Financing of an Educational Institution in Times of War, Empire and Republic

Financial issues seem to have been an overriding concern throughout the history of Robert College or Boğaziçi University. Of course, there appear to have been many other difficulties that have complicated the founding of a college in a foreign land, not least political.
In keeping with the main theme of this issue, the article that follows focuses on the financial history of Robert College up until when it 1971 became Boğaziçi University. Readers will appreciate that such a topic merits an entire book to be devoted to it. Admittedly, the best that can be hoped to be achieved in a fairly condensed article that attempts to deal with a subject as complex and intricate as finance – which incidentally appears to have been an incessantly recurring theme throughout the history of the College/University - is to provide the reader with a gist of the heavy responsibility administrations are entrusted with in maintaining a delicate balance between academe and business.

To maintain a college or university is no easy task. Probably less so these days, when governments across the world are cutting back in providing hand-outs or subsidies to schools and universities. Universities in particular seem to be devoting a considerable portion of their time and energy to means of finding new sources of funds. Cooperation or joint-projects with industry is one such example. Appealing to alumni is yet another one that seems to have withstood the test of time. Visitors to Boğaziçi University’s website will have noticed the fund-raising campaign under the banner of “Boğaziçi Hepimizin” or as may be expressed in English: “Boğaziçi Belongs to Us All” together with the total amount thus far raised.

The history of Robert College or Boğaziçi University is no different in this respect. Financial issues seem to have been an overriding concern throughout its history. Of course, there appear to have been many other difficulties that have complicated the founding of a college in a foreign land, not least political.

Herbert Lane, in an article entitled The Opening of Robert College explains that the scale of the problems that awaited Mr. Robert and Dr. Hamlin were akin to those that ‘only a government could solve’. Lane suggests that the whole project may very well have ended before it even got off the ground:

“...but both Robert and Hamlin were men of determination. It was decided that Dr. Hamlin go to the United States to raise money while he waited. The reception back home was hardly more encouraging than that in Turkey.”

There was no uncertainty as to the fact that Mr. Robert, a considerably wealthy man was to be the main financier of the project. However, any project of this nature which calls for sustainability and viability in the longer term necessitates the finding of what are often referred to today as ‘matching funds’. The turning point for Robert and Hamlin’s ambitious project was when a distinguished university in the States provided the much needed endorsement:

“Harvard University’s backing of the Hamlin-Robert plan gave it a stamp of approval, and soon the road became easier. A button manufacturer in Northampton, Massachusetts gave $10 thousand and others pledged similar amounts. Interest was beginning to kindle.”

Hamlin, it seems, never felt quite at ease with the task of approaching potential donors as a means of seeking much needed funds. In a letter dated February 8, 1873, written to his family in the States, he recognizes that as the student intake increases the need for erecting further buildings will become inevitable. Though he is well aware that this will entail asking for money from generous and wealthy donors. He signs off the letter:

“...‘Cyrus Hamlin, Beggar and Architect’ seems to be my destiny.”

‘Shall Robert College Be Sustained?’

The above is the title of an article written by Washburn as President of Robert College, in 1878. According to the President ‘the death of Mr. Robert and the present financial condition of Robert College...’ had made it ‘necessary to present the question...’

Washburn elaborates on the financial difficulties that the College had to overcome right from the very inception of the idea:

“As it stands today, it is the fruit of twenty years of incessant labor, and has cost more than $300,000. To reach its present position it had to meet and overcome the most serious difficulties:

Those who first planned it were forced to abandon their scheme because funds could not be obtained. When Mr. Robert and Dr. Hamlin took it up the civil war in America made it impracticable to raise any money by general subscription, as had been intended, and threw the whole burden upon one man.”

Washburn then touches upon difficulties of a non-financial nature that the college had to face in its history of seventeen years. However, when one reads on, it becomes clear, that he is exceedingly worried about the financial future of the college:

“Now, when all these difficulties have
been overcome, it finds itself without ade-
quately means to maintain itself.... It is a
well-recognized fact that no college in the
world can be maintained without a perma-
nent faculty, and also that such a faculty
must be supported to a considerable ex-
ten by a permanent endowment. The men
who now fill the professorships have pro-
ved by their success that they have the abi-
lity and experience necessary for the posi-
tion. To dismiss them would be to destroy
the college.”

In the following century, despite two
world wars, the college somehow still ma-
nages to cope with its difficulties. Presi-
dent Everton, in a statement made in Ja-
nuary 1971, notes:

“Throughout its 107 years of existence
Robert College has never closed its doors,
not even during World War I when Turkey
fought on the side of Germany. The high
cost of education today applies in Turkey
as well as in the rest of the world and
shortly after World War II expenses began
to go up faster than the College’s ability to
meet them.”

(A Statement about Robert College by
President John Scott Everton, January
1971)

One of the College’s foremost priorities
of providing scholarships to promising
students across Turkey becomes increa-
singly untenable in the face of increasing
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presidents since the second half of the
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lopment Plan - condensed from the profile
for the years 1952-1972 submitted on Apr-
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ce with the needs of present-day Turkey
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the scope of instruction, and improving
physical equipment and teaching person-
nel there was ‘need for much effort and
money’. Ironically, the financial projection
made in respect of the following 11 year
period provides estimates as up to 1971-
1972, inclusive. 1972 corresponds to the
year in which the College was formally
turner over to the Turkish government.

Financial concerns become the leading
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bert College Alumni Magazine.

The extract from the editorial of the
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A memorandum written, one year before Everton’s report, by Alfred Ogden, the predecessor to President Everton, reflects a concern as to the long-term viability of the institution in the face of shrinking funds. In his memorandum of October 22, 1969, headed ‘A Policy for the Future of Robert College’ and addressed to the members of the Board of Trustees of Robert College, Ogden notes:

“The operation of Robert College … imposes an almost intolerable burden on the Trustees who are responsible for its finances … Private philanthropy in the United States and Turkey cannot support Robert College and has failed to do so for several years, to an alarming extent…In this connection, Robert College has been sustained in the past few years by Mr. Morris and others whose appeals have been successful in persuading A.I.D. to grant the necessary funds. I think we are virtually at the end of this road.”

Ogden, in a footnote to the above paragraph provides figures in connection with the extent of the deficit which he contends is a cause for alarm:

“From 1964 to 1970, inclusive, U.S. Government grants have totalled $18,000,000. The current budgeted deficit will still be $1,000,000.”

Alfred Ogden contends that the scale of contributions offered by Turkish private philanthropy and the alumni are far from being adequate. He remarks:

“In Turkey, the practice of giving is not carried out on a significant scale and the private sector in Turkey does not yet have the affluence to meet Robert College’s $1,000,000 deficit this year, much less a deficit of $3,300,000 without U.S. A.I.D.”

In the footnote, Ogden recognizes that providing the requisite funds for running an educational institution is an uphill struggle even in the States. He poses the following rhetorical question:

“The Crocker figures, I am told, indicate a break-even point with $800,000 of A.I.D. money. What college or preparatory school in the affluent U.S. today is able to balance its budget without annual giving by alumni, government contracts, etc.?”

The fall in the number of grants from the U.S. Government through the Agency for International Development (A.I.D) had, it appears, proved to be too cumbersome a financial burden to bear. Everton, in a statement he made post-transfer of the College to the Turkish State, succinctly summarizes the state of affairs at the time:

“The new Yüksek division which grants the Bachelors’ and Masters’ degrees in several disciplines proved to be a very expensive endeavor for the old institution. The ever rising cost of education with the added factor of inflation in both Turkey and the U.S.A. prevented the balanced budgets which the Board had hoped for. The policy of AID toward supporting education abroad has declined and during the past several years AID grants have been reduced with the accompanying necessity to invade the modest endowment of the College to meet deficits. During the past three years the requirements of spending capital for operating has eroded the endowment from ten million dollars to under seven million. It has been obvious that continued invasion of the endowment would dictate closing down the whole operation within very few years. The only alternative was to make major changes in the institution. Consequently, during 1970 the Board of Trustees made the hard but unavoidable decision to turn over to Turkish sponsorship the Yük-