

THE INSTITUTE FOR ADVANCED STUDY

MINUTES

Annual Meeting of the Members of the Corporation

April 27, 1973

Board Room, Princeton, New Jersey

Present Mmes. Gray and Whitehead; Messrs. Dilworth, Hansmann, Hochschild, J. R. Houghton, Linder, Roth, Segal, Simon, Solow, and Straus; Dr. Kaysen, Mr. Morgan

Absent Messrs. Forrestal, Petersen, Taplin and Watson

Presiding Officer The President, Mr. Dilworth, opened the meeting at 4:20 p.m.

Minutes The minutes of the Annual Meeting of the Corporation held on April 28, 1972 in Princeton, New Jersey were approved as circulated.

Report of the Nominating Committee In the absence of Mr. Petersen, the Chairman of the Nominating Committee, Dr. Kaysen presented the report of the Committee:

For reelection as Trustees for the term expiring in 1978, Messrs. Dilworth and Watson.

For election as Trustee Emeritus, Mr. Harold F. Linder.

Election of Trustees 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 Messrs. Dilworth, Watson, and Linder.

It was the sense of the meeting that an appropriate resolution be forwarded to Mr. Harold Linder by the Director in recognition of his years of devoted service to the Institute.

Adjournment There being no further business before the members of the Corporation, the meeting was adjourned at 4:30 p.m.

Respectfully submitted,



Minot C. Morgan, Jr.
Secretary

THE INSTITUTE FOR ADVANCED STUDY

MINUTES

Regular Meeting of the Board of Trustees

April 27 and 28, 1973

Board Room, Princeton, New Jersey

Present

Mmes. Gray and Whitehead; Messrs. Dilworth, Hansmann, Hochschild, J. R. Houghton, Linder, Petersen, Roth, Segal, Simon, Solow, and Straus; Dr. Kaysen, Mr. Morgan

Absent

Messrs. Forrestal, Taplin and Watson

(At the request of the Chairman and the Director, the major portion of the formal agenda for the meeting of the Board of Trustees was postponed until Saturday morning, April 28, 1973. The entire afternoon session on Friday, April 27, 1973, was devoted to the discussion of the report of the Dilworth Committee on the Bellah controversy.)

Presiding Officer

The Chairman, Mr. Linder, opened the meeting at 1:40 p.m.

Report of the Dilworth Committee

Mr. Dilworth reported to the Board on behalf of the Special Committee (consisting of Mrs. Gray; Messrs. Forrestal, Segal, Solow and Straus). The full report of the Committee containing a history of the negotiations with the Faculty is attached. The Board was asked specifically to study four documents:

1. Appendix J of the Dilworth Report, which reflected the final understanding between the Dilworth Committee and the Borel Committee.
2. The letter of April 23, 1973, from Professors Borel and Cherniss to Mr. Linder, demanding the Director's resignation.
3. A proposed letter of transmittal of the Board's action to the Faculty.
4. The proposed release to the Press describing the Board's action.

The Director reported that Professor Bellah had withdrawn his name from consideration, following the tragic death of his eldest daughter.

-2-

Mr. Dilworth and several members of the Committee emphasized the fact that the Board was being asked to approve the full submission of the Committee, which included three documents:

1. Appendix J of the Report
2. The letter of transmittal to the Faculty
3. The Press Release.

There followed a general discussion of Article IV of Appendix J of the Dilworth Report:

1. With respect to the lifetime of the Faculty-Trustee Committee on Governance, and,
2. With respect to the exclusion of the Director from membership on this committee, except at the invitation of "any member".

Mr. Roth stated his firm view that the Committee could not operate effectively when one of the parties to governance (the Director) was excluded. The article was subsequently revised to read as follows:

"The Director shall not formally be a member, but he shall be present at any meeting at the invitation of the Chairman."

It was also the sense of the meeting that the joint Faculty-Trustee Committee on Governance should have a limited lifetime and should disband once its recommendations have been submitted to the Board. It should in no way provide the Faculty with an avenue for by-passing the Director.

There was also a general discussion as to whether the Borel-Cherniss letter of April 23, 1973 did not negate completely the effectiveness of Appendix J of the Dilworth Report. It was the sense of the meeting that this was an important historical document which recorded an agreement that might have been reached, if the Faculty had not also demanded the Director's resignation, and that a history of reasonableness in the negotiations was important to the record.

The Director said that he was reluctant to abandon the progress reflected in Appendix J of the Dilworth Report, and to resort to total confrontation with the Faculty. He gave a brief history of the changes in procedures for the appointment of the new professors and said that the Faculty had in large measure accepted these new procedures, where the major responsibility for new appointments resided with the particular Schools rather than a vote of the full Faculty.

-3-

With the Director absent from the room, there followed a brief discussion of the Director's willingness and ability to proceed from this point. It was the unanimous sense of the meeting that he should be continued in office and that he should have the wholehearted support of the Board in the matter before them.

The Director returned to the meeting and the following resolution was moved, seconded, and unanimously carried:

Resolved: That the Dilworth Committee Report be accepted and approved in its entirety; that the three documents under discussion (as amended),

1. Appendix J of the Dilworth Report
2. The letter of transmittal to the Faculty
3. The Press Release

be forwarded to the Faculty as soon as possible after the conclusion of the meeting.

Bellah
Resolution

The following resolution was moved, seconded, and unanimously carried, for transmittal to Professor Bellah:

Resolved: That the Board of Trustees express its profound sympathy with Professor Bellah and his family, its regret at his withdrawal from the Institute professorship he had accepted, and understanding for his reasons for so doing.

Resolved further: That the Board reaffirm its confidence in its evaluation of Professor Bellah's scholarly accomplishment which led to its approval of his appointment, and record the substantiation it found for that judgment from leading social scientists throughout the academic world who have written to us since the controversy became public.

Adjournment

At 4:20 p.m. the meeting was adjourned until 9:30 a.m. the following morning.

Presiding
Officer

The Board reconvened at 9:30 a.m., Saturday, April 28, with Mr. Linder in the Chair (Mr. J. R. Houghton was no longer present).

Minutes

The minutes of the Regular Meeting of the Board of Trustees held in New York City on October 11, 1972 and the Special Meeting of the Board of Trustees held in Princeton on January 20, 1973, were approved as circulated.

Election of
Officers

Mr. Petersen, the Chairman of the Nominating Committee, presented the following slate of officers for the coming academic year, for election, beginning July 1, 1973:

J. Richardson Dilworth, President
and Vice Chairman

Ralph E. Hansmann
Treasurer

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 slate.

Budget
Committee

In the absence of Mr. Taplin, Mr. Petersen presented the Budget for the academic year 1973-74 (attached). He explained that this was an unusual year with several increases offset by corresponding decreases in other schools or departments (as described on Page I-A of the Budget). The Director then called the Trustees' attention to 3 specific aspects of the Budget:

1. Outside funds
2. Relationship of income to expense
3. Staff salaries

He said that despite the cutback in federal funds to most colleges and universities, the budget predicted an all-time high of \$1,100,000 for grant reimbursement and overhead income from the Department of Defense, the National Science Foundation, the Atomic Energy Commission, and the National Endowment for the Humanities. This is a tribute to the work at the Institute, and it is unique in that we do not have to name, in advance, the recipients of grants. We are able to make application to these agencies by simply listing the names of former recipients of stipends from previous grants.

The Director said that the usual expenditures for the coming year should be approximately \$3,850,000 against a predicted income of only \$2,100,000. This represents approximately 7% of the portfolio against an annual return from income and capital gains which normally exceeds 10% and sometimes goes as high as 13%.

The Director then presented an analysis of staff salaries (attached) and requested an amendment to the Budget of approximately \$23,000 to cover an additional 3% increase not now reflected in the several staff salary accounts.

It was moved, seconded, and unanimously carried that the proposed Budget for 1973-74 be approved as amended.

Finance
Committee

Mr. Petersen reported that the Finance Committee had met on Friday, April 27 and had approved the transactions effected between meetings.

Mr. Hansmann reported that the market value of the portfolio on March 31 was approximately \$56,500,000. During the first 6 months of the fiscal year the value of the portfolio had increased 5%; during the same period the Dow Jones average had gone up 2.4%. During the first quarter of 1973 the portfolio had lost 4.5% as compared with a Dow Jones average of -7.8%. The portfolio now stands at 20% in cash and short-term notes; 2.5% in nonmarketable preferred stocks, and 77.5% in equities. This is in line with the general policy of the Finance Committee not to exceed 80-85% in common stock.

Mr. Petersen and Mr. Hansmann then explained the situation with respect to the 15,000 shares of the Equity Funding Corporation, held by the Institute. A number of Mr. Bristol's clients are in more or less the same position (Princeton University, Haverford College, etc.). The stock was sold to Salomon Brothers a few days before it was taken off the market. Salomon Brothers has not paid for the stock, and they have entered a law suit against Mr. Bristol and his clients on the grounds that they possessed "insider's information". Mr. Forrestal is currently looking into the possibility of joint counsel with other educational institutions if their situation is entirely similar to our own.

It was moved, seconded, and unanimously passed that the power to make a decision on counsel be delegated to Messrs. Hansmann, Petersen, Forrestal and Dr. Kaysen.

Director's
Report

A. Administrative Matters

I. Weller Tract

The Director gave a brief review of the transactions with respect to the Weller tract, beginning with its purchase in 1966 for possible building lots for permanent faculty housing. The interest of a local group of citizens and finally of the State of New Jersey in the expansion of the Princeton Battlefield Park has finally led to our sale of the Weller tract and the 20-acre East Field to the State of New Jersey for \$335,000.

II. Members' Housing

The Director reported that one more building, containing 8 bachelor apartments, would be completed by the end of summer, bringing the total apartments available to 146, plus 3 larger separate houses for members with large families. With this addition, there should be no need for further expansion of the housing project for a number of years.

III. Office Space

The Director said that the same situation does not obtain with respect to office space. Prior to the construction of the West Building, many of the younger members in Mathematics and Natural Sciences shared offices. This has largely disappeared, but in the coming academic year office space will be very tight indeed; and when the School of Social Sciences reaches the approximate size of Natural Sciences, we will again be in serious trouble. Part of this is occasioned by the Institute policy of providing Professors Emeriti with every facility that they had when they were active members of the Faculty. In 1974-75 there may be as many as 6 Professors Emeriti who will expect to continue to occupy their offices (including those of their secretaries and assistants).

The original Geddes plan for the development of the academic campus included a Mathematics building at the east end of Fuld Hall, roughly parallel to the West Building and somewhat smaller. It was thought that the need for this building was several years off but it is now apparent that it will be needed sooner, if funds can be found.

B. Faculty

I. Mathematics

The Director said that with the retirement of Professor Beurling and the resignation of Professor Atiyah, it would be reasonable to expect one or two nominations to the Mathematics faculty in the next year or so. He went on to say that it was an open question as to whether Professor Gödel, whose work in mathematical logic sets him apart from the other members of the School, should be replaced at the time of his retirement.

II. Natural Sciences

The faculty in Natural Sciences is very young and very active, and it would probably be unwise to add to their number for some time to come.

III. Historical Studies

The 3 appointments in Historical Studies have been more or less replacements of retiring faculty members: Habicht (Meritt); Elliott (Gilbert); Lavin (Meiss). No appointments have as yet been suggested as replacements for Professors Cherniss and Kennan. The Director then

-7-

explained that it is sometimes unwise or even impossible to attempt to replace a retiring professor with someone in exactly the same field. The excellence of the man rather than the precise field of endeavor should be the overriding consideration.

IV. Social Science

The Director then described the funding and expense of the Program in Social Science for the period 1970 to date. The grant of \$1,500,000 from the Ford Foundation was overmatched to provide a total endowment of approximately \$4,000,000. This includes \$1,000,000 from the 1907 Foundation for a professorship; there is reason to believe that an additional \$500,000 will be forthcoming from this source next year; and the 1907 Foundation has signified its intention of making additional contributions up to a total of \$4,000,000.

The expenses of the program in Social Science for the period 1970 to date have been met by grants from the Carnegie Foundation, the Russell Sage Foundation, the Sloan Foundation, the National Science Foundation, and income from the endowment. A total of \$187,400 of income in excess of expense has been returned to principal (breakdown attached).

The Director and Professor Geertz hope to propose 2 more candidates for professorships in the coming academic year.

C. Membership

The Director said that the work of the members was largely unaffected by the talk and publicity occasioned by the Bellah controversy. The major business of the Institute continues to be the work of the temporary members. There is a disparity among individual faculty members as to the amount of time they spend on their own research and their availability to temporary members, but we are nevertheless an active teaching institution. In fact, the Institute probably should not exist just for the faculty, and the faculty on the whole shares this view.

There followed a general discussion of the balance between the disciplines and the relative size of the several faculties. The Director said that the faculty is committed to its present size. Some additional flexibility might be achieved by the appointment of younger men to the faculty at something like the Assistant Professor level with, perhaps, 6-year appointments. The School of Natural Science does approach this pattern now; there are 3 young men with long-term appointments.

C. Fund Raising

The Director gave a brief report on the Associates Program. When the program was initiated, it was felt that 50 corporate or individual participants would be satisfactory and that 100 would be very successful indeed. After one year, there are only 18 or 19; the total contributions come to about \$100,000. The cost of professional fund raising assistance was about \$25,000 and it did involve a very heavy investment of the Director's time.

The firm of Barnes and Roche has agreed to continue at half-time and half fee (approximately \$12,000). It was moved, seconded, and unanimously passed that the Director should continue the relationship at this level.

The Director said that he believed that his objective in fund raising in the next 5 years should be to add from \$10 to \$15 million to the general endowment, with specific emphasis on endowed professorships.

There followed a general discussion of fund raising literature, the possible updating of the Bibliography Project, and a program of some sort for the Associates. The Director agreed that some sort of program in Princeton for the Associates was in order.

Appointment
of Committees

The Chairman appointed the following Standing Committees for the coming academic year:

Budget

F. E. Taplin, Chairman
H. C. Petersen

Finance

H. C. Petersen, Chairman
N. Simon

Executive

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

Nominations

M. V. Forrestal, Chairman
F. E. Taplin
Hanna Gray

Messrs. Dilworth and Hansmann are ex-officio members of the Budget and Finance Committees.

Special Committee

Ad Hoc Committee on Governance

H. C. Petersen, Chairman
H. H. Gray
R. M. Solow
D. B. Straus

-9-

Adjournment

There being no further business before the Board, the meeting was adjourned at 11:40 a.m.

Respectfully submitted,

Minot C. Morgan, Jr.
Secretary