

CONFIDENTIAL.

File

REPORT OF INTERVIEW OF DRS. MARTIN AND
PENFIELD WITH DR. GREGG AT THE ROCKE-
FELLER FOUNDATION, November 28th, 1931.

CONFIDENTIAL.

REPORT OF INTERVIEW OF DRS. MARTIN AND PENFIELD WITH DR.
GREGG AT THE ROCKEFELLER FOUNDATION, November 28, 1931.

*I think Franklin
must have
written this
report
W.P.*

Having made an appointment over the telephone from Montreal, we met Dr. Gregg at 9.20 a.m. for a preliminary discussion prior to his meeting with the Committee of Trustees of the Foundation at 10 a.m.

During this preliminary interview, Dr. Gregg asked three questions:-

1. Are the figures in our budget report expressed in terms of Canadian funds?

Answer: Yes.

2. In collecting money locally in Montreal, will these donations affect other plans which the University has in mind in other departments or faculties, or, as Dr. Gregg expressed it, in tapping local wells of resources, are we interfering with other projects which the University may have in mind?

Answer: As far as we know these donations are given for this specific purpose, in which the University and these individuals have expressed special interest.

3. Are the grants from the Government and the City secured, and, if so, whether as capital or as a yearly pledge?

Answer: Yearly pledges for indefinite period so long as the Institute exists. At a meeting of Governors of the Royal Victoria Hospital, at which the Principal, the Chancellor

and four other Governors of the University were present, the grants were considered so secure as to warrant the University in going ahead with the project.

We met again at 1.30 for luncheon with Dr. Gregg, and then adjourned at three o'clock to his office to consider any details of the proposal as made by McGill University. During a three and a half hours' discussion, each item was considered, and a few emendations made, as shown in the accompanying completed statement.

Dr. Gregg then proceeded to explain in a general way the condition of the Rockefeller finances at the present time. He stated that their annual income averaged between eight and ten million dollars, and that the distribution of their funds was made in various ways:

1. Capital sums donated in one block.
2. Annual grants for a period of years, after which their obligations for that special donation would cease.
3. Annual grants for a period of years, with the obligation on the part of the recipient institution to carry on the work independently with a budget provided from their own treasury.
4. Grants given on a basis of equivalent sums to be supplied by recipient institutions.

He further explained that when any such donations, or grants, are made they were estimated in terms of their total amounts, prospective and otherwise, and written off forthwith as obligations.

He then stated that as a result, in part, of the present depression, and, in part, to the defaulting of certain

institutions in not meeting their obligations to the Foundation, as above expressed, the budget of the Foundation was at present overpledged, and that this information had only been given to him during the meeting of that morning.

In view of this unfortunate state of affairs, he questioned the wisdom of presenting the present proposal at their meeting on December 3rd, stating that it was a matter of genuine regret and disappointment to him to have to make this suggestion. The Trustees did not feel at the present time that it was wise to sell securities, nor would they lightly contemplate entering into new obligations of the magnitude suggested in our proposal at this next meeting. He said that by next meeting there would be over four million dollars added to their treasury through dividends of their investments, and that, therefore, May would be a much more favourable time to present our proposal.

If, however, we so desired, he was prepared to suggest to the Foundation the following plan:

That they give to McGill University a sum of \$200,000 now to go on with the building programme, and a pledge of \$56,000 a year for five years, though without any obligation to capitalize that amount at the end of that period.

He added, on the other hand, that such a suggestion might be looked upon by the Trustees as a moral obligation, in which event they would consider it necessary to capitalize that amount at their present meeting. In other words, that they would still have to think in terms of the sum mentioned

in our original proposal, and this, he feared, would not be favourably received.

We told him that we did not think the University would be prepared to enter into such an arrangement, as there was no assurance of our being able to carry on such an expensive project unless there was some assurance of further help at the end of that period, and that, in any case, we would prefer to consult the Principal before giving a definite answer.

In response to our question as to whether or not we could be assured that in May our proposal would receive a favourable action, he replied that any formal statement now suggesting a commitment of capital in the future would have to be expressed in terms of capital expenditure at the time the proposition is made, and for that reason he, naturally, could not make any formal promise at this conference.

In view of all this, we explained to him that the Governors of the University, as well as those of the Hospital, fully recognized with great appreciation the many donations already given by the Foundation, and that if by presenting our proposal now it would embarrass the Foundation in any way, that the gentlemen on both these Boards would certainly not care to press the matter, not so much because of the uncertainty of success, but still more because it would be the feeling of the members of our Board that such an action would savour of bad taste and lack of appreciation for generous contributions in the past.

Dr. Gregg suggested that we might explain to our friends that, this application had come in rather late (though, he said, of course, not too late, because, as a matter of fact, we were ready to present it on the 3rd), and this explanation might, in some measure, mollify the disappointment in not having the matter brought up as soon as it had been hoped for.

In reply to our question as to whether or not any prospective application, say, from Philadelphia or Baltimore, next May would in any way diminish our prospects of success, he said that the quality of our proposal was so excellent that he did not believe this would enter into the discussion. He explained that the matter was not a question of competition between other schools, but merely a question of what would be best for neurology in general, and he felt that our proposition was not only sound, but had such a quality as to give us assurance of a favourable reception.

the third possibility for W.P.

Before closing the conference, he discussed the relative proportion of our local contributions as compared with the sum asked of the Foundation, which was in a proportion of 42 to 58, and he added that the minimum on which such propositions were received by the Foundation was a percentage of 40 to 60. In other words, our figures were near to the limit.

He suggested, therefore, that in the interval up to the 1st of May, our proposal would make a very much better showing if the two budgets could be more nearly balanced. In other

words, if by that time we were able to raise an additional sum of, say, \$10,000 a year, that this might be capitalized at \$200,000, and thus very much enhance our prospect of success.

We discussed for a few minutes the plan of the building and its site, and said that these might have to be altered, and we wondered if there would be any objection to so doing. Dr. Gregg explained that this made no material difference whatsoever, so long as our expenditure would not exceed the present proposal.

In connection with this proposed Institute, he volunteered some comments on psychiatry, explaining that in Philadelphia they were at a great disadvantage, inasmuch as the psychiatric wards were miles away from the general hospital, and that we at McGill having not committed ourselves in any way to the erection of a permanent institution for such cases, were open to make our plan according to the development of the work of the Institute.

We gained the impression that Dr. Gregg was much interested in psychiatry as a part of the development of neurology, and that the Foundation considered our position as superior to Philadelphia in that respect.

In conclusion, he again expressed his very genuine regret at the delay, and left us with a very favourable impression that our project would meet with the approval of the Foundation at the next meeting of their Board.