Prism will be about the sociology and economics of medicine.

The first issue of *Prism* will be out in April, and it promises to be an impressive looking magazine. Its editor, Charles Renshaw, reports from AMA headquarters in Chicago that *Prism* will be distinguished by an unusual 11 by 11 inch format "to help us stand out from the crowd." It will also boast "opulent four-color graphics," which, together with its square, art folio format, is expected to attract advertisers. In addition to dues-paying members, a select group of nonmember prescribing physicians and some interns and residents will receive *Prism* free, for a total circulation of 210,000. The magazine will cost the AMA a bit more than $1.2 million during its first year, in which ad revenues are estimated to be $800,000. But by 1974, the hope is that *Prism* will at least be breaking even, if not turning a profit.

The first issue will tackle a number of general "socioeconomic" topics, such as China's "barefoot doctors" and the problems of educating a physician to be "socially oriented." On the more practical economic side, there will be a piece on where to start a practice and one on what physicians should know before they sign a lease. According to Renshaw, articles on the arts, leisure-time pursuits, and travel should also have great appeal to AMA members. The stated philosophy behind *Prism*, however, is to create a magazine that speaks to the "urgent" social issues of the day and that has plenty of room for opinions at variance with official AMA policy. "This will not be a house organ or a mouthpiece for the association," he said firmly.

Assessing the recent action, one of the specialty journal editors said he would find the present situation palatable if the AMA were in desperate need of money. "But when they cut back on us and then turn around and put out a slick magazine about money, well. . . ." When the matter of *Prism* came up on the floor of the house, one of the delegates expressed a somewhat similar view. The house was being asked to OK a report that said in part, "It is anticipated that *Prism* may be substituted for a specialty journal as an AMA membership benefit." Robert E. Zellner of Orlando, clad in a bright orange blazer that sets the Florida delegates apart from the rest of the crowd, stood up to complain, particularly about the use of the word "substitute." Zellner pointed out that the specialty journal subscription "is one of the few things we get out of AMA membership that actually enables us to take better care of our patients." He said he thought the substitution would not do much to enhance the AMA's public image, but his objection did not get very far.

Obviously, the AMA's cost-cutting ventures, somewhat undercut by the expense of launching a new magazine, are modest, particularly in light of the organization's total budget of about $34 million. Nevertheless, by paring down ("streamlining," they call it) and by investing in what is likely to become a new paying operation (*Prism*), the AMA is recognizing that its fiscal capacity is not unlimited. As one of the editors put it, "Now the AMA is more like everybody else."

—BARBARA J. CULLITON

New York University: Learning to Live with Red Ink

Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness.

Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.—Mr. Micawber, in *David Copperfield*

If Mr. Micawber's formula for happiness is any guide, many of the universities in the country, increasingly faced with deficits, must be in misery. And if budget makers nationally are groaning, those at New York University (NYU), which is the country's second largest private university and which by June will face a $14 million deficit —or half its unrestricted endowment— must be positively wretched.

NYU is a huge (40,000 students), urban (based in Greenwich Village), and sprawling (a second campus is 14 miles north, in the Bronx) institution that has played a key role in educating many of New York's small businessmen and professionals for most of its 141-year history. Moreover, throughout the 1960's, NYU's urbane, nationally known president, James M. Hester, led the university on a course of physical and academic expansion and a quest for academic "excellence," the Holy Grail for many universities during that period. Hester was successful in raising the quality of students coming to NYU, in getting about a dozen new buildings built or started, and aiding in spectacular fund-raising campaigns. As his equally glamorous chancellor, educational economist Allan M. Cartter noted, in reminiscing about NYU's golden age as the urban university of the 1960's: "We were practically beating the students away with sticks."

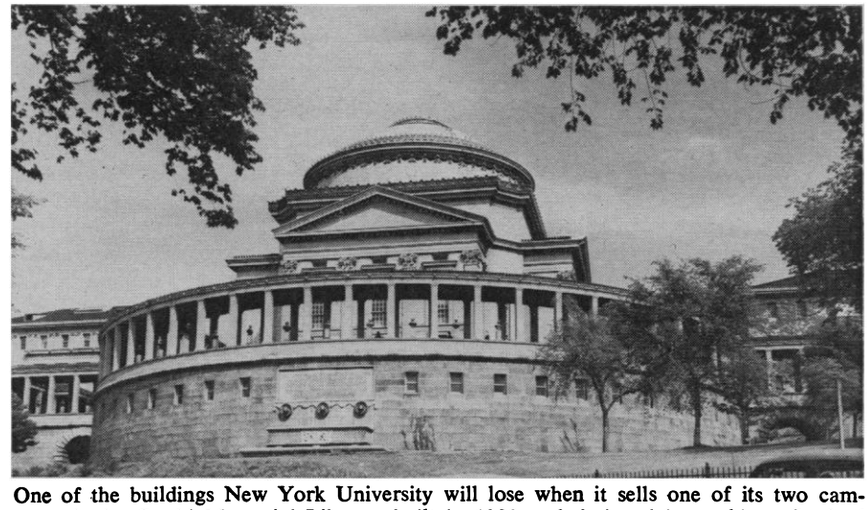
Today, however, NYU has collided with a heap of financial problems producing a budgetary disaster of titanic proportions. The momentum of rising enrollments, rising federal support, and the attractiveness of an urban educational setting has been dramatically reversed since 1968. Hester and Cartter have been sending out SOS signals to Albany and Washington with mixed results. And, last July, Cartter resigned, saying that he felt that "anything I could do I had done" for NYU. Meanwhile, a task force of deans has reported that NYU must engage in a vast and bloody rescue operation to balance the budget by 1974–75 if it wants to avoid being "the victim of one of the largest and most spectacular collapses in the history of American higher education." How NYU got to this point, and what it plans to do about it will be the subject of this article, for, as many observers and NYU administrators especially insist, what is happening to NYU is happening, to some extent, everywhere.

Two basic factors have been responsible for NYU's fortunes swinging so

dramatically for better and worse. The first is that NYU has no financial padding like that of other major private schools. Its unrestricted endowment is $31 million; up the street, Columbia University is sitting on a $425 million endowment of which $100 million is in unrestricted funds. Second, NYU is a regional school. It draws most of its students from the New York City area and it is often unmercifully affected by enrollment changes in the two huge state and city public systems, State University of New York (SUNY) and City University of New York (CUNY). Even in the 19th century NYU defined itself relativistically as a place for immigrant's children who were excluded from other institutions, public and private. And today, NYU is almost more understandable as a key local resource than as a national university; today it trains 50 percent of New York City's dentists, 20 percent of its lawyers, 17 percent of its doctors, and 18 percent of the engineers in New York State.

In 1970–71, NYU enrolled about 42,000 students, of which some 32,000 attend its several undergraduate colleges and graduate and professional schools, and 10,000 are in the adult education program. This year's operating budget is $216 million, against which NYU's deficits—past and projected—of from $1 million to $14 million would not seem large were it not for NYU's small, $31 million in unrestricted endowment funds. Tuition is now frozen at $2700.

When he took office in 1962, Hester decided that NYU would be most valuable, locally and nationally, if it could upgrade its quality as much as possible while keeping tuition low enough to compete with the public universities surrounding it. Hence, he embarked on major fund-raising and building campaigns, and NYU soon found itself amply rewarded with donors, federal sponsorship increases, and, as the reputation of the school grew, enrollment increased. Average SAT (Scholastic Aptitude Test) scores of entering freshmen rose from the 500's to the 600's, while tuition remained relatively low. Federal support, from 1955 to 1965, rose at a rate of 14 percent per annum. In the 3 years from 1964 to 1967, engineering enrollments at the College of Engineering and Science at the Bronx campus rose by 51 percent. In 1968, NYU's science and engineering programs were deemed worthy by the National Science Foundation of a $3 million science development grant.



One of the buildings New York University will lose when it sells one of its two campuses is the Gould Memorial Library, built in 1900 and designed by architect Sanford White. A new library at the Greenwich Village campus remains unopened, partly due to the fact that rising construction costs have slowed completion, and partly due to the high cost of maintenance once it is opened.

A large part of Hester's achievements resulted in conspicuous improvements in physical appearance. Aside from the Bronx campus, built in the 1880's, NYU is located largely in old factory and warehouse space in Greenwich Village, and its teaching facilities and living conditions were notoriously poor. [In fact, one present NYU building at 29 Washington Place was the scene in 1911 of the disastrous Triangle Shirt Waist Company fire, a labor tragedy that hastened the unionization of garment workers in New York. According to university spokesmen, every year the International Ladies Garment Workers Union (ILGWU) commemorates the disastrous fire by assembling on the sidewalk outside the building where NYU classes are taking place.]

Hester built Tisch Hall for the School of Commerce, the Brobst Library, planned as NYU's first unified library, and, on the Bronx campus, the Tech II engineering building and Sedgewick dormitory. Important in making the Greenwich Village–Washington Square area more attractive to faculty recruits were two faculty residence towers looking down at the village and designed by I. M. Pei and adorned with a donor's gift of a 60-ton statue by Picasso. Anyone who doubted that Hester could carry out miracles would at least have been impressed by the physical transformation alone.

Then, beginning in 1968 or so, a number of disturbances occurred, not only in terms of student demonstrations, but in the enrollment ledgers and university accounting books. Asked today why they did not see that a crisis could be coming, NYU administrators and faculty tend simply to shrug in a gesture of resignation. More eloquently, Hester explained to *Newsweek* recently, "We were caught in a tide of rising expectations."

When the fall 1968 enrollment figures were finalized, it was found that graduate enrollments were 1000 below the predicted number. But administrators at NYU wrote off this change as a result of the abolition of student draft deferments, expecting that continued rising enrollments would soon overcome this momentary—they thought—lag. In the fall of 1969, however, 1600 fewer full-time graduates and undergraduates enrolled at NYU. The decline began to snowball. Enrollment in 1969–70 totaled 44,401. By 1971–1972, the enrollment had shrunk to 40,126. Since every 300 students at NYU brings in $1 million in tuition income, each successive drop meant a significant loss of expected income. ("But there was always some explanation," one dean apologized.) Outside support also began declining. From 1966 until 1971, overall federal-sponsored research and training grants rose; but this was largely due to the booming NYU Medical Center, whose income from these sources during that period almost doubled to $40 million. Apart from the medical center, NYU's dollars from Uncle Sam fluctuated and then dropped, according to one table, by $5.6 million in what are termed constant, 1970 dollars.

Lacking expected tuition income, Hester had to start delving into NYU's capital to cover the expenses of his building program and other costs of the 1960's. Tech II, on the Bronx

campus, had been planned for about 1000 engineering students; by April 1971, that group numbered 120. Sedgewick dormitory, completed in 1968, had one-third of its beds empty within 3 years. Brobst Library, intended as the focus of the Greenwich Village campus, is still unopened. One reason for the delay suggested by some is that light, heat, and maintenance will cost $0.8 million. Finally, there were rises in the general security budget as a result of campus disturbances and the direct costs of disturbances after the Cambodia invasion.

The old adage says that a college president spends his time running back and forth between Mammon and God but Hester, being unusual, added Washington and Albany to this list. During his frequent meetings with politicians key to both the state and federal education scene, Hester kept plugging for the institutional aid provisions in national education legislation. Hester not only originated much legislation, but kept alive at NYU the hope that assistance would be forthcoming. New federal institutional support has not yet come to NYU, but in Albany Hester got one of the state appropriations formulas, known as the Bundy legislation, broadened to include NYU; thus getting his ailing university an added $4 million bonus in 1 year alone. "The Bundy money was just one of Jim Hester's miracles," says an administrator echoing the general mood of optimism of the 1968–1971 period.

Indeed, with a miracle worker for a president, it was easy to be unconcerned about possible misfortunes. NYU at first seemed to succumb in a concerted myopia about its financial problems. In December 1969, Cartter and Hester appointed the Commission on the Effective Use of University Resources, which was meant to help give fiscal guidance to both administration and faculty. But with its complicated structure of eight subgroups and its complex set of preliminary and final report deadlines, the commission resembled just another faculty review group and its recommendations were not much better. Although the university anticipated a $9 million deficit for 1970–71, in December 1970 the commission wrote, at the conclusion of one report: "Mere retrenchment without innovation and renewal tends to dim the spirit." (The commission did, however, help trim that expected deficit to $6.8 million.)

Although it recommended a number of small budget cutbacks, such as stopping the bus shuttle between the Greenwich Village and the Bronx campuses, on key matters of academic budgets the commission trod very lightly. To induce departments and schools to hold their instructional budget increases to 5 percent for 2 years, the commission blithely recommended a 20 percent pay hike for all faculty over the same period. It hoped the departments and schools would cooperate in achieving these averages, but as one present administrator says, "Every school felt the others weren't living up to their part so why should they. . . . The whole thing foundered."

Pursed Lips

Not surprisingly, today there are recriminations. Some at NYU blame the mild optimism of recent years on Cartter himself. As chancellor, he could approve or reject all financial plans, and despite his immense popularity, some faculty now say that he wasn't "tough" enough in forcing them to hold the line. One dean goes so far as to say that Cartter deliberately presented NYU's budgets to the board of trustees in such a fashion as to "cause the least amount of discussion." A faculty finance committee, which also reviewed the chancellor's budgets, was kept in the dark. "He just flashed his budgets at that committee."

Cartter, for his part, points out that his policy was to inform each department thoroughly about its own finances. Across-the-board revelations of everyone else's finances were not carried out simply because it was feared this would increase the interdepartmental infighting for funds. He also mentioned that the departments make up their own enrollment projections and use them to justify requests for budget increases. Hence, despite any amount of looking over their shoulders by his office, the continued optimism about NYU's growth in recent years was in part built into the system.

However in 1971 the mood suddenly changed when the state legislature, instead of offering cash loans to NYU, recommended that it cut off one arm, that is, negotiate with the Brooklyn Polytechnic Institute for the sale of the Bronx campus. The mood on campus, particularly at the School of Engineering and Science located in the Bronx, shifted dramatically. ("The engineers are very bitter," said one faculty member, and when asked for his opinions on the NYU administration, replied that the language he would use wouldn't be printable.) But a former administrator said, "We threw ourselves on the political process and this is what it came up with."

Remarkably, however, in the last year or so many at NYU have become convinced that big retrenchments are needed. Hester has somehow built a consensus that indeed some cancer is going to have to be cut from the university's side. It has indeed seen a remarkable feat of campus political engineering. As negotiations began over the sale of the Bronx campus, Hester appointed a new committee consisting of six deans and gave it a sweeping job: to produce a plan (within 90 days) for saving NYU. The old faculty-student financial committee, at which Cartter allegedly "flashed" his budgets, was transformed into a separate oversight group meant to review and comment on the progress of the task force. The result was a completely new financial approach to funding. Within months of the report's appearance, the faculty senate and board of trustees voted their approval of the task force's sweeping recommendations. "Hester and Cartter could have sat down and written that report in a weekend," says one faculty member. "But getting the deans to do it, with the old faculty committee looking over their shoulder, was a brilliant move."

What the task force report did was to explain in simple language that $96 million of NYU's $200 million budget came not from heaven or the budget officer but through the individual schools themselves in the form of student fees and outside income. Thus, if NYU was to avoid a "spectacular" financial collapse, each of the schools must contribute to the cost of central services at the university. Projecting an $11 million deficit for June 1972, the task force proposed that every school seek income equal to 174 percent of direct expenses. Any school that could not meet that requirement would simply have to fold up. In addition, the task force suggested or seconded some drastic retrenchments, including the sale of the Bronx campus, the elimination of the School of Social Work (one of the pearls of the 1960's treasure chest), and consolidation of all computers in NYU's possession.

"That task force report was an act of great leadership," says a current administrator. "The formulation of guidelines in terms of percentages of the net income of the school provided a

simple way for everybody to understand what the targets were." Not only did it attack the academic budget problem frontally, but it accomplished a second chore which the previous commission had neglected: it educated the professors and students about the budget process and its problems.

Hester himself is immensely proud of the task force's formulations and insists that its plan to balance the budget by academic 1974–75 will be carried out. What will happen if the plan fails?, he was asked. "It won't." Projections of enrollment and income have been wrong in the past—how can NYU be sure the task force projections are any better? "Our estimates are extremely conservative," he says.

NYU may indeed recover its financial health someday, but the greatest penny-pinching is yet to come. The task force anticipated that even with cutbacks, the 1972–73 school year would leave the university with a $14 million deficit, but 1973–74 will be the hardest. By 1973–74 the Bronx campus will have gone. The number of full positions on faculty payrolls throughout NYU will be 214 fewer, and other retrenchments will be put in operation to cut the deficit to $7 million. With a similar Herculean effort beginning in the autumn of 1974, NYU should have reduced its deficit to zero by the spring of 1975. All of this assuming no new, special help. "The events of the past year or so . . . clearly show that no one in the world outside is at hand waiting to save us," said the report.

However, some observers at NYU and outside of it believe that rescuing NYU financially may not equal rescuing it in academic terms. In building undergraduate living space on the Bronx campus, in bolstering engineering and science, in putting a central library near Washington Square, Hester projected the concept of a general, urban university. But enrollment trends suggest that the market for such a place is changing. Moreover, many of the schools will not be able to float on their own bottoms, and will probably sink. In academic terms, then, NYU may not emerge from the crisis as the same place it was before. As the task force report says: "Money, if not a sufficient condition for high-quality education, is a necessary condition." Indeed, great wealth has for so long been considered necessary for academic quality that one wonders if a really good university can also be really poor.

Many observers of NYU are gravely pessimistic despite the present aura of tight-lipped determination. Everyone interviewed seemed to have their pet alternative future for NYU. One faculty member held that NYU inevitably will become absorbed into the city university system, and at that time, in retrospect, all of Hester's retrenching of the last few years will appear to have been destructive back-pedaling. A less likely alternative is absorption into the state system. Still another possibility would be some cooperative arrangement with either public system; in return for some financial support, NYU could open some facilities and programs to students enrolled at other schools.

If the current mood persists, the university may eventually achieve happiness—at least in Mr. Micawber's terms.

—DEBORAH SHAPLEY

Los Alamos: 30 Years after, Life Begins in Earnest

Los Alamos. After several years of clandestine existence, Los Alamos, New Mexico, gained instant fame in the closing days of World War II as the birthplace of the atomic bomb. Now, a little more than a quarter century after its public debut, the "atomic city" still has about it a slightly exotic aura that attracts a growing number of tourists. But in the intervening years, the town and the Atomic Energy Commission (AEC) laboratory located here have grown and changed in many respects.

The Los Alamos Scientific Laboratory is a unique institution, and a second article will report on its role as one of the nation's premier weapons facilities and on efforts to broaden its scientific scope. The present article will consider, from the perspective of one who grew up in Los Alamos, how the laboratory and its needs have shaped the town's character and still control its destiny.

Los Alamos was the last of the "secret cities" of the wartime Manhattan project to open its gates and the last to be transferred to public ownership. And, although some vestiges of earlier times remain, especially in the community's adherence to a way of life and to ways of thinking shaped in those earlier years, old patterns are gradually giving way to new generations and a sense of a more permanent existence.

Perched on a high plateau at the eastern edge of the Jemez mountains in north-central New Mexico, Los Alamos has a spectacular setting. From the western edge of town, heavily forested slopes of pine and aspen rise to 11,000 feet. A precipitous drop from the mesas at the eastern edge of town leads to the Rio Grande River Valley. The view across the valley is of the Sangre de Cristo mountains, whose bluish hue changes, especially with a winter's sunrise, to the crimson that accounts for their name. The air is surpassingly clear, and the climate dry and warm, although the winters are severe enough to provide heavy snowfall and excellent skiing on slopes above the town. And, as J. Robert Oppenheimer noted while summering in the area in the late 1930's, the townsite is so physically isolated, cut off by the mountains, mesas, and canyons, that even the 20 miles to the nearest town of Espanola seem a long way.

When Oppenheimer was faced with finding a place for a laboratory in which to design and assemble the world's first atomic weapons, he chose the site on the Pajarito Plateau that was then (in 1942) occupied by the Los Alamos Ranch School for boys. The new laboratory, known only as Project-Y, and a community that rapidly grew to several thousand sprang up in hastily constructed and often makeshift buildings around what is now the community center. Despite primitive living conditions and tight security (residents were not allowed personal contact with friends or relatives nor permitted