

CONFIDENTIAL

DIRECTOR'S REPORT

Now that the Institute for Advanced Study has come successfully through five very difficult years and stands at the beginning of what I hope will be a new era, I find myself free for the first time to discuss frankly with the Trustees our past experience and our plans for the future. I have been prevented from raising these questions in the past by (1) lack of funds and (2) by Mr. Bamberger's request that I should refrain from the discussion of these matters until he had made up his own mind what he intended to do for the Institute.

I have been a Trustee of the Institute since its foundation in 1930 and long before I became Director in October 1939 I had thought much about its possibilities. When I came to Princeton, however, I soon found that there was no question of any immediate realization of these possibilities. Instead I discovered that the Institute was facing a grave financial problem. The income from our endowment was then, as now, between \$315,000 and \$330,000 per year. Our annual commitments then, as now, were between \$425,000 and \$450,000. The immediate job was to balance our budget.

The auditors' report showed a deficit in the operations of the Institute as of June 30th, 1940 of over \$36,000. There were in addition certain necessary future expenditures for which no allowance had been made. These included the cost of the operation and maintenance of Fuld Hall which first came into use in October 1939, Dr. Flexner's pension, expenditures for the library, and eventually additional expenditures to provide adequate retiring allowances for members of the Faculty. My first task at Princeton was to find the funds to meet this deficit

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which ran from \$100,000 to \$125,000 per year.

This, through the generosity of Mr. Basberger and of various foundations, we have been able to do. During the five years of my Directorship, the Institute has received something over \$600,000 to be spent as income to cover our permanent commitments and to use in stipends for research. About one-half of this amount was given by Mr. Basberger; the remainder came from foundations and various other sources. In discussing our financial difficulties with Mr. Basberger I found him critical and sceptical but at the same time generous and sincere. He felt that he had given too much money to the Institute in the past and had paid too little attention to how it was spent. He told me that he had under consideration other philanthropies to which he might devote a part of his fortune.

Beginning in 1941 I lunched with Mr. Basberger in Newark regularly every week. For nearly two years he was non-committal and discouraging. I laid the whole situation of the Institute frankly before him and I believe gradually brought him to realize both the difficulties of our present position and our possibilities for the future. At the beginning of 1943 his attitude changed. He began to reassure me in my anxiety about our finances. He asked me not to worry. He told me that he and Mrs. Fuld were taking care of the Institute in their wills and that he preferred to leave detailed problems as to the program of the Institute to be settled by Trustees and Faculty after he was gone. I did not dare to count too much on these assurances but when he died last March I was interested to learn that the date of the will in which he made the Institute his residuary legatee was February 1943.

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My weekly conversations with Mr. Bamberger were not entirely devoted to our finances. My interest in coming to Princeton was to make a contribution to the scholarly future of the Institute and I supposed that these problems would be my principal responsibility. As a preparation for the consideration of them I read to the Trustees in the three meetings of 1941, three reports dealing with our three Schools of Economics, Mathematics, and Humanistic Studies. At the same time I held a series of conferences with scholars in all parts of the country as to the most effective contribution which the Institute could make to the advancement of knowledge.

In November 1940 I presented to Mr. Bamberger and to Mrs. Fuld a long memorandum on the subject of the future development of the Institute. To this memorandum Mr. Bamberger gave me no definite reply. Indeed I expected none. Instead we discussed it from week to week along with other problems of the Institute for a period of about two years. In November 1942 I handed him another letter on the same subject and asked his permission to lay my proposals before the Trustees in order to keep them informed and to get their advice. This Mr. Bamberger asked me not to do for the present and nearly a year later he made the statement which I have quoted above that he expected to provide generously for the Institute but was not yet ^{ready} to allow me to discuss its future program with the Faculty and Trustees. Mr. Bamberger had very definite ideas of his own but he had no wish to dictate. He was strongly opposed to the subject of economics and gave his consent originally in my opinion only because he thought our activity

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in that subject was experimental and could be terminated at any time. When I explained to him that this was not the case and urged upon him the great potential interest and value of this field, he willingly matched the contribution which I was able to secure from the Rockefeller Foundation for support of our work in that subject for a period of five years. In general Mr. Bamberger gave me to understand that he did not care to participate in the discussion of the scholarly program of the Institute and would prefer to leave the consideration of such matters to the ^{Faculty and} Trustees after his death.

I felt bound to respect Mr. Bamberger's wishes and have accordingly never raised with the Trustees or the Faculty these important questions. Our whole financial future depended upon him. I felt myself responsible for the security of the Faculty, for their salaries and their pensions, and realized, in spite of my impatience, that I had no choice but to wait until he gave us permission to go forward. That permission he has tacitly given us in his will.

II

One problem of the future it was necessary to bring up during Mr. Bamberger's lifetime: that was the orderly provision of retiring allowances for members of the Faculty. I found when I came to the Institute that this liability had never been understood by the Trustees. The appointments of members of the Faculty, ^{approved by} ~~as made by~~ the Trustees, contemplated retirement at the age of 65, with the proviso that the period of active service could be prolonged by mutual agreement between them and the Institute. A good many members of the Faculty had received what they interpreted as assurances that their period of

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active service would be so prolonged, but these informal assurances had never been reported to the Trustees.

Professors paid 5% of their salaries to the TIAA and the Institute contributed an equal amount. Certain members of the Faculty had been promised generous retiring allowances and Mr. Bamberger had understood that this 5% contribution would be adequate to take care of the others. It was quite clear that this would not be the case; under the 5% rule something like one-half the Faculty would have been retired on pensions ranging from \$700 to \$2,500.

The Trustees will remember the long series of negotiations and committee meetings in the course of which our present retirement plan was worked out. It did not please everybody. When it was finally agreed upon and announced to the Faculty, I was requested to call a meeting on January 24, 1944 to discuss the arrangements proposed. Those who felt themselves aggrieved had full opportunity to state their case and did so. There was a frank discussion at the end of which the Faculty passed a resolution of appreciation for the satisfactory result which had been reached. Over and over again Mr. Bamberger expressed to me his own relief and gratification at the solution of this problem.

In the regulations for retirement the Trustees held strictly to the age of sixty-five which had been originally contemplated. Professors Einstein and Vahlen are only an apparent exception. They were the two members of the Faculty whom Mr. Bamberger knew best and he felt very strongly that he would like to have them continue beyond the age of sixty-five. I explained to him that if this were done

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these two Professors would be more comfortable and the other members of the Faculty better satisfied if they retired nominally at the age of sixty-five and if he would contribute the \$70,000 needed to pay the difference between their pensions and their salaries for the five years from sixty-five to seventy. This Mr. Bamberger promised to do and that sum has since been received from his estate so that the continuation of these two men beyond the age of sixty-five involves no additional drain on the Institute budget.

While the retirement allowances were under discussion I raised several times with Mr. Bamberger the question of my own retirement. He saw no reason why the rule which applied to the Faculty should apply also to the Director, and said repeatedly that he hoped I would continue as long as my health and strength allowed. Other members of the Board with whom I talked took a similar position. I felt uncomfortable to leave the matter in the air but there was too much at stake for the Institute for me to urge upon Mr. Bamberger further discussion of my personal situation. Consequently no such provision was made for my salary as for that of Einstein and Veblen. As I have thought the matter over since Mr. Bamberger's death I have come to feel very strongly that if members of the Faculty retire at sixty-five, the Director should do the same, and I have been quietly making my plans to retire at that age.

I frequently expressed to the Pension Committee and to the Executive Committee my hope that members of the Faculty after retirement (while left in freedom to do as they liked) would continue to carry on their scholarly work at the Institute as long as they were able. Supplements have been voted to the pensions of Lowe and Herzfeld to enable them to

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do so. This is exactly what I should like to do myself. My pension, (the funds for which were largely accumulated with the TIAA during my nineteen years at Swarthmore), will be ample to ^{enable} ~~allow~~ me to live in Princeton and I should look forward with great satisfaction to carrying on my own work in Fuld Hall.

III

During the war period the Institute was able to take certain positive steps which I am sure the Trustees will always look back upon with pride. One of these was the invitation to the League of Nations to transfer the Economic Section to Princeton. The dramatic story of the way in which the Economic Section finally moved from Geneva to Fuld Hall during the darkest days of the war I told in detail in my report for October 1940. The presence of this group of economists during the last four years has made the Institute a natural center for ~~the~~ discussions of postwar problems and it has kept together a group of scholars who will, we hope, be taken over intact by whatever international organization may be formed after the war. The League group has increased substantially in size during its four years at the Institute, largely due to the generosity of the Rockefeller Foundation in providing them with funds for research. Now that the war is drawing to an end those members of the Faculty who have been away are returning, at my request, to their work at the Institute; and now that we have this year a number of new members released from the armed services or from war work and ^{coming} ~~returning~~ to us for research, Fuld Hall is badly overcrowded. I am happy to say that

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Princeton University and the Theological Seminary, which have some rooms to spare, have kindly consented to help us out in this situation by providing space for some of the officers of the League.

The members of the Institute Faculty have made a distinguished contribution in their various fields to our war effort. The details of this contribution, insofar as they were not matters of military secrecy, I have given to the Board year by year in my reports. It has been impossible, however, and is still impossible to tell the whole story. That must be reserved for some future report after the war is over and the bonds of military secrecy have been relaxed. We have a record for war work which will stand comparison with that of any educational institution in the world. Mr. Banberger felt keenly the importance of the cause for which we were fighting and it gave him satisfaction to know that the Institute which he founded was doing its part to discredit forever the infamous Nazi theory of a master race.

In addition, by some miracle of hard work and concentration, the Faculty and members of the Institute have during the war years carried on researches remarkable both for quantity and quality. Several of the research projects which were being undertaken in 1941, and which were described in my reports to the Board of that year, have been completed and it is interesting to note that some of the members of the Faculty who have been most active in the war effort have also accomplished the most in research. I have reported the details to the Trustees year by year and need only mention here the contributions of Penofsky, de Tolnay, Siegel, Meritt, Lowe, von Neumann, Morse, Earle, Goldman, Herzfeld, Weyl, Warren, and others, which were either published or prepared for publication during this period.

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Aly?
Ves?
Stewart?

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IV

While I felt great impatience at the time, I am in some respects not sorry for the period of stock-taking with which I began my Directorship. The Institute is a new institution. Nothing exactly like it exists either in this country or in Europe. I had the leisure to read up the history of the College de France, All Souls College, and the Kaiser Wilhelm Gesellschaft. All Souls I have known for many years, the College de France I have frequently visited, and I made some study of the laboratories of the Kaiser Wilhelm Gesellschaft a few years ago when we were planning new developments in biology at Swarthmore. These are the three organizations from which we might expect to get the most useful hints, though no one of them was planned to meet exactly the need which we face in the United States.

I have never wavered in my enthusiasm for the opportunity which confronts us in the United States in the advancement of knowledge, and in the training of young men both in the technique of research, and in the ideals of scholarship. The future of higher learning in America lies in the best training of our best brains. Our educational system is immense from the point of view of quantity but as a nation we have so far tended to neglect quality. For the Institute quality is everything and I am convinced that the whole level of our educational system can be raised by the adequate stimulus and development of a comparatively small group of leaders.

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The first duty of the university is the advancement of knowledge. The most effective teaching of undergraduates can be done only by creative scholars. American universities have not succeeded as well as they should in providing for the continued development of young men who have taken the doctor's degree and who are ready to enter upon scholarly careers. The emphasis upon creative scholarship as a condition for promotion in college and university faculties, while often enforced in a mechanical and wooden way, is at bottom sound. Superior students will be stimulated to do their best only under such teachers.

As I have stated in a recent book: "The young Ph.D. is only an apprentice to scholarship. When he begins his teaching career it is the custom to expect him to do more hours of teaching than his seniors are required to undertake and he is not usually eligible for leave of absence on salary until he has been promoted to an assistant professorship. Our practice should be just the reverse. Young instructors should be given light teaching duties even if the salaries paid are reduced in proportion. They should have some opportunity to teach advanced courses, occasional leave of absence, and every possible incentive and opportunity to improve their scholarship as rapidly as possible. No college or university with which I am acquainted does its full duty by its younger teachers. An institution which did might rapidly become the training ground for the whole country by the simple process of giving young men the opportunity they need between the ages of twenty-five and thirty-five."

I began work actively on this problem of the development of the young scholar when Senator Guggenheim asked me in 1924 to suggest a

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plan for the system of fellowships which he proposed to establish. The Senator had in mind originally appointments for recent college graduates, somewhat on the model of the Rhodes Scholarships. I discussed the idea with a great many men all over the country and employed Henry Allen Moe who was just back from Oxford to assist me in conducting these interviews. It became quite clear to us and to the Guggenheim Trustees that the young scholar in his thirties was the forgotten man so far as American educational endowments were concerned and that funds used for his benefit would be of great value to higher learning in America. By contributing to the best development of the best of these young scholars the Institute can render a great service in lifting the standard of education and scholarship in all the institutions to which its influence extends.

The Institute is not just another university. We exist not to compete with other institutions but to supplement and serve them. Our duty is to seek to be of the utmost possible use to scholars in this and other countries. We have made a promising beginning, but with the new funds now at our disposal and with franker and more critical discussion of our successes and failures than has ever been possible in the past, I think we can be still more useful in the future. All our problems have not yet been solved and during the last five years progress toward their solution has been hindered first by lack of money and second by the fact that these young men were precisely those who were most needed in the war effort. The

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task immediately before us is such development of our organization and our policies as will enable us to fulfill as effectively as possible the purpose for which the Institute exists.

One important development of our organization has been much on my mind for several years. I brought it to the attention of the Committee on Pensions two years ago but no action was taken at that time. The enforcement of the retiring age of sixty-five, (of the wisdom of which the Faculty is agreed,) makes it difficult to bring to the Institute men who are past that age. It will occasionally happen that we desire to appoint a man (like Gapps of Princeton or McIlwain of Harvard) who may be seventy or over but, nevertheless, full of energy and enthusiasm for research. There will be men in various universities and in our own Faculty who come to the retiring age similarly qualified and who would have a contribution of importance to make to our work. "All along the line," said President Keppel in his Carnegie Corporation Report of 1937, "we Americans have been conspicuously unsuccessful in making use of our elder statesmen, and nowhere is this more true than in the case of our professors." Dr. Keppel goes on to emphasize the need of providing for such men not merely financial assistance but also the tonic which comes from some definite official appointment. Dean Seashore has emphasized the same point in a recent article in "Science."

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In my opinion, the Institute for Advanced Study should establish a status for such men. I should call them Fellows of the Institute. For appointment as Fellow there should be no age requirement, the stipend should be flexible and it should be adjusted to the need of the individual concerned. In some cases no stipend would be ~~needed~~^{required}. The appointment should be not honorary but for active research for a fixed term of years, which would normally vary from one year to five. I should not limit Fellowships to older men. Many, perhaps the majority, might be young men for whom year by year appointment as members does not give a status sufficiently secure to enable them to do their best work. A young man like de Tolnay who has shown unusual productivity and distinction might be appointed to a Fellowship for a term of years instead of being kept on year by year as a Member. A distinguished member of our Faculty ~~like Einstein~~ might be made a Fellow at the age of sixty-five. A man like McIlwain of Harvard or Douglas Freeman of Richmond might be brought to the Institute with this status. The organization of a group of Fellows of the Institute would enable us to enforce the retiring age of sixty-five in a clean-cut manner without the loss which would inevitably follow from the departure of a man like Einstein. It would enable us to give to distinguished scholars from our own group or from universities outside secure appointments which would at the same time be limited in their duration. And if the standard were kept high, as it should be, it would add greatly to the intellectual resources of the Institute.

Our experience has demonstrated, in my opinion, that we should be most effective if we limited ourselves rather more closely than we have in the past to certain fields and did not try to cover the whole

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range of knowledge. We should, furthermore, realize that we can for the most part give young men stimulus and opportunity for comparatively brief periods and that we should then send them out to take their places in the educational institutions of this and other countries, rather than try to keep them permanently or for long periods in Princeton.

I believe that the life blood of the Institute will consist in the circulation of larger numbers of young scholars of first-rate quality than we have ever had in the past, and to this end our funds for stipends should be largely increased. In the days of our financial stringency those funds have been reduced and the result has been to make it impossible for us to fulfill our most useful function. The essence of our task is to provide both for our Faculty and our members the greatest possible stimulus to scholarly work and to create here the greatest possible intensity of scholarly endeavor.

At the time of the Harvard Tercentenary when Professor Bedier, the Administrator of the College de France, came over to take an honorary degree, I had a long talk with him about the organization of the Institute for Advanced Study. I had known Bedier for many years, had discussed the Institute with him in Paris and I found him very much interested in what we were trying to do. He was intensely proud of the fact that the College de France had been for 400 years, under all kinds of governments and through all national vicissitudes, the center of French intelligence and learning. Bedier thought that we had made insufficient provision for the stimulation of scholars at the Institute to do their best work. He told me that he thought the secret of the continuing success of the College de France lay in the

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requirement that every professor should give every year a course of public lectures on the subject of his researches.

I see all the difficulties of following that plan in Princeton. It would be very much easier in New York. There are methods, however, by which I believe we can achieve the same result. One is the encouragement of seminars such as the very successful ones which have been held in mathematics, in military history, and in Greek epigraphy during the last few years and such as those now planned for the School of Economics. Bringing larger numbers of young scholars to the Institute would tend to accomplish the same result. Dr. Simon Flexner, who is wise in methods of research, has urged upon me that each professor should be required to take personal responsibility for a certain number of these younger workers every year. I have even thought that a policy of lending our professors to other colleges and universities for brief periods, such as one semester at a time, might be worthwhile for the accomplishment of the same purposes. I am sure, however, that the essence of the whole matter is an increase in our stipend fund which would make possible a larger group of younger men.

V

As to subjects, our first task is, of course, to cultivate still better the most promising of those which we have already undertaken. Dr. Flexner has always emphasized the point that because we have once touched a particular subject we need not necessarily continue it indefinitely and certain fields in which we are now working could, I think, well be dropped when the individuals responsible for them come

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to the point of retirement. Our guiding principle in the choice of subjects should be to make the Institute as useful as possible to American scholarship by developing fields which are important and which are not at the present time cultivated up to a sufficiently high standard by other colleges and universities. Many such fields exist, more indeed than we shall in the foreseeable future be able to enter.

In my report to Mr. Bamberger in 1940 I suggested as possibilities certain developments in our three Schools of Mathematics, Economics and Humanistic Studies, together with three subjects not at present touched by the Institute: Chinese studies, Latin American studies, and the history of science. At the proper time I hope to have the opportunity of discussing with the Board the possibilities which exist in all these fields. Not all at once but in succession I can conceive of its being feasible for the Institute to conduct work in most or all of them. At any given moment a rigorous selection should be made and our funds and our attention confined to one or two. [But in discussing plans for the future we should, as I have said, look first of all to those subjects in which we are now doing our best work. The Institute has wide reputation for its work in mathematics, in classical archaeology, in the history of art and for its collaboration with the National Bureau in research in economics.] In addition Professors Lowe and Herzfeld will continue after retirement the publication of their results in paleography and in Persian archaeology.

The Faculty of the School of Economics has under consideration certain new studies in finance which will be initiated as rapidly as young scholars can be found to undertake them. The corporate bond project

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has now been brought to a successful conclusion. In a letter of September 28, 1944 Dr. Carson of the National Bureau of Economic Research announces the completion of the study and expresses his appreciation to the Institute for its participation. This project was not only conceived and planned by Professor Siefler, who acted as Chairman, but it was largely through his efforts that the several agencies were brought into cooperation and financial support obtained from various sources. In addition to this, for a long period he participated actively in the decisions concerning methods and the form of presentation. As a result, we have the fullest collection of data on corporate financing which has ever been assembled and which will constitute a mine of information for years to come. The Institute has a full set of the punch card records and copies of the six reports on organization and methods. At the request of the National Bureau, three of these reports were edited by Miss Wise. Already the results of the study are being put to use. Dr. Durand and Dr. Hickman, who participated in the project as members of the Institute, have made use of some of the results in their studies. We should continue in the great task of the interpretation of this material.

Our economists have received two proposals from the Committee on War Studies of the Social Science Research Council. One is a study of Public Finance during Wartime and if Gordon Keith, who is now working at the Treasury, can be released, he will be asked to undertake the study as a member of the Institute. Another study proposed by the Committee is on the subject of Wartime Banking and Investment, which would probably be a joint project of the Institute and the National

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Bureau. So far we have not been able to find a satisfactory person who is free to undertake the study.

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Another project, in which Dr. Willits of the Rockefeller Foundation is much interested, is a study of the Corporation as a social instrument and sometime this autumn a group will be asked to come to Princeton to survey the field and consider plans for research. He have told Dr. Willits that we would be interested provided a competent full-time person could be found to organize and participate in the work. Members of the Board will get some idea of the scope of this study from Professor Warren's brilliant paper read to the American Philosophical Society last February, reprints of which have recently been distributed to the Trustees.

4
Our plans for continuing research in International Monetary Experience have been held in abeyance, again because of the difficulty of finding personnel. An excellent report on this subject has recently been prepared by Ragnar Nurkse of the League of Nations and it is a field in which Riefler, Warren and Stewart have all had opportunities to make observations. Several of the people who have been approached have expressed great interest, but are not at the moment free to leave their ~~present~~ governmental posts.

Professor Riefler has returned from England with interesting plans for research on international economic problems and we may expect that Professor Nitrary when he returns will supplement these effectively on the political side.

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Professor Earle expects to take advantage of his experience with the air force to write a book on air power which in my opinion may some day take rank along with Mahan's classic works on sea power. In this

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connection Professor Earle is considering the re-establishment of his seminar on military policy which was so successful a few years ago, and which has made such a remarkable contribution to the war effort.

I have commented at some length on plans in connection with the School of Economics because of the importance of that subject in the postwar world. There is one problem, however, which might conceivably be even more important in its effect on the lives of all the citizens of all civilized nations. Members of the Board may remember that in my report at the Annual Meeting of 1940 I announced a grant from the Rockefeller Foundation for visiting professorships for Professor Niels Bohr and Professor Wolfgang Pauli and commented on the possible value of collaboration of these two men with Einstein and von Neumann on the theoretical aspects of the uranium problem. Bohr could not leave Denmark but Pauli came to the Institute and is still here. Bohr later came to England and I had two interviews with him in London last November in which I renewed our invitation to him to come to the Institute. He is now in the United States, has visited us in Princeton and would like to be free to accept but it is not yet certain whether or not he can do so. Meanwhile since 1940 the Governments of the United States, England and Germany have spent hundreds of millions of dollars for scientific research on uranium. Some of the members of the Physics Department of Princeton University, notably Professor Smythe, have had an important share in this work. I still cherish the ambition of bringing together here a group of eminent scholars who may after the war is over make a significant contribution to it. It may well be the most important problem, both theoretical and practical, in mathematical physics of the century.

Bohr
He would like
to do atomic
research?
Bohr said he
wrote to Hugh
before Hiroshima

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My own choice as a first step in the postwar development of our work is a subject naturally belonging to the field of Humanistic Studies but one in which Professors Stewart, Warren and Earle of our School of Economics are greatly interested. This is a project for research in the fundamentals of American civilization. Outside the Institute I began discussing it first in 1941 with Professor Louis B. Wright of the Huntington Library and one of the editors of the Journal of the History of Ideas, and later with Professor McIlwain of Harvard, Miss Marjorie Nicolson of Columbia, Dr. Joseph H. Willits of the Rockefeller Foundation, Professor Gilbert Chinard and President Dodds of Princeton.

Our American culture did not spring full-grown in the forests of the new world. All its various strands, legal, political, social, economic, philosophical and religious, were drawn from sources in the old world and received modifications as they developed in the minds of the great leaders of the American nation at the end of the 18th century and the beginning of the 19th. These developments have never been adequately traced. At the end of this war colleges and universities all over the land will place greater emphasis than ever before on the teaching of American history, American government, and American ideals. By fundamental research in various aspects of this field, the Institute can make a contribution of peculiar value to postwar scholarship and education in the United States. The fact that the interest of scholars is moving in this direction is shown in a very illuminating way by the subjects chosen by candidates for fellowships of the Guggenheim Foundation as well as by the subjects touching this field undertaken by certain members of the Institute. It

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is shown also by the success of the newly organized program in American civilization in Princeton University. This field interests me especially because our contribution could be of unique value to almost every college and university in the country.

A modest beginning has been made at the Institute this year. Professor Richard P. Blackmur, an ex-Guggenheim Fellow and an instructor in Princeton University, who is working on Henry Adams, has been given leave of absence to spend this year at the Institute on a stipend in the School of Economics. Two or three of this year's Guggenheim Fellows whose subjects fall within this field have been invited to become members of the Institute. Lack of funds for stipends and the preoccupation of scholars with war work has prevented us from making anything more than a very quiet and modest start but we hope that this program will go forward with accelerated momentum a year hence. I have myself participated fully in all the discussions of this project. It is closely connected with ~~some of~~ my own interests and I look forward with satisfaction to having some part in its development. I hope that McIlwain of Harvard will find it possible to spend a semester at the Institute, perhaps next year, and we can count on the cooperation of Professor Chinard and other members of the Princeton Faculty as well as Louis B. Wright and Dixon Wecter of the Huntington Library.

These are only a few of the plans which I wish to take up with the Trustees from time to time in the period now beginning. We do not know yet exactly what our financial resources will be. A considerable part of our new endowment must be devoted to the satisfaction of existing commitments and the strengthening of the best work which we are doing at present. I hope, however, that we shall have some surplus after those needs have been met. It is a great satisfaction to me to

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have been able to balance our budget during these last five difficult years, to have made a significant contribution to the war effort and to the cause of future international organization, at the same time that we have, with smaller numbers, carried on researches which have resulted in a long and distinguished list of publications. I hope before my retirement to be able, in collaboration with my colleagues in the Faculty, to set the Institute on the path to still greater accomplishments in the future.