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THREE LETTERS

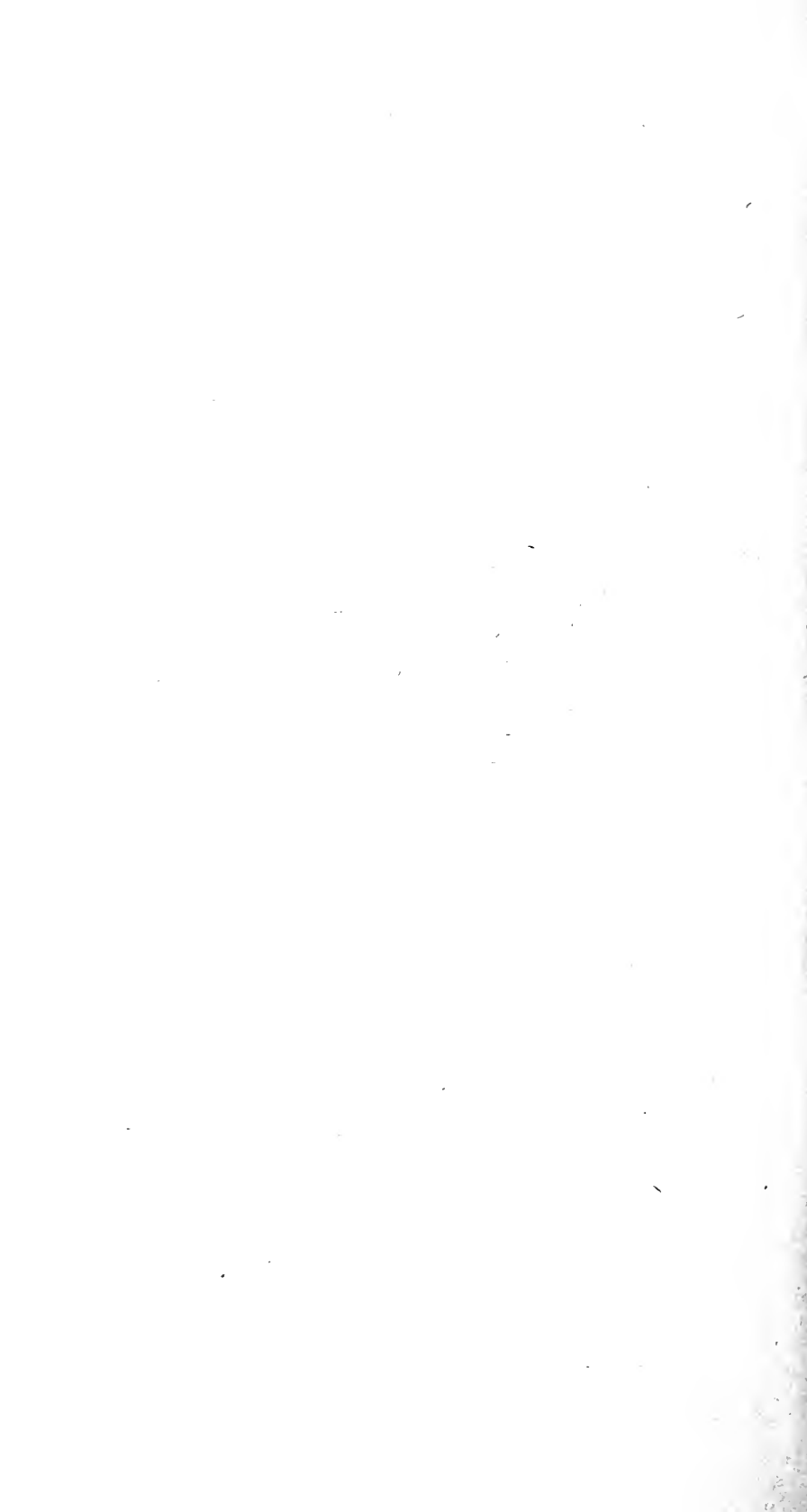
OF

MR. GEORGE PEABODY

WHO ESTABLISHED

THE PEABODY EDUCATION FUND

A. D. 1867



THREE LETTERS

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OF THE

PEABODY EDUCATION FUND.

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Prof. WICKLIFFE ROSE, *General Agent, Washington, D. C.*
to whom communications may be sent.

THESE letters of Mr. Peabody are here reprinted for the use of the Trustees of the Peabody Education Fund. At the time when the Fund was established it was the largest sum of money that had been given by anyone in this country for benevolent or educational purposes. It is the unanimous testimony of persons familiar with the facts that the benefit arising from the gift has been great and beyond calculation; and not the least has been from the example then set, and since followed by other benefactors.

S. A. G.

BOSTON, December, 1910.

THREE LETTERS

OF

GEORGE PEABODY

FIRST LETTER

To Hon. Robert C. Winthrop, of Massachusetts; Hon. Hamilton Fish, of New York; Right Rev. Charles P. McIlvaine, of Ohio; General U. S. Grant, of the United States Army; Hon. William C. Rives, of Virginia; Hon. John H. Clifford, of Massachusetts; Hon. William Aiken, of South Carolina; William M. Evarts, Esq., of New York; Hon. William A. Graham, of North Carolina; Charles Macalester, Esq., of Pennsylvania; George W. Riggs, Esq., of Washington; Samuel Wetmore, Esq., of New York; Edward A. Bradford, Esq., of Louisiana; George N. Eaton, Esq., of Maryland, and George Peabody Russell, Esq., of Massachusetts.

Gentlemen: I beg to address you on a subject which occupied my mind long before I left England, and in regard to which one at least of you (the Hon. Mr. Winthrop, the distinguished and valued friend to whom I am so much indebted for cordial sympathy, careful consideration, and wise counsel in this matter) will remember that I consulted him immediately upon my arrival in May last.

I refer to the educational needs of those portions of our beloved and common country which have suffered from the destructive ravages, and the not less disastrous consequences, of the Civil War.

With my advancing years, my attachment to my native land has but become more devoted. My hope and faith in its successful and glorious future have grown brighter and stronger; and now, looking forward beyond my stay on earth, as may be permitted to one who has passed the limit of threescore and ten years, I see our country, united and prosperous, emerging from the clouds which still surround her, taking a higher rank among the nations, and becoming richer and more powerful than ever before.

But to make her prosperity more than superficial, her moral and intellectual development should keep pace with her material growth, and, in those portions of our nation to which I have referred, the urgent and pressing physical needs of an almost impoverished people must for some years preclude them from making, by unaided effort, such advances in education, and such progress in the diffusion of knowledge, among all classes, as every lover of his country must earnestly desire.

I feel most deeply, therefore, that it is the duty and privilege of the more favored and wealthy portions of our nation to assist those who are less fortunate; and, with the wish to discharge so far as I may be able my own responsibility in this matter, as well as to gratify my desire to aid those to whom I am bound by so many ties of attachment and regard, I give to you, gentlemen, most of whom have been my personal and especial friends, the sum of one million of dollars, to be by you and your successors held in trust, and the income thereof used and applied in your discretion for the promotion and encouragement of intellectual, moral, or industrial education among the young of the more destitute portions of the Southern and

Southwestern States of our Union; my purpose being that the benefits intended shall be distributed among the entire population, without other distinction than their needs, and the opportunities of usefulness to them.

Besides the income thus derived, I give to you permission to use from the principal sum, within the next two years, an amount not exceeding forty per cent.

In addition to this gift, I place in your hands bonds of the State of Mississippi, issued to the Planters' Bank, and commonly known as Planters' Bank bonds, amounting, with interest, to about eleven hundred thousand dollars, the amount realized by you from which is to be added to and used for the purpose of this Trust.

These bonds were originally issued in payment for stock in that Bank held by the State, and amounting in all to only two millions of dollars. For many years, the State received large dividends from that Bank over and above the interest on these bonds. The State paid the interest without interruption till 1840, since which no interest has been paid, except a payment of about one hundred thousand dollars, which was found in the treasury applicable to the payment of the coupons, and paid by a mandamun of the Supreme Court. The validity of these bonds has never been questioned, and they must not be confounded with another issue of bonds made by the State to the Union Bank, the recognition of which has been a subject of controversy with a portion of the population of Mississippi.

Various acts of the Legislature,—viz., of February 28, 1842; February 23, 1844; February 16, 1846; February 28, 1846; March 4, 1848,—and the highest

judicial tribunal of the State, have confirmed their validity; and I have no doubt that at an early day such legislation will be had as to make these bonds available in increasing the usefulness of the present Trust.

Mississippi, though now depressed, is rich in agricultural resources, and cannot long disregard the moral obligation resting upon her to make provision for their payment. In confirmation of what I have said, in regard to the legislative and judicial action concerning the State bonds issued to the Planters' Bank, I herewith place in your hands the documents marked A.

The details and organization of the Trust I leave with you, only requesting that Mr. Winthrop may be Chairman, and Governor Fish and Bishop McIlvaine, Vice-Chairmen, of your body: and I give to you power to make all necessary by-laws and regulations; 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 this Trust.

All vacancies occurring in your number by death, resignation, or otherwise, shall be filled by your election as soon as conveniently may be, and having in view an equality of representation so far as regards the Northern and Southern States.

I furthermore give to you the power, in case two-thirds the Trustees shall at any time, after the lapse of thirty years, deem it expedient, to close this Trust, and, of the funds which at that time shall be in the hands of yourselves and your successors, to distribute not less than two-thirds among such educational or

literary institutions, or for such educational purposes, as they may determine, in the States for whose benefit the income is now appointed to be used. The remainder may be distributed by the Trustees for educational or literary purposes, wherever they may deem it expedient.

In making this gift, I am aware that the fund derived from it can but aid the States which I wish to benefit in their own exertions to diffuse the blessings of education and morality. But if this endowment shall encourage those now anxious for the light of knowledge, and stimulate to new efforts the many good and noble men who cherish the high purpose of placing our great country foremost, not only in power, but in the intelligence and virtue of her citizens, it will have accomplished all that I can hope.

With reverent recognition of the need of the blessing of Almighty God upon this gift, and with the fervent prayer that under His guidance your counsels may be directed for the highest good of present and future generations in our beloved country, I am, gentlemen, with great respect,

Your humble servant,

GEORGE PEABODY.

WASHINGTON, February 7, 1867.

SECOND LETTER

To Hon. Robert C. Winthrop ; Hon. Hamilton Fish ; Rt. Rev. Charles P. McIlvaine ; General U. S. Grant ; Admiral D. G. Farragut ; Hon. Wm. C. Rives ; Hon. John H. Clifford ; Hon. Wm. Aiken ; Hon. W. M. Evarts ; Hon. Wm. A. Graham ; Charles Macalester, Esq. ; Geo. W. Riggs, Esq. ; Samuel Wetmore, Esq. ; Edward A. Bradford, Esq. ; George N. Eaton, Esq. ; and George Peabody Russell, Esq.

Gentlemen : Understanding that a doubt has been expressed in regard to my intentions and instructions on the subject of the distribution of the fund entrusted to your care for the purpose of education in the Southern and Southwestern States, I desire distinctly to say to you, that my design was to leave an absolute discretion to the Board of Trustees, as to the localities in which the funds should from time to time be expended.

I hope that all the States included in that part of our country which is suffering from the results of the recent war may, sooner or later, according to their needs, receive more or less of the benefit of the fund.

But it was not my design to bind my Trustees to distribute the benefits of the fund upon any measure or proportion among the States, or to create any claim on the part of any State to any distributive share.

Still less did I design to submit 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.

With great respect, your humble servant,

GEORGE PEABODY.

NEW YORK, March 20, 1867.

THIRD LETTER

To Hon. Robert C. Winthrop ; Hon. Hamilton Fish ; Rt. Rev. Charles P. McIlvaine ; His Excellency U. S. Grant, President of the United States ; Admiral D. G. Farragut ; Hon. John H. Clifford ; Hon. Wm. Aiken ; Hon. W. M. Evarts ; Hon. Wm. A. Graham ; Charles Macalester, Esq. ; Geo. W. Riggs, Esq. ; Samuel Wetmore, Esq. ; Hon. E. A. Bradford ; George N. Eaton, Esq. ; George Peabody Russell, Esq. ; and Hon. Samuel Watson, Trustees of the Peabody Education Fund.

Gentlemen : When I established the Trust of which you have charge, it was my intention, if its results and progress should prove satisfactory, to return in three years to my native land, and to make further provision for carrying out the plans which experience should have shown to be productive of encouragement and benefit to the people of the South.

My precarious state of health has rendered it imprudent for me to wait for the full period of my intended absence ; and I have now come among you in order to proceed at once to the fulfilment of my purpose.

I have constantly watched with great interest and careful attention the proceedings of your Board, and it is most gratifying to me now to be able to express my warmest thanks for the interest and zeal you have manifested in maturing and carrying out the designs of my letter of trust, and to assure you of my cordial concurrence in all the steps you have taken.

At the same time I must not omit to congratulate you, and all who have at heart the best interests of this educational enterprise, upon your obtaining the highly valuable services of Dr. Sears as your General Agent, — services valuable not merely in the organization of schools and of a system of public education, but in the good effect which his conciliatory and sympathizing course has had wherever he has met or become associated with the communities of the South, in social or business relations.

And I beg to take this opportunity of thanking, with all my heart, the people of the South themselves for the cordial spirit with which they have received the Trust, and for the energetic efforts which they have made in co-operation with yourselves and Dr. Sears, for carrying out the plans which have been proposed and matured for the diffusion of the blessings of education in their respective States.

Hitherto, under the system adopted by your General Agent and sanctioned by you, four of the Southern States have not been assisted from the Fund placed in your charge, and I concur with you in the policy thus pursued; as I am sure will the citizens of those four States, and all who have at heart the highest permanent good of our beloved country. For it was most necessary that, at the outset, those States and portions of States which had suffered most from the ravages of war, and were most destitute of educational means and privileges, should be first and specially aided.

I believe the good sense and kind feeling of the people of these States will continue to acquiesce, for the present, in your course of devoting, under the care of Dr. Sears, the greater part of the Fund to

the same States which have received its benefits for the past two years, with perhaps the addition of Texas, which State I am advised the General Agent will visit during the coming autumn or winter, to ascertain its educational requirements, and to give such aid as shall be requisite and can be afforded, where it shall be most needed.

I have the same sympathy with every one of the States; and, were all alike needing assistance, I should wish each alike to share in the benefits of the Trust.

As the portions aided shall respectively grow in posterity and become self-sustaining in their systems of education, their respective allotments of the Fund will be applied to other destitute communities; and thus its benefits will, I earnestly hope and trust, ultimately reach every section of the vast field committed to your care.

It is my hope and belief, and this opinion is fully confirmed by my interviews with Dr. Sears, that, with the additional amount which I now place in your hands, the annual income of the Fund alone may be found sufficient to sustain and extend the work you have so well begun; and it is my desire that when the Trust is closed, and the final distribution made by yourselves or your successors, all the fourteen Southern States, including Maryland, Kentucky, Missouri, and Texas, shall share in that distribution according to their needs.

In accordance with what I have already said of my intention, at the time I established this Trust, to add thereto, if its success were such as I am now well assured has attended it, I now give to you and your successors the following securities, viz. : —

\$190,000 Belvidere and Delaware Railroad Company's 6 per cent bonds, first mortgage; dividends 15th June and 15th December, due 1877; principal and interest guaranteed by the Camden and Amboy Railroad Company and New Jersey Transportation Company.

\$301,025 Syracuse and Binghamton Railroad Company 7 per cent bonds (\$198,500 due in 1876, dividends October 1st and April 1st; \$4,525 payable October 1st, 1870; \$98,000 dividends from 1st June, due in 1887). This is an excellent road, and the stock at par, but the security is rendered perfect by the guarantee of both principal and interest by the Lackawanna Coal Company of Pennsylvania.

\$79,200 Alabama State 5 per cent bonds (\$16,200 due 1886; \$21,000 due 1872; \$42,000 due in 1883; dividends from November 1st).

\$35,300 Mobile City 5 per cent bonds; dividends from July 1st. Principal to be gradually paid off.

\$79,000 City of Louisville 6 per cent bonds; dividends April and October. Due 1883.

\$69,600 Louisiana Consolidated Bank 5's, fully guaranteed by State of Louisiana, and payable in 1870, 1872, 1874, and 1876.

\$88,000 Ohio and Mississippi Railroad first mortgage 7 per cent bonds; dividends 1st July and 1st January, all payable July 1, 1872.

\$90,000 Columbus, Chicago, and Indiana Central Railroad first mortgage bonds, 7 per cent; dividends 1st April and 1st October. Due in 1908. Guaranteed by Pennsylvania Central Railroad Company.

\$30,000 Pittsburg City 4 per cent bonds; dividends January and July. Due in 1913.

\$8,000 Pittsburg City 5 per cent bonds; dividends January and July. Due in 1913.

\$19,000 Louisiana State 6's; dividends January and July.

\$10,000 New Orleans City 6's; dividends January and July.

\$875 cash.

Amounting in all to one million of dollars. These stocks are all of the very highest character for security, and the dividends are certain to be promptly paid.

The principal sum of one million of dollars, given by my first letter of trust, is still intact; the interest on which being added to that of my present gift makes the annual revenue of the Trust upwards of one hundred and thirty thousand dollars; a sum which, in the opinion of your honorable Chairman and your General Agent, is amply sufficient to meet all the requirements of the Trust, without infringing upon the capital, until the time arrives for the final distribution as before stated.

In addition to the foregoing, I give to you, Florida six per cent bonds, which, with overdue coupons, amount to about \$384,000.

These bonds, like the Mississippi bonds in my first gift, must before many years be paid.

The territory of Florida obtained the money on these bonds in Europe at about par, and loaned it to the Union Bank as capital.

The territory received for some time a high rate of interest, but, after the bank suspended, paid the bondholders nothing, but referred them to the Union Bank, saying, "Obtain what you can from the Union Bank, and it will then be time enough to come to us."

Large amounts of these bonds were purchased by planters at about fifty per cent, and used to pay mortgages held by the Union Bank, until there was nothing more left to be paid; and the small amount of these bonds now outstanding (not exceeding, I believe, two millions of the original bonds) must, I think, before long induce Florida, as an act of justice long delayed, to make provision for their payment.

All the stocks I have given as above are to be held in trust by yourselves and your successors, for the same purposes and under the same conditions as the funds given you by my original letter creating your Trust.

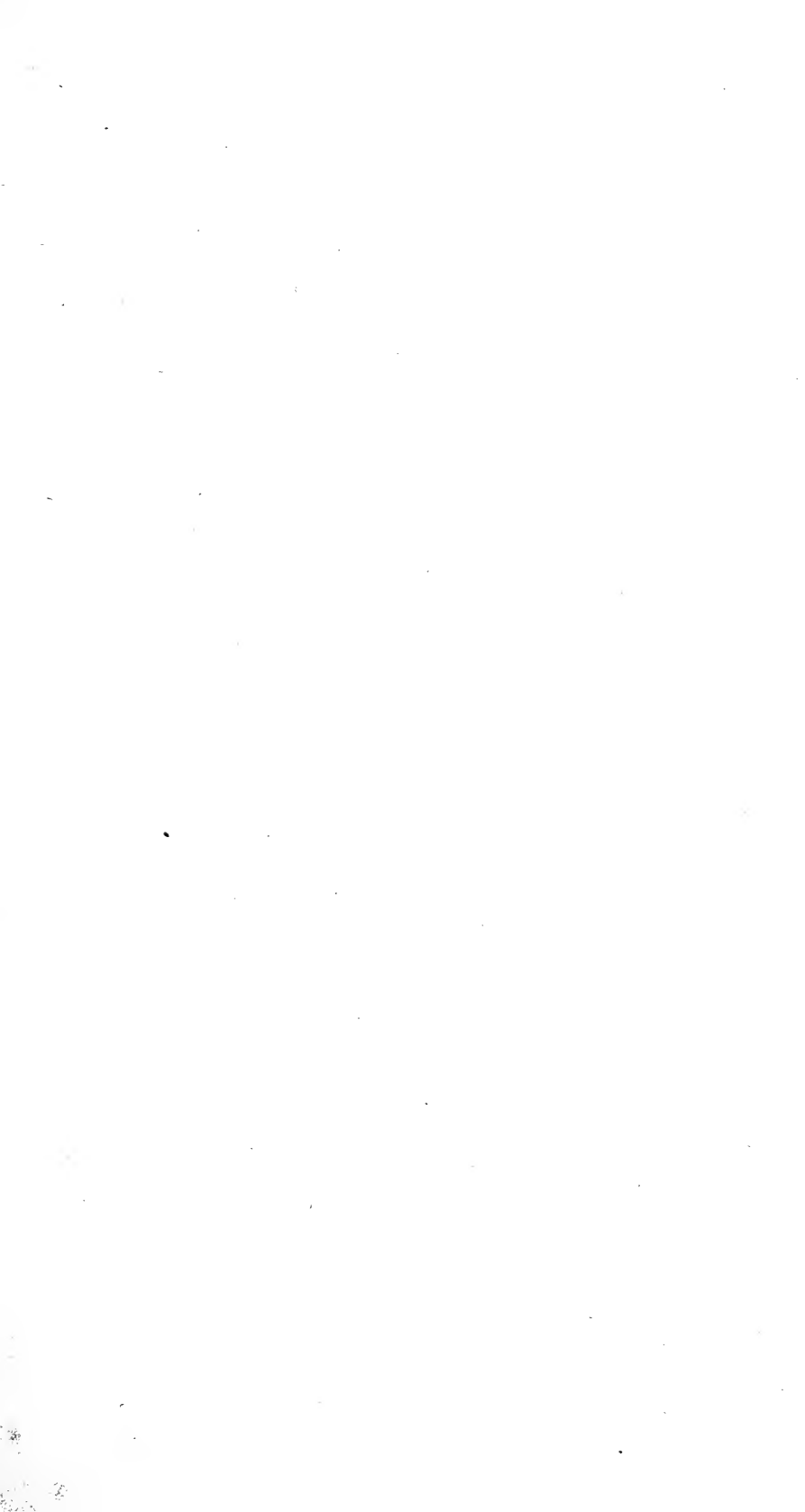
I do this with the earnest hope and in the sincere trust, that, with God's blessing upon the gift and upon the deliberations and future action of yourselves and your General Agent, it may enlarge the sphere of usefulness already entered upon and prove a permanent and lasting boon, not only to the Southern States, but to the whole of our dear country, which I have ever loved so well, but never so much as now in my declining years, and at this time (probably the last occasion I shall ever have to address you) as I look back over the changes and the progress of nearly three quarters of a century. And I pray that Almighty God will grant to it a future as happy and noble in the intelligence and virtues of its citizens, as will be glorious in unexampled power and prosperity.

I am, with great respect,

Your humble servant,

GEORGE PEABODY.

SALEM, June 29, 1869.



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