direct investments in timber and agricultural land when she was on the HMC staff in the 1990s. Now, she said, with new real-estate talent in house, HMC will look beyond limited partnerships in this area, pursuing joint ventures and direct relationships of the sort that have succeeded in natural-resources investing. And she noted opportunities throughout HMC to hire skilled professionals as the financial industry worldwide continues to restructure. As she suggested last year, HMC is likely to increase the portion of funds managed internally; she again cited the advantages of control over assets, staff insights into market conditions, and lower expenses compared to using outside firms.

More generally, she reaffirmed Harvard's commitment to the "endowment model" associated with Yale, HMC, and other institutions in recent decades: relying on highly diversified portfolios, with significant investments in untraditional and relatively less liquid asset classes where sophisticated investors can realize long-term advantages compared to conventional holdings. "Has the 'endowment model' run its course?" she wrote. "Our answer to that question is No."

50 Years of Social Studies

In 1960, the idea that Harvard undergraduates could concentrate in a field that pulled together economics, political science, sociology, history, and philosophy, instead of choosing just one of those disciplines, was revolutionary.

Social studies (the College's second-oldest interdisciplinary concentration, after history and literature) was "ahead of its time," said University of Pennsylvania president Amy Gutmann '71, Ph.D. '76, one of the program's eminent graduates. Giving the keynote address at the concentration's fiftieth anniversary celebration on September 25, she noted that fellow alumni work in "political science and polling, journalism and jazz, economics and history, law and medicine, sociology and philosophy, corporate law and investing, the judiciary and, very importantly, public service." Regardless of one's chosen profession, Gutmann said, "you cannot do better—intellectually, ethically, and practically speaking—than to come to terms with the question: What is a well-constituted society and what is my role in it?"

The program confronts concentrators with this question immediately in its famously intense sophomore tutorial, Social Studies 10. The tutorial's reading list has displayed remarkable consistency since the beginning, noted Rogers Brubaker '79, a program veteran who is now a sociology professor at UCLA. Seven theorists—Adam Smith, Karl Marx, John Stuart Mill, Max Weber, Alexis de Tocqueville, Emile Durkheim, and Sigmund Freud—have been taught nearly every year; Michel Foucault, Jürgen Habermas, and Simone de Beauvoir were added in the 1990s and have been taught every year since. This roster, Brubaker said, "speaks to the program's defining and abiding commitment to serious engagement with the great theorists of the epochal transformations—social, political, economic, and cultural—that have formed the world that we still inhabit."

An afternoon panel on "Social Studies and Social Change" featured four other notable concentration alumni.

• During her career, Adele Simmons '69 has conducted anthropology research in Mauritius, worked for the Economist in North Africa, taught at Princeton, served as president of Hampshire College (during her tenure, it became the first U.S. college to divest its South Africa-affiliated holdings to protest apartheid), and headed the MacArthur Foundation.

• E.J. Dionne '73, Washington Post columnist and Georgetown Public Policy Institute professor, is the author of several books on American politics and a senior fellow at the Brookings Institution.

• Attorney Jarrett Barrios '91, a former Massachusetts state legislator, is now president of the Gay and Lesbian Alliance Against Defamation (GLAAD).

• Former deputy U.S. attorney general Jamie Gorelick '72, J.D. '75, served on the 9/11 Commission and as general counsel to the Defense Department; she now chairs the public-policy and strategy practice and national security practice for WilmerHale in Washington.

Gorelick said her social-studies education taught her to argue with courage, respect, and a spirit of compromise, and to consider thoughtfully the exercise of state power. "While I cannot tell you that I sat in my study these 35 years since I graduated and pulled Durkheim and Weber and Freud and Marx off the shelves," she said, "those ideas affected me enormously. I am very much in debt to this concentration for the powerful ideas it has put at my disposal."

Introducing the afternoon panel, political philosopher and former social-studies chair Michael Walzer, Ph.D. '62, now a professor emeritus at the Institute for Advanced Study, recalled that, within the concentration, "Like-minded never meant agreeable. Most of the time, we agreed on what were the necessary arguments, but not at all on what were the right positions...Anyone with convictions about anything had to be ready to defend them in the face of sharp and skeptical questioning."

It was perhaps appropriate, then, that protest accompanied, and at times interrupted, the day's events. The protesters objected to the social-studies committee's decision to accept a $650,000 endowment for an undergraduate research fund, given by alumni and other supporters of New Republic editor in chief Martin Peretz, Ph.D. '66, a former head tutor who taught...
Michael D. Smith, dean of the Faculty of Arts and Sciences (FAS), was expected to tell colleagues at the fall’s first faculty meeting, on October 5, that the time has come to “change the channel” on campus conversations. “For the past two years,” he wrote in his annual report, “our decisions, though well grounded in intellectual priorities, often felt forced by the pressures of our financial circumstances.” Now it is suitable to “shift our attention more fully” to academic priorities, “charting actions in a manner that is informed by, but not dictated by, our financial resources.” (The report, made available to FAS members for the meeting, was set for public release on October 20, at www.fas.harvard.edu/home/content/annual-report.)

Smith was expected to put the fiscal/academic year ended last June in context as the second stage in a three-part response to the global financial crisis. In this light, during fiscal 2009, “FAS arrested an aggressive growth trajectory established in times of plenty,” by cutting costs. The year just ended entailed the “harder work of making structural changes based on well-informed, long-term priorities.” The current year should mark the period of maximum belt-tightening, with another $35 million to be wrung out of annual operating expenses during the next 24 months (in anticipation of modest growth in endowment distributions soon; see “Endowment Improvements,” page 58).

The report does not quantify precisely how FAS dug itself out of an annual deficit projected at one time to be as large as $220 million. In the financial section, dean for administration and finance Leslie Kirwan lists contributing factors in the past year: savings on energy and discretionary expenses (travel, meals, etc.); the cumulative effects of early retirements and layoffs at the end of fiscal 2009, restraint in filling vacancies, and the year-long compensation freeze; and lower expenses than planned for science initiatives. Revenue gains helped, too: a change in state law authorized distributions from “underwater” endowment funds, worth millions of dollars to FAS; gifts exceeded expectations; sponsored-research grants and awards rose 11 percent, to $193.4 million. And FAS was able to buffer the anticipated 8 percent reduction in endowment distributions during the year by accessing what the financial footnotes called “the incremental distribution on all endowment funds,” thus holding the decrease in funds received to $30 million, just a 5 percent cut from fiscal 2009; the initial projection was a $50-million reduction.

The net effect was a $12-million unrestricted-funds surplus for FAS as a whole (down from $87.6 million in fiscal 2009), and a $3.6-million unrestricted surplus in FAS’s “core” operations (the faculty, College, and graduate school): well below the $58.6 million of fiscal 2009, but not deeply in the red, as once feared.

Kirwan pointed out challenges. Unrestricted spending for undergraduate financial aid rose $36.9 million in fiscal 2010, reflecting larger awards; less funding from the diminished endowment; and the depletion of balances the year before. The faculty and research-support ranks actually grew in fiscal 2010 (administrative and clerical personnel declined by 240 positions). Despite higher balances, investment income on short-term reserves declined $12.5 million (down more than 60 percent) as the central administration slashed the interest rate credited.

Smith’s upbeat tenor comes through particularly in his expressed enthusiasm for a forthcoming University capital campaign. FAS’s goals, he signaled, are due for presidential vetting by early spring. One ambition he highlights is programmatic: renewed focus on teaching and learning (as outlined by the Task Force on Teaching and Career Development three years ago; see “Toward Top-Tier Teaching,” March-April 2007, page 63, on the faculty’s teaching “compact”). The second is a huge, deferred capital item: renovation of the undergraduate Houses—a task likely to consume at least a billion dollars over many years (see “Renewing the Houses,” July-August 2009, page 56). Kirwan outlined another need: “ensuring adequate resources to attract and retain outstanding faculty and graduate students.”

Of his own ideas, Smith wrote, “These...are not our only FAS aspirations.” But they ought to more than suffice to begin a conversation to “share our vision with the Harvard community”—part of an effort, after two years of looking inward, “that articulates to our alumni and the world the essential and unique nature of our institution and its mission.”

at Harvard for more than 30 years. Several dozen people picketed outside the Science Center, holding signs quoting from Peretz’s writings about Muslims, including a September 4 blog post that attracted national attention.

Outside the Science Center classroom where the event was held, University police officers stood guard, limiting entry to registered guests. Still, questions about the decision to honor Peretz pervaded nearly every question-and-answer session. When he walked from the morning panels to a luncheon in Adams House, the protesters hailed him, chanting, “Harvard, Harvard, shame on you for honoring a racist fool!” At lunch, when he rose to give brief remarks as had other head tutors, a handful of attendees walked out.

Earlier in the week, President Drew Faust had stated publicly that in accepting the money, Harvard was not endorsing Peretz’s views (see “After the Storm: Presidential Perspectives,” page 53). Jamie Gorelick, who had led the effort to create the fund in Peretz’s name, echoed this sentiment; she described him to the panel audience as “a fantastic teacher” who was supportive and generous with his time. “You can honor him as a teacher,” she said, “without agreeing with everything he’s ever said.”

For more on the social studies celebration and the Martin Peretz protest, see www.harvardmag.com/social-studies-50th.

For more about President Faust’s comments on the matter, see www.harvardmag.com/faust-gibson.