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J. H. C.

Peabody Education Fund.

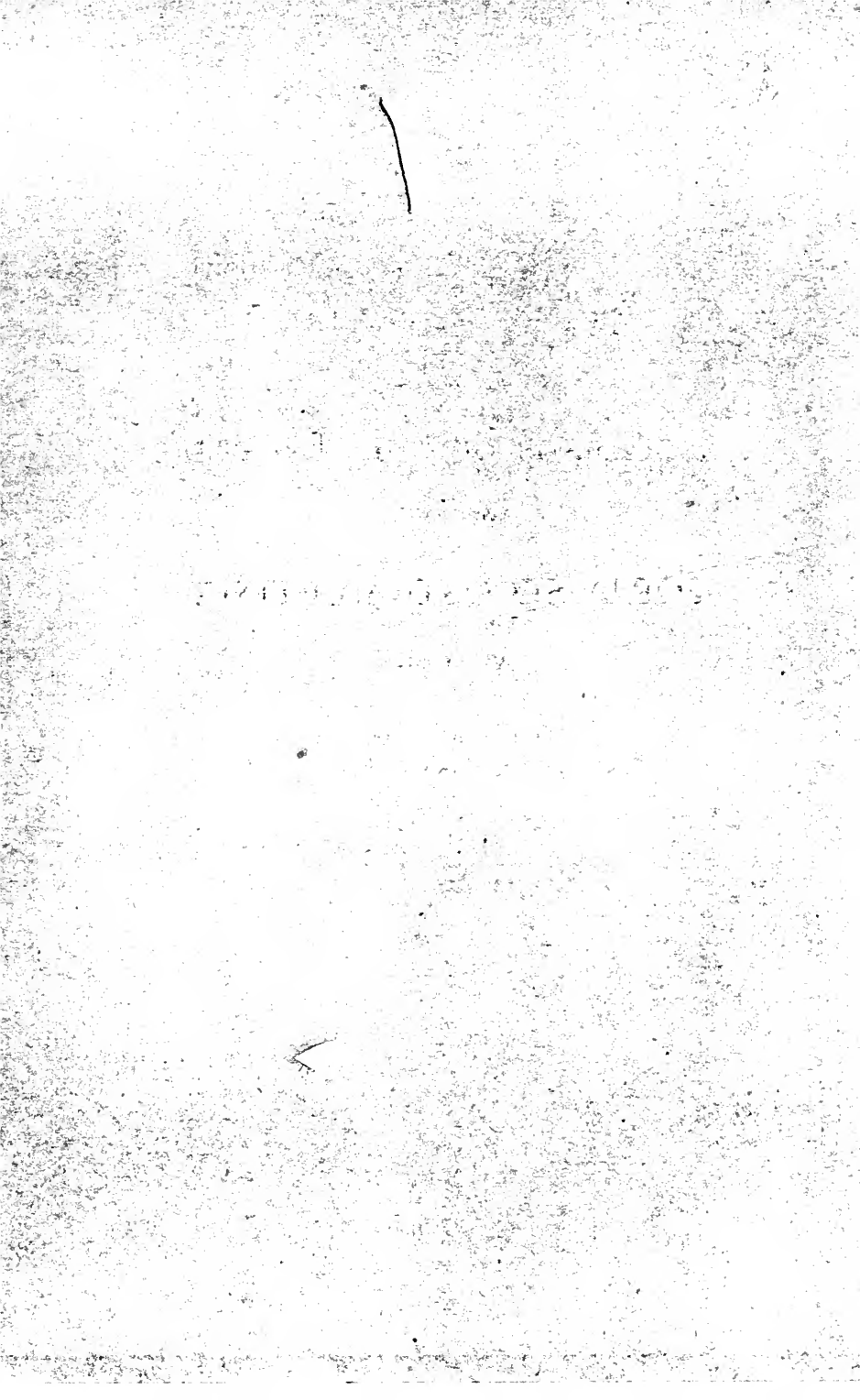
PROCEEDINGS OF THE TRUSTEES

AT THEIR

FORTY-SECOND MEETING,

WASHINGTON,

29 JANUARY, 1903.



PEABODY EDUCATION FUND.

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(A SPECIAL MEETING),

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TRUSTEES
OF THE
PEABODY EDUCATION FUND.

THE BOARD AS ORIGINALLY APPOINTED
BY MR. PEABODY.

- *Hon. ROBERT C. WINTHROP *Massachusetts.*
- *Hon. HAMILTON FISH *New York.*
- *Right Rev. CHARLES P. McILVAINE *Ohio.*
- *General U. S. GRANT *United States Army.*
- *Admiral D. G. FARRAGUT *United States Navy.*
- *Hon. WILLIAM C. RIVES *Virginia.*
- *Hon. JOHN H. CLIFFORD *Massachusetts.*
- *Hon. WILLIAM AIKEN *South Carolina.*
- *Hon. WILLIAM M. EVARTS *New York.*
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- *CHARLES MACALESTER, Esq. *Pennsylvania.*
- *GEORGE W. RIGGS, Esq. *Washington.*
- *SAMUEL WETMORE, Esq. *New York.*
- *EDWARD A. BRADFORD, Esq. (resigned) *Louisiana.*
- *GEORGE N. EATON, Esq. *Maryland.*
- GEORGE PEABODY RUSSELL, Esq. (resigned) *Massachusetts.*

TRUSTEES

OF THE

PEABODY EDUCATION FUND

CHOSEN IN ACCORDANCE WITH MR. PEABODY'S
LETTER CREATING THE TRUST.

- *Hon. SAMUEL WATSON *Tennessee.*
- *Hon. A. H. H. STUART (resigned) *Virginia.*
- *General RICHARD TAYLOR *Louisiana.*
- *Surgeon-General JOSEPH K. BARNES, U.S.A. *Washington.*
- *Chief-Justice MORRISON R. WAITE *Washington.*
- *Right Rev. HENRY B. WHIPPLE *Minnesota.*
- *Hon. HENRY R. JACKSON (resigned) *Georgia.*
- *Colonel THEODORE LYMAN (resigned) *Massachusetts.*
- *Ex-President RUTHERFORD B. HAYES *Ohio.*
- *Hon. THOMAS C. MANNING *Louisiana.*
- *ANTHONY J. DREXEL, Esq. *Pennsylvania.*
- Hon. SAMUEL A. GREEN *Massachusetts.*
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- J. PIERPONT MORGAN, Esq. *New York.*
- Ex-President GROVER CLEVELAND (resigned) *New Jersey.*
- Hon. WILLIAM A. COURTENAY *South Carolina.*
- *Hon. CHARLES DEVENS *Massachusetts.*
- *Hon. RANDALL L. GIBSON *Louisiana.*
- Chief-Justice MELVILLE W. FULLER *Washington.*
- *Hon. WILLIAM WIRT HENRY *Virginia.*
- Hon. HENDERSON M. SOMERVILLE *Alabama.*
- *Hon. WILLIAM C. ENDICOTT (resigned) *Massachusetts.*
- Hon. JOSEPH H. CHOATE *New York.*

*GEORGE W. CHILDS, Esq.	<i>Pennsylvania.</i>
HON. CHARLES E. FENNER	<i>Louisiana</i>
DANIEL C. GILMAN, LL.D.	<i>Maryland.</i>
HON. GEORGE PEABODY WETMORE	<i>Rhode Island.</i>
*HON. JOHN LOWELL	<i>Massachusetts.</i>
HON. GEORGE F. HOAR	<i>Massachusetts.</i>
HON. RICHARD OLNEY	<i>Massachusetts.</i>
*HON. WILLIAM MCKINLEY	<i>Washington.</i>
HON. THEODORE ROOSEVELT	<i>Washington.</i>
HON. HOKE SMITH	<i>Georgia.</i>
Right Rev. WILLIAM C. DOANE	<i>New York.</i>
MORRIS K. JESUP, Esq.	<i>New York.</i>

MEMBERS OF THE BOARD AT THE
PRESENT TIME.

HON. SAMUEL A. GREEN	<i>Massachusetts.</i>
HON. JAMES D. PORTER	<i>Tennessee.</i>
J. PIERPONT MORGAN, Esq.	<i>New York.</i>
HON. WILLIAM A. COURTENAY	<i>South Carolina.</i>
Chief-Justice MELVILLE W. FULLER	<i>Washington.</i>
HON. HENDERSON M. SOMERVILLE	<i>Alabama.</i>
HON. JOSEPH H. CHOATE	<i>New York.</i>
HON. CHARLES E. FENNER	<i>Louisiana.</i>
DANIEL C. GILMAN, LL.D.	<i>Maryland.</i>
HON. GEORGE PEABODY WETMORE	<i>Rhode Island.</i>
HON. GEORGE F. HOAR	<i>Massachusetts.</i>
HON. RICHARD OLNEY	<i>Massachusetts.</i>
HON. THEODORE ROOSEVELT	<i>Washington.</i>
HON. HOKE SMITH	<i>Georgia.</i>
Right Rev. WILLIAM C. DOANE	<i>New York.</i>
MORRIS K. JESUP, Esq.	<i>New York.</i>

PROCEEDINGS
OF
THE TRUSTEES OF THE PEABODY
EDUCATION FUND.

FORTY-SECOND MEETING OF THE TRUSTEES.

WASHINGTON, Jan. 29, 1903.

THE TRUSTEES held a Special Meeting at The Arlington, this day, at 12 o'clock, noon.

There were present: Chief-Justice Fuller, the Chairman, and Messrs. GREEN, PORTER, MORGAN, COURTENAY, SOMERVILLE, FENNER, GILMAN, HOAR, OLNEY, SMITH, and DOANE.

The records of the last meeting were presented in print, and accepted without reading; after which a prayer was offered by Bishop DOANE.

A letter from Dr. CURRY was read, saying that owing to illness he was unable to be present at the meeting, whereupon the members expressed their deep sympathy with him, and they all testified to his

long and faithful services as General Agent; and the Chairman of the Board was requested to communicate these expressions to him.*

The Chief-Justice stated that the object of this Special Meeting was to receive the reports of two committees, appointed under Resolutions passed at the last Annual Meeting: the first committee was to consider the needs and opportunities of the Peabody Normal College, and to report what should be done to increase the efficiency thereof; and the second committee to consider the rights of the Board as to investments of its funds.

Dr. GILMAN reported for the first Committee; and after a full discussion, in which Messrs. COURTENAY, FENNER, SMITH, HOAR, SOMERVILLE, MORGAN, OLNEY, and DOANE took part, the following Resolution, embodying the recommendations of the Committee, was passed: —

Resolved, That in the opinion of this Board the Trust Fund in its hands, or a portion thereof, or a portion of the income thereof, should be applied, so far as legal or practicable, to the establishment or maintenance of a Teachers' College, to be called the "George Peabody College for Teachers," at such point in the Southern States as may be found advisable; and that a committee of five, to be appointed by the Chair, is hereby directed to confer with any other Boards or persons interested in the subject-matter, and to report at the next meeting of the Board a plan for carrying into effect the purpose and object above stated.

And that the Committee be authorized to call to their aid such specialists as may be by them deemed necessary.

* Dr. Curry died at Asheville, N. C., on February 12, 1903.

In accordance with this Resolution, the Chairman appointed Messrs. GILMAN, OLNEY, HOAR, MORGAN, and SMITH, as members of the Committee therein recommended.

Mr. OLNEY made a report for the second Committee, which was adopted, as follows: —

The Committee appointed to report upon the powers of the Trustees in the matter of the investment of its funds respectfully submit the following: —

1. A recent statute of New York makes certain specified classes of securities Savings Bank investments.

2. Another recent statute declares that "An executor, administrator, guardian, trustee, or *other person* holding trust funds for investment may invest the same in the same kind of securities" as those authorized in the case of Savings Banks.

3. Another statute, recent, but ante-dating both those just referred to and explanatory of the legislative use of words and phrases, declares that

"The term person includes a corporation and a joint stock association."

4. As the Peabody Trustees are a New York corporation whose funds are held on specific trusts which, as a necessary incident, require from time to time the investment of the funds, it is possible to argue that in the matter of such investment the Corporation is governed by the statutes above mentioned.

5. But the answer, and a conclusive answer, it is believed, is that though the Peabody Trustees are a New York corporation, they are so under a special charter which is not affected by the General Laws above cited, and which gives the Corporation absolute authority and discretion respecting the investment of its property.

6. By express reference, two letters of George Peabody, the donor of the funds, one dated the 7th of February, 1867, and the other the 20th of March, 1867, are embodied in the charter. They are in effect the Constitution of the trust — anything additional found in the charter being designed to enable the provisions found in the letters to be carried into execution.

7. An examination of the letters shows that their most pronounced feature is the donor's perfect confidence in the Trustees, and the comprehensive and unqualified powers given them.

Within two years they may elect to expend forty per cent. of the trust fund itself — otherwise they are to use for the trust the net income during thirty years — after which period they may distribute the fund and close the trust.

But having in this manner put the trust moneys at their disposal, the donor leaves the Trustees absolutely free as to all arrangements for executing the trust.

He simply states its object, to wit, the promotion of education at the South, but leaves the entire scheme for the accomplishment of the object to be determined by the Trustees themselves.

8. It would be singular if the donor's unlimited confidence in his Trustees, and the unqualified discretion given them as to the main object of the trust, did not apply to the incidental matter of investments of the trust fund. They must be held so to apply in the absence of restrictive provisions on that point. But not only are there no restrictions of the sort in the letters; on the contrary, their terms are so broad and general that they may fairly be said to cover all subjects connected with the management of the trust fund, the mode of investment being included.

9. Thus, in the letter of 7 February, he leaves to the Trustees "the details and organization of the trust"; and empowers them "to make all necessary by-laws and regu-

lations, to obtain an act of incorporation if any shall be found expedient, to provide for the expenses of the Trustees and of any agents appointed by them; and generally to do all such acts as may be necessary for carrying out the provisions of the trust."

10. In this connection, however, the donor's letter of 20 March is specially important. It was written to dispel doubts suggested as to the distribution of the trust funds. He affirms his purpose to leave an absolute discretion in the Trustees as to locality — without binding them to any measure and proportion as between states, or creating any claim on the part of any states. He then adds these significant words:

"Still less did I design to subvert the Trustees, collectively or individually, to any responsibility to those intended to be benefited, or to any individual responsibility of any sort, for the management of the fund committed to them.

"I have entire confidence that they will discharge the Trust with wisdom, equity, and fidelity, and I leave all the details of management to their own discretion."

11. In view of the above-quoted extracts from the donor's letters, which are part of the charter, his intent to make the investment powers of his Trustees as broad and unrestricted as their powers in general cannot reasonably be questioned.

That the New York Legislature so understood the donor's purpose and meant to give it full effect is plain from Section 1. of the charter, wherein the Trustees are expressly authorized "to hold, manage, invest, collect, control, administer, and dispose of the money and bonds given by the said George Peabody in the letters hereinbefore set forth."

It has never been suggested and, so far as the Committee are aware, there is no ground for the suggestion that the provision of the Peabody charter above cited has been repealed or modified by any subsequent legislation. Their

conclusion, therefore, is that in the matter of the investment of their trust funds the discretion and control of the Trustees is absolute, and is not limited by the provisions of the General Laws of New York above referred to.

For the Committee,

RICHARD OLNEY.

On motion of Mr. MORGAN, it was

Resolved, That the Treasurer, with the advice and approval of the Finance Committee, be authorized to invest the Funds of the Peabody Trust, as they may decide.

Governor PORTER reported that an Enabling Act had been passed within a few days by the Legislature of Tennessee, authorizing the authorities of the University of Nashville to convey their property to the Trustees of the Peabody Education Fund. After some discussion this matter was referred to the Committee of Five, of which Dr. GILMAN is Chairman.

On motion of Mr. MORGAN, it was

Resolved, That in the opinion of this Board it is inexpedient to continue the payment of scholarships in connection with the Peabody Normal College at Nashville, after October, 1904.

On motion of Governor PORTER, it was

Voted, That an appropriation of \$5,000 be made for repairs on buildings belonging to the Peabody Normal College.

It was voted to continue the Committee of Conference, appointed at the last Annual Meeting, to act in connection with a similar committee appointed by the General Education Board.

The Special Meeting of the Trustees was then dissolved.

SAMUEL A. GREEN,

Secretary.

