria. The Chinese Government and people are determined that they shall not. For several years they have been trying to accomplish this under the fiction of a secessionist movement of the five northern provinces organized nominally under an autonomous government along the lines of "Manchu Kuo", but their only success has been the erection of a bogus "East Hopei Autonomous Government", including 22 hsien or counties, under the leadership of one of their Chinese hirelings. They have been using every form of bribery, seduction and threat, and it speaks well for the loyalty of these Northern officials that they have made no more headway. They are now in a somewhat embarrassing situation because, apart from the inherent violation of all international principles in thus invading and attempting to conquer Chinese territory, their Government has repeatedly given explicit assurances that they had no such intentions within the Great Wall. The Chinese authorities have shown amazing restraint in not being lured into resenting the constant provocative acts and thus supplying the needed pretext.

You will know the outcome long before this reaches you. Ambassador Johnson and my other foreign friends in the city feel that Japan having gotten so deeply in can scarcely withdraw. I have a lingering hope nevertheless that when the saner elements in Tokyo realize that their military officers are letting them in for war on a national scale in which they are so obviously the aggressors they may find a way to withdraw. The thing that matters most, however, is that the Chinese leaders both in Nanking and here, seem determined to stand together in resisting any more encroach-

ments, whatever the cost. War if it comes will be appallingly disastrous to both countries and probably long drawn out, but China would in the end recover more rapidly and completely than Japan. In any case, China may be compelled to accept it as the only way to preserve her national soul and to end those grandiose dreams of imperialistic conquest.

What then of Yenching? Many of our foreign families and some Chinese are off on vacation. Many more of the latter have been fleeing south. Students spending the summer here are leaving the city daily and asking for transfers to southern universities. We have made careful preparations for eventualities. Our entrance examinations are to be held next week. The number applying has broken all records but those taking them in the city and in the other centers may be very few, and even fewer may come in the autumn. In some respects the coming session held promise of being the best one yet, especially in the academic quality of graduate work and in the College of Public Affairs. In addition to the recovering Princeton support we have generous grants in this College for rural reconstruction from the Rockefeller Foundation and from the British Boxer Indemnity Trustees for the new Oxford-Yenching experiment in introducing the Oxford tutorial method into China with some splendid additions to our faculty. The consequences to our budget will be very serious if there is only a small enrollment, for with the loss of tuition fees the other expenses must go on unchanged and may be increased by war conditions.

With deep comfort in the assurances of your intelligent sympathy,

Very sincerely yours,

(Signed) J. Leighton Stuart

* The following paragraph was omitted from the above mimeographed version, for reasons of discretion:-

Yesterday the resident "Special Service Officer" (agent of intrigue) was utilizing a Japanese pastor in the city to find an American to plead with General Sung to remove this man and avert the shelling of the city which would otherwise follow in a day or two. Failing in this the poor pastor tried -- again unsuccessfully -- to persuade Chinese educators to undertake the role. It seems that there is quite a difference of opinion among these young military officers as to the destruction of Peiping, one group holding that it would be unwise in view of the indignation this would arouse in China and throughout the world, the other group arguing for it on just that ground because it would humiliate the Chinese and bring them to terms. These officers are quite displeased with General Chiang's statement and at 5:00 a.m. yesterday made fresh demands on Gen Sung which had to be acceded to before yesterday noon. All this reveals their customary truculence but it also seems to indicate some hesitation about carrying this latest aggression to the point of driving China into a nation-wide war of resistance as the only means left of avoiding further loss of territory.

0393

YENCHING UNIVERSITY

MEMO:

OFFICE OF THE PRESIDENT

July 23/37

My dear Miss Van Sciver,

This was written for World Christianity, Modern Missionary Movement, Chicago. It may have some use for our own publicity, if quoted from ~~that~~ periodical or if not used by them.

Could copies of my communications to Adv. Council or

0394

B.D. of Trustees be sent to faculty
members on furlough or former ones
like the Rectors.

I hope you are not still overworking!

Hastily yours,

J.H.

*Sent
transmitted
H. H. H.*

July 26, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

Acknowledging your letter of June 29th, inasmuch as I am unable to confer with either the Promotional Committee or the Executive Committee of the Yenching Board concerning the points you raise in your letter, I am compelled to express my own opinion only.

In view of the importance of the points you raise and also having in mind the uncertain situation existing in North China today, I would suggest that you follow your own judgment with reference to these matters. As I told you in my last letter, we are planning an activity on the Pacific Coast this Fall and probably will go through with it. If you did not leave China until the middle of October, you would be there too late to participate effectively in this program anyway. I had planned to be there with Mr. McBrier a week or two, and hoped to meet you when you arrived. Of course, if you do not come, we shall adjust our plans for Yenching and do our best to make the work as profitable as possible. In the meantime, please keep me just as fully informed as possible as to your plans.

There are some fairly substantial things moving in the interest of Yenching. It may be, however, that the present situation in China will influence them somewhat. At any rate, we shall do our best.

Have you heard either from Dr. Hoobler of Detroit, or Miss Robertson of Norfolk, Virginia?

Your letter to the Advisory Council, dated June 17th, has been mailed to the members of the Advisory Council and our important donors and prospects.

With very kind regards,

Sincerely yours,

BMH/EVS

Bayard M. Hedrick

0396

YENCHING

Yenching

July 26, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

Yenching is so much on our minds and hearts at the present time that we can hardly write any letter of routine matter without alluding to it. We notice from yesterday's Times that the Japs have threatened to bombard troops within a few hundred yards of Yenching campus. Up to then, it was our understanding that the crucial situation was farther removed from the campus. The cable of last week reassured us and was sent to members of the Board. It stated that we would be kept informed, but I realize that this might prove difficult should a military movement be made.

To get down to mundane things, I am acknowledging your letter of June 28th authorizing us to pay \$600.00 to Mr. Hsu Hsien-yu. Upon demand we will take care of this as requested and will charge same to the current budget.

Very truly yours,

C. A. Evans

CAE:mms

0397

RECEIVED AT

6 West 19th St.

Tel. Chelsea 3-7069

STANDARD TIME
INDICATED ON THIS MESSAGE

Postal Telegraph

THE INTERNATIONAL SYSTEM

Commercial
Cables



All America
Cables

Mackay

Radio

This is a full rate Telegram, Cablegram or Radiogram unless otherwise indicated by signal in the check or in the address.

DL	DAY LETTER
NL	NIGHT LETTER
NM	NIGHT MESSAGE
LCO	DEFERRED CABLE
NLT	NIGHT CABLE LETTER
	RADIOGRAM

Form
180m

14125 TO COLLECT

SD WASHINGTON DC 413P JUL 26 1937

YENCHING UNIVERSITY

.54-3

1505 AVE

FOLLOWING MESSAGE FOR YOU RECEIVED FROM AMERICAN EMBASSY PEIPING JULY
28 "CAMPUS UNHARMED SIGNED LEIGHTON STUART"

CORDELL HULL SECY OF STATE.

48

Telephone Your Telegrams to Postal Telegraph

0398

1.8.1
28/3
1.4.1
28/3
28/3

0399

55655528

YENCHING

July 30, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

It is a crime to dictate even a line of common everyday business correspondence. This can hardly be classed as such because it has a bearing upon the Chinese situation, which is so dear to all our hearts.

You have already received a letter from Miss Dunning stating that \$100. had been deposited with us for the purpose of maintaining the families and educating the orphans of members of Generalissimo Chiang Kai-shek's bodyguards who were killed at Sian. We are depositing this \$100 to your account at the Central Hanover Bank & Trust Company, and you may make it available for the purpose designated. We have written an appreciative letter to Miss Dunning and her mother, and I am sure you will do likewise if an opportunity is presented.

May the good Lord keep you all.

Sincerely,

CAE:RC

0400

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT

July 31, 1937

TELEGRAPH ADDRESS
"YENTA"

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

My dear Dr. Garside:

June
Your letter of ~~July~~ 25 came duly to hand but has been delayed by my preoccupation with the armed conflict in the midst of which we have been living. I confess to a feeling of pained surprise that such an issue as the demand of a refund on Dr. T. T. Lew's salary should be raised by one of our constituent mission boards. It has been the consistent policy of the University to treat staff members assigned to it as entirely at its own disposal, once the assignment had been made and accepted. We are constantly giving such individuals a leave-of-absence for longer or shorter periods, because of some reason which has been regarded as justifying the arrangement. The financial adjustments have been worked out between the individual and the institution, primarily with a view to providing either for the work for which he is responsible here or for the other interests involved in the plan. I do not recall ever before our having been asked to make an accounting to the organization supplying the teacher.

In the case of Dr. Lew, the problem is complicated by his original leave of absence to get medical treatment in Shanghai, his sabbatical leave of absence, the uncertainty as to the period during ^{which} he was to serve the Legislative Yuan, his attendance (at no slight financial cost to himself and to Yenching) on the Oxford and Edinburgh Conferences this summer, the expenditures to which we have been put in carrying his classes and other work during his absence, the occupation of his house by his family rent-free during his absence, etc. The financial saving to the University has been very slight, if any, and I believe the gain to the Christian cause by the medical treatment made possible for him, the larger service he is rendering to that cause by his attention to its vital interests in China's new legislation, the part he is taking in the general affairs of the Christian movement, ought to gratify the American Board. Much of this would not be possible were it not for the existing cooperation between the A B C F M and Yenching. Furthermore, the accounts for the past year have all been closed, and we have no funds whatever from which we could make such payment.

I hope that the Trustees will undertake to clarify and support this policy with the A B C F M and regularize it so that similar issues may be avoided in the future.

Since the Mission Boards have felt free to reduce by unilateral action their commitments to the University, it would seem we might at least be left free to dispose of the resources in personnel and money at our own discretion, and trusted to use these in what after all is a common cause.

Please use your discretion as to the use of this letter in taking up the matter. I am writing under a time of very severe tension which may be reflected in phraseology, although the principles involved are, I believe, thoroughly sound.

Very sincerely yours,

Freighten Stuart

0401

RECEIVED
UNIVERSITIES
SEP 2 1937
JOINT OFFICE

3
5
9
5
5
2
8

0402

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT

July 31, 1937

TELEGRAPH ADDRESS
"YENTA"

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

*Ach 9/2/37
Sent to Garside*

My dear Dr. Garside:

The past week has been one of horror. You have doubtless kept up with the press reports, and I rather imagine we have been given full prominence. I shall not, therefore, go over details which will have been known to you long before this arrives. Unpleasant as the experience has been, it has never seemed to me one primarily affecting our property or lives. The aerial bombing of the camp adjacent to us was carefully controlled, so that not a single bomb fell outside of that enclosure. The fighting all around us has been a ruthless "mopping up" of the lingering remnants of Chinese troops in this general vicinity. They have cruelly shot or hacked to pieces local police and villagers who didn't at once do what they demanded, and have been moving around with the haughtily overbearing manner of conquerors, and would kill anyone who stood in their way. All this has of course been very terrifying, and it has been aggravated by wild rumors spreading rapidly, among our own community and neighborhood, where despite great difference in intellectual outlook, there has been almost equal inexperience as to the grim realities of modern warfare. We have had the problem of refugees -- the families of our own staff and employees for whom we felt it necessary to provide refuge, and of course relatives, neighbors, etc., whom it seemed unfeeling to refuse entrance. There has been the psychological issue, in that ignorant and terrified people feel about danger and safety very differently from those of us here carrying the responsibility. We have had the usual problems of sanitation, food, discipline, etc. Fortunately, many of our own faculty, both foreign and Chinese were away for the summer, or were on errands which led to their calling for their families before the worst crisis came.

The American Embassy advised that all of its nationals leave here and come to the city to the Embassy. Some were advised to do so for special reasons, but those who stayed were either old China hands, or had some special form of service. We are flying the American flag over all our property, and I have notified the Embassy to this effect, and that we would report at once any intrusion upon our treaty rights, in the expectation that our government would take it up with the Japanese government.

For all practical purposes we are now under Japanese domination, that which I have feared for years more than anything else. If there is to be war, we shall be behind the Japanese lines. Whether it would be possible or wise under these conditions to open for the coming session, and if not, what we had best do with our faculty, are all questions which it seems premature to try to answer at this stage. Much depends on our expectation of the outcome. If, as far as foreseen, this is to become part of the Japanese colonial conquest, I personally would recommend a course which I think is already understood by the Trustees. If, as seems not entirely hopeless, the Chinese government, despite its relative lack of military equipment, can carry on its resistance long enough and effectively

0403

3595528

REC'D
MAY 2 1937
OFF

0404

* 2 *

enough, the outcome may be of a nature that would not be too intolerable for us. We should, in this case, maintain some form of skeleton continuity. In any event, we can scarcely hope for anything like our normal student enrollment, which means a very serious budget deficit. In this, and in the whole problem, I find myself deriving very real comfort, as I imagine you and the Trustees, watching the course of events, and revealing the understanding sympathy which I know full well is felt.

The larger issue is whether or not, in our present international order, those who are actively opposed to the use of mechanized warfare as an instrument of national expansion, and who stand for the elementary principles of national liberty and international justice, will passively tolerate this latest and most glaring instance of the menace of unrestrained militarism, or will exert themselves by some form of united moral and economic protest against it. It is not a question of Japan and China, or other national groupings, but of mobilizing those who believe in a better world order against the dominant military element in Japan.

Of course under these conditions, I cannot be counted on for coming to America at any time this autumn. What can be done for Yenching in the promotional plans the Trustees have in mind must be left to their discretion and to future happenings, at present unpredictable.

Very sincerely yours,

Sheighton Stuart

jls c

0405

RECEIVED
UNIVERSITIES
SEP 2 1937
JOINT DEPT

3
5
9
5
5
2
8

0406

August 2, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

Of course all of us here in New York have been watching with the greatest anxiety and concern the newspaper dispatches from China during the last week. We have been profoundly grateful for the newspaper reports that Yenching University and all of the personnel on the campus seem to have come safely through the disturbed times of the past few days. Apparently the whole situation in North China is still so fraught with uncertainty that almost anything can happen during the weeks before this letter can reach the Yenching campus. But we continue to hope and trust that in some way these difficulties can be solved without recourse to either of the alternatives which now seem to confront China -- that of making still further concessions to invaders or else making a determined resistance which might involve a prolonged and tremendously destructive war.

In the face of all the uncertainties which surround the situation in Peiping, the attitude we are inclined to adopt toward all of our Yenching activities here in New York is that of carrying on very much as usual, in both the administrative and the promotional departments, until the situation clarifies itself further. For instance, Mr. and Mrs. William Band were in the office this morning and told us that they are planning to sail on the President Grant for Shanghai on August 14th, in accordance with their schedule. We encouraged them to go ahead with their plans to that end, watching meantime the developments taking place in China with a view to some adjustment in their arrangements if that should prove to be necessary before their date of sailing. We have been giving much the same advice to Dr. Martha Kramer, who is also sailing on the President Grant for special service in the Home Economics Department of Yenching College.

We assume that if the situation in North China develops in such a way as to render inadvisable the return of these western members of staff this autumn, you will be able to get through a cable advising us to that effect.

Of course our plans for Yenching promotional work during the coming year will have to remain more or less in abeyance until we learn whether it will be possible for you to come to America as we have been planning. We suppose that even if conditions in North China improve greatly during the next few

0407

Aug. 2, 1937

weeks you will still wish to remain there so long as the conditions are so critical that your presence and leadership might be urgently needed at any time. Since in any event you would not be leaving until the middle of the autumn, the North China situation should clarify itself in one way or another before the date when you would be leaving. We need not assure you that whether or not you are planning to come to America, we will try to do everything possible here to keep the Yenching promotional work going vigorously ahead. Just at this time the promotional prospects for Yenching are better than they have been for several years, and if the military situation in North China does not upset our work we should secure some substantial results during the next eight or ten months.

Let me acknowledge your letter of July 1st with the two copies of the section of the Albany Report dealing with Faculty, Students, and Library. We note that Miss Cookingham will be forwarding the financial report after she receives from our office the reply to her letter of April 2nd asking for certain information. Our office failed to get this reply off as promptly as we should have, but we hope that it reached Peiping before the conditions on the campus were disturbed by military events in North China.

In going over the statistical report I note that some of the questions have been left blank. For instance, under item 2, no answers are given to the last four questions beginning with "How many officers of instruction were employed full time?". On pages 3 and 4 of the report no information whatever is given. We recognize that in most cases the questions are not applicable, but in certain instances it appears that information should be given or at least that the word "None" should be written in. Under item 7 no information is given. The New York Regents are always insistent on having these blanks filled out completely, and usually return them to us as unsatisfactory if any items of information are omitted. I will therefore try to supply these missing items as best I can from information available here in the New York office, though I am afraid that at some points the figures we give may be inaccurate.

The Presbyterian Board informs us that Mr. Willard A. Hanna has decided that he is not ready to return to China this fall to accept the appointment in English at Yenching University. Mr. Hanna has been very uncertain as to his plans for the future, and has shifted his viewpoint several times during recent months. At present it seems that he might be in a position to go out a year hence if there is any opening available for him at that time. What do you wish us to do meantime in reference to this vacancy in the Presbyterian quota at Yenching?

We will be thinking much of you and the other friends at Yenching during the coming weeks while this letter is on the way to China. We hope that it will find all of you safely on the campus of the University completing preparations for opening the autumn semester on schedule in September.

Very sincerely yours,

DAG:A

0408

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT

August 6, 1937

TELEGRAPH ADDRESS
"YENTA"

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

Dear Garside:

For some two weeks now we have had virtually no mail, and even contact with the city has been out off most of the time by the closing of the gates and the destruction of our telephone lines. More recently we have been able to get through the gates at intervals, involving usually a long wait, and a certain measure of risk as squads of Japanese soldiers are moving about in all directions. For the past two days some of these have tried to enter our own closed gates, and it has taken all the more tact in dealing with them because so few of them can speak Chinese or English and misunderstandings can easily lead to tragic consequences. We have at last been able to clear out the 1500 or more refugees who have huddled in terror and discomfort in all our buildings.

The Embassy has disputed our right to fly the American flag on the double ground that we are registered under the Chinese Government and that our title-deeds are not registered in the American Consulate in Tientsin. On the former point we argue that this is as a private university and that the ownership of the property by our American Trustees has never been questioned. On the latter, we have on the repeated advice of our wisest Chinese members of the Board of Managers been waiting for an opportune time when all of our title-deeds could be put into a single deed and stamped without charge. This must be by the local authorities rather than Nanking which helps to explain the delay. Galt and I have been uneasy but each time we raise the issue the reply has been the same. The Ambassador is now in Nanking, but four years ago Galt, and two years I, raised the question when we feared what has now happened and in each instance we remember vividly his unhesitating assurance that we had the right. In any case we had the benefit of the flag (the word should be plural) during the most critical period and shall continue negotiations with the Embassy.

We are holding examinations in the city the first of next week, although with what results we have no forecast. Over 1000 had originally enrolled for these. Our intention is to carry on as best we can with whatever number of students may be able to

0409

stay with us or enter for the first time. Probably very few who have gone south would dare to return to this region even though communications are restored, and still fewer would come for the first time. It may be advisable for some of our choicest Chinese teachers to withdraw rather than become victims of Japanese suspicion.

I sent you a letter by Miss Milam whose group was marooned in the city. This one is being taken to Shanghai for mailing. Letters to us may be censored and the contents should therefore be circumspect.

I cabled yesterday through courtesy of the Embassy to the effect that it seemed best to cancel the arrangement with Dr. Kramer, but that Dr. Sapir, Hanna and Barnes could come as planned. Dr. Sapir can work elsewhere if not here without too serious loss. Hanna could study Chinese if we are closed, and Barnes can learn more than he would in normal times. Miss Veighte's father is very feeble and for family reasons she may prefer to stay at home for awhile.

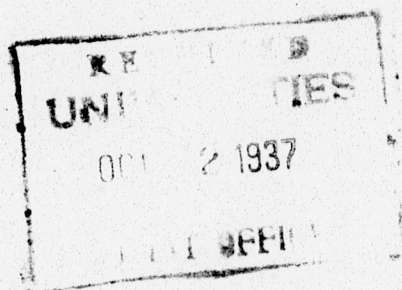
On the general situation you will have cabled news making any comments or forecasts of mine rather pointless.

Now for a pleasant item with which to close. The P.U.M.C. entrance examinations have just been held and 32 were accepted of whom 4 were foreigners. Of the 28 Chinese 23 were from Yenching and all of our students who took the examinations passed.

Very sincerely yours,

J. Leighton Stuart

04 10



3

5

9

5

5

2

8

0411

R A D I O G R A M

RECEIVED AT

STANDARD TIME
INDICATED ON THIS MESSAGE

Mackay Radio

THE INTERNATIONAL SYSTEM

Commercial
Cables



All America
Cables

Postal

Telegraph

15 WORDS FOR THE
USUAL PRICE OF 10
**DOMESTIC
SERVICES**

DCC-1 NY

F36 24 COLLECT=SD WASHINGTON DC 1230P AUG 10 1937

C A EVANS, 56-3

ASST SECY ASSD BOARDS FOR CHRISTIANS COLLEGES IN CHINA=
150 FIFTH AVE=

TELEGRAM FROM EMBASSY PEIPING REPORTS AMERICAN STAFF MEMBERS OF
YENCHING UNIVERSITY ARE SAFE AND WELL PROPERTY UNDAMAGED AND
PREMISES HAVE NOT BEEN MOLESTED=

CORDELL HULL SECY OF STATE 1246P..

TO SEND A MESSAGE TELEPHONE WHITEHALL 4-6780 OR ANY POSTAL TELEGRAPH OFFICE. FOR OTHER PURPOSES
TELEPHONE BOWLING GREEN 9-3800. FOR MESSENGER TELEPHONE POSTAL TELEGRAPH OR RING POSTAL CALL BOX.

04 12

August 10, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

Undoubtedly, Josephine L. Rathbone has informed you of her future plans, but we thought it best to quote a paragraph from her letter of August 6th, which reads as follows:-

"It will be difficult to reach me before October, because I shall be en route and making very short stops across Europe and Asia Minor. The best way for the office to keep in touch with me is through Mr. and Mrs. H. C. Buck, Y.M.C.A. College of Physical Education, Saidapet, Madras, India. They will have entire charge of my plans until Christmas time."

She does not intend to be at Yenching University until the second semester, anyway.

Very truly yours,

CAE:D

04 13

August 12, 1937.

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

Dear Dr. Stuart:

Thank you for your letter of July 13, with reference to the status of the Wheeler Memorial Chapel.

We realize that the military disturbances in North China transform completely the situation with regard to going forward with the construction of either the chapel or other proposed buildings. For the present, therefore, there is not much point in pursuing further the study and discussion of the various types of detailed information asked for in our previous correspondence. About all we can do is merely to make a mental note that this is one of the questions that should be given very serious study whenever the situation is such as to permit any new construction work to go forward. When such a time does arrive, we should have our thoughts and plans in sufficiently definite shape, as to make some clean-cut decisions and to proceed along whatever lines our decisions may lead us.

As I intimated in my previous letter, several of those who had a share in contributing funds for the Wheeler Memorial Chapel have been moving rapidly toward the point where they may make a definite request to Yenching University, either to proceed with the erection of the chapel for which this money was given, or else to return the contributions to the donors. While it is unlikely that such request will be made as long as the present crisis continues, we may be faced with a request very promptly after the crisis has passed.

Very sincerely yours,

BAG/am

0414

學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT

August 18, 1937

TELEGRAPH ADDRESS
"YENTA"

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

Recd 10/25/37

Dear Garside:

There is reason to fear that a considerable amount of mail ^{was} destroyed in the fighting around Tientsin during the last days of July. We and other residents of this city have received almost no American mail for a month or more. Of course some may be held up at points between Shanghai and here. But it has seemed worthwhile to supply you with a list of the letters received to date from your office. It may also be thought advisable by you to insert a paragraph in our printed material to the effect that friends of Yenching who wrote letters the latter part of June or early July to people here must not count on those letters having been delivered. Probably the ordinary movement of mail had been much deranged and there was a congestion at Tientsin.

Books and periodicals have been almost entirely lost or delayed in the mails for over a month.

Very sincerely yours,

*Please tell Mr. Hedrick I have
not yet heard from the Hooblers
nor from Miss Robertson of Norfolk.*

*Any thought of my leaving here in the near future is now out
of the question - unless certain people demand my deportation!*

04 15

RECEIVED
OCT 14 1937
POST OFFICE

3
5
9
5
5
2
8

04 16

of date
LETTERS RECEIVED FROM NEW YORK AFTER JUNE 14

<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>LETTER NO.</u>
June 7	B.M.H.	JLS	
June 7	C.A.E.	M. Cookingham	E37-6-7-2
June 14	C.A.E.	" "	E37-6-14-1
June 14	C.A.E.	" "	E37-6-14-2
June 17	C.A.E.	" "	E37-6-17-1
June 17	C.A.E.	" "	E37-6-17-2
June 18	C.A.E.	" "	E37-6-18-1
June 21	E.J. Cloud	" "	E37-6-21-1
June 25	C.A.E.	" "	E37-6-25-1
June 25	B.A.G.	JLS	
June 25	B.A.G.	JLS	
June 28	C.A.E.	M. Cookingham	E37-6-28-1
June 28	C.A.E.	" "	E37-6-28-2
June 29	C.A.E.	" "	E37-6-29-1
June 29	C.A.E.	JLS	
July 7	C.A.E.	M. Cookingham	E37-7-7-1
July 7	C.A.E.	" "	E37-7-7-2
July 14	C.A.E.	JLS	
July 15	C.A.E.	JLS	

The envelope with letters July 2-12 inclusive from B.A.G. just received, and (still later) those by Pacific air mail from B.M.H. & C.A.E. to me of July 26. It may be that most of it has only been delayed although we hear lurid stories to the contrary.

0418

August 20, 1937.

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

Dear Dr. Stuart:

Our Yenching Trustees are very grateful to you for your letter of July 21, together with the covering letter which you wrote me under that same date. We have had the general letter mimeographed and distributed to the Yenching Trustees and to about fifty or sixty other friends of Yenching who are specially interested. We realize that the letter was written before any of the most recent developments in China had taken place, and admire the accuracy of your forecasts of what would probably happen during the coming weeks. Of course the tragical happenings in and around Shanghai during the past ten days have overshadowed the happenings in North China. We hope that this shift in the focus of the area of conflict has relieved to some extent the tension in the Peiping area. But we recognize, too, that the fundamental issues in North China have not been settled yet, and that the major crises there are probably still ahead of us.

We have been glad to receive the cablegram from Yenching reporting that the members of staff are safe and well, that the property has been unmolested and that the University is going ahead with its plans for opening as usual. Certainly you are following a most courageous course, and we are confident it is also the wise one. As a general rule an individual or an institution courageous enough to follow an unswerving course, as long as it is physically possible to do so, will not only win increased admiration and respect, but will avoid some of the dangers inherent in an attitude of timidity.

All of our Yenching Trustees and friends have been watching from day to day the developments taking place in China. Again and again they have asked themselves and each other what we can do to help. For the present it seems there is very little we can do except to go ahead as usual, follow the instructions coming to us from the field, and pray that Yenching may come through this crisis with increased strength and vitality as she has through so many other crises in the past.

Very sincerely yours,

BAG/am

04 19

August 23, 1937.

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

Dear Dr. Stuart:

Quite awhile ago Dr. Henry W. Luce showed me a letter you wrote him during the winter with regard to the administration of the Luce Scholarship Foundation, and asked my judgment on some of the proposals you make, which apparently are not quite in line with what Dr. Luce and his son had been thinking up to that point.

If I understood the situation correctly, it is briefly this. Dr. Luce had been going on the assumption that the scholarships provided under the Luce Scholarship Fund, would cover the amount of tuition and other special fees, and probably some or all of the living expenses of the students receiving aid from this source. Your suggestion is that a scholarship would cover the entire cost of the student to Yenching University. Since the tuition and other fees of the Yenching student do not cover more than twenty or thirty percent of the total cost of the student to the institution, the number of students who would benefit from the Luce Scholarship Fund would therefore be reduced from seventy to eighty percent. That is to say, instead of providing fifteen or twenty scholarships from the income of the \$50,000 Fund, the University would be able to provide only six or seven.

One can see much merit in either way of handling such scholarship funds. The usual conception of a scholarship here in the United States is that which Dr. Luce and Henry had in mind - that of supplying the student with just enough aid to cover his tuition and other fees and possibly to help with some of his other essential living expenses. On the other hand, our Associated Boards during the past year has been recommending that our Colleges give more emphasis to sustaining scholarships which would reimburse the institution for the entire cost to it of the student who is the beneficiary of a scholarship. We realize that a scholarship which only meets the student's share of the cost of his education, but does not help the University meet the seventy or eighty percent of the student's expenses provided by general funds, nearly always has the practical effect of increasing the institution's financial problems rather than solving them.

The practical problem which confronts us is simply that we have two entirely different interpretations of the word "scholarship". Personally, I strongly favor the type of sustaining scholarship which reimburses the University for the entire cost to it of the student benefited. But I do realize that we must be sure that the donors of scholarship funds agree with

0420

Page 2 -

this interpretation, and are not keenly disappointed when they discover that their gifts are providing for only a small fraction of the number of students they have visualized.

Dr. Luce did not make any special issue of this matter, and merely asked that I consult with you and then talk with him again. I have put the matter aside in the expectation that you would be coming to America this Fall, and we could deal with these questions at that time. But since the disturbances in China may make it impossible for you to come to America in the immediate future, I am sending you this letter instead. We would welcome your views and also your suggestions as to how we can best take up these matters with Dr. Luce, and if necessary, with his son Henry. Will you also tell us just what procedure is being followed in the 1937-38 budget in the handling of the Luce Scholarship Fund?

Very sincerely yours,

BAG/am

0421

August 23, 1937.

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

Dear Dr. Stuart:

We are grateful to you for sending us a set of the reports of the various administrative officers of the University to the Board of Managers at the time of its June meeting. These reports constitute a very interesting body of material, and reveal that during 1936-37 Yenching enjoyed a particularly pleasant and successful year of work.

We will share this information with the Yenching Trustees and other friends of the University, though the documents are too voluminous for us to reproduce in total for distribution.

The receipt of this material reminds me of a matter I have been intending for some time to mention to you. Apparently our New York office has not for several years received minutes of the meeting of the Yenching Board of Managers. We realize that with the changes that have been taking place during the last decade, in the relationship between the Board of Trustees and the Board of Managers, there is no longer the necessity which once existed for the Trustees to review all the actions and proposals of the Managers. Every one recognizes that the Board of Managers is now an independent board, accountable to the governmental authorities for its actions and not responsible to the Board of Trustees except in the handling of special trusts. Yet under these changes conditions, it would still appear desirable that we keep the Trustees as well informed as possible as to the activities of the Board of Managers.

There seems to be two main reasons why we should keep the Trustees in reasonably close touch with the Board of Managers. The first of these is that the Trustees will have more confidence in the Board of Managers if they know in a general way what they are doing. I frequently notice in our other China Colleges that as the American Boards of Trustees have kept in touch from year to year with the Boards of Managers in China, and have watched the things they have been doing, their admiration and confidence in these boards have increased steadily. It therefore follows very naturally, that whenever the time comes to transfer new responsibilities to the Managers that the Trustees make such transfers gladly and with a sense of

0422

complete confidence. If it were not for this quiet process of educating these Trustees with regard to the activities and dependability of their Boards of Managers, we would frequently get into difficulties, and sometimes have very serious delays, when situations arose requiring prompt delegation of responsibility from the Trustees to the Managers.

The second main reason for keeping the Trustees in touch with the Board of Managers is that this is one of the essential fields of administrative activity with which the Trustees should always be familiar. From time to time during the last few years, questions have arisen with regard to what the Managers have said or done on some matter under discussion, and it has then been awkward and embarrassing to be entirely without direct information. The Trustees have never made an issue of the matter and we hope there will never be an occasion for them to do so. But from a legal standpoint it is somewhat an anomalous position for a Board of Trustees to be sending several hundred thousand dollars to China each year to be administered under the direction of a Board with which they do not have any direct contact, and whose minutes they do not ever see.

Frankly I do not know just why the minutes of the Board of Managers have not been coming to us during the last few years. I have not checked back over the files thoroughly enough to see at just what point the minutes ceased arriving or whether there was any correspondence from the field or from the New York office with reference to the matter at that time. My impression is that the custom of sending the New York office copies of the Managers' minutes was discontinued without there being any particular comment on the matter from either end of the line. I am bringing up the matter in a purely unofficial way now merely to get your views on the subject and to have your suggestions as to our procedure in the future. We have no thought of the former procedure of sending all Trustees copies of the Managers' minutes or having these minutes formally reviewed by the annual meeting of the Trustees. But it would seem to me a wise procedure to have a few copies of each set of minutes sent to us so that a complete file would always be available here in the New York office, and matters of special interest could be brought to the attention of at least the Executive and Finance Committees.

Very cordially yours,

BAG/am

0423

Copy for New York

August 25, 1937

Dr. F. D. Gamewell
4709 Pine Street
Philadelphia

My dear Dr. Gamewell:

The enclosed message will assure you that your eightieth birthday was being remembered here even though it could not be sent so as to reach you before the day. No commercial telegraph or radio messages have been possible for weeks past and the American Embassy has found its naval radio so overloaded that it has been compelled to refuse all private messages that are not matters of vital importance.

The situation from which this message starts on its long journey will remind you vividly of experiences thirty-seven years ago in which you took so heroic and useful a part. I hope that we who are serving here now will be not unworthy of your example, as I for one have certainly been inspired by it.

I am delighted to know of the success of the Gamewell Fund and shall have an added joy in the use of the income from it as I recall your noble life and the happy associations of many years with Mrs. Gamewell and yourself.

Very sincerely yours,

J. K. S.

0424

Professor George D. Hubbard
Department of Geology
Oberlin College
Oberlin, Ohio

Dear Dr. Hubbard:

Thank you for your letter of
August 23rd written from Salt Lake City.

We can quite appreciate the perplexities which have confronted you as you have considered the question of whether you should proceed with your journey to Peiping. We all realize that the situation in China is a very serious one and - what is even more important - that it is likely to grow worse before it begins to improve. Our information up to the present moment indicates that Yenching is going ahead with its plans to open at the usual time, but we realize that any day may bring new developments which will compel the University to modify these plans. Also, there is the practical question of whether any of the travel routes to Peiping will be sufficiently free during the coming weeks to justify your starting on a journey to China at this time.

We do hope, however, that even if Yenching is not to be privileged to have you this year, the situation in China will improve to the point where it will be possible for you to go out a little later.

These are sad and troubled days for all of us who are the friends of China. But we do hope that out of the tragic events now taking place will rise a stronger and more unified nation as well as a new and firmer foundation for enduring peace in the Far East.

Very sincerely yours,

BAG:MP

0425