August 21st 1931.

Dear Mr. Chenoweth,

I have had time to think over our discussion of yesterday evening in regard to the proposed Institute. I am afraid the scheme of using Wards A. and C. would be a poor arrangement at best and never satisfactory.

During the day on the train I have drawn up a tentative outline of organization in detail, reducing the number of beds in the Institute from 40 to 30. I would suggest that the money that can be raised might be used to build the 30 beds and equip them, that 30 corresponding beds be then closed in the main hospital so as to free revenue sufficient to meet the deficit on the new beds. In that way the hospital would be making full provision for the clinical cases, i.e. 318,000. Possibly Rockefeller Foundation might the budget of \$48,690 yearly. I only suggest this without in any way binding myself to accept the arrangement.

It is a workable scheme at all events. There might be need of some beds in the Hospital for medical neurology in addition to those in the Institute, I do not know.

With best regards,

Yours sincerely,

(Signed) Wilder Penfield.