

PRESIDENT'S REPORT

Cold Spring Harbor Laboratory continues to produce breakthrough science and provide outstanding science education. Of particular note, 2012 saw the recruitment of six new faculty, two of whom, David Tuveson and Gholson Lyon, are not only outstanding scientists, but are clinicians who see patients. David Tuveson will oversee our exciting new Cancer Therapeutics Initiative and focus his research on pancreas cancer, melanoma and carcinoid tumors. He will also work closely with the nearby Lustgarten Foundation that focuses on pancreas cancer, where he will head its science program. Gholson Lyon works in pediatric neurology and studies inherited neurological dis-

from external sources. To state the obvious: One cannot effectively prepare a plan for future



The Laboratory has always prospered because of philanthropic foresight and civic mindedness. Charles Robertson, seen here with the Watsons in 1974, seeded our endowment.

about \$1.5 billion, or 5%, more than the actual 2012 estimate. These numbers assume continued funding of science during the dramatic financial crisis in 2008, but over \$10 billion was added to the NIH budget in 2009 from economic stimulus funds, which would not have been necessary if continuous and predictable funding had instead occurred. With such steady support, scientists could have planned long-term projects with better success. As the situation exists now, many scientists are closing their laboratories because of lack of funding since the sudden spurt of NIH funding has withered and was not sustained. Fortunately, at Cold Spring Harbor our sources of private support have so far prevented shutting down research laboratories. Indeed, philanthropic support has even enabled starting new initiatives that have had a major impact on cancer and autism.

My point is one that prudent financial advisors have been making for as long as capitalism has been around: a simple compounding at modest rates of annual increase is very likely to be more powerful than an occasional surge, inspired by what are often unrealistic expectations of near-term payoffs. "Slow and steady wins the race" — in science as in building a nest egg.

There are powerful reasons behind this argument as it applies to research funding, and they are not only about numbers. It is instructive to look back for a moment at the history of how our federal government came to vigorously support basic science. Prior to the Second World War, federal contributions were minimal, as weighed against funds provided by the nation's great philanthropists. Most biomedical research was then conducted by scientists based in universities that were supported by endowment income, special research funds, and foundation grants. The year before the start of the Great Depression, The Rockefeller Institute had since its founding in 1902 received some \$65 million in endowment funds from the estate of John D. Rockefeller. As noted by the historian Paul Starr, this alone was many times the amount spent by the federal government on medical research during that same interval.

Early in the 20th century, it was the Department of Agriculture that received the lion's share of the government's research attention. To the very limited extent that it invested directly in medical research, the federal government focused on the Hygienic Laboratory, once part of a hospital

¹Paul Starr, *The Transformation of American Medicine* (Basic Books, 1982), 339.

in Staten Island, and later, after moving to Washington, D.C., the forerunner of the U.S. Public Health Service (PHS). Just after the turn of the 20th century, allocations were less than \$50,000 a year. During the Progressive Period, the PHS began to study infectious diseases. In 1930, the Hygienic Laboratory was renamed the National Institutes of Health, and in 1938 it moved to its present location in Bethesda, Maryland. A year prior to that, the government had established the National Cancer Institute (NCI). And in a major departure in 1944, for the first time the NCI authorized federal funds to be allocated to basic researchers not directly in the government's employ. This was the precursor of the modern extramural grant program that provides core research funds for CSHL and many other American research institutions.

On the eve of America's entry into World War Two, the NCI's -13-12(n)16(s en)18(t)-16(rT8(t)0(f

CONCLUSION

At this moment our nation is clearly limited in its capacity to finance basic science. Things that might be done today in areas in which much progress has recently been made, cancer therapeutics being the most notable, are not getting done because of the scarcity of resources, both public and private.

What can we reasonably expect? I would be pleased to see a federal commitment to present levels of NIH and NSF funding, adjusted for inflation plus 3% per year. This would place CSHL

endowment draw, covered 50% of our research expenditures in 2012. Such a ratio of federal to private funding of research may have to be the norm for all institutions in the future, not just Cold Spring Harbor and other like-minded research institutions. Medical schools will have to provide more to their scientists, but this change also comes at a time when clinical income is dropping at a rapid clip.

Philanthropic support has been a fundamental part of what makes Cold Spring Harbor Laboratory successful. It is clear to all our scientists that federal grant support provides the core funding needed to maintain a research program and its key infrastructure, but it is philanthropic support that allows our scientists to do their most innovative research. Thus we must increase philanthropy, growing our endowment so that key funds can be allocated when needed, not in the year or two that it takes to secure a federal grant, long after a new idea is stale.

Part of the logic for increasing support to Cold Spring Harbor is our track record: we have a long history of major accomplishments and ~~greatness~~ ^{achievements} in both research and science education—all achieved through prudent use of very limited funds. The seeds of our success were sowed by the great philanthropists of the last century. The estate of Andrew Carnegie launched our genetics research and sustained it for 60 years. The Carnegie Institution of Washington put the Laboratory on the map as one of the world's leading centers of genetics research. CSHL's future Nobelists Al Hershey and Barbara McClintock were bene-

Surplus wealth is a sacred trust which its possessor is bound to administer in his lifetime for the good of the community. That was Andrew Carnegie's "Gospel," and it is one that I fervently hope a civic-minded few will now take to heart so that our great institution might safely navigate some very treacherous waters. Perhaps our nation's leaders will also smooth the path