REPORT OF CONFERENCE BETWEEN MESSRS / F.T. GATES? T.W. GOODSPEED
AND H.A. RUST WITH REFERENCE TO THE UNIVERSITY OF CHICAGO
February 10th, 1897.

MR. GATES.

The situation which we face is this: - when the institution was founded, you (Dr. Goodspeed) and I were constantly confronted with the statement on the part of Chicago givers that the old University had been mismanaged; it had been run into debt, and had been ruined by its debts. We promised all the people who brought up these old matters, in the most emphatic terms which we could command, that the new institution should be run strictly within the limits of prudence; that a new Board of Trustees would be created who would, by their very character, be a pledge of conservatism; that the old management would not be retained in the new institution; that first class business men would be substituted on the Board instead of ministers, and that every possible guard would be thrown around the institution so that the mistakes of the past would be avoided. You know that we impressed these views very strongly upon Dr. Harper, and I, of course, made the same sort of representations to Mr. Rockefeller. You know what emphasis we urged upon Dr. Harper the importance of avoiding debt. Of course, this too was duly reported by me to Mr. Rockefeller. You will recall also how we viewed with alarm the too extensive plan which was early presented by Dr. Harper for the employment of instructors and our own frequent and fearful conferences together as we saw that "We had hitched our wagon to a star. "You will recall also that we sought to impress these views upon the Board of Trustees. You will remember how I came back from Cleveland on one occasion and impressed with the greatest solemnity on the Board of Trustees Mr. Rockefeller's objection to the incurring of debt, and his determination not to pay the debts of the institution and not to assist in the current expenses. I do not wish now to go over the history of the years of the formative period of the institution, ending at last in our awakening to the fact in 1893 I think that the institution was a half million dollars in debt; that its annual fixed expenditures were about \$175000 per annum more than its income and that its endowment would have to be increased by at least three and one-half millions to bring its income up to its expenditures. Am I not right in saying that in that year Mr. Ryerson,

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Dr. Northrup and Dr. Harper had a somewhat lengthy interview in this room, with Mr. Rockefeller and disclosed the whole situation to him and excused the marked departure from his views both in point of debt and in point of deficit, in part, on the ground of inadvertence and, in part, on the ground that the policy of erecting beautiful and costly buildings and of securing a numerous and expensive corps of instructors had been a policy which had brought the institution vast sums of money from the City of Chicago and attached the city to the University as nothing else could have done?

(To the above statement Dr. Goodspeed assented)
MR.GATES (continuing)

The result of that interview was that Mr. Rockefeller perceived the extreme exigency in which the University was placed. He recognized the ability and the skill of the Trustees in commendatory language and while I do not remember any formal expression of his in which he justified the risks which the Trustees had incurred in building the University on so maginificent a scale, he did refrain from expressions of criticism and did, as a result of the meeting, either immediately or later make a contribution of \$500000, which with the contribution of Mr. Ryerson and others was to entirely liquidate the Nebt and provide for the expected deficit of \$175000 in the current expenses of the following year. I think you will agree with me in saying that it was the understanding of us all at that time that we would bend our future energies to the utmost to reduce the deficit to the lowest possible figure. I remember that Dr. Harper was very hopeful that this deficit would be very materially reduced by the increase of attendance in a short time, and Mr. Rockefeller in his own mind as I have reason to believe began to cast about to see what he could do in the way of permanent endowment towards assisting in bridging this chasm, and I kept impressing Dr. Harper with great earnestness at every meeting with him the importance of securing endowment to fill the gap; that this was the main need of the University. I frequently put it to him in this shape:-

"This need of getting endowment is so vast so pressing, so exigent, that pit is fair to say, Dr. Harper that the University has no other need but this." I remember on one occasion after having used some such language as the above, I read of Dr. Harper making appeals to the public for more buildings.

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Section 1

Report of Conference between Messrs. F. T. Gates, T. W. Goodspeed, and H. A. Rust, with reference to

The University of Chicago

February 10, 1897.

MR. GATES: The situation which we face is this: When the institution was founded, you (Dr. Goodspeed) and I were constantly confronted with the statement on the part of Chicago givers that the old University had been mismanaged; it had been run into debt, and had been ruined by its debts. We promised all the people who brought those old matters up, in the most emphatic terms which we could command, that the new institution should be run strictly within the limits of prudence; that a new Board of Trustees would be created who would, by their very character, be a pledge of conservatism; that the old management would not be retained in the new institution; that first-class business men would be substituted on the Board, instead of ministers, and that every possible guard would be thrown around the institution so that the mistakes of the past would be avoided. You know that we impressed these views very strongly upon Dr. Harper, and I, of course, made the same sort of representations to Mr. Rockefeller. You know with what emphasis we urged upon Dr. Harper the importance of avoiding debt. Of course, this too was duly reported by me to Mr. Rockefeller. You will recall also how we viewed with alarm the too extensive plan which was early presented by Dr. Harper for the employment of instructors, and our own frequent and fearful conferences together

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(To the above statement Dr. Goodspeed assented.)

MR. GATES (continuing): The result of that interview was that Mr. Rockefeller perceived the extreme exigency in which the University was placed. He recognized the ability and skill of the

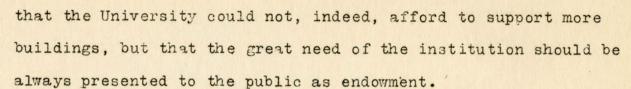
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Trustees in commendatory language, and while I do not remember any formal expression of his in which he justified the risks which the Trustees had incurred in building the University on so magnificent a scale, he did refrain from expressions of criticism, and did, as a result of that meeting, either immediately or later, make a contribution of \$500,000, which, with the contribution of Mr. Ryerson and others, was to entirely liquidate the debt and provide for the expected deficit of \$175,000 in the current expenses in the following year. I think you will agree with me in saying that it was the understanding of us all, at that time, that we would bend our future energies to the utmost to reduce the deficit to the lowest possible figure. I remember that Dr. Harper was very hopeful that this deficit would be very materially reduced by the increase of attendance in a short time, and Mr. Rockefeller, in his own mind, as I have reason to believe, began to cast about to see what he could do in the way of permanent endowment towards assisting in bridging over this chasm, and I kept impressing upon Dr. Harper, with great earnestness, at every meeting with him, the importance of securing endowment to fill the gap; that this was the main need of the University. I frequently put it to him in this shape: "This need of getting endowment is so vast, so pressing, so exigent, that it is fair to say, Dr. Harper, that the University has no other need but this". I remember on one occasion, after having used some such language as the above, I read of Dr. Harper making appeals to the public for more buildings. I took my first opportunity to call Dr. Harper's attention to that fact and to show him that this was a great error; that his appeal to the public should not be for buildings;

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Let us review Mr. Rockefeller's gifts for current expenses: I find that on June 29, 1893, Mr. Rockefeller promised to contributed \$150,000 for the current expenses of the year beginning July 1, 1893; that on October 31, 1893, he promised to contribute the \$500,000 mentioned above, of which \$175,000 was to be employed in current expenses. My recollection is that he afterwards allowed \$50,000 more of this sum to be used in the purchase of books. On December 24, 1894, Mr. Rockefeller promised to contribute \$175,000 for the current expenses of the fiscal year beginning July 1, 1895. It was hoped by Mr. Rockefeller, in making these contributions, that endowment or other funds would be sought and secured for the expenses of the institution. In each pledge he inserted a proviso to the effect that his proposed contribution was to be made only insofar as it should be found to be necessary, the thought being that the Trustees would use all funds received in such reduction, unless the donor insisted on some other application. During all this time, I have reason to believe that Mr. Rockefeller was also himself expecting to assist, as far as his means would admit, in bridging this chasm by endowment. On October 30, 1895, he promised to contribute a million, practically in cash, for the endowment, expecting that the income on this, which would amount to about \$50,000 a year, would reduce the deficit from \$175,000 to \$125,000, and he pledged at the same time \$2,000,000 more, provided others should contribute a like sum to the institution. His thought was that if four millions more were raised, this deficit would be entirely

that the University could not, indeed, afford to support more buildings, but that the great need of the institution should be always presented to the public as endowment.

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DR. GOODSPEED: In this connection, I ought to say that the income of the University had been increasing so rapidly, as for example from \$316,000 in 1894-5, to \$414,000 in 1895-6, it was believed that the increase, at something corresponding to this rate, would continue, and that the University would therefore need \$100,000 instead of \$125,000 to make up the current deficit, in which view the Trustees were mistaken. The above increase indicated for 1894-5 and 1895-6 was exclusive of the benefactions of Mr. Rockefeller.

MR. GATES: Nevertheless, I think the reduction in interest charges the true explanation of the reduction from \$125,000 to \$100,000. The increased income of which you speak was more than offset by increased expenditure. However, the whole of the above series of figures is designed to illustrate only the attitude of Mr. Rockefeller's mind. This namely: There is a large deficit. This deficit must be reduced, and the first duty of the institution is to bring its expenditures and its income from permanent funds together, and he understood, and we all understood, that this was to be the policy of the University, to be worked to with the most rigorous persistence.

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Such was the situation at the close of the year 1895, when Mr. Rockefeller made his pledge of three millions. It is now February, 1897, and a review of the situation discloses the following facts:

First, as to the past: Notwithstanding all Mr. Rockefeller's gifts for current expenses and attempts to prevent debt,
there has grown up a debt for current expenses alone, of about
\$150,000, in addition to an old debt never cancelled of \$100,000,
making a present debt of some \$250,000, in round numbers, and this
will be increased to \$300,000 by the close of the current year, and

Second, as for the future: Notwithstanding Mr. Rocke-feller's gift of \$1,000,000 for endowment, and Miss Culver's gift -- the income of which Mr. Rockefeller duplicates -- the deficit for next year is estimated at \$200,000.

The above is a fairly accurate statement of the situation as it is, omitting now for the time being the explanation of how the situation came about.

(Major Rust and Dr. Goodspeed agree that the above is an accurate statement.)

MR. GATES (continuing): Now, the questions which we have invited you to come from Chicago to confer upon are like these:

- 1) Can we, without permanent injury to the institution, cut down this budget for the year beginning July 1, 1897, and if so, where can we make the cuts?
- 2) How much of the expected deficit can be raised otherwheres, and how much must we ask from Mr. Rockefeller?
- 3) On what terms shall we ask Mr. Rockefeller to make a contribution, if any?
- 4) What suggestions can we make, if any, which shall serve to encourage Mr. Rockefeller in the belief that the institu-

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tion has come to its limit of deficit? Apropos to this last question, I only need to say that the situation is such today that if Mr. Rockefeller were to designate, for endowment exclusively, the whole of the two millions additional pledged by him, less amounts now otherwise designated, and if the whole of the supplemental two millions, not now raised, were to be raised in cash and were to be designated also for endowment exclusively, and the whole of the three or three and one-half millions, or thereabouts, so raised, were to bear five per cent interest, even that wast sum would not fill this gap. It is a natural and, indeed, inevitable question with Mr. Rockefeller where this matter will end.

DR. GOODSPEED (addressing Mr. Gates): Before passing to the consideration of these questions just proposed, I would like to make a general preliminary statement. In answer to Mr. Gates' personal appeal to me, I will say that I recall distinctly all that he said in regard to the necessity of economy, and of keeping within the income during the earlier stage of this enterprise. With respect to his representations as to the importance of not getting into debt, and as to the importance of keeping within the income, and as to Mr. Rockefeller's attitude both with respect to debt and deficit, they are true, and much more is true than he has there stated, in the same line. For example, I remember Mr. Gates saying to me in the Grand Pacific Hotel: "Now. Dr. Goodspeed, we want you to understand that you will be held personally responsible for this University not exceeding its income." My own views so perfectly coincide with these suggestions and earnest charges that I have a thousand times differed from Dr. Harper in regard to the policy and work of the institution has dome to its limit of deficity Apropos to this last
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tion. I consented with the greatest reluctance to the purchase of the fourth block of the campus. I insisted, when the first buildings were erected, that a story should be taken off to reduce their cost. These are only illustrations of the policy which I would have pursued. If my views had prevailed, we should have had in Chicago an institution located on a single block of ground with three or four small buildings, and the character of the institution would have been simply that of a small but respectable college. The views of Dr. Harper, who had in his mind an ideal of a university, prevailed. The result has been that we have an institution which in five years has taken a position beside the great universities of the country which have existed from 150 to 250 years. Owing largely to the liberality of Mr. Rockefeller, the University, in this short time, has accumulated large funds. Not funds, indeed, to be compared with those of Harvard and Columbia, but funds much greater than those of almost any other institution in the country. These great contributions, combined with Dr. Harper's enlightened views of what a university ought to be, has made the wonderful success that has given the University a position of eminence equal to that of our greatest institutions. It was these views of Dr. Harper, carried out in the vast buildings and in the plans of the institution, that awakened the interest in Chicago that in the past five years has added quite three millions of dollars to the funds of the institution from people of Chicago alone. This money would never have been contributed under any other circumstances than the combination made by Mr. Rockefeller's generosity and Dr. Harper's large and enlightened views of what a university ought to be. From the day the University opened its doors, in 1892,

of The next ed blues where a total before stew shalling reduce their cost. These are only illustrations of the policy To woold elgais a no bejacol neitutitani na opecido ni bad evan tud fiama a To Jant vigmie need even bluow noisusitent and of feupe womenime to noitleog a viletevial odd nevig sed fedt . Il lo avely paeds asw il . anolistians jeothern ano lo fadt

until now, the times have been growing increasingly hard, and yet it has been during these times, when most educational institutions have languished, when they have found it well-nigh impossible to add anything to their funds, that the University has been able to add three millions to its resources, from the people of Chicago alone. The University has made such an appeal to the intelligence and imagination of the people that we do not merely believe, we know, that great sums are coming to it from people of that city. We know, for example, of a dozen wills in which sums of from \$10,000 to \$200,000 have been bequeathed. We know of persons who are considering the endowment of parts of our work. One of these wills, for example, is made for the endowment of the Greek Department. It has within the past week been proposed by Mr. Armour that Dr. Harper prepare a letter, indicating a plan for uniting the Armour Institute with the University as its Polytechnic School. I ought to say right here it was in order that it might be known here that these proposals have been made to Dr. Harper that he instructed us to announce this proposition from Mr. Armour. This is mentioned at this time not in the assurance that any such combination will be effected, but simply to illustrate the extraordinary and favorable impression which the plans of the University has made upon the public mind in Chicago. But for the stringency of the times, very much more money would have been raised in Chicago during the past five years, and there is every assurance that with the improvement in the finances of the country, large sums will be raised in the future. The extraordinary and severe stringency of the times will also account, in large measure, for the deficit in the current expenses in the past one or two years. Unlike most institutions, the University has con-

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In explanation of the fact that there has been a deficit in the budget yearly, this may be urged: That we have been laying the foundations of a very great enterprise. It was greater than we, ourselves, apprehended. The largeness of the plan upon which it was conceived involved the expenditure, year by year, of more money than any one of us, from Dr. Harper down, believed possible. This difficulty was inherent in the beginnings of the undertaking. The present year will close five years of our history. The University is now complete, so far as it is essential to the President's plan. He, himself, has no thought of increasing the work of the institution beyond its present compass, except through the addition of two or three great departments, by special contributions, such as Medicine, Law, and Technology. Ve know now for the first time just what the work on its present basis involves, what it requires, and what it will annually cost. There can be no doubt that in the budget proposed for the year beginning July 1, 1897, everything has been provided for that is necessary. There will be no deficit and it is, to my own mind, perfectly certain that for a series of years to come there will be no reason for exceeding the deficit of \$200,000, and no possible excuse for doing it. The growth of the institution, on its present basis, will no doubt require additional expenditures,

timed to grow during these years, but not so rapidly as we had reason to expect it would grow, and not so rapidly as we counted on its growing in making up our estimates of income. In this respect we acted unvisely, but we acted according to the best light we had, the extraordinary growth of the first two or three years of the institution encouraging us to believe that last year this increase would continue.

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MR. GATES (addressing Dr. Goodspeed): You have made, in brief compass, a forcible plea in justification of the general policy of expansion which the University has pursued. Of course, Mr. Rockefeller is familiar with this clear and forcible line of presentation. I believe I have faithfully represented your views and the views of Dr. Harper, and of the Board generally, to him, along these lines. Moreover, he has visited the University, and the magnitude of the institution and the vast sums of money that have come to it from citizens of Chicago are well known to him. That this policy of expansion, together with Mr. Rockefeller's frequent and large gifts, some of which have been conditional on large gifts from others, has been the means of securing from the citizens of Chicago two or three millions of money, which would not otherwise have been secured, I do not suppose he questions, but, of course, his eyes are wide open to the fact also that this policy involved of necessity, in order

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to save the large funds already contributed by him, and to save the institution from ruin, three or four millions from himself, and that not only was he not consulted in advance on the policy which rendered these immense gifts from him compulsory, but every injunction he gave, in advance, was on distinctly the opposite lines of procedure. I am giving you now Mr. Rockefeller's own view of the situation, as I understand it. He made these contributions. He made them cheerfully, notwithstanding what I have said above. I am speaking now of the contributions up to and including the last contribution of three millions. He had, or thought he had, every reason to believe that the policy of the University in the way of expansion would not go beyond that point. After fifteen or eighteen months, he is confronted again with a situation showing a larger deficit than was shown before, notwithstanding his contributions to decrease the same. There has been, in the past, no way of meeting these deficits except by appeal to Mr. Rockefeller. The present appeal indicates that there is no way of meeting the deficit except by appeal to him. The institution has proceeded on the plan of enlargement, apparently trusting to Mr. Rockefeller to make up deficits, not only without consultation with Mr. Rockefeller in advance as to whether he would meet the enlargements, but in the face of his understanding that all hands were to bend towards reducing the deficit rather than increasing the same. You, gentlemen, would understand his point of view more clearly, than you can now possibly do, if you lived in the atmosphere of this office. Mr. Rockefeller is known to be a man of very large wealth. That wealth is sought very diligently by the business community, and with scarcely less diligence by the philanthropic community. The method of securing Mr. Rockefeller's



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funds in the business community is to generally secure such a combination of capital and circumstances as will make a contribution from Mr. Rockefeller compulsory. This is a situation which we are constantly meeting in business. The State, the Legislature, the Municipalities, and other public interests look upon Mr. Rockefeller's funds with the same earnest desire, and they are constantly introducing bills in the shape of rail rates, taxes, etc., making contributions to the State and to the Municipality compulsory on his part, and of such size as to be practical confiscation. It is the very frequent experience of this office that private persons seek to create situations in which Mr. Rockefeller will feel obliged to contribute funds to themselves. It is frequently true, also, of philanthropic institutions, with which Mr. Rockefeller comes into association, that if they do not actually create situations which will make the giving of large sums very nigh compulsory, they do, unfortunately, make it appear as if they did. One of the misfortunes of the present situation is that in every instance, within recent years, in which the University of Chicago has appealed to Mr. Rockefeller for funds, the appeal has not been for new enterprises about to be undertaken, in which he might exercise his judgment as to whether they should or should not be undertaken, but the appeal has been, in every instance, to make up deficits already created to meet exigencies in which the University is committed, and from which, if it be not extricated, it will suffer irreparable damage. You do not think of it because of your remoteness from the atmosphere of the office, but this set of circumstances is the very first thing which we here look for, from long experience and long habit, so that Mr. Rockefeller comes instinctively to feel that the methods of

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securing his assistance are too often methods of compulsion. The appeals come to him in the shape almost of forced contributions. If you were to ask me wherein lies the element of compulsion, I reply, his name and his fame have become indissolubly associated with the University of Chicago; its disgrace is his disgrace; its shame is his shame, and more than this, how dare he imperil the vast sums already bestowed by failure to rescue the institution? This fact ought, of course, as we all recognize, to lead the management of the institution to avoid situations which might seem to involve compulsion.

MAJ. RUST: I say that is fairly stated and the management of the University ought to be and is upon honor, most sacred and inviolable. The Trustees, as a body, have the capacity and devotion for the discharge of their duties which leads them to give the business of the University precedence over their own private affairs, serving upon frequent committees and in repeated sessions for a full understanding of and decision upon the many questions affecting the vital growth and progress of the University. To this task and as a leader, President Harper is conceded by us all, who are interested in the University, as admirably qualified and equipped for this leadership. Then, when within one week Dr. Goodspeed and myself were told by the Vice-President of the Board that he fully believed Dr. Harper to have been raised up by God for this purpose, we felt that he not only voiced his own, but the uniform sentiment of the Board, and in fact the sentiment of the entire intelligent Northwest. This first quinquennial period has been pioneer work. To state, or even think, that upon the part of any one it is flawless would be folly. But, in the light of the not remote future, it will be evidenced that

securing his assistance are too often methods of compulsion. The appeals come to him in the anape almost of forced contributions. If you were to ask me wherein lies the element of compulsion, I reply, his name and his fame have become indissolubly associated with the University of Chicago; its disgrace is his disgrace; its shame is his shame, and more than this, how dark he imperil the vast sums already bestowed by failure to rescue the institution? This fact ought, of source, as we all reobgnize, to lead the management of the institution to avoid situations which dight seem to involve compulsion.

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DR. GOODSPEED (addressing Mr. Gates): I fully recognize the force of all that you have said. I wish to make two or three suggestions relating thereto:

moment that President Harper, in laying out the plan of the University and in increasing its expenditures, has deliberately sought to involve Mr. Rockefeller more and more deeply. The fact is that Dr. Harper has had before his mind a great ideal, and somewhat oblivious to the practical side of the question he has been seeking to realize this high ideal. The beauty and the glory of it has been generally recognized. But, in making these plans, Dr. Harper did not, himself, understand the expense that was involved.

MR. GATES (interrupting): May I interrupt. You are now speaking as if in defense of Dr. Harper, the implication being, of course, that Dr. Harper is the responsible party. Let us always bear in mind that it is the Trustees that are charged with the final responsibility for the conduct of the institution.

DR. GOODSPEED (continuing): I am speaking of the original plans upon which the University was organized, these plans having involved all that the University now costs for its current expenditures. I mean, for example, that when the President conceived the idea of the Biological Department and added it to the original plan of the University, he, himself, had no conception of what it would cost, nor did the Trustees have any conception

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DR. GOGDEPHE (continuing): I am apeaking of the original plans upon which the University was organized, these plans having involved all that the University now costs for its current expenditures. I mean, for example, that when the President condeived the idea of the Hological Department and added it to the original plan of the University, he, himself, had no conception of what it would cost, nor did the Trustees have any conception

of it as they were in charge of a wholly new enterprise, whose origination and history is entirely without a parallel.

2) Since the assurances given to Mr. Rockefeller in the fall of 1895, there have been absolutely no additions to the work of the University, increasing its expenditures, save the appointment of a professor in the Department of Botany, and his appointment was based upon the contribution of Miss Culver for the biological work. The deficit of \$200,000 is as great a surprise to the Trustees and to President Harper as it can be to yourself and to Mr. Rockefeller. Indeed, it was simply to our surprise and grief and dismay to be involved in what was already in progress, and it could not be avoided. I believe that if any body of men were ever guiltless of desiring to involve another in expenditures beyond what he, himself, freely desired to give, the Trustees of the University have been free from any desire to involve Mr. Rockefeller. In six years of my experience with that Board, I have never heard, publicly or privately, from one of them, any expression that looked in that direction, and I have met them publicly and privately in the most intimate possible relations. Now, Major Rust, is that not true?

MAJ. RUST: I want to go on record as saying that there has been the very opposite attitude on the part of the Trustees.

There has certainly been a due appreciation and desire to jealously guard the interests that they all felt had been practically entrusted to them through Mr. Rockefeller.

DR. GOODSPEED (continuing): The University pleads guilty, but it urges the unprecedented character of this enterprise, the quickness with which it has been brought to maturity, and the inexperience of the management in handling business of just this

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character. They now have had experience. If they err in the future, in the same directions, they will, indeed, be without excuse.

MR. GATES: That the University or any member of it have deliberately sought to create a situation which would be compulsory upon Mr. Rockefeller, I do not charge. I am certain that no body of men would be more repugnant to such a purpose. But, nevertheless, is it not true that Mr. Rockefeller is practically left without choice in the use of his funds?

DR. GOODSPEED: I ought to add right there that we (Mr. Rust and I) have heard the members of the Board -- several of them, many of them, perhaps we ought to say -- frequently say that "We must not put Mr. Rockefeller in a place where he will feel under compulsion. We must avoid doing this" and they have been exceedingly anxious to avoid doing just that thing.

MR. GATES: As to the question of enlargement: I have not had quite the same impressions hitherto which I now receive from what Dr. Goodspeed says. I had been under the impression that there had been considerable advances in the way of new expenditures, from time to time, ever since the magnitude of the enterprise has developed. Indeed, I still think if we were to go over the budgets from year to year, we would see very considerable expansion of the institution, involving increasing expenditures. We will, a little later in our conference, go into that matter more carefully, but I have been under the impression that there had been expansion along such lines as these, to wit: Numerous advances in salaries. An increase in the number of journals. Increase in the expense of the Department of Astronomy, without corresponding increase, for instance, in students. Very consider-

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Perhaps I might illustrate what I mean by the policy of expansion by reference to the policy which has created several new buildings on the campus like the Biological Buildings and perhaps the Oriental Building, those buildings not being in themselves income-producing, but for their care involving large expenditures annually, and involving, of course, even still greater expenditures in the way of equipment and various other things, and this at a time when the institution was suffering for these very funds for endowment. Of course, I am aware that with respect to these things, the policy has got to be shaped, more or less, by the donor, and yet we all know that in those matters the University can quite largely control. However, we can take these matters up in detail. I think we have threshed over the general features of the situation pretty fully.

DR. GOODSPEED: I want to say just there that so far as the Department of Astronomy is concerned, it was in the University at the outset; that the proposition of Mr. Yerkes was made on the day of the opening of the University in 1892, and the completion of the Yerkes Observatory has added but a single professor to the staff at a salary of \$3,000. There is, of course, the additional care of the Yerkes Observatory, but this only illustrates what I have said before, that this was involved in the original conception.

With regard to the Academy: There has been no expansion. Mr. Gates is mistaken in saying that there has been expansion in the Academy. If you refer to the expenses of the Academy it will be seen, I think, that the Academy has remained stationary from the



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So far as the care of buildings is concerned, of course, these buildings were, themselves, involved in the very plan of the University. They had not been considered as expansions, as additions to the original plans, but as a part of the superstructure which had to rise on the original foundations.

MR. GATES: The reply of Dr. Goodspeed is admirably conceived and expressed and would be effective on the supposition that there was an inherent, necessary and inviolable law by which the management of the University were under compulsion to carry out continuously and immediately the ideals on which the institution was originally projected, regardless of deficits, debts or expense. The fact, however, remains that increases were made in all these departments not before but after it had become known that the institution had a deficit of from \$175,000 to \$225,000 a year. Moreover, it is surely undeniable that Dr. Harper's own ideals here enlarged with the growth of the institution, and presumably will continue to enlarge with its growth.

DR. GOODSPEED: So far as buildings are concerned, we now have recitation buildings enough to last us for ten years to come. So, also, the same thing may be said as to journals,

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as I understand there is no danger of any more journals being launched. I cannot, of course, pledge the Board of Trustees in that respect, but if I understand the view that prevails, no more journals are to be issued for a very long period of time to come, and these are really the only places in which you have established that there has been expansion.

MR. GATES: Well, let us see: Let us now take up the budget for the year beginning July 1, 1897, in detail, and compare it with the previous budgets, and trace, if we can, where the expansion, if any, has taken place, and ascertain, if we can, where, without permanent injury to the University, we may retrench.

(The conference was here adjourned to February 11, 1897.)

February 11, 1897.

MR. GATES: In reviewing the general situation, there is one point which I did not bring out so fully yesterday as I ought. I touch on that clause of Mr. Rockefeller's pledges for current expenses which limited the pledges to so much of the figure named as might be found necessary, the understanding being that any funds which the University might receive or secure should be used for the reduction of the deficit and a release of a corresponding portion of Mr. Rockefeller's pledge. There have been large contributions to the University during all these years in which these pledges, so worded, have been given, contributions amounting to many hundreds of thousands of dollars. The situation is accentuated throughout its whole extent by the fact that in no single instance has one single dollar ever been applied to the reduction of that deficit, but on the contrary, hundreds of thousands of dollars so received have been so expended as to compel an increase in the deficit by the erection of buildings,

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costly to equip and maintain.

Let us now turn to the question of the budget for the year beginning July 1, 1897. Is there any way in which we can now certainly reduce the budget?

DR. GOODSPEED: It is thought to be essential that there should be a margin of \$30,000 or \$35,000 of income over appropriations for the year. What we desire is that the income should be made \$700,000. It is now estimated at \$500,000. The proposed budget as it now stands calls for appropriations amounting to \$689,000. The Trustees will reduce these appropriations and the expenditures from \$20,000 to \$25,000 so as to leave a margin of from \$30,000 to \$35,000 between the appropriations and the sum of \$700,000 which is thought necessary for the coming year. It is believed that this will make the work of the year absolutely secure.

MAJ. RUST: Dr. Harper has unqualifiedly stated both his willingness and ability to so prune the budget as to reach the result suggested by Dr. Goodspeed, and joining both Dr. Goodspeed and Dr. Harper, I assert it to be entirely practical.

MR. GATES: I can see that it may not be practicable for you here, in the absence of your associates, and particularly in the absence of Dr. Harper, to undertake to prune the budget. If I might be given the liberty, however, I would like to call attention to a few features of the budget, having some special relation, perhaps, to Mr. Rockefeller's views and desires, as hitherto expressed, and incidentally illustrating expansion:

Take the Department of Astronomy: When, some years ago, Mr. Yerkes generously arranged to build an observatory for the University, to be called the Yerkes Observatory, and it was

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Let us now turn to the question of the budget for the year beginning July 1, 1897. Is there any way in which we can now certainly reduce the budget?

DR. GOODSPEED: It is thought to be esgential that there should be a margin of \$30,000 or \$37,000 of income over appropriations for the year. That we desire is that the income should be made \$700,000. It is now estimated at \$500,000. The proposed budget as it now stands onlis for appropriations amounting to budget as it now stands onlis for appropriations amounting to \$589,000. The Trustees will reduce these appropriations and the expenditures from \$20,000 to \$25,000 so as to leave a margin of from \$30,000 to \$35,000 between the appropriations and the sum of \$700,000 which is thought necessary for the coming year. It is believed that this will make the work of the year absolutely secure.

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Take the Department of Astronomy: When, some years ago, Mr. Yerkes generously arranged to build an observatory for the University, to be called the Yerkes Observatory, and it was

decided to locate the institution at some distance from the University, using it, of course, mainly for investigation rather than for instruction, it was felt here in New York that this would probably entail a pretty large current expense on the University and would draw heavily from the income from the endowment funds. It was feared by Mr. Rockefeller that the funds absolutely necessary for instruction on earth would be diverted to investigations in the heavens. Accordingly, after conference here, I broached the question to the friends in Chicago and indicated Mr. Rockefeller's view that he should not be called upon to run this observatory. It was at this conference universally agreed that the management of the University would not divert the funds of the institution to the conduct of this observatory, and I so reported the situation to Mr. Rockefeller himself. Later, as the observatory neared completion, I again introduced the question and I observed on the part of Dr. Harper what seemed to be a considerable weakening from the original position, and on my latest visit to Chicago I found a heavy salary list for Astronomy, involving eight professors and a mechanician, at a total cost of about \$12,000, besides several thousand dollars for maintenance. Only three of the professors give instruction to students, the others doing research work. This means that five are engaged in research, not giving instruction. If now we take up the question of students in astronomy, there were only 85 courses taken in astronomy last year, while in most of the other departments several hundred courses were given, as for instance, Mathematics 690, English 1,650, the Germanic languages 825, the Romance languages 690, Latin 789. With the exception perhaps of Latin and Mathematics none of these depart-

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Let us review a little the history of the Department of Astronomy of the University. The University budget for the year beginning July 1, 1892, includes for Astronomy \$100 only. There was a professor but he served without pay. The University budget for the year beginning July 1, 1893, includes for Astronomy \$600 which was given to Prof. See, Hale serving as before without pay. Mr. Yerkes promised his contribution October 1, 1892, and the Astronomical Observatory in the year 1894-5 was in the process of erection. Now note the increases from this time forward: The Department of Astronomy is increased in this year from \$600 to \$4,055. The next year it rises to over \$12,500, and our budget now under consideration provides nearly \$16,000.

This is one of the points on which Mr. Rockefeller, and, I cannot but believe, justly, feels that before this large expenditure in astronomy was undertaken, in view of our previous understandings, he should have been consulted if it were expected that he should ultimately foot the bill. It seems to me, furthermore, that inasmuch as this department has so few students, and inasmuch as five of the paid staff are engaged in investigation exclusively, there could be retrenchment here without loss of students to the



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institution. It would be quite true that this large observatory, under the care of the University of Chicago, would not be doing the work which it is fitted for, but that would be a powerful argument for its endowment, either by the donor or by some other philanthropic person who is willing to give funds for astronomical research.

DR. GOODSPEED: When I said that the Department of Astronomy had not expanded, we were considering the period since the fall of 1895, as I understood, and it is entirely true that since that time, as the statement Mr. Gates has just completed shows, that department has not expanded in its work of instruction by a dollar of expense. It is true that it has from the beginning of the University grown and expanded like all the other departments of the institution. It is also true that the Department of Astronomy is largely devoted to the work of original investigation instead of the work of instruction and this raises the question whether the University is intended to do any work in the line of original investigation, or to be devoted solely to instruction. If as a University of higher education it is to give attention to investigation and research, then the Department of Astronomy needs no justification. So far as laying the burden of it upon Mr. Rockefeller is concerned, this ought to be said: I recollect what Mr. Gates says, as he does. When Mr. Yerkes gave his first pledge in the fall of 1892, he himself had no idea of the expenditure to which he was committed. He has up to this time expended something over \$300,000, and it has been the purpose of Dr. Harper and the management at the first favorable opportunity to urge upon him the endowment of the department. This we still expect to do. During the past year the circumstances in the West and with the

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business in which Mr. Yerkes has been connected have made any approaches on our part, looking in this direction, most unwise. These circumstances are now changing very greatly for the better and the earliest opportunity will be taken to urge the adequate endowment of the observatory and as much as possible of the Department of Astronomy upon Mr. Yerkes. Of course, the Astronomical Department was founded naturally at the beginning just like any other department. The only answer that I can make to the suggestions of Mr. Gates that Mr. Rockefeller should have been consulted before these appropriations for the maintenance of the observatory were placed in the budget is that we have been fully intending to secure from Mr. Yerkes, himself, the endowment of the work of the observatory and we are in fact now laying before Mr. Rockefeller, in this proposed budget, these increased expenditures and submitting them entirely to his approval or disapproval.

MR. GATES: Let me ask you, Dr. Goodspeed, how much has been received annually for the last few years from that building fund that you and I raised; that \$400,000?

DR. GOODSPEED: In 1894-5, \$11,781; in 1895-6, \$4,407. I have not the other figures with me. Mr. Field's donation of land was \$137,500 and we have received \$275,000 in money.

MR. GATES: I want to call attention to another item which forms a part of the University budget, viz., the annual payment of about \$11,000 for the purchase of the extra block from Mr. Field. It has never been a part of the policy of the University, and, of course, has been far from Mr. Rockefeller's thought that he should pay for this land. It was the understanding and intention that the receipts from the \$400,000 fund, raised by Dr.

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Goodspeed and myself, as collected, should be applied to the reduction of that debt. These receipts do not amount, now, to more than half of \$11,000 a year, and it thus happens, inadvertently, that Mr. Rockefeller, if he were to pay the deficit, would be charged with payment for this land, at least in part. I desire to call your attention to this feature in sanvassing the situation with the Board of Trustees and inquire if there be not some other means of paying this debt?

DR. GOODSPEED: In relation to the above, I think Mr. Gates is laboring under a misapprehension. He will remember that we paid Mr. Field \$137,500 for one-half the original site of three blocks. We then purchased from Mr. Field an additional block for \$150,000. We have paid on this \$95,000 of principal, up to date, leaving \$55,000 unpaid. But, we have collected on the original subscription, over and above what we paid for the original site, \$137,000. In addition to this, when we purchased the fourth block, Mr. Ryerson made a special contribution of \$25,000 towards the purchase of that block, so that it will appear that we have actually collected toward the purchase of that block something over \$160,000 in money up to this date. This money has gone, as it has been collected, into the various needs of the University, but its first and most proper application would have been toward the payment of this \$150,000 for the fourth block of the campus.

MR. GATES: Dr. Goodspeed forgets that the \$400,000 was for lands, buildings and equipment. My impression is that not only has the entire fund collected from the \$400,000 subscription been used actually in lands and buildings and equipment, leaving this deficit of \$55,000, but that Mr. Rockefeller, himself, in paying the debts of the institution has contributed very much more to

Goodspood and myself, as collected, should be applied to the reduction of that debt. These receipts do not amount, now, to more than half of \$11,000 a year, and it thus happens, insdvertently, that Mr. Rockefeller, if he were to pay the deficit, would be charged with payment for this land, at least in part. I desire to call your attention to this feature in sarwageing the situation with the Board of Trustees and inquire if there be not some other means of maying this debt?

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lands, buildings and equipment, in addition to this amount collected on the \$400,000.

I desire to call your attention to another feature in connection therewith: The University is paying six per cent on that
loan. Can not the University fund that loan at a lower rate of
interest than that? I do not know that Mr. Rockefeller could
properly entertain a proposition, but he is very anxious to reduce
the interest charges of the institution, and if he cannot, certainly others can be found who would take a safe loan of that sort
at a lower figure than six per cent, secured by a block of real
estate?

MAJ. RUST: I fully agree with the statement and think it is feasible to do this, and if desired will promptly submit the suggestion to the Trustees.

MR. GATES: I want to call attention to another item in the budget and that is the very heavy expense of the Morgan Park Academy. One of the items in the budget is \$4,000 for the furnishing of the new building now being erected for the use of students. This, surely, is expansion and, moreover, this is not an ordinary but an extraordinary outlay and should be provided for, it seems to me, in some other way than from the current income of the institution. The money ought in some way to be raised. I should think the people of Morgan Park themselves ought to be willing at least to furnish that building, if the cost is no greater than \$4,000.

DR. GOODSPEED: It ought to be said just here that during the past year the Baptist Church of Morgan Park has been burned down and the people have exhausted their present resources in building a new house of worship, the old one having been insured

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DH. GOODSPEED: It ought to be said just here that during the past year the Eaptist Church of Morgan Park has been burned down and the people have exhausted their present resources in building a new house of worship, the old one having been insured

very inadequately. They have canvassed the entire community, not only among the Baptists but the entire community for the building of another church.

MR. GATES: Another item to which I desire to call attention:
The budget has been increased to a considerable extent -- some \$10,000 to \$15,000 -- for the maintenance of the Biological Buildings. Surely, here again is an expansion of University deficit, quite outside of and beyond the situation in the fall of 1895, when the deficit was believed to be about \$175,000. May not Mr. Rockefeller fairly assume that the management in deciding to erect these buildings were fully conscious of the very considerable expense required for their maintenance, as well as their equipment, and had in mind provision for such expense, without increase of the deficit, and cannot the Trustees find the means elsewhere to fill this gap thus created?

May I call attention to another matter: There is no allowance in this budget for the President's entertainment expenses. It seems no more than fair that a sum of money, as the Board may find sufficient, should be under the command of the President, as required to meet such expenditures, in addition to his fixed salary. Is it not also a question which the Board might seriously consider whether or not they do not lose more, on the whole, in cutting out the salary of the President's clerk, amounting to some \$1,000 a year, than they gain?

With these general considerations, let us leave the question of reduction of budget expenses with the President and Trustees, with the understanding that the budget is to be reduced to at least \$665,000. Am I correct?

DR. GOODSPEED: Yes, correct.

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DR. GOODSFEED: Yes, correct.

MR. GATES: We come now to the second question: How much of the expected deficit must be secured from Mr. Rockefeller and how much can be raised elsewhere?

DR. GOODSPEED: In the first place the budget is to be made at this time. The appointments for next year have to be decided immediately, or at the earliest possible moment. We are late now, so that it seems to me a matter of necessity that the entire income should be guaranteed so that the budget may be acted upon and the arrangements for the year beginning July 1 may be made. We have only four and one-half months now left before the new year begins. We are compelled, therefore, to ask from Mr. Rockefeller the \$200,000 which are required for this budget, only expressing our own hope that it may be possible to relieve him of a portion of that sum as the year progresses. But we feel that we must have \$30,000 leeway to provide against any possible deficit in income, and any possible absolute necessities which may arise and cannot now be foreseen. We will represent to the Trustees the necessity of some special effort, looking to the raising among the other friends of the University of some part of this deficit. This is as far as it is possible for us at this time to go.

MR. GATES: The next question is, on what terms shall we ask Mr. Rockefeller to contribute?

DR. GOODSPEED: I should say on identically the same terms on which he has made his previous subscriptions for current expenses. The Trustees, I think, would none of them suggest any change.

MR. GATES: Mr. Rockefeller's last contribution for current expenses was for \$100,000 and was for the year beginning July 1, 1896. This contribution was pledged November 15, 1895. For the

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previous years his contributions had been \$175,000. He had made a contribution of a million dollars, however, since the last such contribution, bearing five per cent interest, which was expected to reduce the deficit to \$125,000. Meantime, Mr. Rockefeller had paid some \$300,000 and others had paid more toward the reduction of the debt of the institution, reducing the interest charge by something like \$25,000. So that Dr. Harper, in asking Mr. Rockefeller to make the contribution \$100,000, believed that this ought to and would bridge the gap between the expenses and the income. I find Mr. Rockefeller inclined to contribute toward the current expenses to the extent of \$100,000, although since this pledge of November 15, 1895, he has become committed for an additional sum annually equal to the income from the Culver property. He might logically drop from \$100,000 to \$85,000 for current expenses, since the Culver income is estimated to be \$15,000 during the current year. I find him, in other words, inclined to maintain the status, so far as he is concerned, of November 15, 1895. He might, however, be induced, if the exigencies require, to agree to loan the institution, at a low rate of interest, say four per cent, such additional funds as might finally be agreed upon as absolutely necessary to conduct the work for the year beginning July 1, 1897, without serious and permanent injury to the institution.

MAJ. RUST: All that I have got to say, Mr. Gates, is that that statement is clean-cut cold logic, and commands my respect.

DR. GOODSPEED: I have such an abhorrence of debt that it is hard for me to contemplate with equanimity the increase.

MR. GATES: That will be a strong incentive to economy during the year. There is another point that I want to speak of and that is with respect to the purchase of the new land at Morgan

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Park and the erection of a dormitory building thereon: I understand that \$30,000 have been borrowed on this property for the purpose of paying for the land and the erection of the building, and that some \$6,000 more will be required before the building will be completed. Here is then a new debt of \$36,000. I understand further that the Trustees have adopted this course in order to provide dormitories for the students at Morgan Park, and with the idea that the room rent will pay for the interest on the investment and a small sinking fund. Mr. Rockefeller, while recognizing, of course, the desire of the Trustees to do the very best thing for the institution and the students, feels that the borrowing of money for the purpose of erecting buildings is an unwise policy. He feels that an institution of learning should be far more conservatively managed than, for instance, a bank, or even a savings bank or a trust company. These companies need only assure the depositor or investor that his funds will be duly cared for during the limited time in which they may be deposited. But a university invites the funds of those who are seeking to make an investment of money for the good of humanity, which shall last, if possible, so long as the world stands. Such contributors delight to contemplate their contributions as going forward in their beneficent purpose, generation after generation. Such contributors look upon the great universities of England and of the Continent, whose history runs back for ages, and observe their solidity and are inspired by the sight of the permanency of these institutions to make these contributions. They love to consider these gifts as perhaps the only lasting impression that they will make on mankind. Indeed, Mr. Rockefeller himself no doubt contemplates his gifts to the University of Chicago in some such light,

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and to him the question of a mere present success, such as vast numbers of students, great and numerous buildings, magnificently manned and equipped departments, or what not, of present glory, is of little moment compared with the question of what this institution is to be in the generations and ages to come. Far beyond any present successes, therefore, he is looking to the character and policy of the Board of Trustees as it may affect the future history of the institution. He believes that borrowing money from endowment for the erection of any buildings whatever, or borrowing money from any source for the erection of buildings, even though those buildings do promise to pay back interest and sinking fund. to be adapted to arouse distrust in the minds of the most thoughtful and hence most desirable contributors, and further adapted to establish a precedent which future Boards of Trustees may look back upon as justification of far more hazardous action. Mr. Rockefeller is inclined, therefore, in order to give practical expression to his views, to pay off and cancel this mortgage, if he may do so, entering the money so paid as a credit upon the two million dollar subscription.

DR. GOODSPEED: I can only say for myself that the Trustees would very joyfully accept that proposition. We have so made this obligation that we are at liberty to pay it at any time. Or, they will very gladly make such a request of Mr. Rockefeller. Could not Mr. Rockefeller be induced also to include the additional expense which we shall be compelled to assume in completing this building, amounting to about \$6,000 over the original estimates, and also about \$2,000 which is necessary for furniture, for the purchase of which we have no means in sight otherwise?

MAJ. RUST: From my point of view, the deep-seated conviction

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Mad. Bust: From my point of vior, the deep-sented conviction

of Mr. Rockefeller can hardly fail to find a satisfactory response from the Board of Trustees in every way. But, of course, all that we can do is to report the suggestion with the impressiveness, as well as we may, with which it has been stated.

MR. GATES: Now as to the fourth question: What assurances can we give to Mr. Rockefeller that we have now reached the outside limit and that all hands will work toward filling up this deficit with permanent funds, - Let me ask you, Dr. Goodspeed and Major Rust, what suggestions occur to you along this line that I can lay before Mr. Rockefeller?

DR. GOODSPEED: The Board of Trustees has recently, indeed at its last meeting, taken the following action: Providing that no expenditures of any kind shall be made which are not first submitted to the Comptroller and by him approved in writing, and, second, providing that the Comptroller shall authorize no expenditures and approve no vouchers for which an appropriation has not already been made. It is believed that this action will go very far toward securing all that Mr. Rockefeller could desire in this particular. This recent action has decided a question which was before in doubt, whether the budget was an actual appropriation of funds throughout, or whether in all those items relating to purchases it was provisional only. This action has decided it to be provisional only, and has entrusted the expenditure to be made under it to the Comptroller alone. It is not mandatory on the Comptroller to approve the requisitions of the departments, even when they are within the limits of the budget.

MAJ. RUST (interrupting): Members of the Board will differ from Dr. Goodspeed on this point.

DR. GOODSPEED (continuing): It is, on the other hand,

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expected that the Comptroller will see that the income of the University is each month expended only in a pro rata measure, the income being expended at the rate of no more than one-twelfth of it each month.

As Secretary of the University, I will make it my business to keep Mr. Gates informed, as a member of the Board, in advance, of any action contemplated, which would either directly or indirectly involve any expenditure beyond the budget; also any policy proposed which could directly or indirectly affect the funds of the University along lines not now pursued, or as viewed from the standpoint of the present discussion. My aim will be to keep Mr. Rockefeller so constantly informed, in advance, of contemplated action that it will be possible to get his views in advance and prevent any action which he might not approve, relating to the financial affairs of the institution. It ought to be, and Major Rust and myself will make it our business to see that it is understood by all the Trustees that the adoption of the budget is merely provisional and designed to be a guide and limitation in the expenditures of the University rather than an authorization of the same, and that the budget should be strictly confidential as between the members of the Board and the Comptroller who is not a member of the Board.

MAJ. RUST: The President, the Secretary and the Comptroller should be constituted a Committee, to be called the Committee on Expenditures, who shall supervise the expenditures of the funds of the institution, within the limits fixed by the budget, and who shall so far as possible reduce such expenditures below the estimates of the budget. We think that such a Committee should arrange to sit daily, or as often as required, and pass upon the

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DR. GOODSPEED: On these matters we will confer with our associates in Chicago and write you fully at the earliest convenient moment.

MR. GATES: Let me say, as we are closing our conference, that Mr. Rockefeller has made no pledges, and what I have said about further contributions from him has been only to indicate what seems now to be the trend of his mind, with reference to giving you the fullest light and securing from you any light which may illumine his pathway in the matter. I hope you will regard such expressions as I have given as to his views as confidential, unless or until I shall be authorized to accede to your request to furnish you with a copy of our talk, as taken down by the stenographer.

February 15, 1897.

MR. GATES: In reviewing this stenographic report, I am moved to add a few concluding words: In all that I have urged upon Dr. Harper and the Board at Chicago, from first to last, in the way of avoiding debt and deficit, I have faithfully represented Mr. Rockefeller's views. Nor has the emphasis of my representations been an importation or exaggeration of my own. But it does

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not follow from this that Mr. Rockefeller's conceptions of a university are, or ever have been, less broad than those, for instance, of Dr. Harper, or that his ideals of what the University of Chicago may become are now, or ever have been, less expansive or magnificent. Before he had ever been approached in behalf of an institution at Chicago, he had visited great universities in our own and in foreign lands, and he had intimately contemplated for years the plan of an institution involving far greater expense than any now involved at Chicago. His conservatism is not now, nor has it ever been, due to any narrowness of conception.

Nor have his prudence and caution arisen from any reluctance to contribute. The story of his gifts so numerous, so ready, so vast, always leading and inspiring others, testifies to his willingness to give.

Why, then, these frequent and earnest admonitions to avoid debt and deficit at any cost?

I reply, for one thing, in order that public confidence might be secured and maintained. The University has never put forth a Treasurer's report because, as the Treasurer truly says, it has never dared to disclose to the public the facts. The public confidence is maintained only because the public is not informed as to the true situation. Instead of inviting funds, debt and deficit, if known, are the most certain means of destroying confidence and repelling funds. The debts and deficits of the University of Chicago have not made the institution. On the contrary, the institution has been saved from their ruinous effects only by Mr. Rockefeller's assuming them.

Then again, Mr. Rockefeller, cherishing views perhaps no less broad than those of Dr. Harper, and ideals no less high, has perceived the importance and value of time in an undertaking so vast.

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He has not been urgent that the University should spring up in a night. He has realized his own inexperience in this great work and the inexperience (to quote the substance of Dr. Goodspeed's remark) of the management of the University, from the President down. He has felt that nervous haste would naturally follow inexperience and has sought to restrain it.

Then again, Mr. Rockefeller has distinguished between mere external expansion and real growth. The actual magnitude of the University is measured only by what it has the money to pay for. All beyond this is deceptive and fictitious. He would avoid unreality. He would avoid the appearance of power not justified by the substance thereof.

Again, Mr. Rockefeller has his eye not on the transitory present, but on the long future. He is unspeakably more interested in the tendencies, policies and character of the management than in any present success, however brilliant.

Lastly, he has known from the first what he has only lately disclosed to others; this namely, how largely he might, under favorable conditions, become interested in the University at Chicago, and he has known that he would himself give not only far more cheerfully, but also far more largely under a conservative and prudent management that avoids debts and deficits.

Finally, let me add that Mr. Rockefeller, rejoicing in all that has been achieved, recognizes and extols the great qualities, of leadership, enthusiasm and organizing ability in Dr. Harper, without which the present development of the University would have been impossible. He looks to the Trustees, whose invaluable services he also heartily recognizes, not to chill this ardor or to discourage it, but to guide it into channels of solid and permanent prosperity.

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NOTES ON THE CONVERSATION WITH DR. HARPER WITH RESPECT TO THE UNIVERSITY BUDGET FOR THE YEAR BEGINNING JULY 1st, 1898

December 11/13, 1897

1.

With respect to the expenditure for the year beginning July 1st,1897 of which five months had expired on the first of December:Dr.Harper shows a saving in expenditures of about \$26000. for the period There will be some offsets to this in the payment of interest which is not due until January 1st. Dr.Harper however believes that of the \$666000 of estimated expenditures for the current year about \$16000 will be saved making the actual expenditures for the current year \$650000 and perhaps \$10000 from the contingent fund. This will be \$40000 less than the maximum expenditures for the previous year. There may be specially in the Department of Publication and in the University Extension a considerable increase in expenses over the estimates. This however will be offset by the corresponding receipts. These departments are designed as far as possible in all cases to be run on the principle of balancing expenditures by receipts.

2. Mr. Rockefeller contributed toward the current expenses of the year beginning July 1st, 1897 One hundred thousand dollars as an advance on his \$3000000 pledge and agreed to loan if necessary One hundred thousand dollars in addition. These contributions were based on a maximum budget of \$700000. but in so far as the budget comes within the \$700000, the money to be loaned will of course not be borrowed. The actual expenditure for the first five months is in the ratio of expenditure of \$640000 for the year. Notwithstanding this saving the University has called for and received from Mr. Rockefeller onehalf namely \$50000 of the money to be loaned by him on the basis of a \$700000 expenditure. Thus the money borrowed from Mr. Rockefeller is considerably in excess of the pro-rata amount to be borrowed from him at the present time. This sould be bourne in mind and further requests for loans should be accompanied by a full statement, showing the necessity of the present excess and of any further loans that are made. Dr. Harper suggests as an explanation of the fact that mere much of the income of the University from its permanent funds will not come in until January and the excess is in its essence a temporary loan. after Dr. Harper promises that as early as the first of January as practicable he will cause Mr Rust to submit a statement in detail showing how far the estimates and receipts for the current year beginning July

December 11/15,1897

Sign reopent to the expenditure for the year beginning July lat, 1897 of which five mentic had expired on the first of December:

Dr. Harper shows a saving in spenditures of about \$25000. for the period finers will be some offens to this in the payment of interest which is not one until dampery let. Dr. Harper however believes that of the feathful of, estimated expenditures for the current year about \$15000 will be saved making the actual expenditures for the current year \$250000 and perhaps \$10000 from the contingent fund. This will be \$60000 less than the maximum expenditures for the previous year. There may be apostally in the Department of Poblication and in the University late apostales increase in expenses over the designate. This however will be offered by the corresponding constitution. These departments are designed as for as possible in els cape; to be run on the sentential street of believed by receipts.

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1,1897 have been verified by the actual receipts. He thinks the statement will be ready about the 7th or 8th of January.

- 3. Dr. Harper expects in the course of two or three years to show the American Journal of Theology a self-supporting periodical. The Doctor thinks that three years will certainly bring that about.
- 4. The Morgan Park Academy is a attracting to itself, financially a more able class of students. The Academy is reaching more of the well-to-do families in Chicago and elsewhere who are able to pay their way.

MR.GATES. The new building at Morgan Park was erected on the theory that the room rents and the income from the building generally would take care of the building and all expenses connected with the same and pay at least five per-cent on the money invested in it.

DR. HARPER. It is so understood and this year's income will produce that result. Every room in the building is rented but one and rented on that basis.

5. With respect the University Extension - Dr Harper makes this year in the present budget a net income of expenditure of \$6775

This expenditure is made on the theory that the fixed changes of the University Extension being the same, a larger force of men put into the work will bring up the receipts in a greater ratio than the expenses and that the policy is undertaken with the view of reducing the deficit of this department which it is hoped by Dr. Harper will not exceed \$5000. Mr. Gates strongly urges that the University Extension should be made self-supporting as was the original expectation, in the process of reducing the general deficit of the University. Dr. Harper thinks that perhaps there are other points where economy could be exercised with less detriment to the University.

Dr. HARPER: - There is no \$5000 which is better spent and which reaches a greater number of people than this \$5000. The lectures reach at least 50000 people.

MR.GATES. Granting that this statement of Dr.Harper's is true, yet still if the department can be made self supporting it is a point to be most urgently sought.

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- 6. The same policy of expansion which was noted in connection with the University Extension is also carried out in the Publication Department with the expectation that a more than corresponding increased income is to be produced the coming year with respect to journals there is a net increase to the amount of \$3800. a larger number of copies of the various journals are to be printed for distribution making a total additional distribution of 25000 copies, the present distribution being 125000 copies. The theory that these will bring in new subscribers and will pay for themselves in the increased advertising patronage.
- 7. The question of making the cost of the affiliated work a charge upon the institutions affiliated was discussed informally with leanings s toward a stricter policy in that particular.

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REPORT OF INTERVIEW BETWEEN REV. T. W. GOODSPEED,
REPRESENTING THE UNIVERSITY OF CHICAGO, AND MR.
J.D.ROCKEFELLER, JR. AND MR. F.T.GATES

February 11,1898

Regarding the University Finances for the year beginning July 1st, 1897, Dr. Goodspeed said: We estimated the total expenditures of the year at \$703,000. The statements made January 1st.indicate to us very clearly that the total expenditures for the year will not exceed this estimate.

MR.GATES(Interrupting): Is it quite accurate, Dr.Goodspeed to say that \$703,000. is the total estimated expenditure? My understanding is that the budget provided for an appropriation of \$666,000. but it was believed that there ought to be a leeway or a margin for possible error in the estimated receipts or expenditures and that some provision should be made for a possible expenditure of \$703,000.

DR.GOODSPEED. I was going to say, I have no doubt that the total expenditures of the year will fall considerably below this sum of
\$703,000. but they are just as certain to exceed the definite appropriatwons of \$666,000. made in the budget. The income is likely to fall a
little short of the estimates of the budget--somewhere possible from
\$5,000 to \$10,000--so that we are likely to need nearly, but probably
not quite, the full amount of \$200,000. from Mr.Rockefeller. This is
my estimate of the outlook for the current year.

MR.GATES. Referring now to the University journals:- The question of who it is that makes the bills for the publication of the journals is an important one. The Committee on Expenditures, consisting of Drs.Harper, Goodspeed, Maj.Rust and Mr. Ryerson do not supervise directly the creation of journalistic bills. The matter is left in the hands of the editors of the respective journals.

Query:- Is this the best and most economic method of handling these journals and these bills?

Dr. Goodspeed thinks that practically there is no other way than for the editors of the journals -- who have to decide as to articles and illustrations -- to be the court of last resort as to these expenditures.

DR.GOODSEPPD. I desire to make a statement with reference to the Academy: The \$45,000 fund which Mr.Rockefeller gave for the Academy a year ago covered all the expenditures connected with the new site, the new dormitory, the improvement of the grounds and the furnish-

REPORT OF LETERVIEW BETWEEN REV. T. W. GOODSPEED, HEPRESERVIEW THE UNIVERSITY OF CHICAGO, AND HR. J.D. ROCKEFELLER, JR. AND MR. F.T.GATES

February 11,1898

Regarding the University Finances for the year beginning July 1st, 1897, Dr. Goodspeed said: We estimated the total expenditures of the year at \$705,000. The statements made January 1st, indicate to us very clearly that the total expenditures for the year will not exceed this ostimate.

iff. GATES (Interrupting): Is it quite accurate, br. Goodspeed to say that \$703,000, is the total estimated expenditure? My understanding is that the budget provided for an appropriation of \$666,000, but it was believed that there ought to be a leaway or a margin for possible error in the estimated receipts or expenditures and that come provision should be made for a possible expenditure of \$703,000.

DR.GODSPEED. I was going to say, I have no doubt that the total expenditures of the year will fall considerably below this sum of
\$703,000. but they are just as certain to exceed the definite appropriateens of \$666,000. made in the budget. The income is likely to fall a
little short of the estimates of the budget—somewhere possibly from
\$5,000 to \$10,000—so that we are likely to need nearly, but probacly
not quite, the full smount of \$200,000. From Mr.Rockefeller. This is
my estimate of the outlook for the ourrent year.

MR.OATES. Referring now to the University journals: The question of whe it is that makes the bills for the publication of the journals is an important one. The Committee on Expenditures, consisting of Drs. Harper, Goodspeed, Maj. Rust and Mr. Ryerson do not supervise directly the creation of journalistic bills. The matter is left in the hands of the editors of the respective journals.

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OR. GOODSHIPD. I desira to make a statement with reference to the Academy: The \$65,000 fund which Mr. Rockefeller gave for the Academy a year ago covered all the exponditures connected with the new site, the new sormicery, the improvement of the grounds and the furnion-

ing of the building excepting about \$300 for furniture, which we had provided for in the general appropriation in the budget any way, so that the money practically did the work for which it was given. They are very anxious to have a fence around their athletic field, but we have no money for that. The gymnasium of the Academy, which was an old and very cheap building, burned down the first of January. It was insured, with contents, for \$850, all of which we shall receive. We have now voted to expend \$100 of this insurance which we shall receive to buy some new gymnasium apparatus and we have authorized the expenditure of \$100 more to rent, temporarily, some quarters to carry on the gymnasium work for the present. The \$850, which we shall receive will not build such a gymnasium as we ought to have and we are very greatly perplexed as to what to do. Another question which is perplexing the Trustees is, shall the Academy be made a Boys' School, or if the girls continue in it what shall be done about a Girls'Dormitory? Mrs. Haskell has given us, in a letter, very cheerful consent to the use of the money contributed by he her for her lectureships in erecting a Girls Dormitory at Morgan Park. Even if the dormitory should not pay a large interest, no great damage will accrue because we have only to use the income from the fund establishing these lectureships in sustaining them. We have only to use the interest and no more. If there is not income enough, we do not need to havet the lectures every year. They may be delivered only just ao ofter as the income will authorize. Now the question is whether this is, on the whole, a wise use of these funds, notwithstanding the fact that Mrs. Haskell has cordially assented to such use of them?

MR.GATES. In reply I should say in this particular case, that this would be justifiable use of the funds; first, because Mrs.Haskell has consented to this use, thus taking the risk of depleting the income of the funds; secondly, beacuse the Haskell lectureships are not, as I understand it, vital and are scarcely integral parts of the University work proper. Those lectureships, as I understand it, are the Haskell and Barrows lectureships—one a lectureship confined to the University and the other called the India lectureship. Neither of them are in any degree essential to the work of the University. It is probably more important that Morgan Park school have this girls dormitoy than it is that these lectureships be maintained, if choice must be made between the two. I feel safe in saying, so far as Mr.Rockefeller is concerned, that he would approve of this use of that fund.

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conserved, that he would are one in sorting, so far in the defect of and

Dr. Goodspeed says that the income from the Boys' Dormitory at Morgan Park is justifying the expectations of the Trustees in erecting the building. That is to say, the net income of the building is paying at least 5% net on the total expenditure. Dr. Goodspeed promises that he will secure and send to us a detailed statement on this point.

DR. GOODSPEED. You will find on examining the report for the first half of the year that we are going to need to draw upon the contingent fund very soon. We shall probably need \$1,500. for miscellaneous general expenditures. We shall probably need \$1,200. for official publications, circulars of information, programmes and reports of the different departments. So great a number are constantly called for that he also mud \$600. In furniture. the appropriation in the budget was not sufficient. The Journal of Theology will need \$750. probably. I have secured \$400. in new subscriptions toward the Journal of Theology and may be able to secure something more, but we shall need \$750. I think, from the contingent fund to meet the expendes of that journal. I have made myself exceedingly offensive in fighting the expenses of the Journal of Theology. I first carried the matter to Mr. McLeish, telling him that the expenditures for the year were likely to exceed \$5,000L instead of being #3,000 as the budget shows I then carried the matter to Mr. Ryerson. I labored with Dr. Harper and with all the other persons who had anything to do with the Journal of Theology until I feared I should make myself a general nuisance on that subject, but I think the result has been that the journal will not cost for the year more than \$4,000 instead of something more than \$5,000., as I believed it would some months ago. But, we shall need about \$750.

MR. GATES. How much was the appropriation for that journal?
DR. GOODSPEED \$3,000.

MR.GATES. You very kindly called my attention to the fact that this journal was vertainly going to exceed its appropriation. We have up had the matter very fully and frankly several times and I am still of the opinion that the journal should not be a tax upon the University's finances beyond the amount originally appropriated. I know that Mr. Rockefeller is quite sensitive about this particular journal, which was a late addition to the family of journals--never welcomed by those who had the financial conditions of the University under serious scrutiny. It has lways proved a disappointment financially. The hopes of its

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advocates have never been fulfilled as to the balance between receipts and expenditures, and it seems to me that right here is a very good time to test the question whether there is to be a limit within which these matters must be brought. I would not feel that I was farly representing Mr. Rockefeller if I should say that he would assent to an increase in the budget for the Theologic al Journal. The journal should either be cut down or else other friends of the University should pay for it. It should not be made a charge on the University and MR. Rockefeller at least either directly or indirectly, should not be required to pay for it. As for the other itmes of increase you mention above, I will offer no objection if the Board approves

DR.GOODSPEED There will be needed some additional appropriations for the University Extension. The University Extension receipts will considerably exceed the estimated receipts, and the expenditures will exceed the estimate for expenditures. We are likely to need an additional appropriation of \$2,000 from the contingent fund for University Extension.

MR.GATES. Do you mean Doctor that the excess of expenditures over receipts is likely to be \$2,500 greater than was expected?

DR. GOODSPEED. No, I do not mean that There will be an excess both of receipts and of expenditures. Without any reference to the receipts I think we shall need to spend \$2,500 more than the budget appropriation contemplated.

MR.GATES. How much do you think the receipts will exceed the estimated receipts?

DR.GOODSEEED. In the budget the estimated receipts of the University Extension are \$30,000 and the estimated expenditures \$35790 Up to the first day of January we have received \$16,170.28 showing a pro-rata excess of \$1,170. in receipts. We have spent a pro-rata excess of \$4,000 making the difference up to date about \$2,900.

It is difficult to derive any precise conclusions from this from the fact that one lecturer received \$1,000. for his work, which was all done during the first half of the year. This is only a single illustration. We have expended \$21,778, up to this date, but we have had already more than one-half of the expenditures of the year, as we believes that we are not likely to need so far as I can judge more than \$2,500 more and we are going to receive, I think, fully that much in excess of

the estimated receipts.

Account have never been initilled as to the belence between receipts to established the stand fight term in a very good time to test the question whether there is to be a limit vishin which shows asticts what be brought. I would not feel that I was faily representing in. Rockwistler if I should say that he would assent to an Anoreas in the the budget if I should say that he would assent to an Anoreas to the the budget if I should of the University should sixner the should not be sade a charge on the University and all Rockwistler of the should not be sade a charge on the University and all Rockwistler of the theory of indirectly about a new be required to pay for the loose of the other taxes of there are not in above, I will often as objection if the Board approves

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MR.GATES. On the faith of Dr. Goodspeed's belief that the receipts of the University Extension will increase at least to the extent of the increased expenditures, we authorize the increase of the budget to that extent.

DR.GOODSPEED. We are very anxious to know what can be done with reference to securing the two blocks owned by Mr. Field for the campus We will go to Mr Field at the earliest moment and see what it is possible to do with him. My own judgment is that Mr. Field will put a fair appraisal on those two lots and that he will contribute a certain proportion of their value. I do not believe Mr. Field will give us the two blocks outright.

MR.GATES. Dr. Harper brought up that question when he was here in December and the understanding then was that the whole matter was to be left in abeyance until he could see Mr. Field and ascertain definitely and precisely the best thing that Mr. Field would do, it being strongly hoped that Mr. Field would make a contribution of both the blocks. We have been waiting therefore to hear from Dr. Harper the result of his interviews with Mr. Field.

DR. GOODSPEED. We are making plans for the building of what is known as the Power and Press Building, to be built just across the street from the University Campus. It is now desired by DR. Harper that there shall be included in the plans an auditorium in which convocations can be held and also a dining room where lunch can be furnished to students coming from the city in large numbers and who find difficulty in getting something to eat in the neighborhood of the University.

MR.GATES. We understood that plans were being prepared and had expected that when they had been agreed upon the matter would be taken up for conference.

Referring to the question of the recent alliance with Rush

Medical College, by which the two institutions are at least united in the

person of the President: I wish strongly to urge upon you Dr.Good
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would urge upon the Trustees the fact that it is their function and not Dr. Harper's to decide that matter. If Dr. Harper has consented to act as President, his consent could only be regarded as his personal assent, subject to the approval of the Trustees. Futhermore, I strongly hope that if it shall not be found on the first of June that Rush Medical College has not fulfilled accurately all the terms of the proposed affiliation, the University will take the opportunity afforded by its former vote to call the whole matter off. I am firmly convinced that it is for the best interests of the University to remain entirely without medical affiliations until such time as it has the ideal medical department of its own, when it may take up for renewed consideration consideration what affiliations if any it shall then enter upon.

DR.GOODSPEED. I wish to make the following points in regard to the Rush Medical College affiliation. Not at all in answer to what Mr. Gates has just said but in explanation of the course thus far pursued by the Trustees. I cannot feel that the action of the Trustees has been quite understood or that they have been quite faily judged:-

- 1. The Trustees have never sought any sort of alliance with Rush Medical College.
- 2. They have during four or five years resisted all advances looking to a union of any sort. As Mr.Gates knows, these have been repeated and persistent, but the Board has never seriously considered any one of them.
- 3. In making this affiliation with Rush Medical College, the Trustees did not dream they were running counter to Mr.Rockefeller's views and wishes. A radical difference of view regarding affiliation seems to me to prevail among the Trustees from that entertained at this office. It seems to have a far greater significance here than it has with our Trustees. To the University itself it signifies little. An institution is admitted to terms of affiliation and is considered and heard of no more by the Trustees. It them comes under the oversight of the President and the faculty. This being the case a question of simple affiliation seems to the Trustees to be one of slight importance.
- 4. Therefore the Trustees in affiliating Rush did not consider that they were taking an important and significant step. They did not think it a matter of sufficient interest and importance to be-referred to this office. From the view of affiliation held here this

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ferred to this office. From the view of affiliation held here this

seems now to have been clearly a mistake; with the views held by the Trustees it was the natural course to pursue.

- 5. The Trustees do not feel and they could not be made to feel that they have in the slightest degree committed the University to the allopathic school of medicine. They do not so understand affiliation.
- 6.—They do not feel and they could not be made to feel that they have done anything to hinder the future action of the University regarding medicine. They consider themselves in their future action to be absolutely free. The matter of the University school of medicine in their minds stands precisely as it stood before this affiliation and if such a school as Mr. Gates described in his letter of recent date can be established, I think the Trustees would agree that no medical colleges should be connected with the University except in a co-operative of affiliated way.

MR.GATES. Our views as to what affiliation is and why this is not and cannot properly be called affiliation; that to name it affiliation is to name it improperly are pretty fully set forth in my letters of January 12th and 19th. If this statement should fall under the eye of the Board of Trustees, I request that those two letters form a part also in of this paragraph, and further in justification of the stand we have taken that the Trustees be made acquainted with the memorandum from Mr. Rockefeller's hands forwarded to Dr.Harper December 18,1895.

I wish to add a general statement regarding the former affiliations made by the University. I cannot but feel that in regard to the Shimer Academy and the Chicago Manual Training School the course of the Trustees has been misunderstood. It will be remembered that there were long continued negotiations and correspondence regarding both these institutions. A union between them and the University was objected to and when the Trustees finally took action in regard to them it was thought that nothing was done counter to the views held here. The boards of these schools are entirely distinct and separate corporations; as separate as the Board of the Art Institute of Chicago from the University of which some of our Trustees are members. Some of our Trustees are members of the Board of the Shimer Academy.

MR.GATES How many of the University Trustees are also trustees of Shimer Academy and the Chicago Manual Training School.

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Shimar Academy and the Chicago Manual Prainting Sensol.

DR.GOODSPEED. Seven out of fifteen of the Board in the case of the Shimer Academy. In the case of the Chicago Manual Training School there are nine trustees. These nine trustees are members of the University Board. They are members of the Manual Training School Board as individuals and there is no more pecuniary relationship between the two institutions than between the Shimer Academy and the University.

MR GATES. In this connection, let me ask Dr.Goodspeed what has actually been the financial history of Shimer Academy since it became affiliated with the University?

DR. GOODSPEED. The Academy began its work under our management a year ago last July. The first year a mistake was made in the head of the school and an indebtedness of \$5,000 was accumulated under her management. At the end of the year Rev. W.P.McKee of Minneapolis was made Dean and under his management the school promises for the present year to almost if not wholly pay its way. The number of students has increased every month since the year began and the Trustees are all myself included, full of hope and expectations that this school will fully pay its way.

MR. GATES. How was the \$5,000 debt provided for?

DR.GOODSPEED It was provided for by a loan and mortgage on the property of the school.

MR. GATES. Where did you get the loan?

DR. GOODSPEED. The loan was made by four of the trustees and by one party outside of the Board of Trustees.

The University is not involved with these schools except in the sense that they are affiliated. The trustees of those schools are trustees as individuals and not as trustees of the University, and as individuals only accresponsible for them. This is the case for example with the Bradley Institute as well as with other institutions with which we are affiliated. The anxiety of these schools and others affiliated with the University to make such an alliance has undoubtedly added greatly to the prestige of the University throughout the West.

I wish now to say that I am prepared to engage for the Board of Trustees of the University that any future steps concerning relations with other institutions will be refferred to this office before any action is taken.

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I wish now to any the prepared to winds for the Board of the Rolling relations of the Rolling relations and the relations of the relations with the relations of the relations with the relation to the relation of the relation.

MR. GATES. My feeling about the medical school, apart from the technicalities of the question as to precisely what has been done is that the effect of the thing done on the public mind is practically the same as union, and the tendencies of the relationship which has been entered into will be to lead the public to suppose the institutions are organically connected, to associate the one with the other and to regard Ruch Medical College as practically the medical department of the University of Chicago and as such will make their contributions to Rush and support it. The technicalities of the question is one thing; its large practical historic effect in quite another.

With respect to the more recent affiliations of the University, which are departures from the original design and scope of affiliation as known at this office, I have to this to say: These affiliations have involved the Trustees of The University of Chicago by their of becoming trustees of the affiliated institutions. It is true, technically and legally that the institutions are separate and the University of Chicago is not chargeable with the debts of financial prosperity of the affiliated schools. It is technically true, as Dr. Goodspeed says that these trustees are trustees of the affiliated schools in their individual capacities only, and yet is is absolutely true that they are trustees of the affiliated schools because they are also trustees of the University of Chicago. It is true that there trustees have got to take the time needed to take care of these schools. It is true that as trustees of these schools they have got to take care of the finances of the schools some how or other. It is true that as trustees of these schools they have got to shin around and collect the money to run them from their friends, who are friends of the University and supporters of the University. It is true that if these institutions W get into financial difficulties, although no man can sue the University and recover, their financial difficulties are practically defficulties of the University of Chicago and it is the constituency of the University of Chicago that these schools must look for financial recovery.

DR. GOODSPEED'S CONCLUDING STATEMENT:) I cannot emphasize too strongly the desire of the trustees to permanently establish the policy of the University along these lines approved by its founder. If in the past they have diverged from those lines, the divergence was unintentional. They feel, every one of them, that they have received from Mr Rockefeller a great trust and are in a peculiar sense his agents They are of course at the same time, men of self-respect, who will be guided largely in their conduct of the University by their own intelligence, but they desire above all things a perfect understanding with the founder of the institution. They ask him to consider the difficulties underwhich they labor in marking out the policy of a new and great

enterprize and they earnestly solicit his

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WR. GATER Wy feeling about the medical school, apart from the seem the flittes of the question as to precisely what has been done to that the effect of she thing done on the public mind is gractically the same as union, and the tendencies of the relationship which has been entered into will be to lead the public to suppose the institutions are organically connected, to associate the oge with the other and to regard Buch Hedical College as practically the medical department of the University of Chicago and as such will make their contributions to hash and support it. The technicalities of the question is one thing; its large practical historic effect in quite another.

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