



FALL PREVIEW

Forget the Conventional Wisdom—Bush vs. Clinton Will Be Close in November

BY JOE KLEIN

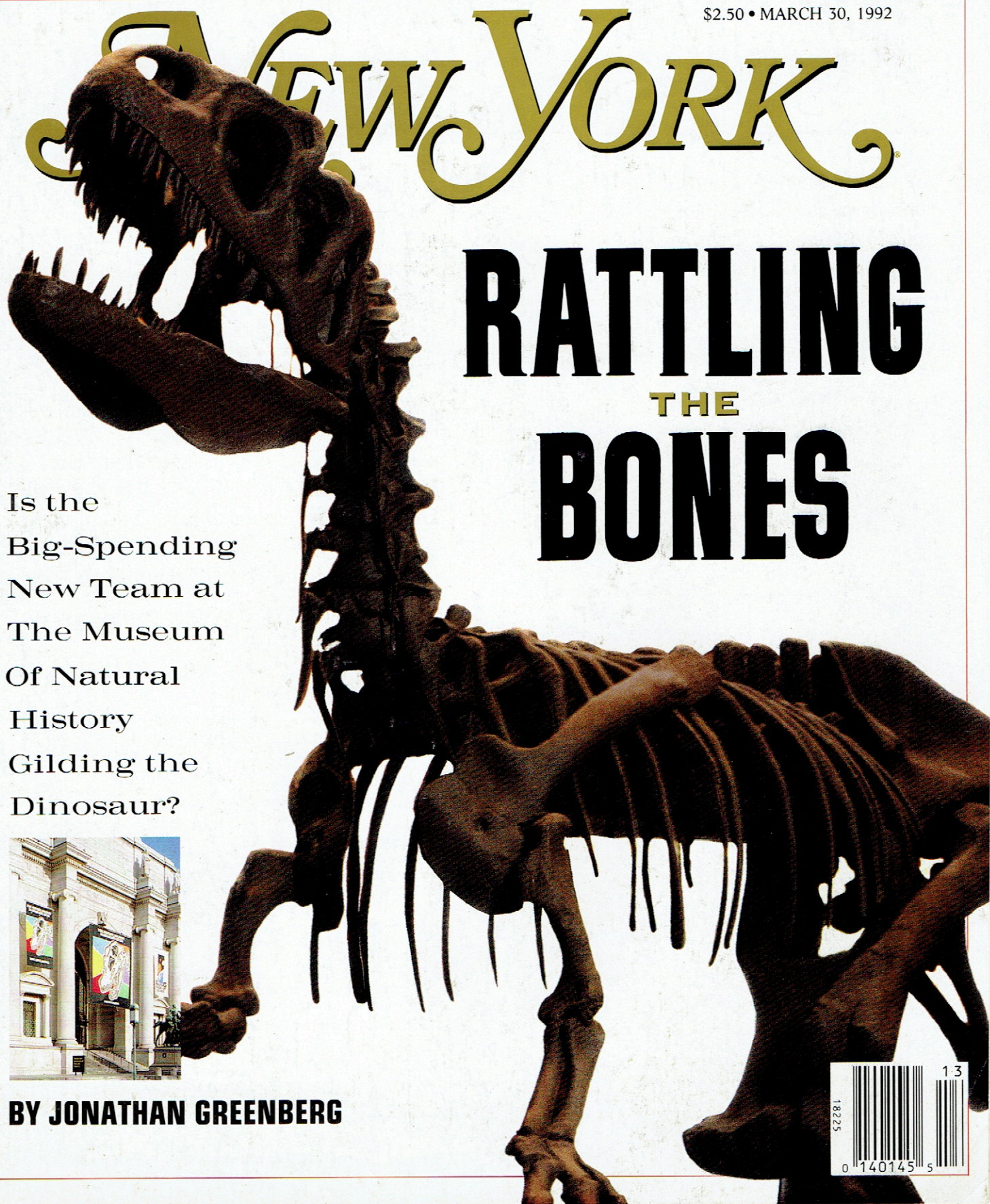


PUP ART

When William Wegman Goes to the Dogs, the Art Is Nothing to Sniff At

BY MICHAEL GROSS

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Is the
Big-Spending
New Team at
The Museum
Of Natural
History
Gilding the
Dinosaur?




BY JONATHAN GREENBERG





"IT ENTAILS SOME
RISKS ANYTIME YOU
TAKE ON A MAJOR
PROJECT," SAYS
GEORGE LANGDON,
PRESIDENT OF
NATURAL HISTORY.



RATTLING — THE — BONES

IS THE BIG-SPENDING
NEW TEAM AT THE MUSEUM OF NATURAL
HISTORY GILDING THE DINOSAUR?

▼
BY JONATHAN GREENBERG



FOR MOST OF ITS 123-YEAR HISTORY, THE American Museum of Natural History was run by a dignified, old-money crowd, a Waspy elite that shunned ostentation and relied upon a proper old-boy network for funding. Indeed, in a 1937 article, *Fortune* magazine called the museum's board of trustees "the most exclusive club in the U.S."

While other museums, notably the Metropolitan, plunged into the freebooting money culture of the eighties, gilding themselves with glitz and glamour, Natural History remained the genteel preserve that it had been since its founding by the likes of Teddy Roosevelt and J. P. Morgan—the "dowdy old lady across the park," as one former Met staffer characterized it. The style of the museum was embodied by its director, Thomas Nicholson,

PHOTOGRAPHED BY TED HARDIN



FOR MUCH OF ITS HISTORY,

THE MUSEUM WAS AN ELITE, OLD-MONEY PRESERVE. ITS

BOARD WAS CALLED "THE MOST EXCLUSIVE CLUB IN THE U.S."



an autocrat and devoted scientist who ran the place for twenty years like a respected, demanding headmaster. The idea of Natural History's becoming a social centrifuge with parties catered by Glorious Food would have been alien to Nicholson, whose frugality was legendary. He commuted to work from his Woodcliff Lake, New Jersey, home by aging auto and then the PATH train to Manhattan.

Today, there is a costly and controversial effort to renew the museum—in the words of Myra Biblowit, the museum's new director of development, "to put it on the map." The museum has undertaken a \$60-million fund-raising-and-expansion drive and has staffed up its senior management with six-figure talent. It has bought a \$2.2-million apartment for its president, George D. Langdon Jr., hired to usher in the new age at Natural History, furnished Langdon with a car and driver, and, through the board of trustees, given the go-ahead for huge increases in administrative spending. This high-powered effort comes at a time when Natural History, like other cultural institutions in the city, is under severe economic pressure. City money for the museum has been sharply cut, and for the first time since the Depression, the museum has been forced to close two of its halls half of the time, among other cutbacks. All of this has caused a rising tide of discontent among the museum staff over big spending in a time of austerity, and there is increasing criticism of Langdon, who is caught between the old age, the new age, and hard economic times.

After a number of sources at Natural History contacted *New York* to complain about high spending and the management of the museum, the magazine undertook a three-month reporting effort to assess the situation. This effort included scores of interviews and exhaustive analysis of budgets, salaries, tax forms, annual reports, and other data. Many of those with whom the magazine spoke requested anonymity; the museum employees' handbook—the "Blue Book"—makes the unauthorized release of information grounds for dismissal.

The saga that unfolded in the reporting is one not of fraud or

evildoing but of an institution trying to play a game of the eighties—an era of imperial museums—in the much leaner and limited nineties. And while some of the discontent can be attributed to a fear of change, it is also true that the museum's administration sometimes seems blinded by the promise of a new empire and can show little concern for the soul of a venerable institution. To understand how the museum arrived at this point, it is necessary to understand some of Natural History's own history.

The museum did prosper and expand under Tom Nicholson during his 1969–1989 tenure, if in a more measured and sedate way than the go-go growth engineered at other institutions. The endowment tripled to \$143 million, the research staff doubled, attendance increased by 50 percent, and seven new permanent exhibition halls were built. Nicholson was also instrumental in getting the largest bequest in the museum's history—more than \$30 million from Lila Acheson Wallace, co-founder of *Reader's Digest*. In Nicholson's last year as director, the museum ran a budget surplus of \$2.1 million, despite the effects of the stock-market crash. Even those who would later criticize Nicholson as stodgy and out-of-date admit that he did a very good job of nurturing the museum as arguably New York's most beloved and perhaps its most famous in national and international terms.



THE MUSEUM AND ITS AFFILIATED HAYDEN Planetarium and Naturemax Theater were visited by 2.7 million people last year. That is 1.8 million fewer than visited the Metropolitan Museum, but it is the nature of Natural History's audience that makes it so special. Families with children and hundreds of thousands of schoolchildren make up the bulk of the museum's visitors. School groups flood the museum every morning, sometimes lining up for hours along Central Park West. Nearly 25 percent of the museum's visitors are from minority groups—a figure, Natural History officials say, higher

than at any other major museum in the city. Thousands of New Yorkers also attend free classes, lectures, films, and science presentations at the museum. Its membership of 500,000 is four times greater than that of the Metropolitan. And at \$25, membership is relatively cheap and includes a subscription to the museum's highly regarded *Natural History* magazine, a staple of school libraries across the nation. In a sense, the museum attracts the mass, not just the class.

Much of the museum's reputation, on a par with those of the British Museum and the Smithsonian, stems from something the public rarely sees: scientific research. Some of its departments, such as vertebrate paleontology (which includes dinosaurs) and entomology, are unequaled. In offices and laboratories tucked away

BAD TIMES, GOOD TIMES

In the four years since George D. Langdon Jr. became director of the museum, there have been substantial cutbacks in operations. At the same time, there have been substantial increases in perks and other spending:

CUTBACKS:

- Partial hiring freeze. (Security guards cut to 100 from 120. Saving: \$560,000.)
- An eighteen-month salary freeze. (Saving: \$400,000.)
- Wednesday-night closing, earlier closing Friday and Saturday nights. (Saving: \$85,000.)
- Two major halls closed alternate mornings and afternoons. (Saving: \$40,000.)
- Staff teachers for school-group tours reduced to seven from ten. (Saving: \$75,000.)
- Museum's only drive-up entrance closed. (Saving: \$45,000.)
- Library subscriptions cut by 13 percent. (Saving: \$30,000.)

PERKS AND OTHER NEW SPENDING:

- Purchase of penthouse condominium for Langdon. (Cost: \$2.2 million.)
- A base salary of \$225,000 per year for Langdon, a \$100,000 increase over his predecessor's.
- Car and driver for Langdon. (Cost: \$50,000 per year.)
- Office renovations for administrative and development staff. (Cost excluding labor: \$2 million.)
- Langdon and other top officials entitled to 44 vacation days, 11 holidays, and 12 sick days per year.
- Addition of six top administrative officers. (Cost: \$1 million, including benefits.)

amid miles of hidden corridors, curators, scientific assistants, students, and volunteers work with the museum's incredible collections, which include 30-million specimens (2 million butterflies and moths alone), scarcely one percent of which ever make it to the exhibit halls.

But despite Natural History's secure reputation and relative prosperity, the explosive growth of the Metropolitan—and, to a lesser extent, that of the Museum of Modern Art, the Whitney, and the Guggenheim—caused restlessness among some of Natural History's trustees. (There has always been something of a sibling rivalry between Natural History and the Met, conceived as a sister institution to Natural History. There was once a plan to link the two buildings by a terraced promenade across Central Park.) Thus, when Nicholson announced in 1985 that he planned to retire, many members of the board scented an opportunity to bring Natural History into the red-hot world of the modern museum, to make it like the Met, Washington's National Gallery, and other museums—an imperial institution with a broader fund-raising grasp and a much higher profile in the community.

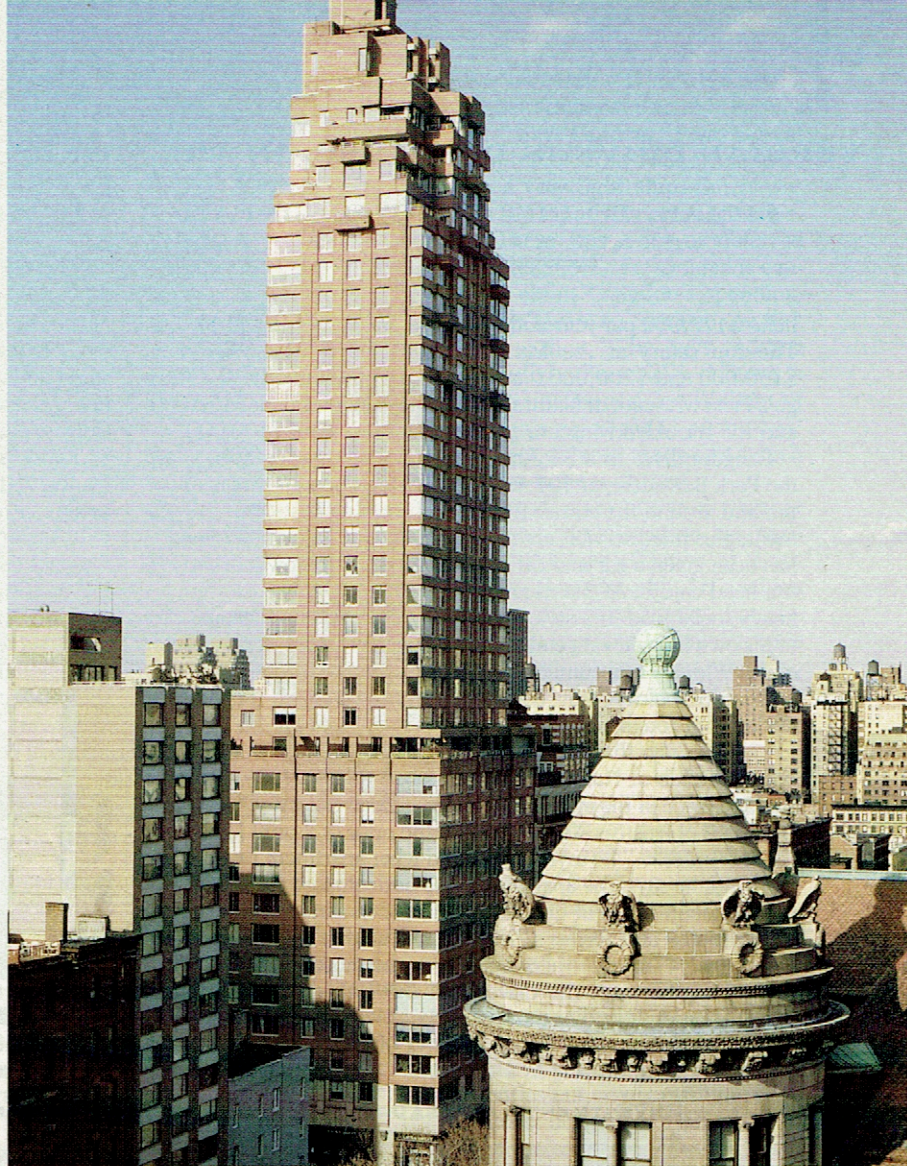
A committee was formed to choose Nicholson's successor, and after a two-year search the panel and then the trustees settled upon George Langdon, now 58, the president of Colgate University in upstate Hamilton. Outwardly, Langdon was a surprising choice. His academic background was in history, not in one of the sciences appropriate to the museum, and while running a small college can be a demanding task, Langdon had no experience in administering a cultural institution on the scale of Natural History. He had one very impressive credential: Langdon had just completed a successful \$85-million fund-raising drive at Colgate. This was tempting, since the trustees wanted to start the most ambitious renovation-and-expansion program in the museum's history.



AFTER TWO YEARS OF STUDY and preparation, Langdon undertook the \$60-million expansion program, and, to be sure, the drive has made substantial progress. The reconstruction of the museum's six vertebrate-paleontology halls is moving ahead, with completion set for 1996. The museum's library, the largest and most important natural-history library in the Western Hemisphere, is undergoing a major expansion, and last December a restored Theodore Roosevelt Memorial Hall, a great landmarked space and the gateway to the museum's interior, was unveiled. Then there is the new Barosaurus mount, the tallest freestanding dinosaur exhibit in the world, completed December 4, 1991, on schedule and on budget. A new Hall of Human Biology and Evolution is scheduled to open in the museum next year, and it will serve as a teaching hall for the New York school system.

And Langdon has been given high marks by some on the staff for preserving and protecting the museum's scientific functions. Apart from administrative and development costs, science's share of the museum budget has grown the most since Langdon took over. This can be partially attributed to the museum's gaining a larger number of grants from the outside.

But there have also been setbacks. The man who was to make Natural History an institution of the lavish eighties had the misfortune of getting the job after the 1987 stock-market crash and the effective end of an era. New York went into an economic tailspin, forcing cutbacks in city funding for museums, and fund-raising for anything large took on a grim edge. As economic troubles deep-



SKY HIGH: THE \$2.2-MILLION PARK BELVEDERE CONDOMINIUM.

ened, Natural History, like other museums, cut back on hours, staff, and programs. A salary freeze was imposed, then lifted this past January, but a virtual hiring freeze remains in place. Despite a \$10-million expansion, the museum's renowned library has had to cut subscriptions to the technical periodicals it thrives on. The staff of teachers who conduct the highly popular and time-honored children's tours has been cut back, too.

This austerity, however, seems not to have affected the museum's top management, nor has it quenched the desire for expansion. Under Langdon, administrative and developmental expenses have risen in just three years at least 50 percent, to \$7.9 million per year. About \$1 million per year of this is being spent on a new layer of a half-dozen pricey administrators, all with six-figure salaries. By comparison with the \$6 million that Natural History spends on administration alone, the Museum of Modern Art, with the same size budget as Natural History, spends only \$3.85 million on administration. At more than \$250,000 per year, Langdon's first-year compensation package was one of the fattest among museum presidents in the nation and nearly double what Nicholson was paid in his last year as chief executive of the museum. Langdon's first-year compensation was determined from the federal tax forms that the museum, as a not-for-profit institution, must file. His salary dipped a bit in his second year, and he says that for 1991 his base salary was \$225,000. Langdon and the rest of the senior management are entitled to 44 vacation days per year, plus 11 holidays and 13 sick days.

To put things in perspective, the Metropolitan, with twice the budget and three times the staff, pays director Philippe de Monte-



bello \$172,000 per year and president William Luers \$144,000. The top salary at the Museum of Modern Art is "between \$150,000 and \$200,000," according to a museum official. Chicago's Field Museum of Natural History pays its president \$150,000, and the Brooklyn Museum pays its chief less than \$100,000.

Langdon lives in a \$2.2-million condominium penthouse atop the Park Belvedere, at 101 West 79th Street, bought by the museum and around the corner from it. All carrying costs of the apartment, plus maid service, are paid for by the museum, and Langdon has been given a car and driver, a perk no other New York museum head enjoys. At the Metropolitan, De Montebello, despite his heavy social load in a style-conscious world, has had to take care of his own living arrangements. (A request by David Ross, director of the Whitney Museum, for a \$1-million loan to buy an apartment was recently blocked by Whitney trustees, who cited the need for austerity in tough times.)

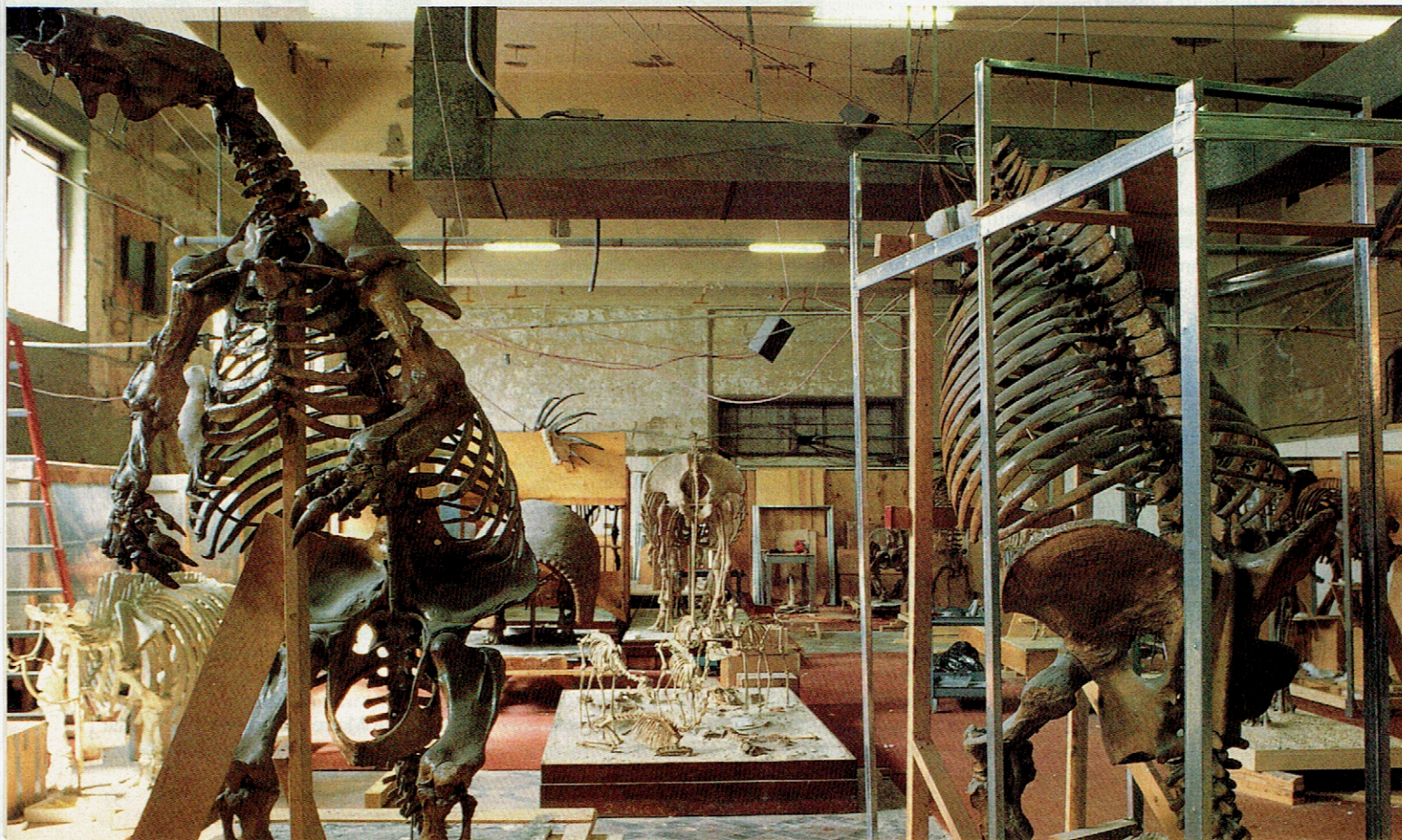
Langdon says that while he insisted on housing as a condition of taking the job at Natural History, he had nothing to do with the size and price of the apartment, which, he says, was determined by the board of trustees. "I didn't know the price of it until I had been here six months," he says. "I was told what apartment I would live in." And, he says, the apartment does not compare favorably with his presidential digs at Colgate. "We lived in a big house with lots of bedrooms and terraces," he says. "But that's New York and Hamilton." (The apartment belongs to the museum, not to Langdon.) Langdon says the driver and the car—a Pontiac Bonneville—are used for other things besides driving him around. "He's very good at Xeroxing," Langdon says of the driver, adding that the man sometimes acts as a courier.

Nicholson's relatively Spartan offices have given way to an elaborate presidential suite now being built, part of \$2 million in renovated and new space for the phalanx of administrators. The existing offices were "intolerable," says Langdon. William Moynihan, a Colgate dean hired by Langdon as museum director for more than \$150,000 a year, says the old offices were so bad that the museum couldn't attract "good people." There were several historically and architecturally distinguished offices available to Langdon, but, with the approval of the board of trustees, the new construction was ordered. "I like to have large meetings in my office," Langdon explains. "And there's no conference rooms in the other offices." (A request to photograph the new offices was refused.) Attention was paid to costs, Langdon insists: "The rugs that look Oriental were bought at ABC Carpet." Langdon says the trustees wanted the office construction and he undertook the renovation with "a sick heart." "It's a terrible way to start politically with an institution," he says.



THAT'S AN UNDERSTATEMENT. SAYS DOUGLAS Preston, a former columnist for *Natural History* and author of the definitive history of the museum, who now lives in Santa Fe, "I keep in touch with about a dozen people at the museum. The morale has never been worse. All I hear about is Langdon driving around in a chauffeured car while their salaries are frozen. These are people who are trying to make it in New York, living in dark little studios looking out over air shafts. They look

INVESTMENTS: DINOSAURS UNDERGOING RECONSTRUCTION ON THE MUSEUM'S FOURTH FLOOR.



at this guy in a \$2-million apartment, and it does not have a good effect on the morale of a nonprofit institution."

But it is not just the creature comforts that have angered many museum staffers. A sore point still is Langdon's "empire building" through the hiring of senior staff. Since coming aboard, he has hired Moynihan as director and Biblowit as senior vice-president in charge of development and public affairs. Biblowit is paid an estimated \$165,000. Linda Cahill was hired as special assistant to the president and is currently making about \$120,000. As vice-president for public programs, Aldona Jonaitis is paid about \$115,000, and as vice-president for finance, Barbara Gunn is paid more than \$110,000.

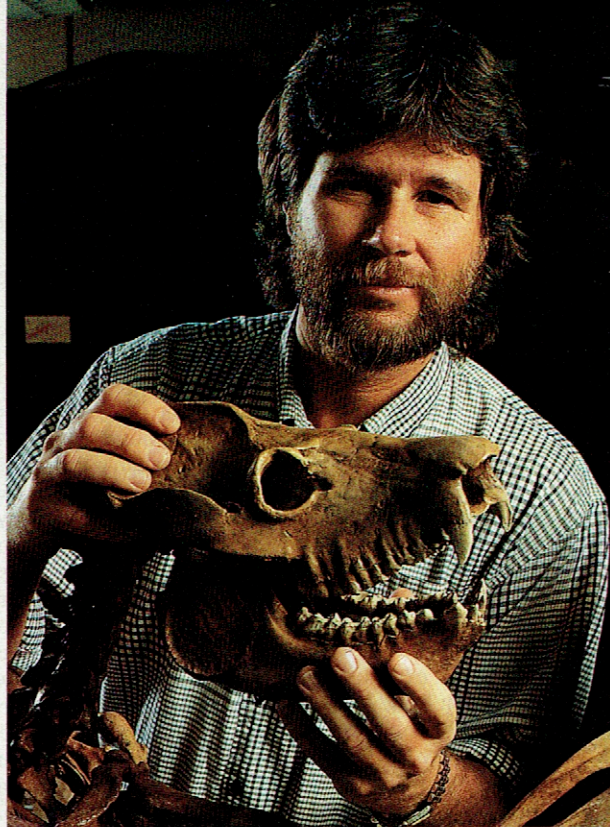
Sometimes these well-paid assistants themselves need assistants. Lisa Koenigsberg was hired as Cahill's executive assistant for an estimated \$60,000 per year. Cahill's responsibilities? Says Langdon, "For example, we had a dinner last night for the trustees. Linda must have spent three days placing people at that dinner. I don't want to suggest that's the only work she does, but if you look at her desk, she can probably tell you better than I can. She makes my life much less complicated." None of these new staffers came from a museum background.

One popular Langdon appointment is Michael Novacek as vice-president and dean of science. Novacek, whose salary is also estimated to be in six figures, had been a curator at the museum for eight years. But other hires are a red flag to the staff. "Most people who go into nonprofit work have a certain amount of altruism," says a staff member. "It's a sense of betrayal when you think that a scientist [at the museum] with a Ph.D., some experience, and graduate-school debt to pay off makes \$40,000, and in walk these people with no experience in museums, no background in natural history, and they're paid extraordinary salaries." Douglas Preston says that "the museum has become a club for Langdon, his VPs, and the people he's advancing. They assumed that everything that had come before was terrible." When William Golden, the aggressive new chairman of the board of trustees, was asked whether in his view all the perks and the new, high-priced talent were justified, he replied, "Many of these details were not presented to the chairman of the board or the trustees. The decisions were left to President Langdon as chief executive officer, and he will be judged accordingly."



SUPPORT TROOPS HAVE ALSO BEEN HIRED. The number of secretaries and assistants in the administrative department listed in the annual report has doubled, from five to ten, and the number of employees in the financial-operations department has grown to 28 from 20, a function of Langdon's fund-raising and expansion hopes.

Golden, Langdon, and other museum officials defend the spending as necessary to bring Natural History into the modern age of fund-raising and development. "I was brought in under a trustee mandate to build this institution and to make significant changes in the way we do our business. And we've done that,"



POPULAR: MIKE NOVACEK, DEAN OF SCIENCE.

says Langdon. "I think the results of that are beginning to be apparent." Says Golden, "I was a great admirer of Tom Nicholson, who ran a very tight ship. But it was not run creatively or imaginatively. There was a lot of deferred maintenance." Yet Golden is cautious about Langdon's spending. "I don't want to comment on that at this time," he says, adding carefully, "Personally, I have a strong inclination for William of Occam's principle of parsimony: 'Do not do with many that which can be done with few.'"

It is an open question whether the new administration has been any more cost-effective at fund-raising than the old. An analysis of the numbers shows that despite the increased administrative and development costs, the new administration is probably even with, or a bit behind, what Nicholson raised in his last three fiscal years. But the new administration contends that the fruits of its fund-raising and development techniques will begin to show

more dramatically in the year to come. One thing Langdon and the trustees have done that the old administration probably would not have tolerated is take the museum into debt. Natural History has floated a \$50-million bond issue against the anticipated harvest of the fund-raising drive.

The contrast between Langdon and Nicholson as administrators could not be more dramatic. Frugal in his own habits, Nicholson expected frugality from those who worked for him. After the city's budget crisis of the seventies cut city contributions to the museum, his fiscal conservatism deepened. His salary in 1987, the last year before Langdon took control of the museum, was \$125,000.

Not everyone loved Nicholson, although most respected him. He could be temperamental and dictatorial, a one-man show who rarely delegated authority. To one woman curator, he was a patriarchal sexist who was a hard man to argue with. And while no one doubted his commitment to the museum, some staffers felt he was so tightfisted it hurt the institution's future. "The museum had been run like a family business," says vice-president for finance Barbara Gunn. "There was no capital budget and no plant fund. And when it came to convincing the city to contribute capital funds, there was a policy of benign neglect."

As Nicholson prepared to retire, veteran trustee Anne Sidamon-Eristoff, chairman of the long-range-planning committee, issued a report on the museum's needs for the future. The report was driven in part by the example of the Metropolitan, which was rapidly expanding. (Between 1970 and 1989, the Met expanded its exhibition space by 50 percent.) To spur growth, the Sidamon-Eristoff report recommended that the museum be reorganized, with its volunteer president (long an honorary job for members of New York's old-money aristocracy) replaced by a paid, full-time president—i.e., Langdon—to work with a museum director. It also warned of the need for a big fund-raising drive to build the endowment and improve halls and facilities. In contrast to Nicholson's one-man rule, the report called for "stronger governance" of the museum, greater involvement of the trustees, and a new dean-of-science position.

This is what Langdon means when he talks about a mandate from the board, although it is unclear to some trustees whether the mandate went quite as far as Langdon has run with it. For example, lawyer Carroll L. Wainwright Jr., a member of the



compensation committee when Langdon was hired, told me, "I don't think that the car and driver was part of the original [compensation]. In fact, are you sure that he has a car and driver?" Nor do the trustees seem aware of the total costs of supporting Langdon as president. On top of at least \$100,000 in additional salary over what was paid Nicholson, there is the endowment income—about \$110,000 a year—lost because \$2.2 million from the endowment was drawn down for the apartment. Langdon lives cost-free in the apartment. The museum pays all carrying costs, plus maid service, utilities, and phone, for a total of about \$25,000 per year. Then there's the expense of two new executive assistants at a cost of about \$230,000 a year, including benefits. Add in \$50,000 a year to maintain the car and driver, and the total bill of supporting the new chief executive is over \$500,000 more than it cost to support Nicholson.

Once hired, Langdon soon clashed with the museum's Old Guard. Robert Goelet, a duke of the New York aristocracy, was serving as chairman of the board when Langdon arrived. Goelet, a reticent, immaculately mannered Wasp, had little taste for the high-powered style Langdon had in mind. For example, Goelet, who refused to be interviewed for this article, just wouldn't ask other trustees directly for donations. Instead, he sought to teach by example, giving, over the years, many millions to the museum. "Langdon and Goelet had a fight. They did not get along," recalls one museum insider. "Goelet's an old Knickerbocker. He refused to ask his friends for money." Another source says Goelet was "a delightful, very charming man who never had a real job in his life. He gave a lot of money, motivating others by example rather than exhortations, but he was quite ineffectual as a fund-raiser."

According to a number of sources, Goelet was forced out of the chairmanship, leaving a bitter residue among some other

members of the Old Guard. "Langdon wanted an apartment. I think the price was a bloody outrage. That's why [high administrative spending] a lot of people left," says one former trustee. Many of the Old Guard also questioned Langdon's lack of scientific background and his other credentials, criticism that can carry more than a tincture of snobbishness. "Basically, the problem is that Langdon got a degree in English," said an ex-trustee who is another old-money fixture. "He didn't know anything about science. He ran some kind of appalling little college upstate." (In fact, Langdon's degree is in history.)

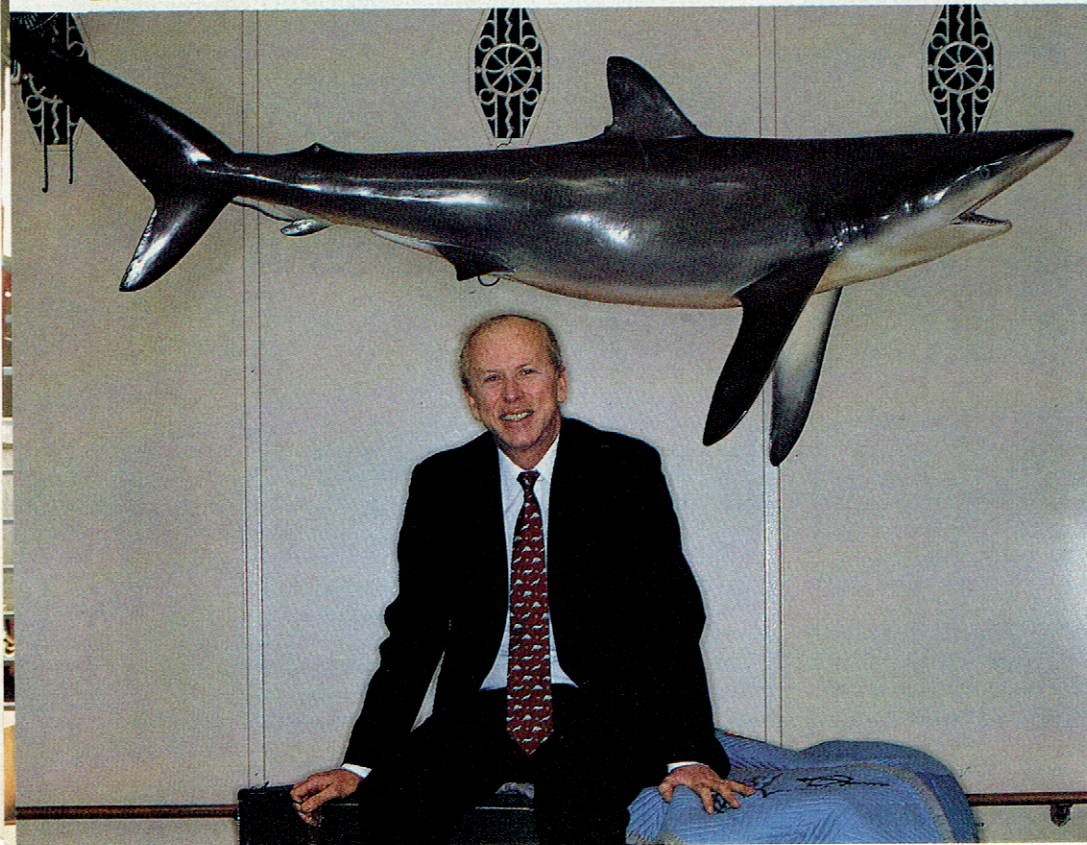
Langdon also angered museum insiders by the way he behaved last July when Nicholson died. The museum failed to buy an obituary in the *New York Times*; that was left to the Museum of the City of New York, which paid tribute to Nicholson as an "esteemed colleague and friend." "It shows the arrogance of the man," says one employee of Langdon's failure to buy an obit. In general, many at the museum find Langdon remote and uninterested in their work, whereas Nicholson made it a point to know the staff on a first-name basis.

Goelet was replaced as chairman of the board by longtime museum vice-president Golden, a wealthy trustee and director on countless other boards who made his fortune early in finance and industrial management. He has devoted much of his life to scientific study and philanthropy. Golden is a top-ranking trustee of the Carnegie Institution, Barnard College, and the American Association for the Advancement of Science. He has also been credited with developing scientific advisory programs for several U.S. presidents. Although 82, Golden seems in his sixties, and even the administration's strongest critics believe that his advent as chairman is a big plus for the museum. Charismatic and generous (he pledged \$2.5 million to the new fossil hall last year), Golden is hardly as reticent as Goelet about putting the arm on the board.

He's already extracted pledges of \$17 million from board members for the capital-fund drive.

The museum's glossy new era would not be nearly so controversial if it did not come at a time of serious belt-tightening at Natural History. For 1992, the fiscal year that ends this June, the city has cut \$1.8 million from the \$6.2 million it gave the museum last year. This comes after a \$600,000 reduction in 1991. Although the administration has been budgeting for the cuts all through the past year, Moynihan estimates it will still end 1992 with a budget deficit of nearly \$1 million.

EXPENSIVE: DIRECTOR BILL MOYNIHAN IS ONE OF A HALF-DOZEN PRICEY HIRES.



THE MUSEUM's budget cuts have been carried out by director Moynihan. His three objectives,

he says, were to "protect the core of the institution, not stop our [expansion], and protect the jobs of



FRUGAL: FORMER DIRECTOR THOMAS NICHOLSON WAS LIKE A TOUGH HEADMASTER.

the people here." Moynihan saved \$350,000 on an outside cleaning contract; the museum is now cleaned far less frequently, and guards' duties have come to include the emptying of trash buckets. A six-month freeze on annual salary increases, the first in 40 years, netted the museum \$400,000, though it caused plenty of complaints. The nonsalary operating budget of every department was cut 20 percent, saving \$250,000. The largest share of the cuts, however, has come through the hiring freeze. Most positions are left open when vacated; for example, the number of security guards at the museum has fallen precipitously, to about 100 from about 120.



BECAUSE OF THE DECREASE IN GUARDS, THE museum now closes halls for the first time since the Depression. The Hall of Pacific Peoples is shut every morning, and the Hall of South American Peoples closes down every afternoon. These closings save just \$40,000 a year. The museum shuts down earlier on Wednesday, Friday, and Saturday nights for a saving of \$80,000. At the most important natural-history library in the country, the periodicals budget has been trimmed 13 percent to save \$30,000. Scholars complain that this means there will be gaps in the run of scientific journals, some of which the museum has subscribed to since its founding.

Perhaps even more worrisome is the cutback by attrition in museum teachers who accompany school classes on guided tours. Three of these positions have been left unfilled, and there are now a third fewer museum teachers available for such tours. "The city cut could have been handled if we didn't have two and a half million of new staff to pay for," one staffer complains. "I don't think this [administrative spending] is part of the budgetary problem. I think it is the budgetary problem. All you have to do is take a look at the staff list."

Some trustees are under the mistaken impression that city

cutbacks directly dictate Langdon's spending priorities. Anne Sidamon-Eristoff, now the vice-chairman of the board of trustees, who has been affiliated with the museum since the fifties, believes that the administration is powerless to do anything about the hall closings or teacher-position freezes. "We don't have enough guards or teachers because I believe those positions are paid directly by the city," she explains. While it is true the city funding has been reduced, there is nothing to stop the administration from allocating its own resources any way it likes.

The closed halls, shorter hours, and vacant teaching spots are, in a sense, political hostages in a war to get city funding restored. "It wouldn't surprise me if there was a little politicking going on," admits Charles H. Mott, treasurer of the board, "in the sense that you're trying to make a point to the city about the inappropriateness of the cutbacks." Langdon seems to want it both ways: He wants the city to see that the museum needs its funding restored by making cuts that affect the public. But he does not want to yield on his expansion plans or give back any of the administrative overhead and perks.

Just how cost-effective, in fact, has the Langdon administration been at fund-raising? One way to look at it is to compare the hard numbers of Langdon's three full fiscal years and Nicholson's last three fiscal years. From 1986 through 1988, Nicholson generated a total of \$15.17 million in operating revenue from gifts, bequests, and grants. During this time, \$6.08 million more was brought in for the endowment and museum funds, and \$9.28 million was added to the fund balances through budget surpluses. The total raised by Nicholson in this period, therefore, was \$30.5 million.

During the first three years of Langdon's administration, this total figure amounted to \$30 million—\$500,000 less than was the case with Nicholson. Gifts and grants for operating revenue were \$16.5 million, donations to fund balances increased to \$11.5 million, but budgetary surpluses added only \$2 million. The surplus vanished in Langdon's third year, replaced by a



THE CHAIRMAN OF THE BOARD

WARNS, "I HAVE A STRONG INCLINATION FOR PARSIMONY:

'DO NOT DO WITH MANY WHAT CAN BE DONE WITH FEW.'"



\$440,000 deficit. Barnabas McHenry, an old-line trustee who resigned last year, would not comment directly on the new administration's fiscal management but reflects, "I'll only say that Tom Nicholson and Bob Goelet always stayed on budget."



HE SHIFT FROM A SURPLUS TO A DEFICIT came about mostly because of the increase in administrative costs. City money was not a major factor. Although 1991 saw the first drop in city funding, Langdon in his first three years got slightly more city money than Nicholson did during his last three. (The budgetary effects of the city cutbacks are being felt

in a serious way for the first time in the current fiscal year.) During the first three years of Langdon's administration, the museum spent a total of \$21.6 million for administration and development. That's \$6.9 million more than was spent during the last three years of Nicholson's tenure. During the most recent fiscal year, Langdon spent \$7.9 million for administration and development—\$2.6 million more than in 1988, Nicholson's last fiscal year. In other words, administrative spending has increased about 50 percent during a period in which all other museum spending increased just 6.7 percent. To pay for this sort of increase from endowment income would require roughly an additional \$50 million in endowment, because the museum, like many other institutions, can draw down only 5 percent in income from endowment funds.

Langdon and his supporters claim they've already raised \$51 million in gifts and pledges toward the \$60-million fund-raising goal set in 1990. Even if all that money were in the bank—which it is not—it would be only enough to cover the additional administrative costs. To a degree, the claimed \$51 million is an illusory figure. It is what the museum has been promised over the next ten years or so. For example, a third of that total has been pledged by the city and state governments, but the precarious position of those governments could make those pledges problematic. Further, a severe reversal in the stock market or other economic dislocations could have a big impact on corporations, foundations, and individuals—mostly trustees—that have pledged the other two thirds.

Such a reversal would be devastating to the museum because, in effect, the \$60 million anticipated from the fund drive has already been spent. With the blessing of the trustees, Langdon spent \$2.2 million in loan-issuance fees last year to float that \$50-million bond issue, which will ensure a steady flow of funds for the capital-improvements program. (None of the money from the bonds covers the increased administrative costs.) The debt issue seems rather high when measured against what other institutions have done. The Metropolitan, for example, has \$47 million in bonds outstanding, but its contribution stream to service them is roughly four times that of Natural History. Langdon assumes that when the first interest payments on the bonds come due in 1994, there will be enough fund-drive revenue in the bank to service the yearly debt of \$2.9 million.

Langdon claims that during his tenure, the endowment has increased by 28 percent, or almost \$41 million. This is technically true, but much of the increase stems from the rising stock market. It appears that Langdon—and Golden, with his arm-twisting of the board—is responsible for about \$11.5 million in new money.

The museum's well-managed stock portfolio has been pumping up the endowment's size for the past decade. Nearly 60 percent of the museum's \$195-million endowment (fiscal '91) is invested in the stock market; during the past ten years, this fund has averaged a 16 percent annual growth rate. Between 1987 and 1991, the size of endowment income that goes for operating expenses has grown \$4.9 million, to \$8.7 million. But should there be a major drop, say 25 percent, in the stock market, the museum would lose more money than the entire city-budget cutback. If such a drop were accompanied by difficulty in collecting pledges—as can happen when the stock market goes into a tailspin—the museum could then have a problem in servicing the bond issue.

Of course, at a major museum or any big institution, gains require risks. While Nicholson's management may have been more prudent, it would also have been less expansive. Would he

have undertaken, as Langdon has, something like the \$33-million renovation of the fossil hall? Probably not. "Nicholson didn't have five- or ten-year horizons," explains Alan Ternes, the editor of *Natural History* magazine. "Everything was done on a year-to-year basis, and there was a lack of imaginative spending. If you're going to be a great institution, I don't think you should stand still. The mandate of a museum is not to make money but to educate and do research."

Langdon himself is undaunted by the risks. "You take on what you believe is prudent and reasonable," he argues. "The fossil and mammal halls desperately needed renovation. It entails some risks anytime you take on a major project. The stock market could drop to zero, New York could go broke, but that's not

what's happened so far. I believe [our expansion] will pay for itself many times over in visibility and support, because people will know the museum is active and alive and taking itself into the next century."

Trustee Frank Larkin, chairman of the board's building-and-grounds committee, puts it another way: "You have to start by putting the money into the factory before you sell a single widget. We're convinced our product will grow. Of course it's going to cost money to staff the museum the way it should be staffed. But given the opportunity for increased revenue, these are investments, and they've got to be looked at in that way."

No one disputes that there is some heavy investing being done. The question that remains unanswered is how sound and productive these investments will be, and beyond that, whether not only the fabric but the soul of a great museum will be preserved and enhanced. Teddy Roosevelt probably never thought of the museum as a widget factory, and certainly Tom Nicholson was not into growing a "product." But they were from a different age. It is now up to George Langdon, his staff, and the museum's board of trustees to see to it that the new age at Natural History turns out as well as the old.



SOUL: WOULD TEDDY APPROVE?