

THE INSTITUTE FOR ADVANCED STUDY

MINUTES

Annual Meeting of the Members of the Corporation
April 25, 1975

Board Room, Princeton, New Jersey

Present

Messrs. Dilworth, Doob, Drell, Forrestal, Hansmann, Hochschild, Houghton, Petersen, Roth, Segal, Simon, Solow, Straus, Taplin; Mrs. Whitehead; Dr. Kaysen; Mr. Morgan

Absent

Mrs. Gray; Mr. Watson

Presiding
Officer

The President, Mr. Dilworth, opened the meeting at 2:00 p.m.

Minutes

The minutes of the Annual Meeting of the Corporation held on April 26, 1974 were approved as circulated.

Report of the
Nominating
Committee

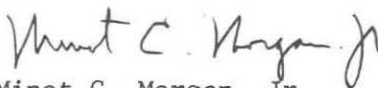
Mr. Taplin, Chairman of the Nominating Committee, presented the report of the Committee: for reelection as Trustees for the term expiring in 1980, Messrs. Forrestal, Simon, and Solow.

It was moved, seconded, and carried that the nominations be closed and the secretary was instructed to cast a ballot for the election of Messrs. Forrestal, Simon and Solow.

Adjournment

There being no further business, the meeting was adjourned at 2:05 p.m.

Respectfully submitted,


Minot C. Morgan, Jr.
Secretary

THE INSTITUTE FOR ADVANCED STUDY

MINUTES

Regular Meeting of the Board of Trustees
April 25 & 26, 1975

Board Room, Princeton, New Jersey

Present

Messrs. Dilworth, Doob, Drell, Forrestal, Hansmann, Hochschild, Houghton, Petersen, Roth, Segal, Simon, Solow, Straus, Taplin; Mrs. Whitehead; Dr. Kaysen; Mr. Morgan

Absent

Mrs. Gray; Mr. Watson

Presiding
Officer

The Chairman, Mr. Petersen, opened the meeting at 2:05 p.m. He said that the formal agenda of the Trustees would be postponed until Saturday morning in order to consider the most important matter before the Board, Dr. Kaysen's resignation.

Resignation of
Dr. Kaysen

The Director had informed the several members of the Board of his intention to resign effective June 30, 1976 in a letter dated April 18 (attached). In amplification of his letter, the Director said that he felt that this was an appropriate time for the Board to take a good look at the organization and operation of the Institute. The present organization took shape at the end of the Aydelotte administration in 1947. Before that, there had been a variety of memberships including faculty members, permanent members who were not faculty, for a term of years without tenure. Now, for more than 20 years, the Institute has existed in its present organizational form, namely a faculty consisting of professors with permanent tenure, a relatively large number of visiting members who remained for a year and in some cases two, with only a few exceptional members falling outside these categories.

This review should take place for two reasons:

1) The resources of the Institute are not now adequate to continue at the present level of operation. Perhaps the answer to this question is simply more resources. The savings in housekeeping operations achieved in the 1975-76 budget have reached their limit.

2) The second reason for the review is less simple and perhaps less compelling: The present pattern of relations among Director and the tenured faculty organized into four schools creates problems and has created problems throughout the history of the Institute. These should be faced. Related questions involve the relative size of the faculty and the organization of the schools. The Institute could not do what it does without a permanent faculty and could not do

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without some organization by schools, but the present structure contributes to an unhealthy rigidity.

The Director, in explaining his decision to relinquish the Directorship, said that he had accomplished most of what he had come to do; and further, he felt he could do little more, no matter how much longer he remained. While he was aware of the Board's action in 1973, requesting him to remain at least five more years; it seemed to him that this was an opportune time for a searching review of the internal structure of the Institute. Such a review would be greatly facilitated by his retirement as Director.

Mr. Petersen said that he had tried hard to dissuade the Director from his resigning but that he had been unsuccessful.

Review
Committee

Mr. Petersen said that he agreed with the Director that it was time for a serious review of the purposes, organization, and resources of the Institute, and to this end he was appointing an Ad Hoc Review Committee of the Trustees composed of Mr. Segal, Chairman; and Messrs. Dilworth, Doob, Solow, and Mrs. Whitehead.

Search
Committee

In addition, pursuant to the By-Laws, he was also appointing a Search Committee composed of Mr. Forrestal, Chairman; and Messrs. Drell, Roth, Straus, and Mrs. Gray.

General
Discussion

At this point in the meeting two documents were circulated:

- 1) a draft of the Charge to the Review Committee; and
- 2) a draft of a letter to the members of the faculty from the Chairman.

There followed an extensive discussion of the two drafts. After much discussion, it was the clear sense of the meeting that the letter from Mr. Petersen to the Faculty was sufficiently inclusive in stating the actions and intentions of the Board so the "Charge" was unnecessary as a separate document. Further discussion was then limited to the letter and the Charge was tabled.

The balance of the meeting on Friday and a portion of the adjourned meeting on Saturday morning were devoted to discussion and revision of Mr. Petersen's letter to the Faculty, so that the current action of the Board and its intent in the ensuing months would be made absolutely clear to the faculty, the members, and the staff of the Institute and to the general public.

Board Actions

As described in the final draft of the letter (attached), the Board took the following actions:

(1) Acceptance of
Dr. Kaysen's
Resignation

The following resolution was unanimously adopted:

The Board of Trustees of the Institute for Advanced Study accepts with deepest regret Carl Kaysen's resignation from the Directorship, effective 30 June 1976, or when a successor can take office, should that be later. Dr. Kaysen has served the Institute, its Faculty and Board, with imagination, energy and intellectual distinction. His qualities of fairness and directness combined with appreciation of the complex intellectual issues which the governance of the Institute presents are rare and will not easily be replaced. In dealing with the wider world of government, foundations and business he has been an energetic, resourceful and respected representative for an Institute with our reputation, and has succeeded in bringing additional financial support at a difficult time. Finally, although it is still young, the quality of the School of Social Science reflects the very high intellectual standards set by the Founders of the Institute. The Board is pleased that Dr. Kaysen will defer his personal preference for relinquishing his present responsibilities immediately in order to assist in an orderly transition.

(2) Review
Committee

In addition to the Trustee members named above, the Board confirmed the appointment to the Review Committee of C. N. Yang, Professor of Physics at Stony Brook, and Jaroslav Pelikan, Professor of Church History and Dean of the Graduate School at Yale.

(3) Faculty
Participation

A substantial portion of the discussion of the work of the Review Committee was concerned with the question of faculty participation and/or membership on the committee. After considerable deliberation it was agreed that the best course was to follow the existing framework for consultation through the Faculty Liaison Committee. The Board therefore took the following action, as reflected in Mr. Petersen's letter:

Accordingly, the Review Committee will meet as soon as it is practicable to do so with the Faculty Liaison Committee for the purpose of determining how faculty participation in the work of the Committee can be best achieved.

Adjournment

The Board adjourned at 5:20 p.m. until 9:30 a.m. the following morning.

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The Board reconvened at 9:30 a.m. Saturday morning. Mr. Simon was unable to attend the Saturday meeting; in all other respects the attendance was the same.

Report of
the Finance
Committee

Mr. Segal, Chairman of the Finance Committee, reported that the Committee met on Friday morning and approved the purchases and sales of securities since the last regular meeting of the Board. The performance of the portfolio in the first quarter of 1975 was very heartening.

The Committee had voted to authorize a ceiling of 65% investment in equities during the coming months. The Committee had also authorized an investigation of some method of testing the performance of the equity portion of the portfolio against other yardsticks.

It was the sense of the Committee that any major fund raising should wait for at least 12 months but the Director and Mr. Taplin had been authorized to consult with Mr. John Harper of Princeton with respect to the further development of the Associates Program. The Committee had voted to discontinue the arrangement with the current fund raisers, Messrs. Barnes & Roche.

Report of the
Budget Committee

Mr. Taplin, Chairman of the Budget Committee, reported that the Committee had met on Friday morning and gone over the proposed budget for the year 1975-76 in detail. He said that the Budget Committee was recommending the budget to the full Board in its present form.

At Mr. Taplin's request, the Director explained the budget proposal in more detail. The appropriation request is down approximately \$250,000 from the current fiscal year. Three things contributed to this reduction: (a) on the academic side, the post-ponement of Professor Griffith's appointment in Mathematics until July 1, 1976, and the failure of the School of Historical Studies to make any appointment this year made an appreciable reduction in the overall faculty budgets.

(b) there was a serious compression of services in the non-academic departments -- in this area it would be very difficult to do much more; and (c) a recent audit of our indirect costs by the National Science Foundation increased our allowable overhead request from 30.7 to 38.7%. For the purpose of this budget, we are presuming requests of 35% overhead with the expectation of receiving about 30%.

Mr. Hansmann pointed out that even with this reduction, the predicted income for the next fiscal year was about \$2,700,000, creating a shortfall of about \$1,500,000. The appropriation request therefore is still approximately 8-1/2% of the current value of the portfolio.

Mr. Dilworth said that this budget was one further evidence that a review of the Institute's operation is essential, since it would be impossible to continue at this rate for very many years.

It was moved, seconded, and unanimously carried that the budget for the fiscal year 1975-76 be adopted as presented.

Report of the
Nominating
Committee

Mr. Taplin, the Chairman of the Nominating Committee, presented the following slate of officers for the coming year:

Howard C. Petersen, Chairman	Ralph E. Hansmann, Treasurer
J. Richardson Dilworth, President and Vice-Chairman	Donald C. Jenkins, Assistant Treasurer
	Minot C. Morgan, Jr. Secretary

It was moved, seconded, and unanimously carried that the nominations be closed and the secretary was instructed to cast a ballot for the election of the slate.

Committee
Assignments

In addition to the two Ad Hoc Committees listed above, the committee assignments for the year 1975-76 are as follows:

Budget

F. E. Taplin, Chairman
M. E. Segal

Executive

H. C. Petersen, Chairman
J. R. Dilworth, Vice Chairman
M. V. Forrestal
W. M. Roth
M. E. Segal
D. B. Straus

Finance

J. R. Houghton, Chairman
N. Simon

Nominations

D. B. Straus, Chairman
H. H. Gray
W. M. Roth

The Chairman and the President are ex-officio members of all committees except the Nominations Committee and the Treasurer is an ex-officio member of the Budget and Finance Committees.

Special Committees

Review

M. E. Segal, Chairman
J. R. Dilworth
J. L. Doob
R. M. Solow
E. A. Whitehead
C. N. Yang
J. Pelikan

Search

M. V. Forrestal, Chairman
S. D. Drell
W. M. Roth
D. B. Straus
H. H. Gray

Director's
Report

A. Pensions

The Director referred the members of the Board to the pension tables included in their booklets. He emphasized that a firm prediction of annuity income was very difficult because of a number of variables: "How much has been invested in CREF and for how long?" and "Which annuity payment program was elected by the recipient at the time of his retirement?"

The Director said that the proposal that he had under consideration was a formula that would provide retired faculty members with 60% of current faculty salaries, including payments from Social Security. The estimated immediate cost of such a program would be about \$40,000 per annum. In order to arrive at an equitable target annuity figure at the time of retirement, it would be necessary to assume two things:

- 1) the election of a single life annuity and,
- 2) the transfer of all funds held in CREF to TIAA six months prior to retirement.

There followed some discussion of the pension problem, and the Director was instructed to put together a more detailed proposal for presentation at the September meeting of the Board, with attention to estimating future costs or alternative assumptions on the rate of increase of faculty salaries.

B. Academic Support for Emeriti Professors

The Director described the present academic support provided to professors emeriti.

- 1) They are given an office, frequently the office that they previously occupied as active professors, but not always.
- 2) The travel allowance is terminated.
- 3) A few of the professors in History have assistants, and
- 4) A few have private secretaries.
- 5) At least one has both.
- 6) One of the professors in Mathematics has had an assistant, others not.

Therefore, the resource costs vary greatly from one professor to another. The Director had suggested a dollar limit on total support (excluding office space) and wrote to the professors who would be affected either currently or in the near future. As might be expected, those who had expected to use less than the

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suggested limit were pleased, and those who were currently using more were not. There is a serious dilemma involved. The post-retirement work of, for example, Professors Lowe and Alfoldi, was and is currently deserving of support, others perhaps less so. Yet the pressure on resources is real, and so is the conflict between the "finishing-up" of retired faculty and the current faculty and members.

After some discussion, this matter also was referred back to the Director for a further recommendation.

Petersen Letter

As described earlier in these minutes, the remaining portion of the Saturday session was devoted to the final redrafting of the actions and intentions of the Board as described in Mr. Petersen's letter to the Faculty.

Adjournment

There being no further business before the Board, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,



Minot C. Morgan, Jr.
Secretary