This is an argument in favor of a special policy in 1941 for the RF. After a few general remarks I shall first describe the principle cause of the present trend to many and short-term grants. Then follows a brief examination of the merits and defects of the present trend, and finally the new and particular reasons for a shift I would urge in the type and duration of our grants in 1941.

It is a commonplace among officers that the amount of time, care, and effort spent in preparing a docket item does not vary directly with the amount of money involved. Small items may be better than large, they may also be worse; but it is certain that one hundred items averaging $10,000 each will consume at least five times the energy and time in preparation that 20 items averaging $50,000 require. A more significant way to say it is that if the time and strength of an officer may be regarded as a quantity not without limits, doubling the number of items to be presented means halving the amount of time for study, comparison, negotiation, and preparation given to each docket item, or else it is done at the expense of time for other visits and talks which are simply essential to an officer’s work. It must also be self-evident that if an officer is obliged to break up what should be a ten-year project into one, two, or three-year bits, the work of both officers and trustees is increased without proportionate advantage.

In 1933 the pressure upon the officers to get into "the thick of thin things" was heightened by a limitation to two years of most, if not all, of our grants, and a mounting aversion to endowments of any kind. The Scylla and Charybdis of foundations is on the one hand doing small things in a big way and on the other doing big things in a small way. The policy of 1933 was to do everything in a small way - everything in small amounts and for short periods. What suddenly began to grow big was the amount of renewals, extensions, and reviews, i. e. the proportion of repetitive business placed before the Trustees. Granted that there were good reasons for this increase in short term obligations, the shibboleth of "squarely within program" nonetheless facilitated the creation of lots of small projects without controlling their cumulative effect. They had to be renewed; nobody else would take them over. And the result is that we are tied down by the large number and the cumulative implications of projects mostly too short to be terminated by a gradual and explicit taper defined well in advance. This is the present trend, somewhat less extreme than in 1936, but definite enough to have brought on the practice of promises to review and a paragraph entitled "Implications."
Among the advantages of small, short-term commitments are these: if disappointing they waste less money, if dubious we are protected, being numerous they allow prospecting in a larger variety of undertakings, and in uncertain times they are appropriately circumspect. In the expanding prosperity of 1920-30 small projects led on to greater things (thanks to funds from other donors). But in the contracting universe of 1930-40 no one could assume that the Lord would provide. In 1928 we were incubators; in 1938 we are more commonly brooders. Small short-term grants have a different effect upon recipients from large, long-term grants. They magnify our moral obligation by repeating the process of negotiation and award of support. We almost convince the recipient we are going on indefinitely. We don't give him a schedule for looking ahead for himself or realizing that there is going to be an end to our aid. We succeed unintentionally in emphasizing our control of him by shortening the time before we will be around again to form a critical estimate of whether he deserves another year or two. Furthermore, although we are one of the few foundations large enough to do big things thoroughly, we ignore that unique role and become merely the largest single distributor of chicken feed. Thus we drift into numerous ephemeral and trivial "explorations". I won't touch on the effect of small short-term aid on research itself or recruitment to the ranks of research men. But I will say that mediocre undertakings are hard to discontinue on the basis of short-term appraisal. Jerome Greene's grandmother said that the way she saved money was by never buying anything that cost less than 75 cents.

If the times were peaceful and the future predictable, my argument would be for fewer, larger, and longer projects, better studied, and with more time for the officers to travel and find significant new developments and trustworthy recipients.

But 1941 is going to be a peculiar and unusual sort of year. It will not be peaceful. It is a year in which the dislocations of preparation for war are certain for this country, a year in which heavier taxation and rising costs of all kinds are nearly sure. While the losses in Europe are mounting and thus more certain to affect us, the detailed knowledge of what they are and what they will be becomes vaguer and less reliable as a basis for planning. Who plans in a hurricane? We can do something else. We can deal with all these recurrent projects which have accumulated. Money appropriated now to the best of them could discharge serious moral obligations which later will be unpredictable in amount yet certain to be held against us.

It would be wise for the Foundation to clear off its moral obligations as fully as possible during 1941 so that its officers' time and the various divisional budgets may in the following years be in the state of maximum elasticity and freedom of manoeuvre. I don't want two thirds of the budget and half our time in 1942 and 19-3 frozen by recurrent old items however excellent they may be, however cogent as moral obligations. 1941 is not a time for new undertakings: it is a time for clearing off responsibilities for old ones so that in 1942 and 1943 our income can be available without encumbrances. World conditions are changing - not before our eyes but behind the curtain of our die-hard incredulity, censored news, and unimaginative traditionalism. I'd rather see the RF cleared by generous eight and ten year terminal grants of all its present moral responsibilities than drift on through 1941 with only a small fraction of its program reflecting the approaching need for freedom to clear the decks and adjust to the one time in our lives when time to study, travel, and draw on unencumbered funds will be essential - the bitter period after the war, the only time when our knowledge, our methods, and our money will be desperately important.
I realize that some emergencies will arise in 1941 which will require attention. But while the spiritual, economic, and political convulsion is on, the Foundation should clear its books of the present unavoidable moral obligations by making long term terminating grants and thus prepare to meet without encumbrances or recriminations the enormous changes here and elsewhere in the world which are certainly coming.

Yours,