

Pittsburgh: The Rocky Road to Academic Excellence (III)

With the universities throughout the country now clogging the route to instant-Harvard, it may be instructive to look at some of the causes of last year's cash and confidence debacle of a pioneer in this race, the University of Pittsburgh. An inquest into the Pitt crisis reveals a disabling combination of personalities, events, and circumstances. Parts of this combination are peculiar to Pitt and its environs, but others are to be found in generous supply on many aspiring campuses.

Not the least of Pitt's problems was the belief that a private, financially weak university could rapidly blossom to greatness in a conservative, narrowly ruled city that for a long time had been content with what was openly acknowledged to be less than a first-rate institution. Why did some of the most influential people of the city of Pittsburgh set a great goal for the university? And how deeply were they committed to the task of achieving it? A good deal of the answer is gone with Alan M. Scaife, the board chairman who died in 1958, 3 years after proclaiming that Pitt aspired to a place "among the leaders of the world's great universities." But an examination of the events that followed that proclamation at least suggests that Scaife and his board colleague, Leon Falk, Jr., were a good deal in advance of their fellow trustees. And when the trustees followed them, it is not at all clear that their thinking on ultimate goals was in effective harmony.

A Difference in Concept

Scaife, apparently mesmerized by the grand design set forth by the prospective chancellor, Edward H. Litchfield, was thinking of a great institution quite probably in the image of his alma mater, Yale. It would serve the community, but service would be a by-product of the university, not its *raison d'être*. The people who run Pittsburgh,

and who survived Scaife in managing Pitt's affairs, seem to have had a far more utilitarian view of the university. At the announcement of Litchfield's appointment, Scaife spoke of intellectual leadership as a value unto itself, but the head of the reigning Mellon clan, his brother-in-law, Richard K. Mellon, referred to "a great cultural and educational center . . . without which no industrial city can become and remain great." The two concepts are not necessarily in conflict, but, at the uppermost strategic levels, the administration of the university and the leaders of the city held motivations that only partly coincided.

Chancellor Litchfield, perhaps more than most university administrators, sought an organic relationship between his institution and the community. But he also saw the need for Pitt to be sovereign and independent, in the tradition of the university as a community of scholars at least somewhat detached from its surroundings. The powers of Pittsburgh did not dissent from this concept; in fact, they probably did not think very much about it, but in their scale of values they tended to place emphasis on the role of the university as an instrument for regional development. And when they looked further, their attention, before and after Litchfield's appointment, generally came to rest upon the favorite of American philanthropy—medicine. No one likes to give money to heat a university or cut its grass, but an operating room, a cancer clinic, or endowment for medical research salaries—these are traditionally popular outlets for generosity, regardless of the distortions imposed on the university fiscal structure.

In assessing the origins of the university's plight, one must view the remarkable and powerful personality of Chancellor Litchfield in the social context in which he had to operate. To succeed with his designs for Pittsburgh,

Litchfield needed the support of the upper echelons of the business community. But the community only partially subscribed to his goals, and—of even greater significance—many businessmen, consciously or not, probably felt threatened by the ebullient young chancellor. For Litchfield, through his success and continuing involvement in corporate affairs, could claim distinction in their field of expertise, but when it came to conducting the university's internal affairs, he could hold that the trustees should defer to Litchfield, the educational administrator. And, when it came to running the university, Litchfield, by all accounts, tended to concentrate power and decision-making in his own hands. Relative to most other universities, Pitt under Litchfield was top-heavy with administrators—with the chancellor situated above eight vice chancellors, who, in turn, were above 18 deans, who sat above the various department heads. But there was never any doubt that the chancellor was the source of innovation and the decisive power.

The Chancellor and Business

In other settings, the bridging of campus and corporation by the university's chief executive would not have caused a stir; university administrators and faculty have for a long time been commonplace on the boards of American business. But Litchfield was more involved than most, and while it cannot be shown that the involvement caused him to neglect the university, it was not to the liking of those businessmen who felt that their calling is as demanding as anything in the field of education. They, of course, knew what they were getting when they hired Litchfield, and they hired him with the understanding that he would be permitted to retain his corporate affiliations. But that doesn't mean they came to like it when they actually had to live with it—especially when it became known that the organization over which they ostensibly presided was incurring serious deficits.

An additional factor involved the dynamics of forced-draft growth and the inability of Pitt's bookkeeping facilities to keep pace with a burgeoning operation. Pitt's Acting Chancellor, Stanton C. Crawford, who died last month, observed in an interview in December that "university bookkeeping is incredibly complex and we were hard

put to keep the books abreast of the expansion." Crawford, a long-time Pitt faculty member who became secretary of the university at the outset of the Litchfield administration, recalled that "we were huddling weekly if not daily to generate new ideas." Money came into the university through multitudes of separate sources, such as endowment income, tuition, federal research grants, gifts, dormitory fees, and state appropriations. Large portions of the income were restricted to special purposes. Meanwhile, financial commitments such as new faculty appointments and construction had to be made long before the needed funds were actually in hand. At times, the university was navigating blind. "Financial reports began to fall farther and farther behind," Crawford said. Eventually, the university found itself 3 months into a new fiscal year before it had a clear idea of what had happened in the previous year—a disturbing state of affairs, but far from rare in university financial affairs, according to Paul Solyan, the former manager of the accounting firm of Price Waterhouse and Company, of Pittsburgh, who became Pitt's comptroller late in 1964. "Accountant friends tell me that things are in far worse shape at other universities, including some big ones," he remarked.

The Pool Dries Up

But however frayed the mandate for excellence may have been, the administration was determined to fill it, and precise planning was never a primary consideration. "In the past, the objective was to build a great university, and no one seems to have worried about the money," is the way the situation was described by David H. Kurtzman, who last July became Pitt's vice chancellor for finance. Kurtzman, who came to Pitt from the Fels Institute at the University of Pennsylvania, where he was a senior research and educational associate, said, "Previously, the budget office would provide the chancellor with estimates of income, and he would carve up slices of it for the vice chancellors. If one of them squawked, he'd get more." According to Peter Gray, professor of biology and former chairman of the department, "The way it worked out was that you got less than you asked for but more than you got the year before." On one occasion, according to a Pitt veteran, the university was some quarter of a million dollars short for a multi-million-

dollar venture that it planned to undertake. The administration's decision, he said, was "go ahead, the rest will turn up somehow," which, in a sense, it did, but the effect was further to dry up the pool of unearmarked funds needed for the general operations of the university.

A most relevant question, of course, is, Where were the trustees when the institution for which they bore responsibility was for years indulging in practices about which some of them were later to express publicly great dissatisfaction? "It makes you wonder about some of the captains of industry," said one faculty member, referring to the fact that a good portion of Pitt's board reads like the inner sanctum of the National Association of Manufacturers. The issue of the trustees' role is naturally a sensitive one in the upper echelons of the great banking and industrial city. In the view of Gwilyn A. Price, the former Westinghouse chief executive who succeeded Scaife as chairman of the board: "Budget making was centered in the chancellor's office and it was a long time before we realized that the controls were inadequate."

Frank Denton, the banking executive who came on the board after Scaife's death (an appointment that was at least in part inspired by Litchfield's desire to open a channel to the Richard K. Mellon interests), states flatly: "Most trustees don't know a damn thing about running a university. I don't know either. But I know you can't keep losing money." When Denton arrived on the board in 1959, the trustees' device for assessing financial affairs was an audit committee. According to Denton, "This just told us about past actions, it didn't tell us if we had enough gas to run the motor in the future." In 1964 Denton formed and headed a budget-audit committee of the Board of Trustees that came to play a more decisive role in the university's financial planning. But, prior to that, the board went along with Litchfield's projections and borrowed \$10 million, and then another \$5 million, to finance what was to be a "great leap forward" to solvency. Where were the trustees, including those who later were to grumble about poor management and bad planning?

The most probable answer is that, like trustees of many organizations, they simply were not paying close attention. Most, if not all, the trustees were heavily engaged elsewhere; besides, by tradition, the function of a

part-time board is to set policy and leave the details to the full-time management which reports back to the board and is subject to its supervision. But there is a point that lies between insufficient supervision and unjustified meddling in management affairs, and if Pitt's board had any deficiencies, they were not in the latter category. What may be said is that, after the crisis broke into the open, Litchfield behaved with dignity and, except for one public attack on the alumni and the community for failure to support the university (for which he later apologized), has never publicly said a word disparaging of the university or any of the persons associated with it. On the other hand, some of the trustees reacted to the situation with a degree of harshness that suggests that they found some psychological balm in depicting Pitt as a one-man operation under Litchfield. If it was, and if they are unhappy about it, who is there to blame but the trustees? He served at their pleasure, and legally and morally they were responsible for the well-being of the university and the performance of its management. (Since resigning from Pitt following a heart attack last year, Litchfield has regained his health. He resides at a farm that he acquired while serving as chancellor, and is extremely active in various corporate affairs and in the Governmental Affairs Institute, in Washington. Meanwhile, Pitt is operating with great financial caution in a concerted effort to put itself into the black. And a search committee is at work to fill the vacant chancellorship.)

A Therapeutic Effect

In many respects the crisis at Pitt has had a therapeutic effect, both on the university and on the surrounding community. Academic body snatchers have homed in on the campus in anticipation of easily picking up some talent. But they have found that the vast majority of the faculty has a commitment and sense of loyalty to the troubled institution. In some departments the faculty has formally agreed to sit tight and not permit the crisis to break up the gains of a decade. Faculty members are always coming or going on any campus, but, according to the administration, losses since the crisis was revealed, in December 1964, have actually been lower than in recent years. It may be too early to tell, and possibly an exodus may result from the aca-

democratic "slave markets" held during the recent Christmas-season professional meetings, but conversations with faculty members, including some who can display letters containing attractive offers from respectable institutions, suggest otherwise.

In the internal affairs of the institution, one of the most beneficial effects of the crisis was that it helped sweep away a good deal of the fantasy that frequently accompanies the quest for rapid excellence. In the upward climb, imagery has a part to play in attracting talent and money, but images conjured up for outside consumption can have a demoralizing internal effect if they don't match reality, and in the case of Pitt there were situations where harmony was lacking. On the basis of Pitt's own pronouncements, for example, the academic world had been led to believe that Pitt's faculty salaries were extremely high. But the crisis led to some careful introspection by faculty study groups, one of which concluded: "There are . . . impressions abroad that Pitt built its faculty by rather fantastic salary offers. Nothing could be further from the truth so far as the disciplines are concerned." The study went on to show that, in the natural sciences, the average salary at the professorial rank, with the exclusion of a handful of endowed chairs, was \$11,853 for 9 months. And for associate professors it was \$8270.

In a sense, the Pitt story is the story of private higher education all over the country. Endowment, which brings a return of only 4 or 5 percent a year, is becoming pitifully inadequate for meeting rapidly growing financial requirements. A million dollars of endowment is hard to come by, but once it is in hand, it provides only \$40,000 or \$50,000 a year. To meet the financial appetite of a university, there is nothing quite like a state treasury, and it is to this that Pitt is turning for the future. Pennsylvania is virtually unique in that its treasury may provide funds for private institutions of higher learning.

Last year, in addition to the regular appropriation for Pitt, the state provided an emergency grant of \$5 million to help through the crisis. It is Pitt's hope that the legislature will bring it into something resembling the so-called Temple Plan, under which the state provides Temple University with a substantial annual appropriation. In return for this, the tuition has been greatly reduced, and the state appoints several members to the university board. In the case of Pitt, the details are still to be worked out, but those who command the university's affairs hope that the state will help meet a great portion of the costs of undergraduate education, while local wealth—which is said to be in a mood to resume giving, once the university's financial affairs are in order

—will provide substantial funds for special programs and the graduate departments.

In the surrounding community the crisis appears to have provided some lessons as to what a university is all about. The medical faculty, long the most favored object of local philanthropy, has told its benefactors that it cannot thrive intellectually while the rest of the university is suffering for lack of funds. Leon Falk, Jr., whose family fortune was largely committed to the health professions at Pitt, frankly states, "I should have realized this a long time ago. I didn't, but now I do." The board, in direct response to faculty concern over the future of the university, has publicly committed itself to "sound fiscal policy" and a "determination to do everything in its power to maintain the standards which have been achieved and to foster growth toward the University's established goals. . . ." Skeptics may recall similar words in the past, but Pitt has been through a powerfully cathartic experience. The experience may have been one of those blessings in disguise—very well disguised. But valuable, though painful, lessons have been learned all around, and there is a reasonable chance now that Pitt will resume its progress toward excellence, a bit more slowly and quietly, but nevertheless in the right direction.—D. S. GREENBERG

(Last of a series)

Food and Drug Administration: Test for Leadership Vaccine

At a news conference held a few days after James L. Goddard was sworn in as new commissioner of the Food and Drug Administration, his boss, Department of Health, Education, and Welfare Secretary John W. Gardner, was quoted as saying that Goddard "has perhaps the most difficult job in Washington."

With the backing of the White House,

Gardner had broken long precedent by reaching outside the FDA for a new commissioner. The 42-year-old Goddard, a medically trained Public Health Service career man, was at the time of his appointment serving as director of the PHS Communicable Disease Center in Atlanta.

Gardner broke a different sort of precedent by pointedly pledging "the

strongest sort of support" his office can provide to Goddard. HEW secretaries in the past have usually concerned themselves with high-level budgetary and legislative matters and have taken care not to lash themselves to the mast of any constituent operating agency navigating stormy waters.

Gardner chose the occasion of Goddard's swearing-in ceremony in January to make public the report of an internal HEW committee which had been assigned the task of suggesting criteria for selecting a commissioner and identifying major problems facing the agency (see box, page 802).

The committee was headed by Rufus Miles, a former HEW assistant secretary for administration. Other members were Edward Dempsey and Boisfeuillet Jones, both former special assistants to the secretary; Bruce Cardwell, HEW budget officer and a former FDA offi-