

That prompted broader queries into endowments and spending policies, associated with some Senate discussion of a mandated rate of distribution from endowments, perhaps like the 5 percent per year required of nonprofit foundations. (Harvard has apparently reached that level only once in the past decade, even when including both distributions for operating expenses and extra or unusual distributions for purposes such as financing Allston development or a recent \$100-million sum for Faculty of Arts and Sciences construction expenses. For details, see Harvard's response to the Senate committee at www.hno.harvard.edu/press/pressdoc/supplements/baucus_grassley.pdf.) The committee members were "impressed" by the institutions' filings, Casey said, and now appear to view the assets more broadly—not just as support for undergraduate education, but also for research, the arts, and university operations as a whole.

Of states' interest in private endowments, Casey said, "They're all in tough budget times." The Massachusetts proposal would tax the nine institutions with \$1 billion or more in such assets. Yet "Outside the purview of this discussion," he noted, such institutions have always been seen as "the great asset of Massachusetts"—in research potential, employment, and associated economic impacts.

State budget problems can, of course, exacerbate pressure on public higher-education institutions—even flagship research universities, which find themselves battling to match private peers' balance sheets as they try to finance student aid and pay faculty members. The percentage of such institutions' funds coming from state coffers has been declining over time, Casey said. "In an era when most scientific publications arise through collaboration among people from multiple institutions, it's in the national interest to foster strong public and private universities. State budget stresses are challenging public universities in ways we should all be concerned about."

Harvard has a responsibility to contribute to the wider discussion about support for education, Casey added. "It is really important for

Yesterday's News

From the pages of the *Harvard Alumni Bulletin* and *Harvard Magazine*

1943 Harvard's 308th academic year opens July 6 with an enrollment of 1,782 civilian students (rather than the normal 8,000) and nearly 6,000 army and navy trainees.

1953 The Harvard Corporation sets aside \$250,000 from the Allston Burr bequest to begin construction of an outdoor ice rink and artificial ice plant on Soldiers Field. The Working Friends of Harvard Hockey, a group of alumni consisting mostly of former Harvard hockey players, plans to raise the estimated additional \$350,000 necessary to put a roof on the rink and equip the building.

1958 Harvard's brand new telephone center, handling calls from the University's 1,700 stations, goes into operation.

1963 The University comptroller's office shifts from a card-processing system to a card-and-magnetic-tape system that can add 200,000 eight-digit numbers a minute instead of 150.

1968 The editors report that no more than a dozen of Harvard's 30-odd traveling-fellowship winners will actually

be traveling, as a number of the would-be itinerant scholars "have been told no by their local draft boards."

1978 Exiled Russian writer Alexander Solzhenitsyn is awarded an honorary degree at Commencement. That afternoon, in his speech to the meeting of the Associated Harvard Alumni, he warns his audience that "the Western world is losing its courage and spiritual direction."

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President Derek Bok tells the Senate Select Committee on Intelligence that Congress must make clear that U.S. intelligence agencies cannot interfere as they please with university life, but must follow rules governing their activity. Harvard's own guidelines are the first of their kind in the country.

1988 Harvard Business School has instituted a mandatory three-week, ungraded course in corporate responsibility and ethical issues for all entering M.B.A. students. "Decision Making and Ethical Values: An Introduction" is intended to signal early on that these issues are important to the school.



Illustration by Mark Steele