

THE INSTITUTE FOR ADVANCED STUDY

M I N U T E S

Meeting of the Board of Trustees

Saturday, April 25, 1987

Princeton, New Jersey

- Present: Messrs. Brown (Vice-Chairman and Acting Chairman), Bell, Bradshaw, Goldberger, Gregorian, Guth, Hansmann, Lee, Petersen, Stewart, Straus, Taplin, Vaillaud, Woolf; Mesdames Kaplan and McCormack. Also Mesdames Labalme and Laesker, and Mr. Rowe.
- Absent: Messrs. Akers, Byrom, Forrestal, Mostow, Segal, Wolfensohn; Mrs. Delmas.
- Minutes: Mr. Brown opened the meeting at 9:20 a.m. The minutes of the meeting of October 25, 1986, were approved as circulated.
- Nominating
Committee: Mr. Bradshaw reported the recommendation of the Nominating Committee that the following slate of officers be elected:
- James D. Wolfensohn as Chairman of the Board and President of the Corporation
 - Charles L. Brown as Vice Chairman of the Board
 - Ralph E. Hansmann as Treasurer
 - Donald E. Jenkins as Assistant Treasurer
 - Patricia H. Labalme as Secretary of the Corporation
- Upon motion duly made and seconded, the above slate of officers was elected.
- Budget Committee: Mr. Brown reported for the Budget Committee. The Committee had reviewed the proposed budget for FY '88. Faculty salaries were currently at \$95,000 annually with fringe benefits at about \$28,000. No raise was proposed here but would be discussed at the October meeting. In the attempt to assess the relation of the Institute's benefit package to that of other institutions, Mr. Segal's firm had been consulted and

and had sent Mr. Rowe a letter from which he read the following excerpt:

"Based on your study and our March 3 discussion, we agree that the faculty benefits provided by the Institute compare favorably with those provided by the six other institutions included in your study. The assumptions you made to facilitate comparisons of sabbatical leave benefits and faculty children tuition influenced the conclusions that, on an overall basis, benefits were generally comparable. In certain important areas, such as retirement and life insurance benefits, the Institute appears to provide benefits that are superior to those provided by the other institutions included in your study."

Mr. Brown said that the Board could feel assured that a thorough study of the Institute's benefit package had been made. The general conclusion was that the Institute's benefits were generally comparable or superior to those of other institutions.

The mortgage plan was also under review but had not been included in the present benefit study because it is very difficult to quantify. The mortgage rate for new faculty is 6%.

Mr. Brown mentioned that most academic institutions offer an interest rate of a set percentage below the going rate. Princeton University, for example, is at 1½% below the going rate.

Mr. Segal's firm will make a recommendation about health benefits.

Mr. Straus asked whether the Institute could arrive at a formula for the dollar value of the benefits or some kind of ongoing comparative system. Mr. Rowe remarked that it was difficult, though not impossible, to get the statistics of other institutions on which such comparisons were based. Dr. Goldberger said he would look into compilations of this type of material.

The draw on the endowment was reviewed. Dr. Goldberger remarked that the Institute's draw was unusually high in relation to most educational institutions, adding that anything above 6.3% is excessive.

The budgetary item for library acquisitions was discussed. Dr. Woolf pointed out that the need for books continues, even in a period of the increased use of tapes. Mr. Gregorian mentioned the rising cost of scientific literature and the added burden posed in purchases abroad by the declining dollar.

The Budget Committee had recommended that this proposed FY '88 Budget be approved. The motion to approve the budget was moved, seconded, and carried.

Finance Committee:

Mr. Hansmann reported for the Finance Committee. As of March 31, the endowment had reached a new high of over \$180 million. At that date it was invested 40% in fixed income securities and 60% in equities. The distribution is currently 45% in fixed income securities and 55% in equities. The Portfolio Guidelines allow for the equity portion to be as low as 50%; if it should fall lower, the managers are required to consult with the Finance Committee.

There is a good mix of stocks. These have performed less well on the upside than they have on the downside.

The Board reviewed the Hamilton, Johnston & Co. report dated April 20, 1987. Mr. Hansmann pointed out certain discrepancies between Hamilton, Johnston's figures and the figures supplied by the bond managers and said that the firms are still trying to resolve these differences.

Government loan:

Mr. Hansmann reported that the Institute had been offered an opportunity to pay off the residual amount of the United States government loan at \$360,000 and the loan had been paid off.

Douglas Land
Propoerty:

The Institute retained a 3% interest in the Douglas Land Property, northwest of Phoenix. This land is being explored for water, the presence of which would considerably increase the value of the property. The results should be known in May.

Resolution:

Mr. Hansmann asked the Board to approve a resolution to pre-refund an outstanding New Jersey Government loan if a favorable opportunity presented itself. Upon motion duly made and seconded, the resolution was approved. (See attached resolution).

Securities loaned
to Bank of New York:

Mr. Hansmann reported that the securities lending agreement between the Institute and the Bank of New York had been reviewed by Mr. Forrestal who had raised a number of questions to which the Bank of New York had responded with a letter. Mr. Forrestal had not yet seen the letter, but upon his advice, the Institute's agreement with the Bank would remain in effect or be cancelled.

Director's Report:

Dr. Woolf opened the Director's Report by thanking the Trustees for the dinner of the previous evening given for him and Pat Woolf.

He welcomed the new Trustees: Vartan Gregorian, Helene Kaplan, and welcomed Marvin Goldberger as the Director-elect.

The Institute was in good shape. The past decade had seen a change of mood and an increase of the kind of conversation and cooperation which had been so evident at the faculty dinner earlier in the week and the evening just passed.

Two books were available for the Trustees: Morton White, Philosophy, The Federalist, and the Constitution and Michael Walzer, Interpretation and Social Criticism.

School of Historical
Studies:

Dr. Woolf reported Margaret Setton's death earlier this year and Evhy Constable's serious illness.

NEH:

The good news was that the School had reapplied to the NEH for a three-year grant. The School had now agreed to the outside filtering of applicants which the NEH requires but which the School had hitherto resisted.

Stipends:

The School has also decided to reduce the visiting membership in 1988-89 by 1/4 to 1/3 in order to raise stipends by 25%. The future figures will be

1987-88:	\$20,000 for U.S. scholars	\$13,000 for foreign scholars
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1988-89:	\$25,000	\$16,000
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This has been a necessary but uncomfortable decision. There is increasing competition for scholars and the School has not always been able to get the scholars they wanted because of their low stipends.

Two-year
memberships:

At the same time, a proposal is being formulated to try to get funding for six special two-year memberships for mid-term assistant professors.

This is directed at those scholars who do not find this type of support in the outside world, scholars preparing a second book and in line for a tenure decision. The School is asking the Trustees to approve six such positions, two a year over a four-year period. The total needed is \$300,000 with stipends set at \$25,000 each. This sum would be adjusted if sabbatical funds were available. The School has asked that special funding be sought either from Trustees or from outside sources.

The Board reviewed the 1986-87 stipends in the different Schools as listed in their notebooks (see last page under Director's Report). Dr. Goldberger pointed out that Mellon Foundation stipends now run \$30,000. Miss McCormack raised the question as to whether current stipends shouldn't be strengthened before new arrangements were made such as the one proposed above.

Joint memberships
with School of
Social Science:

Another Historical Studies project is being worked out together with the School of Social Science. This would be a three-year program for six joint memberships in each of those three years. Its theme is: "Religion and Society."

This is a theme of considerable topical interest which offers real possibilities for interdisciplinary collaboration between historians, philosophers, theologians, sociologists and anthropologists.

Each year will be devoted--following a previous pattern--to a particular aspect of the general theme: possibilities include fundamentalism and revivalism, the politicization of religion and the sacralization of politics; religion and social criticism; religion and science; millenarianism.

This kind of cooperation between the two Schools is a good example of how these two Schools have been working together to combine their talents.

As with other years in the School of Social Science, a core group would be chosen to address the chosen theme, but there would be extensive interaction with other visiting members not so chosen, allowing other seminars to develop around other mutual interests.

The two Schools proposed an across-the-board stipend of \$30,000, with reduction if this is more than normal salary. The Executive Officers of both Schools are requesting special funding from the Trustees for this program.

Elliott's honors:

John Elliott continues to reap honors for his book on The Count-Duke of Olivares. In December he received the Wolfson Award in London for 1986 for History and Biography and in May he will travel back to London where the Spanish Ambassador will, on behalf of the King of Spain, make him a Commander of the Order of Isabel la Católica.

A number of new funds have come into the School through the generosity of several individuals:

Alpha Fund:

Alpha Fund, set up with an anonymous gift of \$300,000 from a friend of Wilfried Guth. This is being divided between the Schools of Historical Studies, Mathematics, and Social Science for projects which cut across conventional disciplinary boundaries and/or fall within areas for which support is otherwise not obtainable.

In Historical Studies, three awards made from this Fund for 1987-88:

- 1) History of Ancient Logic--Eastern and Western
- 2) Late Roman and Byzantine archaeology and economic history
- 3) Medieval philosophy and science

Neugebauer gift:

Otto Neugebauer, a long-term member here since 1960 in both Historical Studies and Natural Sciences, won the Balzan Award (Fondazione Internazionale Premio E. Balzan, Milan). He has donated his \$150,000 prize to the Institute as an endowment fund to support research and publication in the history of mathematics and the history of mathematical astronomy in any historical period. A Committee made up of representatives from Historical Studies, Mathematics and Natural Sciences approves the grants.

Emeriti:

The School of Historical Studies, unlike a decade ago, is now really two schools. With Morton White's retirement, there are 8 emeriti in residence and only 6 non-retired professors. Of those 8 emeriti, 6 remain highly active as scholars, including George Kennan who was interviewed by Walter Cronkite on CBS March 31, Marshall Claggett who has invented a hieroglyphic system for the computer, and Homer Thompson who continues to oversee the publications of the Agora excavations in Athens.

Present state: The School appears to be in a healthy state. It has begun to express new initiatives (such as the two-year membership project, and the possible joint program with the School of Social Science).

Responses to recommendations of the Visiting Committee show that some therapeutic steps have been taken: a retiring professor does not participate in the choice of his successor and all presumptive rights in the choice of visiting members have been abolished. The School as a whole now selects the visiting members.

The School's high reputation has been maintained, as was evidenced in the article in last Sunday's New York Times magazine section on the History Department of Princeton. The most important aspect of that article for us is that it shows the influence of Institute faculty on Princeton University faculty, a symbol of the role of the Institute as a whole within the learned community.

School of Mathematics: The School's case statement which was sent out with the others to the Trustees is a gem: a careful, thorough, reasoned study, expressing their future needs.

Size: The School would like to maintain its present numbers, adding if possible, one more Faculty member to maintain their Faculty at a total of 8, after Atle Selberg (whom they had agreed not to replace) retires this year.

With Arne Beurling's death last fall, there will be four emeriti, all remaining visibly attached to the Institute. The School also wishes the visiting membership to remain around 60.

Stipends: Stipends, the School feels, should increase 15% and it would be desirable to endow 8-10 fellowships.

Visiting Professors: The School is eager to implement the recommended Distinguished Visiting Professorship Program to which it gives a high priority. Details are spelled out in the School's case statement.

Incremental income: The School hopes that the Trustees will heed the Visiting Committee's recommendation "to invest in their first rate mathematics faculty rather than run the risk of tempting their faculty to submit safe research proposals to government agencies for the sake of 2/9

incremental income." Accepting the 2/9 incremental income, they feel, restricts their freedom. This is a moot point. One mathematician, Luis Caffarelli, is already accepting it. Dr. Goldberger said that he had experienced similar hesitations when he was Chairman of the Physics Department at Princeton but that he had come to believe it was foolish not to take advantage of the additional money made available by the government, if it was done carefully.

Facilities:

The School also makes a strong case for unifying its scattered facilities and sees a possible solution (at least for 20 years) to the library space problem by combining the two now separate library facilities of the Institute. Negotiations towards this end are underway.

The School has also spelled out its anticipated computer needs which are substantial.

Present state:

The School remains one of the great schools of the Institute and plays a major role in the world of mathematics as a whole. One example is the list of distinguished mathematicians who will be attending the celebration of Atle Selberg's 70th birthday in Oslo this June (copy of poster is in Trustee notebooks).

Program for 1987-88:

For next year, the School has obtained funding (\$90,000) from the Sloan Foundation for a program on String Theory (which crosses over into an area with Natural Sciences and for which Natural Science has also invited several participants).

The Alpha Fund will make additional funds available for some visiting members (not yet designated).

School of Natural
Sciences:

Present state:

After some dormancy, a new surge of energy is evident here.

New appointments:

Two appointments were proposed this spring. Ed Witten is a high energy physicist from Princeton University, "the most profound, creative, and productive high-energy theorist of this decade" according to Sidney Coleman of Harvard University.

Three years ago there were some troubles about his coming here from the University, but these differences have now been reconciled.

Marshall Rosenbluth is a plasma physicist, professor here from 1967-80, who has been at the University of Texas. The possibility of a joint appointment with Princeton University was explored, but the sentiment of the Faculty was against it, so that proposal was dropped in favor of offering him a regular appointment. We are waiting to hear from him now as to whether he will accept.

Computers:

The main concern about this School is the computer burden it carries and imposes, the rate of change in the hardware it requires, the pressures it feels and exerts to upgrade the computational system. There is need for a policy to restrain this computer hunger, to devise ways of sharing costs with nearby institutions. For these matters expert judgment is necessary, either on an ad hoc basis or in the form of an expert on the staff.

Dr. Lee suggested that while the supercomputer consortium should meet the immediate needs of the School, there is also the theory that the School should make its own computer which will not be user-friendly but only friendly to its creators at the Institute. One problem the Institute has is its lack of students who, as low-paid assistants, can work on a project over a period of time. Perhaps this need could be supplied by Princeton or Rutgers.

Dr. Gregorian asked about cooperation between the Institute and Princeton University in this respect. Dr. Woolf replied that originally, the Institute had bought computer time at Princeton, but the two institutions have since gone separate ways. The consortium supercomputer will not be fully operative until next fall. The trend toward privatization of computers, such as that described by Dr. Lee at Columbia, can only be dealt with by an expert not anchored to any one of the Institute's Schools.

Dr. Lee described the work of his own computer group at Columbia University, and their need for their own sophisticated computer. Government agencies support their projects, and they have an annual budget of \$300,000. They also have what is lacking here: students and a machine shop.

School of Social
Science:

The School of Social Science is flourishing, despite its painful parturition. It had hoped to get Amartya Sen, a distinguished economist from Oxford, as the School's fourth professor, but he chose to go to Harvard instead. He will now be joining the Institute as a member of the Board of Trustees.

Fourth
professorship:

This is a small but very powerful School. The need remains for a fourth professorship, but it may not be so easy to find candidates who qualify for this particular approach to social science. And, as the School states in its case statement, unless the position is endowed, support of a fourth professorship will seriously drain the School's resources.

Foundation
the support:

Next year the School will receive funds from the NEH, Rockefeller Foundation, the Olin Foundation, as well as the Alpha Fund and perhaps from the Ford Foundation and the Rubinstein Foundation. The School works very hard on these foundation proposals, offering well-articulated themes. It needs this extra support since its visiting members often require high stipends, and its conferences require extra funds.

Member support:

The School has stated its endowment needs for a fourth professorship and an additional \$7.5 million for member support and conferences.

Group identities:

Next year, it will begin a new three-year program on Group Identities. 1987-88 will be focussed on Gender (as a form of group identity), and especially, Gender and Science. A number of issues such as surrogate motherhood and artificial insemination will be addressed.

Joint memberships
with Historical
Studies:

As already mentioned, there is a new proposal for joint memberships with the School of Historical Studies. There was one previous joint project, 1979-82, on "Self-Perception, Mutual Perception, and Historical Development." Funds for this were obtained from the Mellon Foundation. We hope to be able to find outside funding for this next joint venture on "Society and Religion."

Present state:

The School is in good shape. It has had great success with its thematic arrays.

- Administration:** A principal concern of the Administration is emeriti housing. The emeriti are part of the faculty, and various ideas have been entertained for their housing, including the building of an apartment house, the purchase of houses. The Adler house is being renovated now and the smaller half of it has already been bought.
- Einstein house:** The Einstein House might serve for senior visiting scholars. Einstein expressly stated that it should not be made into a museum. The house needs much repair work which can be done by Institute staff. Dr. Lee asked if one room might not be set aside and preserved in its original state.
- Other houses:** Other housing purchases have been considered. The old gate-house at the entrance to Marquand House became available. We had the right of first refusal, but on the advice of the Housing Committee Trustees, we did not take up the option of purchasing it and the house sold at \$435,000 the same day it went on the public market.
- Two other houses in the neighborhood have been inspected. One, the Iwasawa house, was attractive and fairly-priced and the Institute has bought that. The other, the Agar house, is quite impractical and we turned that down.
- Marquand House:** Marquand House continues to be useful for short-stay guests. Last year, 114 guests spent 148 nights at Marquand House between July 1, 1986, and the present date. The total income received during this same period was \$12,180. It has been useful for small conferences and workshops.
- Tax settlement:** The settlement with the township over taxing member housing will save the Institute \$85,000 a year. Relations with the township are amiable. Over the years, the Institute has undertaken a number of pro-bono activities and has a good rapport with the Princeton community.
- Development:** A number of visits were made to foundations to thank them for their support and to alert them to the change in the directorship. There had been a recent visit to the west coast where Dr. Woolf addressed a group of Silicon Valley executives gathered together by Sandy Robertson of Robertson, Colman and Stephens.

AMIAS: The fund provided through annual solicitation by the Association of Members of the Institute for Advanced Study (AMIAS) now stands at \$81,000.

Importance of the
Institute:

Dr. Woolf concluded his report with some general remarks on the importance of the Institute in relation to other institutions. It serves to reinvigorate a small but significant portion of the academic world, and, in a fractional sense, the industrial world as well. It protects the game of the mind at work. Dr. Woolf commended this cause to the Trustees. He assured them that the harmony of the previous evening was genuine, and it could be harnessed to move into new fields such as the life sciences or computational biology. The Institute should not replicate itself but seek new ground. He thanked the Trustees for the productive time they had enjoyed together, a time during which the endowment had tripled and the Faculty salaries had remained at a level with the best. He concluded by reading part of a visiting member's report.

Appreciation
expressed:

Mr. Brown expressed the appreciation of the Board for the decade of Dr. Woolf's directorship.

Mr. Bell pointed out that there was indeed a challenge posed by presenting scholars with such ideal conditions as pertained at the Institute. He urged the Trustees to note especially two matters which the Director's Report had raised. The first was the idea of two-year memberships, now extremely rare, but very valuable for promising young scholars. The second was the emphasis on thematics such as those offered in the School of Social Science and which, in a time of narrowing research topics signified an important trend.

Housing development:

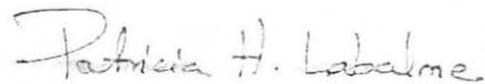
Mr. Brown raised the question of the affordable housing which may be built at the end of Springdale Road, across from the Institute's member housing. The land has been offered to the township by the University. The potential problems of traffic and intrusion into the woods and campus of the Institute are considerable. Dr. Woolf said that the legal rights of the Institute are being explored. Dr. Goldberger has raised the subject with Mr. Bowen. He also asked whether the Institute had filed a master plan. Mr. Gregorian commented on the advisability of this lest the Institute be viewed as merely obstructionist. Mr. Brown suggested that the Housing Committee might wish to be involved in the ongoing discussion of this matter.

Search Committee:

Mr. Brown concluded the meeting by welcoming the new Trustees and the director-elect. The Board expressed its warm appreciation to the Search Committee and its Chairman, Thornton Bradshaw, who had brought the search for a new director to such a satisfactory conclusion.

There being no further business, the meeting was adjourned at 11:25 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Patricia H. Labalme".

Patricia H. Labalme
Secretary of the Corporation

RESOLUTION OF THE BOARD OF TRUSTEES OF INSTITUTE FOR ADVANCED STUDY
APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN
AMENDED LOAN AND SECURITY AGREEMENT IN CONNECTION WITH A HOUSING
FACILITY HERETOFORE FINANCED THROUGH A LOAN FROM THE NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY

WHEREAS, the Board of Trustees of Institute for Advanced Study (the "Institute") has heretofore duly adopted a resolution recommending and approving the housing facility (the "Project") located on the campus of the Institute in Princeton, New Jersey, and financed through a loan from the New Jersey Educational Facilities Authority (the "Authority"); and

WHEREAS, the Institute has, pursuant to said resolution, approved the form of and authorized the execution and delivery of a Loan and Security Agreement by and among the Authority and the Institute in respect of the Project; and

WHEREAS, the Authority has heretofore issued its \$8,775,000 Revenue Bonds, Institute for Advanced Study Issue, 1980 Series A (the "1980 Series A Bonds"), as permanent financing for the costs of Project; and

WHEREAS, the Authority contemplates the issuance of its revenue bonds to refund the 1980 Series A Bonds and to refinance the costs of the Project; and

WHEREAS, the Institute has been submitted a form of Amended Loan and Security Agreement (the "Amended Agreement"), by and among the Authority (the "Authority"), and the Institute relating to the Project and the refinancing thereof; and

WHEREAS, it is deemed advisable in respect of the Project to approve the form of and authorize the execution and delivery of the Amended Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF INSTITUTE FOR ADVANCED STUDY AS FOLLOWS:

SECTION 1. That the form of the Amended Agreement in substantially the form of the Amended Agreement made a part hereof as fully as if set forth verbatim herein with such changes, omissions, insertions and revisions as shall be approved by the Authority, and the hereinafter authorized officers of the Institute, be and the same is hereby authorized to be entered into and approved and the Director or Associate Director of the Institute, is hereby authorized and directed, for and on behalf and in the name of the Institute to execute and deliver said Amended Agreement and the Secretary or Assistant Secretary of the Institute is authorized to affix the seal and attest thereto.

SECTION 2. That the Chairman or Vice Chairman, Secretary or Assistant Secretary, and the Director or Associate Director of the Institute are hereby authorized and directed to make, execute and deliver all such additional and supplemental documents and to do and perform such acts and to take such actions as may be necessary or required for the consummation of the transactions provided for and contemplated by the aforesaid Amended Agreement and the refinancing of the costs of the Project by the Authority.

-2-

SECTION 3. That all resolutions, orders and other actions of the Institute in conflict with the provisions of this resolution to the extent of such conflict are hereby superseded, repealed or revoked.

SECTION 4. That this resolution shall take effect immediately.