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學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

November 1, 1937

TELEGRAPH ADDRESS
"YENTA"

OFFICE OF THE PRESIDENT

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

My dear Garside:

I am sending you herewith another report to the Trustees. As always, I leave it to your discretion as to any further use of it. I hope copies will be sent to the personal list which Miss Van Sciver has, including the Kurries, Fred Eldridge, Dean Milam, and Mrs. F. K. Sims, Cleveland, Tennessee. Members of our faculty now in America might want to have copies. Please send copies to the addresses in England which were to be included, and see that Mr. Michael Lindsay has one, care of President Aydelotte, Swarthmore College. Any of the material may be used if there can be assurance that this would not be attributed to me.

In view of comments in letters recently received, I wonder whether all the letters sent from here are reaching you. It may be well for you to acknowledge all that do arrive as a routine procedure so that we could check up when there seemed to be occasion. I have sent reports like the present one under dates of July 21, September 3, and 16, and several letters via Siberia. I am still puzzling as to the reason why we have had no reply to the cable about Arthur Rugh received by you according to our tracer, October 9. The letters to Mr. Hedrick and yourself written on the same date ought to be reaching you about this time. I am hoping to have a reply to the cable sent October 28.

To give you an idea of the prevalent tension and the ease with which baseless rumors continue to circulate, about ten days ago the Associated Press correspondent in Shanghai telegraphed to Mr. White, who represents the A P here, asking him to verify the statement made to him by missionaries to the effect that 200 Yenching students had been taken out and shot by the Japanese. The next day I received a telegram from our Yenching alumni in Hankow asking if it was true that Yenching had been closed. Night before last the Nanking Government Broadcast announced in Chinese that, based upon a letter from me, Yenching had been closed because 20 of our students had been arrested in Haitien, the statement being repeated in English last evening. Actually, it is surprising how quietly life is continuing on our campus.

Very sincerely yours,

J. Leighton Stuart

Please mail the enclosed to Mrs. Parsons, present address. Send her a copy of my report.

Taken Care of
H.M.

Copies also to

Notes
H.M.

Rev. S. J. Moffett, of Union Theological Seminary
Richmond Va.
Mrs. Margaret Caruth, 3715 1/2 North Creek Drive
Dallas, Tex.
Mrs. Arthur Choate, Pleasantville N.Y.

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Confidential

YENCHING UNIVERSITY

Peiping, China
November 1, 1937

To the Board of Trustees:

Now that our fears of several years have been realized and we are actually in the area of Japanese military occupation you may be interested in a report on some of our earliest observations and experiences.

I. Japanese control of thought and behavior. We are all quite familiar with the absolute suppression of "dangerous thoughts" and the regimentation of conduct even in Japan, more cruelly drastic in Korea and Manchuria. Scarcely was the fighting over in this region when the same techniques began to be applied with the customary thoroughness in detail and their relentless enforcement. This may be illustrated by their policy in regard to newspapers and education.

(1) The Press. There had been two Chinese dailies which were official organs, one of the Kuomintang the other of the Hopei-Chahar Political Council, another privately-owned liberal daily with both morning and evening editions. These three most widely-read papers were compelled almost immediately to change hands and become not only crass organs of Japanese news and propaganda but so patently translations of Japanese material that the style alone made them offensive and not always intelligible to their former readers. The circulation dropped at once to 1000 copies each or less. Even an extremely popular "mosquito" paper with a circulation of 80,000 dropped at once to 3000. The reduced circulation in all these cases was partly due to interrupted communications, the departure of many old residents and the general economic distress. But it also registers a lack of confidence in the contents of the papers. Compulsory circulation is now being effected by requiring each shop to subscribe to one or more papers and households to subscribe in groups of three. Our city has been fortunate in having The Chronicle, an admirably edited liberal and impartial English daily, which is changing hands today. This achievement is an excellent illustration of Japanese methods. The editor being British, the property British registered, and the editorial staff nationals of England or America, no injury could be done directly. The delivery agents have therefore been repeatedly attacked by ronin (Japanese gangsters) and finally the Chinese business manager and his assistant put in prison (with of course no charge or process of trial) until the editor would agree to sell out. Radio broadcasting from Nanking is invariably obstructed by an installation that makes listening often impossible and always unpleasant. Periodicals subscribed to by residents here are destroyed in the local post office if objectionable to the Japanese. Thus I have had only one number of the China Weekly Review since early July. By all such means acceptance of the Japanese view-point is to be forced upon those living under their domination.

(2) The Schools. Principals of middle and primary schools are required to use text-books on history and geography from which have been deleted all references to the Kuomintang, Communism and whatever might be harm-

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ful to "friendly relations." This represents the excision of whole pages or of paragraphs all of which have to be hastily pasted over with new material. Enforcement of this is exceedingly strict. Text-books on "Citizenship" cannot very well be revised without almost total re-writing so that "Ethics" has been substituted. But since there are no suitable texts the hapless primary school pupils must study the Analects of Confucius and the Book of Mencius, both intended originally for mature government officials while those in secondary schools read selections from the abstruse Book of Rites and the Book of Changes which even erudite scholars find it difficult to interpret. Japanese is required throughout in every grade. At any time on summons from headquarters the principals must escort teachers and pupils to lectures by Japanese (in Chinese at least as unintelligible or jarring to the ears of the listeners as was ever true of missionaries) on the benevolent intentions of the Japanese army etc. The pupils are required to write on themes describing their gratitude to their conquerors, or letters to be sent to school children in Japan, and any failure to please the inspectors means punishment of the kind that guarantees compliance. Moving-pictures are staged of pro-Japanese demonstrations and the children are compelled to go through the prescribed performances.

These are suggestions of the inexorable determination to break the will and pervert the intelligence of the abjectly cowed population, literally at the point of the bayonet. Plastered everywhere on walls, street-cars and all such objects are slogans extolling the beneficent aims of the Japanese army, urging the secession of North China from the corrupt Nanking Government, etc. But despite all of these pretences and their heavily financed publicity, the sordid purpose of all this armed aggression is all too evident in the plans for exploiting mines and manufactures, controlling business, and securing jobs, which follow rapidly after each military gain. The real motive is economic and other aggrandisement for the Japanese nation with no regard for others. This also is achieved at the point of the bayonet. Having known much of what has really been the treatment of the unfortunate populations of Korea and Manchuria - most of which is never published - I have seen enough already of Japanese rule to be more than ever convinced that they are morally unfit for the mission they have arrogated for themselves. Notwithstanding superficial indications and plausible assertions, there is nothing altruistic about Japanese domination, and the native populace are crushed in spirit with no compensating material benefit.

II. The relationships between the Japanese and Yenching. There is a strange anomaly between our environment as suggested above and our own experience. All of this would indicate not only that they tolerate us because of connection with western nations but that they are quite willing to have us carry on provided that we indulge in no anti-Japanese or communistic activities. These I have explicitly assured them would not be permitted, and that I would be personally responsible for the conduct of our faculty and students. We have constantly arising "incidents", annoying to us, and doubtless due to suspicions or fears of theirs. But in each case it has been due to misunderstanding, and a first-hand explanation has done more than clear it up to their satisfaction. It has made the relation more friendly. We have special privileges such as in the use of identification cards which secure exemption from the irksome search of every person going in or out of the city gates. One of our graduates with a Yenching B.A. and M.A. after three years further study in the Imperial University, Tokyo, has come here to be my secretary in all contacts with Japanese while also helping in the Japanese courses

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(which we have always offered). He has proven to be much more than an interpreter or messenger, and has helped to establish mutual understanding and social amenities which are invaluable in so tense and delicate a situation. I am making a point of meeting the higher military officers. It is common knowledge that the Japanese have for years had an extensive and efficient intelligence service all over China. Whether the reports reaching their headquarters about us are from spies among us or from other paid agents, or are instances of the baseless rumors that are everywhere rampant, they have been, as far as we can learn, untrue or due to misapprehension. The only sane course would seem to be to carry on normally and so openly that we have no objection to spies observing all aspects of our campus life, while cultivating such personal relations with the ranking officers that we can appeal to them when there is occasion. Thus far there has been no interference with us as an institution. Nor has there been harm to any of our people or property, nor any imposition of the propagandist or repressive measures described above.

Whatever the outcome of the fighting and of negotiations already being sought on the Japanese side, it is inevitable that there will be a permanent increase of Japanese influence in this area. As a matter of expediency therefore I am taking tentative steps to form some sort of connection with leading educational bodies in Japan, analogous perhaps to those we now have with Harvard, Princeton, Oxford, etc. This ought to be our best insurance against conflicts with the military or with their petty agents, both Chinese and Japanese, who not unnaturally exploit the situation to their own advantage. But entirely apart from all pragmatic considerations it may well be that we should undertake some such association on broadly disinterested and idealistic grounds. These two peoples must go on living closely interrelated, whatever be the outcome of the present hostilities. This will be particularly true of North China. If any group should begin now to plan for the healing and reconstructive processes which must follow this terrific outburst of hate and fear it should be one with our liberal and international and scholarly and Christian traditions. The intellectuals of both countries, especially in so far as inspired by spiritual beliefs, ought to meditate the wiser methods and truer insights by which each can secure what it needs from the other by mutual consent and benefit. In view of the bitter jealousy of England and the United States because of their superior influence in China which unquestionably underlies and helps to explain the Japanese fury, Yenching can render a gracious service by taking the initiative in so inclusive an international fellowship. It would be a beautifully Christian attempt at helping toward peace and constructive goodwill.

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- III. The political outlook. Meanwhile in a situation so fraught with problems and potentialities the fate of Yenching would seem inextricably linked with the form of government to be established in North China. Should Japanese militarism be allowed to govern here as it has elsewhere in territory it has conquered its purposes and ours - as I have frequently emphasized - cannot be reconciled. Sooner or later their methods of eliminating objectionable influences would be applied to us and against them we would be helpless to hold both teachers and students or to maintain what to us are vital principles. Our salvation lies rather in the factors which will modify their grip on this area. They themselves realize that because of cultural and historical associations, the large foreign interests, and the huge administrative costs, they cannot treat this section quite as they have done in Manchuria. The Chinese resistance in Shanghai and even in the North may lead to an eventual settlement that guarantees at least a semblance of Chinese sovereignty and of integration with the national government. The revulsion

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of popular sentiment against Japan in other countries, even though no formal pressure is brought to bear by their governments through the Brussels conference or otherwise, will have a restraining influence. More concretely the Japanese have been trying for nearly four months to set up a "North China Autonomous Government." But having from past experience realized the disadvantages of utilizing disreputable Chinese hirelings as their puppets in such adventures they have been facing the dilemma of resorting again to this device or of trying to persuade any decent Chinese to do their bidding, especially after their recent behavior. They are now working hard upon an elderly retired official who is seriously considering acceptance of leadership in this movement on certain conditions. There is no hope of any immediate recovery of China's rights in this region through a military victory nor perhaps through international arbitration. If the administrative control can be guaranteed as really Chinese and his insistence on securing the approval of the National Government be acceded to by the Japanese, he feels that it may be his best service to the country to undertake this rather unenviable task. He and three or four other Japanese-educated friends are now in constant consultation with the diplomatic representatives of the Japanese army discussing terms. He happens to be from my birth-place and this tie always strong in China together with an acquaintanceship of years and his dependence on a former Yenching student, who is helping the delicate relations with the Nanking leaders and the Governor of Shantung, have led the group to keep me informed. I am encouraging his acceptance as being preferable to the only other alternative of direct Japanese military administration under a thinly disguised front of venal or worthless Chinese. It may be that after the passions fomented by the present fighting will have been somewhat softened this temporary structure can be dissolved into the national government. If Japanese statesmanship will meanwhile have become more genuinely ready to find a permanently peaceful agreement with China on the basis of friendly equality this could even be with the approval of that country. Just now the Japanese are endeavoring as usual to create disunion by achieving a secession movement in the North and a separate armistice in Shanghai, but the group I am in touch with are very properly insisting that any settlement must be on national lines. Whether anything will come of this particular phase of the struggle you will probably know by the time this reaches you. The Chinese leaders will probably all insist on a return to the status quo prior to the "Seventh Seventh" (July 7) and may feel themselves able to continue their resistance, military or otherwise, until that is conceded. Other countries could help at least morally by supporting this contention as the right and reasonable settlement. I have gone into such detail because it at least indicates typical elements that must be reckoned with in any solution and the probable trend of events. On the whole this would seem at the present writing to be toward an adjustment that will enable Yenching to carry on essentially as hitherto. If this proves to be the case, I have pointed out in previous communications how recent happenings have accentuated the meaning and value of all that we are trying to do for China and can safely leave any further description of this to your own imagination.

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\$95,000 Obligation
of the
Board of Foreign Missions of the Methodist Episcopal Church
to
Yenching University

To Members of the
Finance Committee of
Yenching University

You will recall that the Board of Foreign Missions of the Methodist Episcopal Church purchased from Yenching University the Old City Site; that the original price to be paid for same, as determined at a conference between representatives of the Methodist Board and the Yenching Board, was \$225,000; that the Methodist Board has made payments against same from time to time until now, the unpaid amount of principal due being \$95,000.; that there was an understanding that the Methodist Board would pay interest on this amount at the rate of 5% until the balance of said principal was paid.

Dr. Diffendorfer and Dr. Ehmes of the Methodist Board have been very anxious that this obligation be paid in order that all accounts between the Methodist Board and Yenching University would be squared. The financial condition of the Methodist Board has made it impossible to make payment of this balance due.

However, there has been considerable conference between Dr. Diffendorfer and Dr. Ehmes and myself in reference to the payment of this balance; and they have earmarked certain funds in their possession as applicable toward retirement of this obligation as soon as same can be liberated. The amounts in their possession and available for same are as follows:

"C" Fund	\$54,152.25
"W" Gift	25,000.00
Conditional pledge applicable for this purpose	10,000.00
Required from other sources	5,847.75
	<u>\$95,000.00</u>

The income of the Board is increasing, and it is reasonable to suppose that if this increase continues, the year 1938 may find the Board in position to pay the principal of this obligation. There is a faint hope that possibly even before the end of 1937 the Board may be in a position to seriously consider the payment of this amount.

Interest on Above Obligation

Owing to the financial condition in which the Methodist Board found itself in 1933, Dr. Ehmes requested that Yenching University should moderate the annual interest payments.

This request was submitted to a joint meeting of the Executive Committee and the Committee on Finance, Property & Investment of Yenching University, held May 26, 1933. The following is the record of the action taken at that time:-

"The Secretary reported on a conference held earlier in the day between representatives of the Methodist Episcopal Board and the Yenching Special Committee appointed under action T-3193. The following were present: Dr. John R. Edwards, Dr. Morris Ehnos, Dr. George Suthorland, Rev. Frank T. Cartwright, and Rev. O. J. Krause of the M. E. Board; and Mr. E. M. McBrier, Dr. Eric North, Mrs. O. R. Williamson, Mr. B. A. Garside, and Mr. C. A. Evans of Yenching University. As a result of the discussion, it was agreed to recommend that interest on the \$97,398.15 owing Yenching on the 'Old City Site' be reduced to 2-1/2% during 1933 and 1934.

"After considering these recommendations, it was

"MEP-3212 VOTED to agree to waive one-half of the interest due from 1933 and 1934 on indebtedness of the Methodist Board for the Old City Site."

In compliance with above action, the Methodist Board paid interest at the rate of 2-1/2% during the years 1933 and 1934.

They continued to pay at the same rate into 1935 and 1936. This carried the 2-1/2% rate beyond the date authorized by above action.

The first unauthorized payment at this rate was made on July 3, 1935, for the six months ending July 1st of said year. The payment was received in this office during the vacation period, and my attention was not called to the error until September 1935, when I took the matter up with Dr. Ehnos.

On January 2, 1936, another payment at the same rate was made for the last six months' interest of 1935. Dr. Ehnos' attention was immediately called to this second erroneous payment by Mr. Evans.

On March 13, 1936, upon my return, I wrote Dr. Ehnos, calling his attention to payment of interest at the unauthorized rate, and stated that "your Board is therefore owing Yenching University \$2,434.95, being the additional 2-1/2% for the calendar year 1935."

On July 1, 1936, the Methodist Board again sent a check on debt at the unauthorized rate. Again their attention was called to the fact that they had made no request for the continuation of the special concession which was granted for 1933 and 1934, and we stated that we would credit the amount of the check on the accrued interest but advised them that the proper method was for them to make a request that could be properly acted upon by the Yenching Finance Committee.

Prior to this date, - namely on March 13, 1936, the Methodist Board had received from an interested party a conditional pledge applicable to the payment of the principal of this debt, and I had begun to have conferences with Dr. Diffendorfer and Dr. Ehnos with reference to raising the necessary additional amount so that the principal in its entirety could be paid off.

Hence, inasmuch as they were desirous of cooperating and paying the entire principal, and inasmuch as both Dr. Diffendorfer and Dr. Ehnos were

giving their personal attention toward the securing of additional funds so that this could be done, we considered that it was best to hold the matter of interest adjustment in abeyance until the principal had been cleared off; and then the subject of interest could be brought before a mixed committee to determine what was equitable in the circumstances.

Inasmuch as payment of the principal has been delayed due to the inability of the Board to liberate the amounts heretofore set forth for application to said payment of principal, and hoping that before 1937 passed it would be possible for the Methodist Board to clear up the principal of the debt, the subject of interest has not heretofore been presented to the Finance Committee of Yenching University. Inasmuch as this payment of principal has been so long delayed, we feel this matter should be brought before the Finance Committee of Yenching University, in this statement, in order that the advice of the committee be given as to what is desirable in the circumstances.

No interest has been accepted since July 1, 1936. The Methodist Board tendered a check on January 2, 1937, for the interest on principal for the last six months of 1936 at the old basis of $2\frac{1}{2}\%$; and this check was returned to Dr. Eanes' office and his attention called to the fact that this special rate of $2\frac{1}{2}\%$ was a special concession for calendar years 1933 and 1934, that the Methodist Board had continued to pay at the same rate for 1935 and the first half of 1936 at this rate, although their attention had been called to the fact that no authorization for us to receive the money at that rate had been given; that we felt we should no longer accept interest payments at that rate; and that inasmuch as a method was under consideration to pay off the principal, the matter might be best deferred until said payment was made, when the whole matter could be presented to the Finance Committee of Yenching University in due form and an adjustment of back interest considered.

The accrued interest as of December 31, 1937, is as follows:

<u>Due</u>	<u>Due</u>	<u>Paid</u>	<u>Balance due</u>
July 1, 1935 (for first 6 mos. 1935)	\$2,434.94	\$1,217.47	\$1,217.47
Jan. 1, 1936 (" last " ")	2,434.94	1,217.47	1,217.47
July 1, 1936 (" first " " 1936)	2,410.00	1,205.00	1,205.00
			<u>\$3,639.94</u>
Jan. 1, 1937 (" last " " 1936)	-		2,325.00
July 1, 1937 (" first " " 1937)	-		2,325.00
Jan. 1, 1938 (" last " " 1937)	-		2,325.00
			<u>\$10,614.94</u>

Very truly yours,

(Signed) E. M. McBRIER

Treasurer

ROC

YENCHING UNIVERSITY

MEMO:

OFFICE OF THE PRESIDENT

Recd. 11/19/37
Nov. 6/37
Sent to T. J. J. J.
12/16/37
P.S. I am enclosing an editorial which illustrates how the new pro-Japanese editor of the Chronicle is utilizing our situation to discredit the Nanking regime and to extol the liberty under the present one. The statements about prohibition of religious teaching are of course false, as only required courses on religion and compulsory attendance at worship were prohibited, and these did not affect

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us in any case. The new editor is an Irish Roman Catholic.

To indicate further how we are in danger of being made use of to prove the stability & good will prevailing here, I called a few days ago on General Kita, the ranking Japanese military man here, and had a friendly interview in which I described our positions. It was at once telegraphed to Tokyo and broadcast that I had expressed my desire to cooperate with them &c! All this may create bad ill feeling against us in China. So we must guard ourselves in two directions. But it implies that we are a factor to be conciliated. L.L.S.

Nov. 5, 1937

Friday, November 5, 1937

RELIGIOUS FREEDOM

Repeated broadcasts from Nanking and Shanghai have reported that Yenching University was forced to close on account of local interference. Everyone here knows this to be a downright falsehood. The university is going ahead with characteristic vigor, and the local authorities, far from hampering the university, have greatly contributed to its continuation. In justice to President Leighton Stuart it should be noted that he wrote to the Central News Agency and corrected the reports; but it is regrettable that corrections travel slow while sensational untruths have wings.

This seems to be a good opportunity to refer to the problem of religious freedom in the universities and schools which the Central Government, through its Ministry of Education, has done so much to stifle, with what results we see in Peking today. If, under the government's authority broadcasts hurtful to Yenching are issued, it seems reasonable for the university to take stock of its position with respect to the Ministry of Education. The northern administration, perhaps, takes a more reasonable and liberal view towards liberty of conscience in the teaching institutions, and if it decides to exercise control over the universities the opportunity may be here to throw off the yoke laid upon educators by the Nanking ministry. Chancellors appointed by the Peking government should be amenable to reason and not swayed by the atheistic bigotry apparent among certain communistic elements of the Kuomintang.

Yenching, like so many of the great Christian teaching organizations of China, was founded by Christian money and inspired conducted by Christian leaders and teachers. The core of the foundation was spiritual and not materialistic. But, following the narrow lead of some western countries, the Ministry of Education, in laying down laws of governance and centralization, prohibited the teaching of religion. The university had to close or amend its program. Possibly looking ahead to more liberal days, the university directors decided to conform rather than lose the benefits of so much work. And, instead of being a Christian university by direct teaching (although without pro-

selityzing), Yenching has to cleave to the Nanking curriculum and rely on the indirect method of the personalities of its Christian staff. The same argument applies to other universities.

Even for a non-Christian university to prohibit religious instruction is unreasonable, considering the tremendously important part played by religion in human life and affairs. Very few of the leading centres of culture in the world omit the spiritual factor from study and China should not be permitted to lag behind in this respect. Important sacrifices have been made by Christians in all countries, from Denmark to Japan, from Poland to Scotland, in every state of the American Union, and these should be fully respected inasmuch as their large and small contributions were made in order to give the Chinese the benefit of spiritual experience. Was a strong enough resistance offered by the trustees of these charitable people when the Ministry of Education pronounced its anti-religious dictum? If not,

then there is yet time to make a gesture for religious liberty. Involved in this proposal is the whole question of freedom—for if the government can ban religion it also can distort history and project politics into the university classroom.

The University guardians, Yenching or any other, doubtless have to be cautious and prudent, and to use expedient means to gain proper ends; there are times, too, when strength and boldness are the weapons of rightfulness. And they may be used when the universities are in a position to win their way.

Here it should be mentioned that the universities and schools founded by Christians have no intention of forcing students into the mould of their beliefs; but they do require, and should be allowed to conduct, classes in religion as part of the curriculum at the option of students and their guardians.

(Written by a Japanese Editor)

November 15, 1937

Dr. J. Leighton Stuart
Miss Mary Cookingham
Yenching University
Peiping, China

Dear Friends:

Copies of the minutes of the November 10th meeting of the Finance Committee are enclosed herewith.

One of the main considerations of this meeting was the review of the agreement on the Old City Site. The memorandum which the treasurer presented to the committee in advance of the meeting, and very careful consideration was given to the whole situation. Mr. McBrier feels very keenly the way the situation has been handled, and is doing everything possible to bring the Methodist Board in line. We have had several individual conferences, but the Methodist Board is not in a position at the present time to release funds to cover this indebtedness. When one realizes they are borrowing money to carry on their work, and paying interest at the rate of three to four per cent to the bank, and that the income from living donors has only slightly appreciated, we can realize only too well the difficulties in which they are involved. The president will appoint a committee to confer with the treasurers of the foreign board in an effort to arrive at some conclusion covering the payment of interest. *forms a part of the minutes*

The Annual Report of Thomson & Company. This was reviewed with great satisfaction by the members of the committee, and the secretary was instructed to convey to the field congratulations on the method of handling the finances last year, even though at the present time we are so deeply concerned over the present situation.

The Reports of the Treasurers of the Board of Trustees and the College for Women require no further comment. They are altogether too voluminous as they are. Several efforts to curtail some of the items have only brought questionings, and as a consequence we continue them as in the past.

Aluminum Company Back Dividends. The application of surpluses and the Aluminum Company back dividends will reduce outstanding indebtedness to a small margin. It is hoped that hereafter funds will be set aside for all activities calling for expenditures, rather than to entail deficits for which no funds are available.

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Dr. J. Leighton Stuart
Miss Mary Cookingham

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Banking Account for Harvard-Yenching Account. The committee reviewed the request for a Harvard-Yenching banking account, and felt that it was not in the power of the Board of Trustees of Yenching University or any of its committees to authorize such an account in the name of Yenching University. It would seem that some sort of name which does not definitely designate Harvard-Yenching Institute as the governing agency might be devised. Another feature of the situation is the growing demand on the part of banks in this area to consolidate accounts rather than to split them. If, however, you find that there is a real need for this division, and can frame a convincing appeal, I am sure that the Trustees would lend whatever assistance is possible toward helping you out. In framing such an appeal I would suggest that you present averages of bank balances, both in the General University and Harvard-Yenching accounts.

Transfers in Building Accounts. The specific ones recommended recently were approved, and the renewal of those made in 1934 were returned to the treasurers for further study and consideration, with power to act.

Report on Investments. This report brought up to date the transactions of the Investment Committee, and gave full approval for the changes in securities which have been made. The present market shows a slight depreciation of the entire holdings of the University, but the position we are holding in purchases is so satisfactory that there seems to be no cause for apprehension at the present time.

Very sincerely yours,

CAE:RC
Enc.

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學大京燕
YENCHING UNIVERSITY
PEKING, CHINA

November 16, 1937

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

ack 12/14

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

My dear Garside:

*noted
J.M.*

Stephen Ts'ai left here yesterday for Shanghai and will take the first steamer he can either from there or from Hongkong. We are hoping that trans-Pacific steamers will begin now to call again at Shanghai. He will cable or send a radio message from the steamer to let you know of his date of arrival. He is planning to proceed directly to New York. I hope that before his financial efforts with others begin, there will be ample opportunity for him and you to get to know each other well and for him to meet with the more active Trustees personally and in committees. The holiday season may, to some extent, interfere with such plans, and may on the other hand, give especial opportunity. In any case, it will be to mutual advantage to have conferences about the financial interests of the University and its policy and outlook in view of recent happenings in China before any public efforts are made.

*noted
J.M.*

Mr. and Mrs. Rugh are planning to take the Empress of Canada leaving Japan about the end of December, and will proceed direct to Tacoma to spend his birthday with their son Douglas. I hope that there will be the sort of thorough preparation for him which will utilize his time to the very best advantage. In view of the fact that he depends entirely on his Y M C A pension and that expenses in the States will be somewhat greater than he could afford to meet unaided, some equitable arrangement will be worked out for providing his extra travel and other costs. If Mr. McBrier meets him on the Pacific coast, this matter might well be worked out by the two of them together, or a decision reached in whatever way may seem most satisfactory to the Trustees.

There are no special developments in our local affairs. As a general basis of understanding, let us agree that any important change in our situation, or affecting any individual member of the faculty with friends in America will be at once communicated to your office by cable. Friends or relatives of members of our community need, therefore, feel no anxiety unless word is received by you. In general, it can be assumed that our problems from now on will lie in the direction of administrative and educational relationships rather than in that of physical danger to people or property.

Very sincerely yours,

Heighen Stuart

jls c

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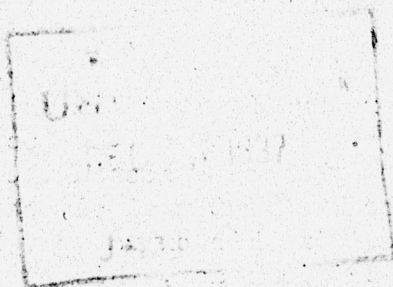
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November 17, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

I enclose herewith a copy of the minutes of the meeting of the Yenching Committee on Promotion, held November 3rd. We are sorry that action on the cable with regard to the invitation to Mr. Rugh was so long delayed. I made several unsuccessful efforts to get the committee together before we finally were able to arrange the meeting. We also talked with some individual members to see whether we might get action by common agreement without waiting for a formal meeting, but it was their judgment that the matter was of such importance as to make committee discussion and decision necessary.

Your letters of October 8th addressed to Mr. Hedrick and myself, discussing the proposal that Mr. Tsai also come to America for promotional work, arrived just a few hours before the meeting on November 3rd. The Committee therefore discussed the two proposals together. It was cordially agreed that we would be happy to have both Mr. Rugh and Mr. Tsai here in America to assist in the financial campaign during the coming year. The Committee therefore took the action indicated in P-3553 and we got off a cablegram immediately afterward. We hope that the wire got through promptly and that it gave the information for which you were waiting.

In your letters you suggest a possibility that Mr. Tsai might start for America shortly after receiving our cable. Of course, we would be glad to have him arrive at whatever time is convenient for him, although it would probably be the middle of January before he could undertake any effective promotional work. From the standpoint of our promotional plans, it would seem wiser to have Mr. Rugh and Mr. Tsai arrive at about the same time on the west coast, and to begin their work there together about the middle of January. We would not be able to get any effective organization set up before then. Also, if Mr. Tsai were to arrive earlier and come direct to New York, there would be the additional expense of two trips across the United States if he was then to return to the west coast to begin work in January.

Of course, Mr. Rugh and Mr. Tsai will have clearly in mind the present psychological attitude in America with regard to contributions for China. We have found that there is a very widespread interest and sympathy for China, and in general people are quite willing to give as they are able toward emergency needs, and toward immediate relief of suffering. Very few friends are however, inclined to make any substantial gifts or pledges just

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November 17, 1937

now for capital purposes, either endowment or buildings. They are inclined to say let's wait and see what develops from the present crisis before we make any commitments for the future. Of course, it is impossible to predict just how long these conditions will continue. We must take into account not only the course of events in the Far East, but also the economic situation in North America. There is increasing evidence that business men throughout the country are in a serious state of jitters. There has been a marked recession of business activity during recent months. Many leaders are saying with increasing emphasis that the policy of the Administration is gradually forcing every type of business out of existence, because of its pressure from both sides - advocating on the one hand a labor policy that requires higher wages and shorter hours, and on the other hand maintaining a policy of taxation which cuts off any possibility of substantial profits, or even payment of indebtedness or expansion of business. Just now there are signs of hope that the Administration is awakening to the situation and that we may have some reversals of policy which will permit business to resume its progress. But unless something is done speedily the United States may be facing a much more serious depression than that of 1929, with vast government expenditures and substantially increased potential income from taxation. All such considerations as these must be taken into account in planning our Yenching promotional work.

You will note the enclosed confirmation copy of our cablegram of November 10th. This was sent at the request of Dr. Stevens of the Rockefeller Foundation. He had just received from Yenching a message which was unintelligible to him. It contained a request that Ferdinando come to Yenching for the second semester. We trust that you were able to send him some explanatory cables which cleared up the matter for him.

We received at about the same time two of your letters addressed to the Board of Trustees. The first was written on September 16th and the second on October 8th. Thus the early letter was delayed more than three weeks in transit. We immediately circulated among the Trustees your letter of October 8th, together with somewhat briefer excerpts of your letter of September 16th.

Very sincerely yours,

BAG/am

Encl.

0490

November 19, 1937

Dr. Henry W. Luce
741 Millbrook Lane
Haverford, Penna.

My dear Harry:

I have a letter from Garside under date of August 23 regarding the Luce Scholarship Fund. It was long delayed in reaching here, as has been true of most American mail since the hostilities began, and was then put aside because of all the preoccupation with more immediate problems. I gather from his letter that you were not entirely satisfied with the suggestion I had made to you, that these scholarships be so planned as to benefit the institution as well as each student concerned. My intention was to make this a precedent for a form of aid to worthy students, which, while providing enough for their needs would also contribute the cost to the University in maintaining them. It might thus prove to be an attractive item for other donors to select, and thus build up a source of support for the institution, while enlarging the number of students to be aided, and giving the donors a more concrete and personal touch with them. If any friends of Teaching would feel the force of this appeal, it would be Henry and yourself. On the other hand, I want you to be entirely happy in the use of a fund which I am quite sure Henry has intended to accomplish this, and know you well enough to write to you in full detail, with the expectation that you will be entirely frank in indicating your preference, and letting that be the determinative element in the decision to be reached as to the use of this fund.

We estimate that the minimum student budget for the session, not counting the summer, but including all University fees and personal expenses is about \$350 - 400 l.c. Of course many of them spend more than this. The Scholarship Committee recommends that no scholarship over \$300 l.c. be awarded to any student. The scholarships awarded during 1936-37 amounted to \$7,600 l.c. The Committee expected to use \$10,250 l.c. during the present session, but because many to whom scholarships had been awarded have not returned this year, we shall probably not use more than about \$7,000 l.c. Toward this amount we have the following funds available:

New York U.S. \$830.00 exchanged @ 3.30	L\$2739.00
Special U.S. \$300.00 exchanged @ 3.30	990.00
Local Funds	956.00
Luce Scholarship Funds	1300.00
	<u>L\$5985.00</u>

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In addition to these strictly University scholarships we have others from various sources which are handled through our Bursar's office, amounting to \$8,920 l.c.

Returning now to the Luce Scholarship Fund, a suggested budget for the current year is as follows:

For 1937-38 \$2000.00 U.S. @ 3:1	L\$6000.00
Estimated exchange profit for 1937-38	500.00
Required for Luce Pavilion	L,500.00
6 Students (5 @ \$200, 1 @ \$300)	1300.00
Sung Chen Yu, Freshman	\$200
Tung Ming Ta, "	200
Li Chen, "	200
Chiu Yu Jen, "	200
Chen Tsung Chi, Junior	200
Ho Kuo-Liang, Freshman	300
Available for University (\$6000--1300)	4700.00
	<u>L\$6500.00</u> <u>L\$6500.00</u>

Under normal conditions each student costs us approximately \$1000 l.c. per annum. The assistance to the institution is, therefore, quite considerable by this arrangement. It may be that if these boys continue to merit assistance, the amount could be increased for the freshman year. Of course if you decide that the whole amount should be used for individual students, the number who could be helped would be very considerably increased.

The political changes which have come have decidedly reduced our annual income. There is little likelihood of securing a renewal of the Ministry of Education grant of \$60,000 l.c. Whether or not we can restore our quota of 800 students hereafter is wholly uncertain. Even apart from losses from the Chinese government and tuition, we had not sufficient assured income and would in any case have inaugurated endowment efforts both in China and in America this autumn had it not been for the outbreak of hostilities. It will be many years perhaps before we can renew any such efforts in China, and I do not anticipate that many Americans would consider contributing toward endowment under the present disturbed conditions. We must, therefore, raise fairly large sums annually in order to keep going even on our present minimum basis. This explains why Stephen Ts'ai and Arthur Rugh are going to the States to help in this undertaking. If we could think of \$300 U.S. as providing a scholarship for a student and aiding substantially toward his cost to the University, it might be a very attractive proposition. Of course to be absolutely consistent we might think of \$1000 l.c. plus the scholarship, but the present suggestion seems to me, on the whole, preferable. With this explanation I leave it to

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your own good judgment in consultation with Henry, Carside, and some of the Trustees, if you wish to bring them into it. In any case, I hope you will talk fully with Stephen Ts'ai, with whom you will enjoy discussing other University affairs.

I hope that you will give all the time you can toward helping Rugh and Ts'ai in this undertaking. You will learn of their plans as these are being worked out in the New York office, and will also have material as to general developments in China and their bearing on us.

As ever, affectionately yours,

jls c

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學大京燕
YENCHING UNIVERSITY
PEKING, CHINA

OFFICE OF THE PRESIDENT

November 20, 1937

TELEGRAPH ADDRESS
"YENTA"

Miss Elvena Van Sciver
150 Fifth Avenue
New York, N.Y.

My dear Miss Van Sciver:

This is a memorandum regarding Prof. Harold D. Lasswell who has been spending several weeks in Peking, frequently visiting Yenching, conducting a seminar, giving lectures, etc. He was strongly advised to come here by our old friend Dr. Robert Park, and apparently has received quite a favorable impression of the institution. He can also speak of the general political outlook and of the way in which we have been adjusting ourselves to the changes in our environment. He is the more qualified to do so because of his professional interest as a student of social changes and of political movements. He is sailing within the next week or two from Hongkong, and his permanent address is The University of Chicago.

Very sincerely yours,

Chien-shan

*Noted
MA*

jls c

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Confidential

YENCHING UNIVERSITY
Peiping, China

November 22, 1937

To the Board of Trustees:

The departure of a friend for America makes possible another communication regarding tendencies here. There is now definite evidence that virtually all mail passing through the local postoffice is censored and all that is regarded as unfavorable to Japan either burnt or forwarded to Tokyo. We can never be sure hereafter as to what may happen to letters either sent to or destined for us. The same is true of course of books and periodicals. As an instance of the way this works, some 40 pages dealing with fire-arms etc. have been torn out of a recent consignment of Montgomery Ward catalogues.

The Chinese papers in Peking and Tientsin are now mere organs of Japanese policy, wholly unreliable as to news. The Chronicle is steadily becoming more so, although it still carries the Reuters news service with objectionable items deleted. We subscribe to this service ourselves and post it in the central passage of the Administration Building where Chinese teachers and students can always be seen reading it as their only real source of news. If the Peking and Tientsin English papers become more unsatisfactory under Japanese pressure we may start a campus daily supplying Reuters, Domei (Japanese and patently dependable), and possibly other news services. But if this is anything more than a private bulletin it will probably be suppressed. As it is, we are doubtless less informed than are you regarding what is happening in China.

Our present situation may perhaps be best summarized by the statement that the outlook for China is more discouraging and for Yenching less so than my earlier reports to you may have indicated.

The Japanese military machine pursues its terrifying course. It was inevitable that armed force so relentlessly organized and so efficiently mechanized would crush physical resistance however heroic and devoted. It is a case of men against metal. The Chinese Government is doing its heroically pathetic best, but the Japanese have seen to it that it was not allowed to become too unified and well-established before crushing it out of existence. There has never been any real reason for trusting to active assistance from the members of the Nine Power Pact. The Brussels Conference will probably do nothing more than produce further disillusionment as to the sanctity of treaties and the readiness of any nation to risk its own selfish interests in an effort to win collective security or to implement some method of enforcing the same law and order in international relations as is recognized to be essential within each civilized state. The tragedy of this is accentuated by the fact that China had in recent years made notable progress toward becoming the sort of state that would have been not only strong internally but a powerful ally in the cause of international peace and of democracy as against the various forms of nationalist fascism. It would seem that the jealousies and timidities of western countries are leading toward a vastly more widespread and destructive conflict later on before a righteous peace can be established in the Pacific Area. As for China, we must not cease to admire the determination to resist iniquitous aggression despite the known odds, nor to have faith in the ultimate supremacy of moral and human over crassly military factors. Meanwhile, however, whatever may be the fate of the Nation-

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al Government, there will be not only distress and destitution everywhere in the trail of the Japanese advance but banditry also and all its horrors. The Japanese troops can win victories through their superior equipment. But their rulers neither can nor care to remedy the devastation they are causing by any adequate administrative measures except in the big cities and along the railways.

Coming to Yenching the outlook continues very much as described in my last report. The very widening of the area that seems doomed to pass under Japanese domination may increase their difficulty in applying with the same brutal thoroughness the suppressive measures employed in Manchuria and already introduced to a large extent here. Our fate depends - as I have often pointed out - upon the type of government to be erected here. It seems rather clear that the Japanese sincerely wish this to be more genuinely Chinese than in their previous puppet regimes. But some foreigners who know them well are of the opinion that they will find it impossible to "cooperate" with any Chinese administration. If weak they will despise and for practical purposes ignore it; if strong they will come into conflict with and supplant it. However that may be, they are apparently anxious to have Peking restored as a cultural centre - or even as the national capital - and Yenching is a potential asset in their plans. Thus far life on the campus continues surprisingly normal and the issues we have had are all over minor matters or due to misunderstanding. My very efficient and loyal young secretary for Japanese affairs, Hsiao Cheng-yi, has been of immense help. A few occurrences within the past few days may serve as vignettes for describing to you these new relationships.

Two Japanese officers and an army surgeon called and asked for me. They had with them an abjectly pathetic young Korean as interpreter whose Chinese was stumbling and insufficient. The doctor managed to say in English that we had two cases of typhoid in our student dormitories and then trailed off into talking Japanese. I denied this but sent for our own Chinese physician, who said that there had been two recent cases of typhoid, children of employees living in the nearby village. The other officers could use neither Chinese nor English and we were all embarrassed so I sent for Mr. Hsiao to leave his class in Japanese. From the time of his arrival conversation was easy and friendly. If, as the surgeon asserted, there was a prevalence of typhoid in the city we were entirely ready to cooperate in preventive measures. We had, as a matter of fact, our own routine requirements but had been unable this year to put them into effect because they controlled the supply for serum and we had been unable to secure any. They would have us provided by special airplane delivery from Tokyo. They wished to assure us that they had come only to offer their help. The military men asked numerous questions about the institution and were provided with answers (which they carefully noted down) and with printed matter. We all sipped tea and I asked if they would care to go over the grounds. Mr. Hsiao conducted them around, and told me afterwards that the officers confessed that they had come along with their surgeon partly to see Yenching because they had heard of its beauty. They all seemed genuinely pleased - and somewhat surprised - with their reception.

A telephone call three evenings ago from the Rector of the Catholic University asking if he could come out to consult with me early the next morning. He and another American priest arrived as I was finishing breakfast with a story of harrassing interference from minions of the Japanese - attempts to force their middle school boys to attend the compulsory celebrations of Japanese victories, blanks to be filled out with ordinary information as well as questions such as,

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"The thinking of teachers and students." I gave them the best advice I could, had Mr. Hsiao come to express his views, suggested that our two institutions keep in close touch and act together as needed, agreed to meet with some of their Chinese colleagues to explain the Yenching policy of being conciliatory and affable in non-essentials but of being prepared to take a determined stand whenever the demands of the invaders came in conflict with any basic principle. It was touching to see these unworldly young priests disturbed in their ordered seclusion by a political upheaval they had tried to ignore, perplexed as to what they should do but quivering with indignation.

It happened that on this same Saturday Mr. Hsiao had arranged that a group of Japanese should be entertained in my name at a famous old Chinese restaurant. These included Embassy officials, an army police captain, "advisers" to the Chinese provisional city government and two of the leading members of the latter, librarians from the pretentious cultural institute established here long since with Japanese Boxer Indemnity funds. With all of these Mr. Hsiao had been in negotiation over one or another issue, and this was his way of showing appreciation while I had a chance thus to put my approval upon his activities. To meet the guests one secretary came from the American Embassy, and we had Lucius Porter and several Chinese members of our faculty. Among the Japanese were the Embassy men, cultured citizens of the world, genuinely friendly, one of them, as it happened, a former student in the middle school and two years of college in the old Methodist Peking University, remembering gratefully Dr. Lowry and his other missionary teachers. One librarian wore Chinese clothes with perfect taste, talked and looked like a Chinese, is an intimate friend of some of the old scholars on our faculty. Next to me sat a studious young man of delicate physique who has read all of Plato, much of Aristotle, Plotinus and the New Testament in the original Greek, and asked me about Dean Chao of our School of Religion whom he is anxious to meet to discuss the philosophy of religion. One of the "advisers" had evidently been drinking before he arrived and with more Chinese wine soon began haranguing in execrable English and even worse taste as to the reasons why the Japanese army is carrying out its mission in China, the beneficent results that will follow, etc. The rest of us had all been keeping sedulously off of this topic. Mr. Hsiao and I had promised our Catholic friends to speak on their behalf as we had opportunity to some of these guests and did so in the hope that their problem of adjustment may be helped a bit.

Our Department of Journalism is publishing a weekly issue of Yenching News, largely with a view to reassuring our own undergraduate students and their families who fear to let them return. We hope not a few will do so next term. Part of our present problem is carrying conviction to other parts of China that we are actually operating without interference and intend to continue thus.

Very sincerely yours,

J. Leighton Stuart

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學大京燕
YENCHING UNIVERSITY
PEIPING, CHINA

OFFICE OF THE PRESIDENT

November 23, 1937

TELEGRAPH ADDRESS
"YENTA"

Miss Elvena Van Sciver
150 Fifth Avenue
New York, N.Y.

My dear Miss Van Sciver:

Since nothing apparently has been done about his curios, Philip Fugh has decided to ask his friend, Mr. Allen Priest of the Metropolitan Museum to undertake to dispose of these for him. If Mr. Priest calls, therefore, this is to authorize you to turn the articles over to him. He would like to get at least \$200-300 for the painting and \$500 apiece for the gold embroidered throne draperies. If Mr. Priest can sell these, the simplest form of remittance perhaps would be to have him turn over the proceeds to Mr. Evans.

Very sincerely yours,

J. Hightower

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November 26, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

I have your letter of October 27th, for which I thank you. Let me first of all say that I did have a reply from Mr. L., and I am enclosing a copy of his answer.

I also will repeat, in this letter, salient excerpts from my answers dated October 18th and November 16th:-

Letter dated Oct. 18, 1937.

"There is one point, however, which I wish to make, and that is that Yenching University is not a foreign corporation. Yenching University has a charter from the State of New York and is an American corporation, with an American Board of Trustees, of which you are a member. All of the funds are kept in this country and invested here, and only the income from said invested funds are sent to China for their current necessities.

In making the above statement I am referring to endowment funds. When it comes to contributions to the current expenses, donations for what purpose are also made to the same organization here in this country.

Whether this puts a different phase on the situation or not, I do not know. I do know that most of us are working rather more for the government nowadays than we are for ourselves, and that probably this condition will continue for many years. It certainly will unless there is a right-about-face in some of our government spending.

I think, however, that Yenching University will come within the limit of the "charitable institutions within the United States", which you indicate in the first paragraph on page 2 of your letter."

Letter dated Nov. 16, 1937

"In my letter of October 18th, which was written in reply to yours of October 8th, I endeavored to explain that you could claim exemption under the Federal law for any contributions made to Yenching University due to the fact that Yenching University was an educational institution incorporated in the State of New York.

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Nov. 26, 1937

"Without showing your letter to our auditors or advising them of the source of your letter, I asked them to give their opinion in reference to gifts made to Yenching University.

May I quote from their reply:-

'The real issue, as we see it, is that your contributor is under the impression that contributions made to Yenching University are taxable because Yenching is not in the United States. We had Mr. Evans send us a photostatic copy of a letter addressed to Yenching University by the Treasury Department under date of May 10, 1935, and we are sure that if a copy of this letter is sent to your contributor, calling his attention to the fact that a gift made to Yenching University is deductible, it will clear his mind on this particular point.'

I was not aware that such a letter was in our files, but following this suggestion I asked Mr. Evans regarding same, and he produced letter of May 10, 1935, a photostatic copy of which I herewith enclose.

I hope this may be of some help to you in resolving your difficulties; and we sincerely hope that you may find it possible to assist Yenching in this crucial year of its life."

The above quotations from my answers are given at some length so that you will understand the situation as regards Mr. L. I have not had any reply from him to my two letters.

I fully share your disappointment at the necessity which obliged us both to cancel our meeting on the Pacific Coast. I was looking forward to a real happy time with you. I hope at some time we may have the pleasure of working together out there.

There was some little delay in getting the committee together to formally pass on the matter of Mr. Rugh's return. I think Mr. Garside has probably explained the matter to you. You probably cannot appreciate that it is impossible to call a meeting of a committee in New York as quickly as you can out there due to the fact that so many of our people are away and it is hard to get a quorum. With all of your committee members on the campus, it is only a matter of a few hours before you can get them together. With us here it is sometimes a matter of days and even weeks before we can get a quorum together; and while we here in the office thoroughly approved the matter instantaneously upon receipt of your cablegram, we did not feel justified in anticipating the regular action of the appropriate committee. I regret that it caused any concern to Mr. and Mrs. Rugh.

It might interest you to know that Mr. and Mrs. Harry Price attended the meeting of the International Y.M.C.A. Committee, as the guests of Mrs. McBrier and myself, last Tuesday evening. Mr. C. T. Wang spoke. It was the first time we had seen Mrs. Price since her return. They met many friends from Shanghai, and I think had a pleasant evening.

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Dr. J. Leighton Stuart

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Nov. 26, 1937

We hope that the work of Yenching, as well as that of all of the American Christian Universities, will be carried along uninterruptedly. We see no reason why all of our Christian universities should not function in their regular way regardless of the results of this war. In fact the feeling here is that there should be no change whatever in the program of our Universities, and we hope and expect they will carry on in their present locations in the future as in the past.

Political situations may change but universities have a way of carrying on through the centuries; and we trust our American universities in China will be no exception to the general rule.

Sincerely yours,

EMM:B.A

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November 27, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

Vernon Nash has passed along to me a copy of the letter he wrote you on November 21st. He gives a very detailed analysis of his plans for the coming year or two, and I believe there is not much that I need to add.

The prospects for securing any substantial amount of special support for Nash's future work seem to be particularly unpromising just now. Due both to business conditions in America and to uncertainty here as to the future of all types of philanthropic work in China, one would have very great difficulty in inlisting during the next few months the support which would have to be obtained to send Nash back to China this year or even next summer. It would seem, therefore, that the best course for him would be to carry through the work he has undertaken in Teachers College, if this can be done without too heavy a draft on Yenching University funds. In his letter he discusses the efforts he is making to secure special support while he is engaged in study.

This is a matter which we will bring to the proper committees of our Yenching Trustees at the earliest opportunity.

We will await your further comments and instructions after you have received Nash's letter.

Very sincerely yours,

BAC/am

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November 30, 1937

Mr. Earle H. Ballou
American Board Mission
Peking

My dear Mr. Ballou:

I have your letter of November 12 and note with interest all that you write about your conversation with Timothy. I am happy to report that our Administrative Committee which met yesterday heatedly agreed to all of these proposals and took action granting Timothy an indefinite leave of absence, with the understanding that he is to be supported during this period by the American Board on a basis to be worked out between himself and you. It is understood that his duties also would be arranged for between you two, and with such other official action by the American Board as may be required. I am sending copies of this letter to our New York office and to Mr. Rowland Cross. Will you also inform Timothy. I shall write him after hearing from him on the subject.

I am grateful for your efforts to scotch the rumors about Yenching and read with appreciation the report of your radio broadcast regarding North China conditions including the special reference to us. You can assure all of our friends that we are still carrying on with no interference whatever, and feel no serious apprehension about our ability to continue thus.

Very sincerely yours,

J. L. S.

From Minutes of the Administrative Committee Meeting, November 29, 1937

"ADC-703 VOTED in response to a communication from Rev. Earle Ballou, that Dr. T. T. Lew's leave of absence be considered indefinite and that the University relinquish its claim on the American Board salary assigned to him as long as he continues in work approved by the American Board."

0503

YENCHING UNIVERSITY

MEMO:

OFFICE OF THE PRESIDENT

Dec. 4/37
Sent to
A. Winter 1/24/38

Dear Miss Van Sleet,

This is the substance of an address
I am due to give day after tomorrow at the Peking
Union Church Men's Brotherhood Forum, open to
any men who care to attend. It may be of some
interest to those in our office and some among
our trustees & friends as giving my present point-
of-view on a problem vital to Yenching's future. Yours,
K. H. Stewart

0504

學大京燕
YENCHING UNIVERSITY
PEKING, CHINA

December 17, 1937

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

IN STRICTEST CONFIDENCE

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

My dear Garside:

I sent via Siberia the text of an address of mine as to the outlook for Peking as a cultural and educational centre. If you failed to receive this, Arthur Rugh is carrying another copy which you can secure from him. To be safe, I am enclosing another copy. This is the substance of what I can sincerely and publicly say, although it represents my more optimistic opinion. A less hopeful one is allowed for in the references to the kind of government that may be set up here. Events since this was delivered are all in the latter direction.

In the enclosed report to the Trustees I am considerably more frank and the more pessimistic note is in harmony with the misgivings and the course of events over several years, and more especially the past few weeks. Please send copies of this to my list of personal friends and use it otherwise only with the utmost discretion.

What I am about to write is for you personally and those Trustees and others whom you can count on to keep it entirely confidential. What follows can be regarded as absolutely authentic, although I cannot indicate the source even to you. It gives point to anxieties I have frequently expressed in the past and makes clear one determining element among the factors that will affect the future, not only of Yenching, but of all our Christian colleges and of western influences in China generally.

The sinking of the Panay was deliberately planned to test out American policy. The attempt was made on December 7, and again on December 9, but failed in each case. If the reaction indicates American unwillingness to take action, Japan will proceed to denounce the Nine-Power Treaty which also virtually repudiates the Washington Conference, they will have demonstrated to their own satisfaction that America, as in the case of the other western countries, is afraid of their growing power and they will feel free to go ahead with the program the ultimate aim of which is the exclusion of all western influences from China in so far as these conflict at all with their own purpose. The diplomatic apologies mean nothing. There is an understanding between the military and the Tokyo government by which the latter puts all the blame on the former and describes itself as helpless, but they are all in agreement as to the broad outlines of their policy. The captain of the Standard Oil vessel had incurred their disfavor because of supposed friendliness to China during the Shanghai hostilities. This was, therefore, a

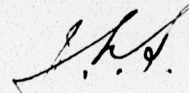
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at the same time making it plain to China that her case was hopeless since England and America would take any insults rather than come to her help. Even so, I hope a popular boycott is making some dent on Japanese trade, and that other factors are helping China. In any case, we can be very proud that Chiang Kai-shek is preferring defeat, hardship, and danger to the easy life, with all the money he could want, if he would accept a Japanese peace. With him there seem to be not only the people in the rest of China, but a great many even here. Wang K'e-min and Tang Erh-ho have urged Philip Fugh to become director of customs with a salary of \$2500 per month and an incidental allowance of \$1000 additional. He refused of course, saying that man does not live by bread alone, and that for his own and his children's sake a good name was more important than financial security. Tang replied "you certainly have the modern outlook". This incident (which you are free to use if you wish) seems to me an epitome of the new generation in China, and adds to my feeling of hopefulness. You have no reason to be either discouraged or ashamed of your country in presenting our case to the American public. I wish I could feel as proud of America in this whole affair as I am of China.

This message is frankly intended to cheer you, but it would have no value for this purpose if it were only for that. I am writing straight out of my heart, and with every passing day I have a feeling of exhilaration over the new spirit in this country. If this can be maintained, the struggle and sacrifice cannot be in vain. I shall be thinking of you constantly in your part of our own special task, and shall be doing my best to maintain a university worth supporting.

As ever, affectionately,



jls c

0506

學大京燕
YENCHING UNIVERSITY
PEKING, CHINA

December 20, 1937

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

Mr. Stephen Ts'ai
150 Fifth Avenue
New York, N.Y.

My dear Stephen:

We were all glad to have your letters from Shanghai and are awaiting word that you made connection in Hongkong without difficulty. It was a trying experience for you to wait so long, but it is only one more of the minor dislocations of all that is happening. I should like to have learned your impressions from the bankers and others whom you interviewed, but may make a trip to Shanghai next month to the Council of Christian Higher Education and on China Foundation business. In this case, I shall have the same opportunity.

You will be seeing the Yenching News and the weekly Bulletin which will cover the situation here quite well. Lily and others are doubtless keeping you up to date on personal items. I am sending by Arthur Rugh a report to the Trustees which will let you know my present impressions of the political situation. I did not put in that, however, what has been increasingly a conviction of mine, both before and after the fall of Nanking, that if the Chinese government and people could pass that occurrence and keep their spirit, this may well be the turning point in China's favor. The Japanese can never do anything quite so spectacular again. They have accomplished their military objective, but failed to attain the results that this was supposed to bring. As the area of operations widens for them, and small-scale warfare becomes better organized by the Chinese, their motorized equipment and long lines of communication will become embarrassing. Their militarists may find it difficult to go on explaining to their own people why their policy requires more money and extended hostilities. Admiration for China ought to be growing, and some form of practical sympathy. It may be that England and Russia are working out some form of combined assistance to China. You will be forming impressions of American opinion. It is inconceivable that the deliberate bombing of the Panay and the Standard Oil vessels with the casualties involved, are producing no more effect than seems to be the case. The America of today is certainly very different from the one at the time of "Remember the Maine". The explosion of that vessel in Havana harbor was not at the time and has never since been proven as due to Spaniards, whereas in the present instance, it was at least inexcusably careless and negligent, and in my opinion was beyond question intended to see how far they could go without bringing America in, while

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form of revenge upon him or of warning to any others who dared to stand in their way.

There is nothing in these facts which has not been surmised by many close observers during recent years, except that the particular incident is almost inconceivably daring and wicked, and that my information is reliable beyond all doubt. I have this morning communicated it to the Chargé d' Affaires in our Embassy, who felt that it confirmed what he had learned or suspected from other sources. The indications thus far that have reached here all seem to be to the effect that America will do nothing about it. It can be taken for granted now that nothing whatever will stop them in this scheme of ruthless imperialistic conquest, extermination, and elimination, except force adequate to compel them to desist. This occurrence also reveals the danger to any individual of any nationality who hinders, or may even be supposed by them to hinder, their plans. Sir George Samson in his standard History of Japan speaks of the Japanese as amoral. This would seem to be true in the sense that their only norm of behaviour is what is to the interest of the empire, and to themselves as sharing in the benefits that come from being members of it. How much this is true of the populace, it certainly applies to those who control national policy and who are under their orders.

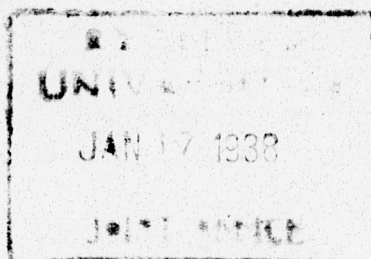
Anyone of us who is living within the reach of their power is in constant danger. This gives point to the care I must take in all my utterances and behaviour, and that American friends should exert for my protection.

Very sincerely yours,

Heighton Stark

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學大京燕
YENCHING UNIVERSITY
PEKING, CHINA

December 24, 1937

OFFICE OF THE PRESIDENT

TELEGRAPH ADDRESS
"YENTA"

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

My dear Garside:

Mr. and Mrs. Rugh left here day before yesterday en route to the States. The original plan had been that she would stay with her son in Tacoma and join him later in Chicago or some other point eastward. Just before leaving, she told me that she would probably go along with him, visiting friends on the way and helping in his work as she could. I feel it incumbent on me to call your attention to the fact that Mrs. Rugh is in a very unsatisfactory physical condition and has nervous characteristics which may seriously complicate her husband's efforts. She is virtually a psychopathic problem, and has created constant difficulties here. There is no question of her devoted purpose, but with the best of motives, these derangements make it desirable that she be kept out of promotional activities wherever possible. Use your own discretion as to taking this up with Mr. Hedrick and whoever is detailed to work with Mr. Rugh from the time of his landing. I hesitate to write thus because it is so easy to give the impression that Mrs. Rugh is worse off than she really is. I can count on your not quoting me and sharing this in the same confidence with the others concerned.

Very sincerely yours,

Heighen Stuart

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December 29, 1937

Dr. J. Leighton Stuart
Yenching University
Peiping, China

Dear Dr. Stuart:

Let me acknowledge receipt of your letters of November 1st and November 19th.

Your letter of November 1st. With this you enclosed a copy of a letter to the Yenching Trustees. This has been mimeographed and distributed to the Yenching Trustees, the Yenching College Committee, and to a carefully selected list of your personal friends and Yenching friends. We believe that all the reports which you have sent from time to time have eventually arrived and have been distributed to the Trustees.

I am sorry that the field was disturbed by the delay in replying to the cables and letters with regard to the coming of Mr. Rugh and Mr. Tsai. It required some time, study, group conferences, and committee meetings, to decide whether or not sufficiently worth while use of one or both of these men could be made just at this time to justify calling them from the field and meeting the additional expense involved. Of course, the Yenching Trustees, both as a group and as an integral part of the Associated Boards, have been pressing forward vigorously with the Yenching promotional work. Through the services of Mr. Hedrick, Dr. Young, Mr. Aydelott, Mrs. Macmillan, and other special workers whom we have called on from time to time together with the counsel and services of such faithful trustees as Mr. McBrier, Dr. Thompson, Dr. Gamble, and Mr. Barber, we have been trying to do everything possible to maintain existing support for Yenching and to stimulate new gifts. During the present crisis it would have been practically impossible for each of our China Colleges to carry on a special emergency appeal or even for half a dozen of them to carry on a separate campaign, without each one getting in the way of the others and preventing any adequate response. We have been compelled by the nature of the case to work together in a united appeal.

Thus far, the results have been quite encouraging. Up to the present time we have secured about \$90,000 in cash and another \$15,000 in written pledges. We also have other verbal pledges which will add about \$20,000 more. By the end of this week Yenching will have received something more than \$15,000 as its share of this united appeal. Princeton-Yenching will receive at least \$2,000 more. If the second half of our campaign is successful, Yenching should receive a substantial additional amount, so as to meet the greater part of your emergency needs. In addition to participating in the emergency campaign, we have since July 1st almost completed the

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December 29, 1937

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Dr. Stuart

\$50,000 endowment fund in honor of Dr. Gamewell, and have made a little progress in other directions. This is about as much as we could possibly hope to accomplish under the present conditions and the situation in China is such that it is very difficult to secure any substantial gift for capital purposes. As you know, there are a number of very promising prospects for substantial gifts to our Yenching endowment funds, but we have been compelled to mark time on all of them until the situation becomes somewhat more stable.

It was the consideration of such matters as these which made it necessary for our Yenching Trustees to think through pretty carefully the uses we might make of Mr. Rugh and Mr. Tsai at this time. In the end it was agreed that we should be able to utilize them to good advantage, and invitations were accordingly cabled to them.

Your letter of November 19th. With this you enclosed a letter to the Trustees under date of November 22nd. The letter has been mimeographed and distributed to the Trustees, the Yenching College Committee and to a select list of friends. It is encouraging to all of us that Yenching has been able to go ahead with its work in such a gratifying way. All of us recognize that your masterly handling of very difficult and delicate situation has made this success possible.

Thank you for sending me the copy of your November 19th letter to Dr. Luce. I will try to find an opportunity to go over this matter with him within the near future, and to secure his frank opinions on the various points you raise. As I wrote you on August 23rd I personally hope very much that both Dr. Luce and his son will be agreeable to the establishment of a somewhat smaller number of standing scholarships which would really be of some assistance to the Yenching budget rather than a larger number of ordinary scholarships which would be of help to deserving students but would not be of any assistance whatever in meeting the urgent problems of the general budget.

It hardly seems possible that 1938 could be much worse for the world than 1937. So we dare to hope that the situation may improve somewhat. In any event we trust that Yenching will be able to go through 1938 without serious interruption.

Very sincerely yours,

BAG:MP

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