

**The Twentieth Century Fund**

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# ANNUAL REPORT 1985





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The Twentieth Century Fund is a research foundation engaged in policy-oriented studies of economic, political, and social issues and institutions. It was founded in 1919 by Edward A. Filene, who made a series of gifts that now constitute the Fund's assets.

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## DEDICATION

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Patricia Roberts Harris  
(1924-1985)



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**W**e have lost Pat Harris. She was a great favorite of the Fund staff, partly I think because her sharp mind kept us on our toes but mostly because she demonstrated in many different ways her deep commitment to the Fund and its program. Pat cared. Her superbly rational intellect, which made her contemptuous of fuzzy minds, was joined to a passionate heart, which made her intensely loyal to her friends and forgiving of their frailties. It also made her a good hater, particularly of those who exhibited disloyalty or cravenness.

One reason that Pat enjoyed the Fund was that she liked a good fight, and friendly fights over politics or policy issues were what she thrived on at our meetings. There were times, of course, when her voice dripped with scorn at the weaknesses of a proposal or uttered a dismissive riposte that ended a discussion. Mostly, though, she enjoyed the jousting of minds, and did not exult over winning or brood on the few occasions when she lost.

Pat was an achiever, and she had to fight—how hard only she knew—for everything she attained. Her attainments were prized because she won everything on the merits, and against all odds. But she could be pardoned for infrequent demonstrations of vanity because she not only climbed high but left her mark on everything she did. At her funeral service, she was lauded for her

commitment to excellence, her reverence for language, her dedication to service. Pat had all of those qualities, but she was also intensely human. She could, for instance, be frivolous. She liked trashy novels and high fashion, good food and fine wine, and stolen afternoons for window shopping on the Faubourg St. Honore or Madison Avenue.

All of us, I know, treasure our own memories of Pat. I have many, but I will never forget her at a dinner in New York just after she lost her race for the mayoralty in Washington. I reminded her that it had always been an uphill battle, that she should not have had expectations of victory. She shook her head at me as if I was more than ordinarily dense, and said, "I never had any illusions about winning. But I had to run. I had to show them that I could make a difference."

Pat made a difference in everything she did. Even in the last two terrible years, when everything was going downhill, she made a difference to all who loved her. I am sure that something went out of Pat when Bill died. He was her anchor, her helpmate, and the one she could count on when the fight went against her. Still, she would not let us know it. She was a gallant, tough, and passionate woman. She left her mark at the Fund. She will be sorely missed. Rest in peace, Pat.

—M. J. Rossant

**A**s a foundation that has been in business for close to seventy years, which makes us one of the more mature foundations, just what the Twentieth Century Fund is about ought to be fairly well known. That does not seem to be the case. Even though the Fund rarely makes grants, we are daily impromptu to provide support for all sorts of worthy causes. We also are frequently asked to provide subsidies for the publication of books or the production of films or the making of television pilots, despite the fact that we publicly state that we do none of these things. And we are, of course, the recipient of letters from individuals promoting an astonishing variety of instant and miraculous nostrums for society's ills.

*So what is the Fund and what does it do? To begin with, we are what is categorized by the U.S. Treasury as an operating foundation, which makes us different from foundations engaged in grant making, which make up a large majority of the nation's foundations. There are some 1,800 operating foundations that run, or operate, programs directly—providing community, educational, and health services or facilities or undertaking activities such as historic preservation, environmental conservation, or research of one kind or another.*

*As an operating foundation, the Fund supports and supervises the research and writing of papers and book-length studies on public policy issues. We also sponsor in-*

*dependent Fund Task Forces, which entails identifying a critical and urgent policy problem, then hiring a knowledgeable writer to prepare a comprehensive background paper dealing with it, and assembling a small number of authorities who are asked to deliberate and report on how best it can be resolved. A great deal of investigation, thought, and discussion by the Fund's staff and Trustees go into the choice of the policy issues and areas that make up our program, which is summarized in considerable detail in the body of this report.*

*Because we are a relatively small foundation with finite resources, we make no attempt to deal with all current policy issues. Instead, we concentrate on a limited number of policy areas, those in which the Trustees and staff agree that our investment in money and in professional assistance will enliven and inform the policy debate and possibly help determine the most feasible and useful resolution. We deliberately avoid trendy issues or policy problems that are already attracting substantial attention and support. Frequently we choose neglected areas, such as urban policy or U.S. policy toward Latin America, because we are convinced that the problems in these areas, which will not go away, call for fresh analysis. Since most of our program is devoted to book-length projects, which often take three years or longer from inception to publication, we try to anticipate problem areas long before they make*



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news. We also support shorter projects, *Fund Papers and Task Force Reports*, that focus on discrete and urgent problems and can be published very quickly, thereby having an almost immediate influence.

Making intellectual investments is inherently risky; we not only bet on an idea but on people to carry it out in timely fashion. Of course, we have made mistakes and suffered disappointments; we have had a number of near misses and some outright failures, which we always disclose. But by and large, Fund-sponsored books have made an impact because of their timeliness and pertinence.

It is only on rare occasion that we receive a proposal over the transom that is in one of our current program areas and that gives promise of being a useful book. Normally, a member of the Fund program staff goes to a number of possible authors with an idea for a policy book and solicits proposals from them. Sometimes we go to recognized authorities, sometimes to young unknowns who, our reconnaissance has suggested, have fresh or provocative ideas. In almost every case, the staff works very closely with its proposers, suggesting ways to strengthen and shape their submissions.

I want to emphasize that the Fund does not impose its own views on its proposers. Given the diversity of our Board of Trustees and the differences in opinion among its

members, I doubt that it could arrive at a unified position on a controversial issue (and most of our policy areas are rife with controversy) even if it wanted to. It has been a tradition at the Fund, set by Edward A. Filene, its founder, that the Fund should not have an institutional position on public issues. As an independent foundation, we have always encouraged our authors to put forward their own considered views. We do not mind if they are critical of the views of others so long as they do not distort such views or engage in excessive or unfair criticism of them.

What we care a lot about is seeing to it that our authors write in clear and appealing prose. The reason is that the Fund wants to reach beyond the specialist audience of scholars and policy analysts to the interested layman. It is our position that there ought to be the broadest possible public debate over public policy. We do not want to produce studies of critical issues in technical jargon comprehensible only to the "experts."

We have learned that the experts are often wrong, perhaps because they talk and write only to and for each other. Filene believed that the public ought to be brought into the debate over policy, and the Fund remains dedicated to that objective. That is why we try to get our authors to think in terms of books rather than reports, and to write prose shorn of jargon, in an informative, readable

style. It also explains our maintaining an editorial department that subjects all Fund-sponsored manuscripts to its scrutiny. Our editors always seek to maintain the style and substance of individual authors while using their skills to tighten and enliven the prose to make it more forceful and persuasive.

Fund manuscripts are placed with either university presses or commercial publishers on a nonsubsidized basis. To do otherwise would leave us open to the charge of engaging in vanity publishing. As I see it, the Fund ought to take the risk of supporting the author, but once it has an edited manuscript, that manuscript should meet the test of the marketplace. A publisher, who is presumably a professional in distribution and marketing, should take the risks involved in publishing. But that procedure cannot be applied to our *Papers and Task Forces*, which are both short and timely. For manuscripts that should be published quickly, we make use of Priority Press, a division of the Fund, which produces quality paperbacks both rapidly and economically.

There are many rewards in the conception and carrying out of Fund projects on public policy issues. We like working with our authors, helping them to clarify their thinking or to express themselves as clearly and cogently as possible. We get satisfaction from the sort of chemistry that takes place in the deliberations of our *Task Forces*, where the members arrive at a meeting of

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*minds over their policy recommendations, even though they may have started with opposing views. It is especially satisfying to see an idea in a Fund book or paper stimulate and inform public debate.*

*There are shortcomings, of course, to policy analysis. All too often policy analysts fail to consider either historical perspectives or political realities in devising their policy recommendations. Yet these are critical ingredients, far more important than the comparative analyses that are so much in vogue. We may learn something about the treatment of problems from societies that are different from our own. But we can learn far more from a multidisciplinary approach that takes into account the historical roots of a problem and that examines the political influences and pressures at play. So we try to impress upon Fund authors that politics and history can enhance theoretical argument and add to the relevance of policy proposals.*

*An even more elusive and intangible ingredient, one that a policy analyst cannot be expected to do more than speculate upon, is luck. In the long run, it may well be that there is no such thing, because good luck is offset by the bad. In the short run, however, it is generally recognized that luck can count for a lot. Certainly that seems true for President Reagan, some of whose critics claim that he has been blessed with an extraordinary run of good luck both at home*

*and abroad. It is doubtful that Reagan would disagree. He may be a fervent believer in free markets and the principle that the best government is the least government, but he is not dogmatic about these beliefs. Clearly, he would rather be lucky than be right. By any measure, he seems to have had an abundance of good fortune. In terms of historical perspective, things have been going his way more than they have for any president since Franklin D. Roosevelt.*

*It has long been held that FDR made his own luck, and, to some extent, that can be said for Reagan. Yet Reagan has managed to escape the blame when his policies have gone awry, as they did in Lebanon, or have failed to be enacted, as has been the case with tax reform. He has not brought about all of the cutbacks in nondefense spending that he had promised, and has won smaller increases in the defense budget than he had sought. Similarly, he has yielded on his version of supply-side economics and, despite his faith in the efficacy of the market, he has seen the wisdom of judicious compromise when the market has gone to excess.*

*Even if Reagan has escaped the blame for the mishaps that have taken place in the past five years, he will get most of the credit for what has gone right, in particular the sustained and largely noninflationary advance in domestic economic activity. But just how much Reaganomics has had to do with the advance is open to question. True, the turn-*

*around in the federal budget deficit, whose huge and increasing size had aroused so much concern in recent years, is due in part to the president's willingness to meet Congress halfway in holding down federal spending and in part to the decline in interest rates, which has lowered the cost of servicing the debt. The sharp drop in the price of oil, which has been described as the third oil shock, has played an important part, and Reagan has had an indirect role in that event. But it cannot be said that Reagan's plans had much to do with the way things turned out.*

*The reversal in budget expectations is not the only significant turnaround. The rise in the dollar relative to most other currencies, which helped to produce a growing deficit in the nation's balance of payments and proved so ruinous to our export industries, has been reversed. Concerted action by the Treasury and the Federal Reserve, joined by the major Western nations and Japan, has brought a substantial decline in the dollar, so far without a crash landing. This action represented a major and salutary shift on the part of the Reagan administration, which previously had been adamantly opposed to such intervention. The result has been a lessening of protectionist pressure. It is far from certain that American exports will recover the markets they have lost, but they now have an opportunity to do so. What is more, the fall of the dollar should lead to a reduction in demand for foreign goods,*

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which will also help to reduce the payments deficit.

*These developments—the decline in the dollar and in the price of oil, the stability of consumer prices, the prospect of lower deficits—have led to a marked change in the public mood. That change is most clearly reflected in the rally that has taken place in the securities markets. Prices of both equities and fixed-income securities have soared. Lower interest rates and a quickening pace of economic activity have stimulated the prices of securities around the world. Many observers are now predicting a new era of growth and prosperity in the developed countries that will eventually ease the lot of those in the developing world.*

*Current optimism may be excessive. That is not to say that we are in danger of a sudden or sharp resumption of inflation. Nor is it likely that the economy, despite the relatively long duration of its advance, will slide into a recession. But growth will not be painless or trouble free. The prolonged recovery has still left many sizable pockets of poverty in many parts of the country, and the creation of a substantial number of new jobs has not cut deeply into the joblessness among minority youth.*

*We also have not had much success in rehiring or retraining semiskilled and skilled middle-aged workers, workers who*

*have the potential for many productive years if only they were given the training and the opportunity.*

*Much has been made of the restructuring of the economy that has taken place since the period of stagflation in the 1970s and the recession that followed. But are we truly competitive? Are we making the sort of investment we ought to be making in our industrial plant? Have we really strengthened some of the obvious weak spots in our economy? The domestic oil industry? Some of our financial institutions? Our heavy industry? Is the nation in good shape when there is a big and widening gap between the very rich and the very poor?*

*The break in the price of oil is a boon to our economy, but it is not likely to occur again, nor is it a tonic that will have lasting effects. To the contrary, the price of oil is likely to go up again before too long. For the short run, though, most developing countries will benefit. But the notion that the international debt crisis is finally over because of the collapse in oil and the decline in interest rates is wishful thinking. Many non-oil-producing countries are still weighed down with huge debts and will be burdened with very large repayments of interest and capital, which will stunt their growth. Meanwhile, the populous oil-producing countries, such as Mexico, Venezuela, and Nigeria, are hard hit. They are suffering a double blow, because not only are*

*they selling far less oil but also oil is traded in dollars, which means they are getting even less for it. It is probable that the United States will have to provide special assistance to these countries, particularly to our neighbor Mexico. The so-called Baker Initiative, another instance of the administration's new flexibility in responding to emergencies, will not be enough to cope with Mexico's needs. But with so much complacency around, will we move quickly enough and adequately enough to avert political and economic instability?*

*So though things seem bright, problems, some of them chronic, some of them acute, remain. In all probability, we will see a host of new problems, some resulting from future growth, others whose nature and origins are not yet clear. We are in fact far from being out of the woods. Institutions devoted to public policy will still have plenty to do. We cannot divine the future, but we have an obligation to resist the sort of heady atmosphere that always emerges when markets take off and animal spirits are rampant. It may be harder to determine what policy problems will merit the most attention, but make no mistake about it—the problems will be there.*

**M. J. Rossant**  
Director

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*The Investment Advisory Group, together with the Director, advises the Fund's Finance Committee on ways to increase resources for an expanded research program.*

## INTRODUCTION

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Over the past decades, the Twentieth Century Fund has provided scholars with an opportunity to challenge the prevailing wisdom on significant public policy issues, to evaluate critically the performance of public and private institutions, and to identify new tasks for the government. The Fund seeks scholars who—regardless of political persuasion or institutional affiliation—promise to bring a fresh perspective to this examination of public problems and who have the ability to communicate to a broad, informed, and not merely specialist audience.

The staff seeks scholars who want to work in one of the four broad areas of study on which the Fund is currently focusing: Domestic Policies, Politics, and Economics; Communications, Science, and Technology; Urban Economic and Social Issues; and U.S. Policy in the International Area.

The fundamental challenge for scholars examining any of the issues in these areas is to find more effective ways of dealing with problems of broad public concern. Independent Task Forces, convened by the Fund, provide a forum for addressing discrete and timely issues and for making specific policy recommendations. Book-length projects permit individuals to take a more reflective view of political, economic, and social problems. Fund Papers allow for the dissemination of shorter analyses of critical public policy issues.

In reviewing proposals in each of its program areas, the Fund looks for studies that

identify emerging problems and promise to produce useful policy recommendations based on thorough and critical examinations of significant issues. The Fund takes no position on the political controversies of the day, leaving its authors free to reach their own conclusions.

The purpose of the Fund's research program is the publication of analytical studies of contemporary public policy issues for an audience that includes the informed public, the press, policymakers, and the academic community. Achieving this goal is not easy. It requires the completion of scholarly work of high quality on a timely basis and the presentation of the work in a lively, nontechnical manner. Procedures have been developed by the Fund to protect the scholarly independence of the project directors, while providing them with professional assistance in presenting their findings and conclusions.

As a private operating foundation under the Tax Reform Act of 1969, the Fund does not make research grants, award fellowships or scholarships, or support dissertation research. Instead, it directly administers its programs. The Fund edits the manuscripts and arranges for their publication by commercial publishers or university presses.

The Fund's staff actively solicits proposals on topics selected by the staff and Trustees. It also reviews all proposals submitted independently. An initial proposal may consist of a letter describing a policy problem for investigation and presenting a research plan.

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Members of the staff work closely with applicants to develop preliminary proposals; full proposals—ten to fifteen pages in length—include, in addition to a definition of the problem and a description of the research approach and methodology, a tentative book outline. Only those proposals recommended by the staff are reviewed by the Board of Trustees, and only the Board of Trustees has the authority to approve proposed projects. Proposals are judged in terms of their potential contribution to public policy, scholarship, and clarity of presentation.

Administration of Fund projects is divided into two roughly equal stages designed to facilitate the transformation of scholarly research into policy books for a broad public. Recognizing the costs and risks of research, the Fund pays research expenses, given evidence of satisfactory progress toward completion, throughout the course of the project. During the first stage, the project director, who is primarily engaged in research, is compensated on a regular biweekly basis in accordance with his schedule; in this stage, a staff member assigned to the project periodically confers with the project director. Before the end of the first stage, the project director meets with the staff to review the status of the project and the book outline and to establish a schedule for submission of manuscript.

In the second stage of the project, the Fund continues to work closely with the project

director but asks him to assume some financial risk as an incentive for timely completion of a publishable manuscript. The project director's compensation is divided in this second stage into payments for delivery of draft manuscript approved by the Fund, and a final payment for a complete manuscript approved by the Fund. Written comments by the staff on all manuscript received are provided to the project director. These comments evaluate the author's presentation and the soundness and appropriateness of the supporting research. The project director is solely responsible for the accuracy of the evidence he presents, and has complete independence in drawing conclusions and setting forth recommendations.

A "Guide for Submission of Proposals," which explains Fund procedures, is available upon request.

## CURRENT STUDIES

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### DOMESTIC POLICIES, POLITICS, AND ECONOMICS

*This program area, though limited to specifically national concerns, encompasses an unusually wide range of subjects. It examines the way in which our nation functions, covering our basic political structures, the role of the federal government in various areas, and the ways in which national policies affect the private, public, and not-for-profit sectors and the relationships among them.*

*Some of the projects in this program area examine broad issues involving American democracy—how it works and how it applies to the ways in which Americans live. Other projects focus on specific aspects of traditional American institutions and values.*

**Military Manpower Policy.** Although the obligation to bear arms in defense of the state is a traditional hallmark of citizenship, for over a decade the United States has relied upon an all-volunteer force, treating military service as an occupation and an opportunity for self-advancement. Besides creating a military force unrepresentative of the American population, the all-volunteer force alters the relationship between the military and the civilian society, breaking the link between civic rights and obligations. David R. Segal of the University of Maryland is examining how the changes came about, their consequences, and proposals to restore military service as an obligation of citizenship. His project, subject to a number of delays, is now scheduled for completion in 1986.

**Federal Power and the Electoral Rights of Blacks and Hispanics.** The Voting Rights Act of 1965, considered by many to be the most significant accomplishment of the civil rights movement, guaranteed minority voters equal access to the polls. In broadening the scope of the legislation far beyond its original mandate, Congress has come close to assuring minorities representation equal to their numbers in election results. Abigail M. Thernstrom is examining the political forces at work and the strategem used to go beyond "one man, one vote" while assessing the long-term consequences of this transformation of the law. Although subject to repeated delays, her study is expected to be completed in 1986.



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**Industrial Policy Debate in the United States.** As a response to waning U.S. competitiveness in many global markets, "industrial policy" has been extolled as a panacea by some, derided as a nostrum by others. Proponents and opponents alike have invoked historical precedents to justify their views. Since the very notion of "planning" has always created ideological discomfort in the United States, supporters have been especially eager to place their proposals in a broad historical tradition. Otis Graham, a historian at the University of North Carolina, is evaluating these oft-cited precedents and analyzing the uses and abuses of historical analogies in policy debates. His project is scheduled for completion by late 1986.

**Effect of Congressional Oversight on Social Regulation.** When Congress grants authority to government agencies to regulate industries in the interest of consumer and worker protection, the result is often protracted controversy about standards and enforcement. Yet, given intense political pressures and the ambiguity of legislation derived through compromise, Congress frequently turns to oversight rather than new legislation to affect regulatory policy. Christopher H. Foreman, Jr., a political scientist at the University of Maryland, is studying the tools and effectiveness of congressional oversight, its contribution to regulatory stringency, and the desirability of enhanced legislative supervision. His project is scheduled for completion in 1986.

**The American Trade Policymaking System.** Presidents and legislatures often construct mechanisms for developing and implementing policies with substantive goals in mind; just as often, the results are far from the original intent. An almost singular exception is the means by which trade policy has been made and carried out. Beginning in the mid-1930s, legislative acts regarding trade policymaking procedures, executive offices, and executive-legislative relations were de-

signed with a pro-free trade bias that has been remarkably resistant to protectionist pressures. The reason for this and the continued capacity of these institutions and procedures to deal with current pressures is the subject of a study by I. M. Destler, a policy analyst with the Institute for International Economics. His manuscript, due for completion this year, will argue that some new approaches are needed in light of current conditions.



**National Service in America.** New York City's youth service program, which involves nearly one thousand eighteen-year-olds in providing community services recently celebrated its first anniversary. Congress has expressed continuing interest in setting up a select commission to examine the issues associated with national service, and proposals ranging from underwriting youth volunteers to linking student loan eligibility to local community service frequently are couched in national service terms. Charles C. Moskos of Northwestern University, author of several books on the military, is examining the current national service debate within the broad context of citizenship rights and obligations. His study, which has suffered some delay, is scheduled for completion in 1986.

**Worker Representation.** Fifty years ago, New Deal legislation provided American workers a voice in decisions on wages and working conditions through labor unions and collective bargaining. Even though only about one-third of the labor force was unionized, even at the height of union strength, this provision for worker representation in decisionmaking had a significant impact on labor-management relations. But declining union strength, technological transformation, and international competition, along with a changing political and social climate have all undermined the New Deal framework for worker representation.

Charles Heckscher, who has worked with the Communication Workers of America, is examining the strengths and limitations of the system as well as evaluating emerging forms of worker representation. He hopes to offer a program of reform that will support a new framework for worker representation in the tradition of the New Deal. His project is scheduled for completion in late 1986.

**Domestic Youth Unemployment.** An economic recovery that has confined serious unemployment to urban ghettos and regions with declining industries makes programs and policies focused on youth unemployment—a problem viewed as urgent in the 1970s—appear of little applicability or interest. Demographic changes that reduced the proportion of youth in the population also have reduced the attention paid to their problems. Instead, the critical problem is seen to be displaced workers. According to Michael L. Wachter of the University of Pennsylvania, similarities exist between the problems faced by displaced workers today and those of youths entering difficult labor markets in the 1970s. If we do not understand what happened then, he argues, we are likely to repeat past policy mistakes. He is revising his manuscript to address both the problems facing unemployed youth in the 1970s and today's displaced workers and the policies adopted to solve these problems. A completely revised manuscript is expected in mid-1986.



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**Public Policy Toward Disability.** Well over \$100 billion a year is spent by more than a hundred government and private programs designed to help the disabled. Despite the sums involved, these programs leave large gaps in coverage and frequently work at cross purposes to one another. Further, inconsistencies in the definitions of disability used to determine eligibility and to administer the various disability programs have led to unfair treatment. The outcry over the hardships allegedly created by the Reagan administration's cost-cutting reforms brought these problems into public view. Edward D. Berkowitz of George Washington University shows how the present expensive, inequitable, and inconsistent system grew haphazardly in response to political and bureaucratic pressures. His study is scheduled for submission to publishers in early 1986.

**The Future of Social Security.** Public concern over the health of the Social Security system is alternately heightened by exaggerated projections of revenue shortfalls and soothed by reassurances about the system's financial solvency. Both sides produce technical data supporting their positions, complicating the debate. W. Andrew Achenbaum of Carnegie-Mellon University has rescued the subject from the experts by examining the political values that have informed Social Security reform over the past fifty years. He portrays a system that, by combining both welfare and insurance features, has provoked

persistent confusion and controversy. By exposing the roots of the Social Security system's problems, he hopes to uncover the means to successful reform. His manuscript is scheduled to be published in spring 1986 by Cambridge University Press.

**National Retirement Policies.** Candidates of both major parties regularly pledge that Social Security benefits will not be reduced. But there is widespread, though frequently unspoken recognition that the system must undergo reform. In his recently completed study, Michael J. Boskin of Stanford University makes detailed recommendations for creating a financially sound and more equitable two-tier Social Security system that would both provide a retirement annuity based on contributions and ensure basic income support tied to need. His study, which also examines the bureaucratic inefficiencies of the current system, is scheduled for publication by Dow Jones-Irwin in early 1986.

**Income Redistribution Policy.** American society is marked by substantial, persistent differences in opportunity, income, status, and other measures of well-being. Policymakers, policy analysts, and the public are in the process of examining the efforts that have been made to redress at least some inequalities. Neither liberals nor conservatives consider the efforts made to be entirely successful. Nor have benefits been achieved without costs. Robert H. Haveman of the

University of Wisconsin at Madison believes both that the current disaffection with redistributive efforts will abate and that such efforts can be made more effective, more socially acceptable, and more efficient than they have been. In his study, which is scheduled for completion in 1987, he is examining the operation and impact of present redistributive programs in order to make recommendations on ways to improve them.

**Immigration Reform from an Urban Perspective.** Immigration into the United States is higher than ever before. Legal and illegal, motivated by economic opportunity or by the desire to escape political turmoil, today's immigrants come primarily from Mexico, Central America, the Caribbean, and Asia. As the immigrants before them did, they settle in America's cities, where they contribute to economic rejuvenation. But the new immigrants challenge the interests of another group of urban poor, the resident black majority, raising questions about the effect of immigration on social stability and on our native work force. Thomas Muller of the Urban Institute is investigating the benefits and costs of the new wave of immigration in America's "gateway cities"—New York, Miami, and Los Angeles. He argues against restrictive immigration and for a new approach that is sensitive to economic opportunities and urban labor market needs. His project is scheduled for completion in late 1986.

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**The Availability of Nonfuel Minerals.** The United States is increasingly dependent on foreign suppliers for nonfuel minerals. The problems inherent in assuring a reasonably priced and reliable flow of these minerals present policymakers with a difficult challenge. Investment requirements are enormous, the development period is lengthy, and political considerations in the Third World also must be taken into account. Raymond F. Mikesell of the University of Oregon argues that none of these problems threatens a dangerous cutoff of foreign supplies and that domestic mineral independence is unnecessary in terms of national security and too costly to consumers and the environment. His study will be submitted to publishers in late 1985.

**Financial Instability and the Strategy of Economic Policy.** The current economic recovery has been accompanied by unprecedented financial instability. Contrary to popular views that financial instability is a result of poor government policies or external shocks, the instability is a result of the normal operation of capitalist economies. Hyman P. Minsky of Washington University argues that capitalist societies tend toward increasing financial fragility and that only fundamental restructuring can restore robust financial functioning. His book, *Stabilizing an Unstable Economy: A Realistic Approach to Economic Theory*, a Twentieth Century Fund Book, will be published by Yale University Press in May 1986.

**U.S. Defense Policy.** The annual congressional debate over the defense budget rarely takes into account the basic defense policy goals and related forces that account for more than 90 percent of military spending. Thus, despite the time and publicity given to congressional oversight of our military each year, Congress consistently fails to reassess the fundamental purposes of the defense establishment on which public dollars are lavished. Edward N. Luttwak of Georgetown University's Center for Strategic and International Studies, author of numer-

ous books on defense, is examining the largely unchallenged substance of our defense policy—the deployment of our armed forces, the chosen paths of innovation, and the associated infrastructure of our headquarters, bases, and depots—within the perspective of a general theory of strategy. His study is scheduled for completion in 1987.

**Direct Democracy in America.** The American political system has always been rooted in a paradox: the institutions designed to express the popular will are also designed to



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constrain it. Representative democracy both praises the "masses" and fears the "mob." During the past few years, Americans have increasingly tried to circumvent their elected representatives. On issues as diverse as tax reform and atomic power, citizens groups have resorted to the use of initiatives, referenda, and recall petitions. Thomas E. Cronin of Colorado College is surveying the use of such direct democracy techniques. He is not only exploring whether they are being used wisely or effectively, but also trying to establish what safeguards need to be introduced to prevent their abuse. The project has repeatedly fallen behind schedule, but is now expected to be completed in 1986.

**Task Force on Conflicts of Interest in the Arts.** While debate continues over the extent to which the arts should be supported by public subsidies, little attention has been paid to the conflicts of interest that exist in the process of selecting those who will receive government largess. The Fund, which has successfully investigated conflicts in the securities markets, is seeking an informed investigator to identify the incidence of conflicts of interest in government grant-making to the arts. If investigation reveals significant abuses in this area, an independent Fund Task Force will be created to study them.

**The Not-for-Profit Sector in a Mixed Economy.** The huge not-for-profit sector in American society includes such diverse institutions

as schools, hospitals, research laboratories, and trade associations. Burton A. Weisbrod of the University of Wisconsin is investigating the causes of the growth of this largely American phenomenon—the so-called Third Sector. As of this writing, his project has fallen behind schedule and its future is in doubt.

**Investment Banking in the American Securities Markets and the American Economy.** Investment banking has traditionally been a white-glove business, marked by gentleman's agreements between blue-chip clients and patrician bankers. Bond issues were floated by large syndicates in leisurely style. Now, amid a frenzy of mergers and hostile takeovers, the investment banking business is the scene of often bruising competition for customers. At the same time, the scrappy traders have become the real powerhouses of the firms, dislodging the dealmakers and underwriters. Through a series of institutional and personal portraits, John Brooks, a staff writer for *The New Yorker*, will examine how the larger public interest is being served, or disserved, by these tumultuous changes on Wall Street. His study is scheduled for completion in 1986.

**The Future of Banking in the United States.** During the past two years, the American banking system has been dramatically transformed. Formerly restricted to activity within individual states, banks are now forming regional and national networks.

Banking also has expanded far beyond deposit taking and loan making to investment banking, insurance, discount brokerage, and other financial services. At the same time, the bankers' turf has been invaded by a host of new financial competitors. James L. Pierce of the University of California at Berkeley is assessing these changes in the financial system and exploring regulatory responses. His project is scheduled for completion in early 1987.

**Policy Research Institutions in the United States.** Starting in the progressive era, institutions involved in public policy issues began to make their mark in the United States. Created as a reaction to the excesses of the political machines and boss rule, they saw themselves as good government organizations trying to collect and analyze data in apolitical fashion. Their ranks have proliferated in the post-World War II period, with think tanks, universities, foundations, and other not-for-profit and for-profit entities taking on both discrete and cosmic problems of public policy. James A. Smith, a historian and former Fund program officer, is examining the development of these institutions, their ideological biases, and their actual influence. He is particularly interested in the recent rise of conservative policy groups and their role in shaping the political agenda of the Reagan administration, as well as the reaction to them of liberal groups. His project is scheduled for completion in 1986.

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## COMMUNICATIONS, SCIENCE, AND TECHNOLOGY

*This program area focuses on the political, economic, and social consequences of developments in communications, science, and technology. The Fund's long-standing interest in the area of communications naturally expanded to cover the effects of new technological developments such as satellite communications and computers. From there it was a small step to the examination of the effects of rapid developments in technology and, carried a step further, in science on society. It has become clear that these developments have policy implications that are often realized only after the fact. The Fund is therefore actively seeking proposals in this area.*

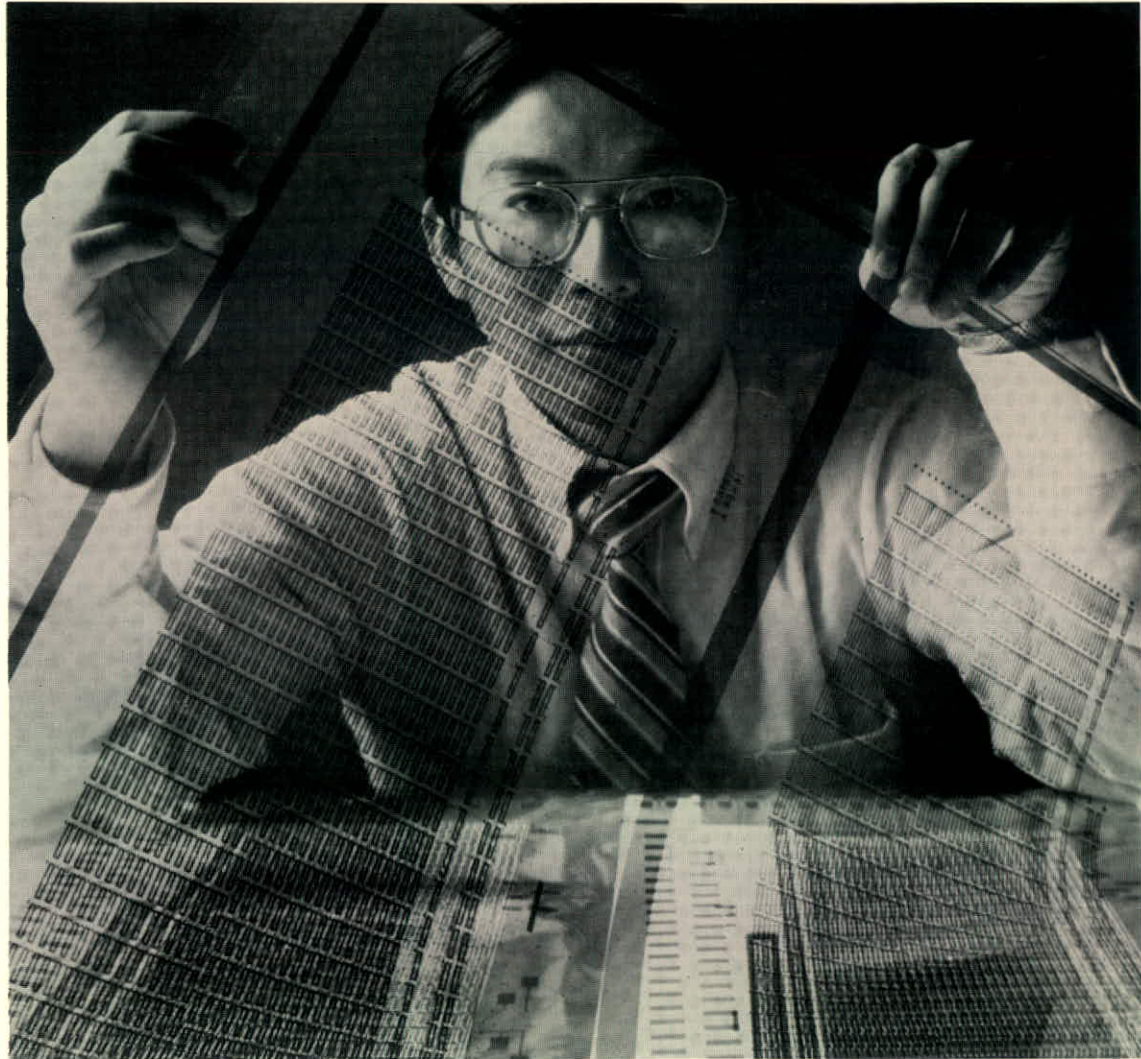
**The News Media, the Government, and the Public.** After Vietnam and Watergate, the American press was portrayed in books and film in heroic terms. Given this image, in which the press itself believes, the recent exclusion of the press from the invasion of Grenada came as a shock. But what was an even bigger shock to the press was the failure of the public to join in expressing its indignation at this curtailment of traditionally hallowed press freedom. Richard M. Clurman, a veteran journalist and student of the press, is examining the modern media and their privileged role in our society, using General Westmoreland's suit against CBS to explore the major sources of conflict and tension. His project is scheduled for completion in late 1986.

**International News Services.** The history of the four major Western news agencies—the Associated Press, United Press International, Reuters, and Agence France-Presse—is a history of adaptation to new technology and a changing political world. Jonathan Fenby, a former correspondent and editor for Reuters and now with *The Economist*, has examined the economic problems facing these agencies in the context of the difficulties created by Third World demands for a new world information order. After a careful review of the history of the conflicts over the international flow of news and information, he concludes that these agencies cannot

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meet the demands of the Third World nations and remain commercially successful. He argues that what is needed is a new agency, but points out the many constraints that make the creation of such an agency unlikely. His book, a Twentieth Century Fund Report entitled *The International News Services*, is being published by Schocken Books in March 1986.

**Presidential Science Advising.** American governments have expressed concern over the direction of scientific and technological development since Alexander Hamilton's report on manufactures and the Whiskey Rebellion. But only when Sputnik challenged the U.S. strategic defense in 1957 was science policy formally brought into the White House, with Dwight D. Eisenhower's appointment of James R. Killian, Jr., to the post of special assistant to the president for science and chairman of the newly established President's Science Advisory Committee (PSAC). Gregg Herken of Yale University is analyzing the debates over the "cardinal choices"—those involving nuclear weaponry—in each of the presidential administrations since Franklin Roosevelt, and the role scientists played in them. A central assumption of his study is that the changing relations between presidents and their chief science advisers defines the role American scientists can play in serving government. His project is scheduled for completion in 1986.



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**International Communications Development in the 1980s.** In the early postwar era, American communications theorists glorified the media as a catalyst for development in the Third World. Media were seen as the agents not only of economic growth but also of democratic principles. This view was challenged in the 1970s, when militant Third World supporters of a new world information order fashioned a new theory of communication as an instrument of the state, lambasting Western media as an expression of "cultural imperialism" that challenged their own national sovereignty. Robert L. Stevenson of the University of North Carolina is assessing the validity of such charges and reviewing the evolution of the debate. Because of his failure to develop a strong policy argument, the future of his project is in doubt.

**Metropolitan News Media and Urban Policy.** Enormous changes—economic, social, political, and technological—have taken place in America's urban centers. The influence and impact of local media, print and electronic, on urban politics and policies has been the subject of a study by Phyllis C. Kaniss of the University of Pennsylvania. Her draft proved disappointing, and the project was terminated with the return of the manuscript to her.

**The Politics of Crisis Management in Biomedical Research.** Increases in revenues devoted to biomedical research and in the proportion of the gross national product channeled into health-care delivery have not, critics argue, significantly improved the health of Americans over the past two decades. Attacks on the biomedical research community and demands for a reordering of the nation's health-care priorities become even more strident when the public is confronted with a new disease—as is now occurring with AIDS—that poses serious risks and for which neither the cause nor the cure is known. Sandra Panem, a fellow at the Brookings Institution, is examining crisis management in biomedical research, recognizing that battles ostensibly over scientific issues frequently obscure serious conflict over political and economic concerns. Her study is scheduled for completion in 1986.

**Accountability in the New Health-Care System.** The growing role of health-care corporations—especially publicly owned national chains—in the delivery of health care is dramatically altering local hospital service throughout the country. Concern is increasing that the decisions made at often-distant corporate headquarters and by administrators whose judgment is largely influenced by financial results, may pose a serious threat to quality medicine. Bradford H. Gray, a senior professional associate at the Institute

of Medicine, is undertaking a study, scheduled for completion in late 1986, of how the structures and methods of accountability in hospitals affect their performance and the quality of care they provide. He will pay special attention to whether, and if so what kinds of, additional reporting mechanisms are necessary to insure that quality care is widely available and affordable through for-profit hospitals.

**The New American Health-Care System.** Spiraling medical costs over the past two decades have triggered a major transformation of America's health-care system. Government agencies and corporations, which, through health coverage plans, pay most of Americans' medical bills, are balking at the relentless increases in charges and imposing cost controls. Donald W. Light, director of the division of behavioral and social medicine at the University of Medicine and Dentistry of New Jersey, is examining the changing economics of the health-care industry, the consequences to the industry of both increased competition and government regulation, and how the nature and quality of health-care services are affected by the continuing restructuring of the health-care system. His project is scheduled for completion in 1987.



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**Task Force on Medical Malpractice Insurance.** Another medical malpractice crisis is said to be upon us, with doctors' associations and organizations of trial lawyers cranking out position papers and lobbying in state legislatures. Both groups believe their livelihoods are threatened, and both cast their arguments in terms of the public good. Though lacking a spokesman, the public has a considerable stake in this debate, since critical questions about health care are involved. The Fund has convened an independent Task Force to focus on what is, in fact, best for the public. Andrew Tobias, author of *The Invisible Bankers*, has prepared a background paper that examines many of the proposals for reform, and the first meeting of the Task Force is expected to be held in November 1985.



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## URBAN ECONOMIC AND SOCIAL ISSUES

*Another area of Fund interest is the problem of America's cities. In recent years, the effects of social disruption on life in the cities have become a subject of concern; during the 1970s, the Fund convened a number of Task Forces to examine such problems as the ways in which the courts deal with criminals and policies toward young offenders. The Fund has also sponsored a number of projects examining the roots of the fiscal crises facing the nation's large older urban areas; for example, it established two Task Forces to explore New York City's financial difficulties and two more on the tax-exempt capital market, through which cities and local government units raise a good portion of needed capital. The projects listed below are a sampling of the subjects relating to this vital area that are of interest to the Fund.*

**The Future of Cities.** Urban policy has virtually vanished from the nation's public agenda, federal investment in revitalizing America's cities has come to a halt, and the only hope for dealing with the serious problems that continue to plague our cities rests on market forces and whatever resources local governments can muster themselves. Robert F. Wagner, Jr., brings extensive experience in the government of the nation's largest city to an inquiry into the future of urban centers in the United States. He will argue that despite the scattered encouraging signs of urban revival, government policies of benign neglect will not resolve the enduring urban problems of poverty, racial tension, and economic atrophy. His study, scheduled for completion in late 1986, will examine the causes and cures for the ills afflicting America's cities and suggest strategies for reforming American urban policy.

**Police Undercover Work.** The use of undercover police operations appears to have grown in recent decades, especially in cases involving organized crime and political corruption. While undercover police work is often viewed by the public in terms of the romantic imagery of movies and television, Americans remain deeply suspicious of it because of the potential for abuse. Gary T. Marx of the Massachusetts Institute of Tech-

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nology is investigating the political and policy problems that reliance on this "necessary evil" entails. In his study, which is scheduled for completion in 1986, he recommends constraint in employing undercover means, and more extensive controls when they are used.

**Metropolitan Segregation.** Historically, immigrant groups settled in ethnic enclaves in the older sections of America's great metropolitan centers. Each group replaced a former wave of immigrants that managed to assimilate or move up the socio-economic ladder. But the black Americans relocating from the rural South, and immigrants from Mexico, Latin America, and the Caribbean that have filled urban ghettos and barrios seem unable to find a way out. Problems of poverty, poor housing, unequal educational opportunity, and crime continue to plague these minorities. Gary Orfield of the University of Chicago argues that the development of a visible black and Hispanic middle class should not hide the continuing segregation and worsening position of the majority of blacks and Hispanics. As a result of repeated delays, the future of his project is in doubt.

**The Politics of Urban Infrastructure.** Calls for a broad, federal response to the erosion of the nation's urban infrastructure have diminished, in part due to recognition of a

general retrenchment in federal aid to localities. But the belief that there is an infrastructure "crisis" has not abated. Heywood T. Sanders of Trinity University argues that urban infrastructure problems do not constitute a national crisis; that a large, uniform, federal infrastructure program would be a mistake; and that many cities claiming serious infrastructure problems have both the borrowing authority and tax base to support greater spending on infrastructure. His study, which has been subject to substantial delay, is now scheduled to be completed in 1986.

**Capital Requirements and the Future of Cities.** Decisions on financing and building public infrastructure are part of a fundamentally political process that reflects private interests as often as it does the public interest. George S. Tolley of the University of Chicago argues that the large role played by private interests frequently leads to poor planning and projects that return fewer benefits to the public than they should. Because of long delays and problems with draft manuscript, the project has been terminated and the manuscript returned to the author.



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## U.S. POLICY IN THE INTERNATIONAL AREA

*This program area has a broad focus that embraces relations between the United States and other nations. Some of the projects in this area analyze the effects of international affairs on U.S. policy; others examine U.S. policy toward and role in international institutions; and still others explore development economics, which has critical long-term implications for the United States.*

*The Fund began its investment in this area in the post-World War II era, and today its international projects have become one of its most important program areas. The Fund is continuing to seek out projects dealing with significant policy issues in this field.*

**Political Intelligence Policy.** Despite technological advances in data gathering, the intelligence assessments provided our policymakers frequently are wrongheaded, either because abundant data are incorrectly analyzed or because sound intelligence is ignored. In assessing the performance of the intelligence community and what can be done to make political intelligence more useful to policymakers, Walter Laqueur, accomplished author and analyst, argues that it is not the quality or quantity of data that matters so much as how it is assessed and applied. His book, *A World of Secrets: The Uses and Limits of Intelligence*, a Twentieth Century Fund Book, will be published by Basic Books in November 1985. (A British edition will be published by Weidenfeld & Nicolson in December 1985.)

**Development Planning.** The social, economic, and political problems facing developing countries sometimes bring development to a halt or force a retreat in living standards. Although some developing countries have achieved notable successes, most have not, and these failures are both baffling and frustrating. In his study, Ranaan Weitz of the Settlement Study Center of Rehovot, Israel, concludes that what is needed is a balanced mix of private- and public-sector participation and an integration of social considerations and economic plans. His book, *New Roads to Development*, a Twentieth Century Fund Essay, is scheduled for publication by Greenwood Press in May 1986.

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**Germany's Role in the Atlantic Order.** Rising from the ashes of World War II, West Germany became one of the stalwart economic and political powers. Committed to the Western Alliance, it has cooperated with both France, its traditional enemy, and the United States in forging strong anti-Communist links. Yet it continues to maintain ties with East Germany and has been increasing its trade with the Soviet Union. The conflicting pressures of international cooperation and German nationalism are now making themselves felt in West Germany. Josef Joffe, now an editor at the *Süddeutsche Zeitung*, is appraising Germany's options and U.S. policies that might assure that Germany retains its commitments to the West. His manuscript is scheduled for completion in 1986.

**A New U.S. Policy for the Atlantic Alliance.** The Atlantic Alliance, particularly as embodied in NATO, has been one of the enduring institutions of the post-World War II period. Even though it has managed to surmount an almost continual series of pressures and strains, its future is always open to question. David P. Calleo of Johns Hopkins University takes a searching look at the alliance in order to assess what is needed to ensure its continuation. His penetrating study of the economic, social, and political changes affecting both the United States and its European allies leads him to call for reform that will make for a more equitable sharing of the burdens and the power. His study is expected to be published in 1986.



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**UNESCO and Its Future.** The withdrawal of both Britain and the United States from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) has threatened its future. While some of UNESCO's Western members are demanding reforms—in terms of efficiency and accountability—sufficient to bring back the departed nations, some developing countries as well as the Soviet bloc are prepared only to accept cosmetic changes in UNESCO. S. Nihal Singh, a well-known Indian journalist, is drawing up a balance sheet of UNESCO's successes and failures and exploring what might be done to restore the universal support it once enjoyed. His project is scheduled for completion in 1986.

**Third World Demands in the Next Decade.** The present global economic situation suggests that the surest remedy for the problems confronting the developing nations is a resumption of sustained, inflation-free growth in advanced nations. Demands for a new international economic order, so stridently voiced by the Third World in the 1970s, have quieted over the past decade as the worldwide economic downturn eroded Third World unity. Bernard D. Nossiter, former chief United Nations correspondent for *The New York Times*, examines such trends as increasing protectionist tendencies in the industrialized nations and such arrangements as the Law of the Sea Treaty and analyzes the role of international assistance. His book will be circulated to publishers early in 1986.

**International Debt and Default.** The excessive indebtedness of the developing countries continues to threaten the world's financial system. Although the international financial community has responded constructively to the immediate crisis, the problem is far from over. Debtor nations have been adding to their debt, not reducing it, and while default has been staved off, developing countries have had to adopt austerity measures that have triggered serious social and political tensions. The Fund has commissioned a number of papers on this subject. *The Debt of Nations* by M. S. Mendelsohn and *The Costs of Default* by Anatole Kaletsky were published in fiscal 1985 and at least three more papers are forthcoming: *The African Burden* by Rupert Pennant-Rea, *The Costa Rican Laboratory* by Sol W. Sanders, and an examination of Brazilian debt by Marcilio Marques Moreira.

**The United States and Latin America in the 1980s.** U.S. policymakers have long held that a special relationship exists between the United States and Latin America, justifying preferential trade agreements and military aid. Abraham F. Lowenthal of the University of Southern California began a critical evaluation of this approach to U.S.-Latin American relations in 1979. After many lengthy delays and problems with the manuscript submitted, the Fund terminated the project and returned the manuscript to him.

**The United Nations and the Paralysis of Western Diplomacy.** The United Nations, which this year celebrated its fortieth birthday, has now exceeded the unhappy life span of the League of Nations by over twenty years. If not a place of harmony, it has nevertheless chalked up a number of accomplishments in peacekeeping and crisis management. The nations of the West have in recent years looked upon the United Nations with ambivalence, seeing it as more of a propaganda forum and less of a center for serious diplomacy. Rosemary Righter, former diplomatic correspondent of the *Sunday Times* of London, is examining the United Nations and what the West ought to do to make it more responsive to Western concerns. Her project is scheduled for completion in 1987.

**U.S.-Mexican Economic Relations.** The problems of development and the challenge to American interests in Latin America are nowhere as potentially explosive as in Mexico. The country is faced with a foreign debt of over \$100 billion, simmering social tensions, and a ruling political party rapidly losing its previously unchallenged dominance. Mexico's economic performance and U.S. economic policy toward Mexico are critical to avoiding a crisis. Sidney Weintraub of the Lyndon B. Johnson School of Public Affairs at the University of Texas, a former high ranking official of the Agency for International Development, is analyzing economic relations between these close neighbors. His project is scheduled for completion in 1987.

**American Policy Toward East Asia.** The shifting distribution of global economic power is most dramatically seen in the rise of Asia, the fastest growing market for U.S. manufactured exports and the biggest supplier of our imports. Asia's economic strength represents a challenge to the competitive position of the United States in a number of industries. As a result, powerful protectionist sentiment in the United States threatens to close off access to the U.S. markets. Richard L. Sneider of Columbia University, a former ambassador to the Republic of Korea and deputy assistant secretary of state for East Asian and Pacific affairs, argues that U.S. policy has been unduly shaped by increasingly outdated security and ideological considerations. His project is scheduled for completion in 1987.

**The Crisis of Multilateralism.** At the end of World War II, the United States led the way in creating multilateral institutions to deal with global problems. Now these institutions, which once embodied American hopes for global stability and international cooperation, regularly come under sharp criticism from the United States and other democratic nations. According to John Gerard Ruggie of Columbia University, multilateralism is facing a serious crisis just as international interdependence has risen to unprecedented levels. He is reviewing the history of multilateral institutions to determine what went wrong and what can be done about it. His study is scheduled for completion in 1987.



**Contemporary Emigration Policies.** Throughout history, people have sought relief from persecution through flight across national borders. In recent years, a new kind of population flow—one controlled by the state—has become evident. Cuban dissidents have been expelled from their homelands while Soviet citizens, refused free movement, are confined behind sealed borders. Alan Dowty of the University of Notre Dame is examining the development of state control of population flows, analyzing the reasons for it, and assessing the effectiveness of strategies to bring political pressure to bear on those states, now fifty in number, that violate the rights of their citizens. His manuscript is being edited prior to circulation to publishers early in 1986.

**U.S. International Monetary Policy.** The continuing failure of reform efforts intended to develop more dependable and predictable international monetary relations suggests that something is fundamentally awry in the world monetary system. Robert Z. Aliber of the University of Chicago argues that the problem lies in misplaced expectations about what policy can accomplish in the international monetary markets. He believes that U.S. policymakers, in particular, have been unrealistic both about appropriate policy aims and about U.S. interests. In his manuscript, which he expects to complete by the end of 1986, he will recommend policies to increase the stability of the international monetary system.

**S**ince its inception in 1919, the Twentieth Century Fund has pioneered among foundations by disseminating its research, usually in book form, to a general, rather than a specialist, audience. The Fund continues in this tradition, providing timely analyses and policy prescriptions on a broad spectrum of critical public policy issues.

During fiscal 1984, the Fund established its own in-house press, Priority Press Publications, which makes possible rapid, quality publication—at reasonable cost—of the reports of independent Fund Task Forces and timely shorter manuscripts on critical public policy issues. The flexibility afforded the Fund by Priority Press has led to the creation of a new publishing designation: Twentieth Century Fund Paper.

The Fund initiated its line of Twentieth Century Fund Papers with two analyses of international debt and default: *The Debt of Nations* by M. S. Mendelsohn and *The Costs of Default* by Anatole Kaletsky. A third in the series, *The African Burden* by Rupert Pennant-Rea, is forthcoming. With the publication of this series and a growing number of other Fund Papers published and in progress, a new section in the publishing portion of the Annual Report has been introduced—Fund Papers in print and forthcoming. Because of the short time frame in which Fund Papers are produced and published, they appear only in the publishing section.

The guiding principle in placing Twentieth Century Fund book-length manuscripts is the requirement that they make their own way in

the marketplace. Hence, the manuscripts that result from the Fund's research are placed, after editing, with commercial publishing houses or university presses on a non-subsidized basis. Fund manuscripts are submitted to all publishers who have asked to see them as well as to those whose lists suggest an interest in the subject. Standard contracts are signed, which provide for advances and royalties that are used to defray the project's costs, adding to the revenues available for the Fund's research program.

Of particular interest to the Fund when deciding which publisher to sign with are timely publication, a reasonable price, and, whenever possible, a low-cost paperback edition to promote widespread distribution. Accordingly, proposals on marketing, promotion, and advertising submitted by publishers are carefully weighed.

The rigors of the marketplace require comprehensive research, penetrating analysis, and a clear writing style. Thus, the Fund has always placed a premium on editing its manuscripts. Because publishers have placed a growing emphasis on the sales potential of books, editing, which is designed to enhance readability, has assumed increased significance. Since publishers tend to shy away from lengthy manuscripts that are more costly to produce, special efforts are made to ensure economy of language without compromising ideas.

The Fund works closely with publishers to launch all books bearing the Twentieth Century Fund imprimatur. On the eve of publica-



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tion, press releases are issued and press conferences are held to alert the electronic and print press to the findings and recommendations of our studies. In addition, the Fund's dissemination program includes the placement of op-ed pieces and articles by Fund authors as well as arrangements for television and radio interviews and attendance at conferences or conventions. The Fund issues an occasional Newsletter, available free on request, that provides information on new Fund releases and books in progress. In conjunction with publishers, the Fund also explores the possibility of foreign translations. To ensure continuing attention to Fund works, out-of-print Fund books frequently are placed with reprint houses.

During fiscal 1985, a number of Fund-sponsored books were published, two bearing the Fund imprimatur. Kenneth T. Rosen's Twentieth Century Fund Report, *Affordable Housing: New Policies for the Housing and Mortgage Markets*, was published in October 1984 by Ballinger Publishers. In February 1985, Harvard University Press published *The American Ethos: Public Attitudes toward Capitalism and Democracy*, a Twentieth Century Fund Report by Herbert McClosky and John Zaller. In addition, Columbia University Press published Robert M. Fogelson's *Pensions: The Hidden Costs of Public Safety* in July 1984.

Two Fund Task Force Reports were published in fiscal 1985. *Battle Lines*, Report of the Twentieth Century Fund Task Force on the Military and the Media, with a back-

ground paper by Peter Braestrup, was published in May 1985. *Living Cities*, Report of the Twentieth Century Fund Task Force on Urban Preservation Policies, with a background paper by David Listokin, was published in June 1985.

Priority Press Publications published four Twentieth Century Fund Papers in fiscal 1985. The first in a series of papers on international debt and default, *The Debt of Nations* by M. S. Mendelsohn, was published in September 1984; the second, *The Costs of Default* by Anatole Kaletsky, was released in January 1985. In addition, *Spiked: The Short Life and Death of the National News Council* by Patrick Brogan and *A Quiet Broker? A Way Out of the Irish Conflict* by William V. Shannon were published by Priority Press Publications in April 1985.

Contracts were signed during fiscal 1985 for the publication of *A World of Secrets*, a Twentieth Century Fund Book by Walter Laqueur (American edition, Basic Books, November 1985/United Kingdom edition, Weidenfeld & Nicolson, December 1985); *Stabilizing an Unstable Economy: A Realistic Approach to Economic Theory*, a Twentieth Century Fund Book by Hyman P. Minsky (Yale University Press, May 1986); *The International News Services*, a Twentieth Century Fund Report by Jonathan Fenby (Schocken Books, March 1986); and *New Roads to Development*, a Twentieth Century Fund Essay by Raanan Weitz (Greenwood Press, May 1986).

Fund works continue to attract attention

abroad. Waldemar A. Nielsen's Twentieth Century Fund Study, *The Big Foundations*, originally published by Columbia University Press in 1972, was released in Japanese translation by Kawade Shobo Shin Sha Ltd. in August 1984. In November 1984, Fondo de Cultura Economica of Mexico published a Spanish translation of *Social Limits to Growth*, a Twentieth Century Fund Study by Fred Hirsch, originally published by Harvard University Press in 1976 and subsequently brought out in German, Italian, Japanese, Portuguese, and Swedish. *Quest for World Monetary Order: The Gold-Dollar System and Its Aftermath*, a Twentieth Century Fund Study by Milton Gilbert, originally published by John Wiley & Sons in September 1980, was scheduled for publication in Russian by Progress Publishers of Moscow in December 1984. *Corporate Control, Corporate Power*, a Twentieth Century Fund Study by Edward S. Herman, originally issued by Cambridge University Press in April 1981, was scheduled to be published in Japanese translation in March 1985 by Jichosha Ltd. of Tokyo. In addition, Seth S. King's abridgement of *Asian Drama: An Inquiry into the Poverty of Nations*, a Twentieth Century Fund Study by Gunnar Myrdal, which has been translated into six languages, is scheduled for publication in India by Kalyani Publishers.

In addition, in June 1985, Pergamon-Brassey reprinted *Strategy and Arms Control*, a Twentieth Century Fund Study by Thomas C. Schelling and Morton H. Halperin, originally published in 1961.

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## Current Major Fund Studies, Reports, Books, and Essays, Cloth Bound, in Print

### **The American Ethos: Public Attitudes toward Capitalism and Democracy**

By Herbert McClosky and John Zaller, a Twentieth Century Fund Report. The rising tension between capitalist and democratic values, according to McClosky and Zaller, is at the foundation of political division in the United States today. Americans committed to capitalism are wary of "too much democracy," and favor stronger controls on freedom of speech, press, assembly, and the rights of due process. Americans committed to democratic values are critical of private enterprise, suspicious of its power, and sympathetic toward government efforts to tame it. The authors trace the evolution of capitalist and democratic values in American history and analyze the findings of a current survey on the political attitudes and values held by American opinion leaders, political elites, and the public today. 342 pages, February 1985, \$27.50. Publisher: Harvard University Press.

### **Affordable Housing: New Policies for the Housing and Mortgage Markets**

By Kenneth T. Rosen, a Twentieth Century Fund Report. Without a massive effort to stimulate recovery of the housing industry, the American dream of owning a home of one's own will become out of reach for many

first-time homebuyers. Rosen assesses the depressed state of the American housing and housing-finance industries, which he blames on shortsighted policy decisions, demographic and sociological changes, and the troubled economy of the past decade. He cuts through the maze of statistics, excuses, and pessimism and shows how the current problems in housing emerged, why our long-standing national housing goals are obsolete, and what policies are needed to resuscitate the ailing housing industry and to make good housing affordable again. 181 pages, October 1984, \$25.00. Publisher: Ballinger Publishing Company.

### **Puerto Rico: A Colonial Experiment**

By Raymond Carr, a Twentieth Century Fund Study. Relations between the United States and Puerto Rico, troubled ever since Puerto Rico was acquired by the United States in 1898 in the aftermath of the Spanish-American War, have become increasingly strained. Carr, the warden of St. Antony's College at Oxford and a noted historian, analyzes Puerto Rico's relations with its imperial masters from the time it was a Spanish colony to its present commonwealth status. He argues that the United States is responsible for many of the problems facing Puerto Rico today. His objective examination of the difficulties inherent between a superpower and a quasi-colonial possession not only illuminates the relationship between Puerto Rico and the United States but also sheds light on the broader issues of colonialism and

imperialism. 477 pages, April 1984, \$25.00 (paper, \$9.95). Publisher: New York University Press (Vintage Books).

### **The Democratic Muse: Visual Arts and the Public Interest**

By Edward C. Banfield, a Twentieth Century Fund Essay. Since 1965, the federal government, principally through the National Endowment for the Arts, has been in the business of directly subsidizing the arts in America. After examining the history, function, and organization of the National Endowment for the Humanities, the art museum, and public school arts programs—the major institutions bringing art to the public—Banfield argues that federal programs fail to bring the visual arts to greater numbers or to increase public understanding and appreciation. He concludes that government subsidies for the arts are an inappropriate and ineffective use of taxpayers' money and that all arts subsidies—direct and indirect—should be eliminated, leaving support of art largely to the private sector. 244 pages, April 1984, \$15.95. Publisher: Basic Books.

### **The Atlantic City Gamble**

By George Sternlieb and James W. Hughes, a Twentieth Century Fund Report. Politicians constantly seek quick and painless means of raising funds for stimulating economic growth. In the past decade, they seized on a number of seemingly ingenious devices, from lotteries to off-track betting, that promised big increases in revenues. But the re-

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sults rarely measured up to expectations. Legalized casino gambling—billed as a sort of magic bullet to spur faster growth and increase employment—is the latest of the “solutions” to beguile politicians and the public. In November 1976, the state of New Jersey embarked upon a bold experiment when voters approved a referendum to authorize casino gambling in Atlantic City. Sternlieb and Hughes report on the results of that experiment, providing a critical analysis of casino gambling, concluding that its social and political costs are excessive. 215 pages, November 1983, \$16.50 (paper, \$6.95). Publisher: Harvard University Press.

**Patrons Despite Themselves:  
Taxpayers and Arts Policy**

By Alan L. Feld, Michael O'Hare, and J. Mark Davidson Schuster, a Twentieth Century Fund Report. The significant deductions granted rich patrons of the arts by U.S. tax laws give them a dominant voice in shaping arts policies while raising the tax burden on all other taxpayers. The authors note that almost two-thirds of government support received by the arts is provided indirectly through deductions, not directly through grants. They do not recommend a complete overhaul of the current system, but they do insist that changes are needed to ensure that those who support the system are given some say about how the money they provide is allocated. 263 pages, July 1983, \$22.50 (paper, \$13.50). Publisher: New York University Press.

**Court Reform on Trial:  
Why Simple Solutions Fail**

By Malcolm M. Feeley, a Twentieth Century Fund Report. Concern about ever-increasing crime rates, unfair or indifferent treatment of the accused, and inefficiency in meting out justice have all created dissatisfaction with the criminal court system. The author, a prizewinning writer on the criminal justice system, explores the workings of the criminal courts, analyzes the effectiveness of four recent criminal court reforms—new bail practices, pretrial diversion, mandatory sentencing, and speedy trial rules—and makes recommendations for creating a fairer, more efficient, and more effective criminal justice system. 251 pages, February 1983, \$14.95 (paper, \$7.95). Publisher: Basic Books.

**A Pole Apart:  
The Emerging Issue of Antarctica**

By Philip W. Quigg, a Twentieth Century Fund Report. The debate over the Law of the Sea has reawakened interest in the Antarctic, a region governed by the twelve nations that signed the Antarctic Treaty in 1959. The treaty is subject to review in 1991, and claims of the developing nations to a share of the area's resources raise serious questions about its renewal. Quigg, former managing editor of *Foreign Affairs*, has analyzed the extent to which the promise of wealth from minerals lying miles beneath the Antarctic ice is real and recommends policies for the future. 299 pages, November 1982, \$19.95. Publisher: McGraw-Hill/New Press.

**Economic Development: Theory,  
Policy, and International Relations**

By Ian M. D. Little, a Twentieth Century Fund Book. Efforts to increase the pace of economic development in less-developed countries have met with mixed results. While there are a lot of success stories—notably Brazil, Mexico, Korea, Taiwan, Hong Kong, and Singapore—the vast majority of developing countries have had unsatisfactory rates of growth. Little, an innovative theorist and frequent adviser to national governments and international organizations, appraises the evolution of development since 1944 and provides recommendations drawn from his experience. 452 pages, October 1982, \$22.95 (paper, \$12.50). Publisher: Basic Books.

**Controlling the Bomb:  
Nuclear Proliferation in the 1980s**

By Lewis A. Dunn, a Twentieth Century Fund Report. Policies pursued by the United States and other governments will have a critical influence on the prospects for heading off runaway proliferation. As more countries—and less stable countries in conflict-prone regions—initiate or resume nuclear weapons programs, the risk that these weapons would again be used escalates dramatically. Another reason why immediate attention must be given to controlling the bomb, according to Dunn, is the danger that terrorists will seize or otherwise acquire nuclear devices. He suggests the use of new policies to strengthen existing checks on the pace and scope of proliferation and presents policy

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options for containing the increasing nuclear weapons activity that is likely to occur. 209 pages, March 1982, \$21.00 (paper, \$6.95). Publisher: Yale University Press.

**Going by the Book: The Problem of Regulatory Unreasonableness**

By Eugene Bardach and Robert A. Kagan, a Twentieth Century Fund Report. Government regulation of business has come under increasing attack because of its dampening effect on the American economy. At the same time, dangers from nuclear power plants and toxic chemicals have heightened public awareness of the need for regulation, and public interest and consumer groups have continued to lobby for the protection of the consumer and the general public. The authors argue that in the long run regulation will tend to increase and with it tendencies toward inflexibility and unreasonableness. 375 pages, February 1982, \$22.95 (paper, \$9.95). Publisher: Temple University Press.

**Congressional Spending**

By Dennis S. Ippolito, a Twentieth Century Fund Report. Even though passage of the Congressional Budget and Impoundment Control Act of 1974 gave Congress the means for establishing spending priorities, influencing fiscal policy, curbing executive impoundments, and developing its own sources for budget data and analysis, it did not succeed in its primary objective of exerting control over federal spending. Ippolito explains the reasons for this failure and con-

siders how best to remedy it. He favors a constitutional spending limit that would restrict government expenditures to a fixed percentage of the gross national product. 286 pages, January 1982, \$22.50 (paper, \$7.95). Publisher: Cornell University Press.

**Autos, Transit, and Cities**

By John R. Meyer and Jose A. Gomez-Ibanez, a Twentieth Century Fund Report. Government programs to solve urban transportation problems have been largely ineffectual. In a work that addresses urban transportation problems and policies since World War II, the authors argue that many transportation problems can be solved through a sustained, systematic effort that must acknowledge the continuing prominence of the automobile. They assess in detail the role of public transportation and related issues of growing concern—land use, energy consumption, air pollution, and transportation for the poor, the elderly, and the handicapped. The authors recognize that many transportation problems can be solved only by redesigning the automobile itself. 360 pages, November 1981, \$20.00 (paper, \$8.95). Publisher: Harvard University Press.

**Corporate Control, Corporate Power**

By Edward S. Herman, a Twentieth Century Fund Study. In the first major work published on the American corporation since *The Modern Corporation and Private Property* by Adolf A. Berle, Jr., and Gardiner C. Means, which was published in 1932, Her-

man examines who controls the corporation and for what purposes. The study traces the shift in control of the nation's corporate giants from owner to manager, revealing that the corporate objectives of high profits and greater size remain unchanged. The author contends that, while the power and influence of the American corporation have grown tremendously during this century, the corporation continues to evade its responsibility to the public. 432 pages, April 1981, \$18.95 (paper, \$9.95). Publisher: Cambridge University Press.

**Multinationals in Latin America: The Politics of Nationalization**

By Paul E. Sigmund, a Twentieth Century Fund Study. Since the rapid increase in the number of nationalizations of foreign-owned concerns in Third World countries, many observers have predicted the demise of the multinational corporation in the developing world. Sigmund challenges the notion of a rising tide of nationalization, arguing that, in Latin America at least, most of the exposed enclaves in the extractive industries that were the major targets of the economic nationalists have now been taken over. He perceives the beginnings of a new era of bargaining between Third World governments and foreign investors. 426 pages, October 1980, \$22.50 (paper, \$6.50). Publisher: University of Wisconsin Press.

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**Quest for World Monetary Order:**

**The Gold-Dollar System and Its Aftermath**

By Milton Gilbert, a Twentieth Century Fund Study. In this work, published posthumously after editing by two of the author's former colleagues, Peter Oppenheimer and Michael Dealtry, the author reflects on the question of foreign-exchange reserves and international monetary cooperation. Drawing on his experience as a high official first of the Organization of European Economic Cooperation and later of the Bank for International Settlements, Gilbert sets forth his ideas in a wide-ranging analysis of the world monetary network and its functioning from 1944 to the late 1970s. He moves from a discussion of the abrogation of the dollar's convertibility into gold in August 1971 to the consequences of that act, including inflation and the decline of the dollar's exchange rate. 255 pages, September 1980, \$19.95. Publisher: Wiley-Interscience.

**Abuse on Wall Street: Conflicts of Interest in the Securities Markets**

A Twentieth Century Fund Report. A compilation of seven monographs on conflicts, which the Fund had issued earlier, along with substantial new material. The entire project was under the supervision of a Steering Committee, which was chaired by Roy A. Schotland, professor of law, Georgetown University, and included William L. Cary, Benjamin V. Cohen, Roger F. Murray, M. J. Rossant, and William Stott. In addition to the monographs published earlier, the book con-

tains a new monograph on real estate investment trusts by Schotland and a new introduction and conclusion by Schotland detailing the Steering Committee's call for an effective self-policing effort by the securities industry, including industrywide guidelines, concrete written provisions, and effective implementation machinery. The seven previously published monographs included in the work are *Commercial Bank Trust Departments* by Edward S. Herman, *Corporate Pension Fund Asset Management* by John Brooks, *State and Local Pension Fund Asset Management* by Louis M. Kohlmeier, *Union Pension Fund Asset Management* by Richard Blodgett, *Investment Banking* by Nicholas Wolfson, *Broker-Dealer Firms* by Martin Mayer, and *Nonprofit Institutions* by Chris Welles. 736 pages, April 1980, \$35.00. Publisher: Quorum Books.

**Fund Studies, Reports, and Essays, Cloth Bound, in Print**

**Unloving Care:**

**The Nursing Home Tragedy**

By Bruce C. Vladeck, a Twentieth Century Fund Study. The author makes recommendations that call for drastic revisions of the roles of the hospital and home care, including a sharp reduction in the number of nursing home establishments. Presenting a comprehensive and analytic review of the incremental legislation that has given the nation its present system of nursing homes, the book criticizes the politics and economics of the nursing home industry, touches on the scandals of recent years, and deals with the human—or in the author's view, inhuman—way of coping with the problems of the aged. 308 pages, March 1980, \$13.95 (paper, \$5.95). Publisher: Basic Books.

**The Changing American Voter**

Enlarged Edition, by Norman H. Nie, Sidney Verba, and John R. Petrocik, a Twentieth Century Fund Study. The authors of this critically acclaimed book on electoral behavior have brought their study up-to-date with a trenchant analysis of the 1976 presidential election. Basing their study on a comprehensive survey of American voters, they document and analyze the dramatic changes in attitudes toward political parties, issues, and candidates since the last major work on the subject, in 1952. A timely yet scholarly account, this new edition has many signifi-

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cant implications for policymakers, politicians, and the public. 430 pages, January 1980, \$15.00 (paper, \$5.95). Publisher: Harvard University Press.

**The Art Museum: Power, Money, Ethics**  
By Karl E. Meyer, a Twentieth Century Fund Report. In this critical assessment of the nation's richest cultural institution, the author presents a full and timely account of the major problems confronting museums and the public. The book examines the continuing controversy over the role of museum trustees; acquisition and de-acquisition policies; the "blockbuster" show; the dealer, patron, curator nexus; and the professionalism of the museum staff. Meyer, author of *The Plundered Past*, interviewed museum directors, authorities, and critics across the country to gather information for this wide-ranging work. 352 pages, February 1979, \$15.00 (paper, \$8.95). Publisher: William Morrow and Company, Inc.

**Island China**  
By Ralph N. Clough, a Twentieth Century Fund Study. The author gives insight and perspective to the problems that arose with the recognition of the Republic of China and the role of the United States vis-à-vis Taiwan. Clough, who served as deputy chief of the U.S. mission in Taipei and as director of the Office of Chinese Affairs in the State Department, evaluates the effects on Taiwan of changing relationships among the major nations engaged in Asian trade and concerned

about the region's security. 264 pages, October 1978, \$12.50. Publisher: Harvard University Press.

**The Changing Role of the Individual Investor**  
By Marshall E. Blume and Irwin Friend, a Twentieth Century Fund Report. The individual investor, who has been considered a vanishing species in a market increasingly dominated by the institutional investor, is the focus of this study. It presents new information on the attitudes and plans of individual investors and evaluates the various proposals that have been made to increase their participation. The authors have many important findings about the risk preferences of individual investors and their impact on the efficiency of the markets. 243 pages, September 1978, \$16.95. Publisher: John Wiley & Sons.

**U.S. Policy in the Caribbean**  
By John Bartlow Martin, a Twentieth Century Fund Essay. In the face of such issues as the Panama Canal, Puerto Rico's status, relations with Cuba, and the need for access to raw materials, the author points to the need for a coherent U.S. policy toward the Caribbean. He reviews and rejects both the activist policy of the Kennedy administration and the passive attitude of more recent administrations and makes policy recommendations aimed at cooperative U.S.-Caribbean relations. 420 pages, May 1978, \$19.00. Publisher: Westview Press.

**The Subsidized Muse: Public Support for the Arts in the United States**  
By Dick Netzer, a Twentieth Century Fund Study. The author, an economist, views public support of the arts as analogous to public subsidies in such areas as housing, transportation, and education. He considers both the public interests that may be served by government intervention to supplement the resources that the market provides to the arts and the hazards of such intervention. The book sets out the logical arguments for government support of the arts and appraises the record of public support since 1965 in light of these arguments. 289 pages, April 1978, \$14.95 (paper, \$7.95). Publisher: Cambridge University Press.

**The Public's Business: The Politics and Practices of Government Corporations**  
By Annmarie Hauck Walsh, a Twentieth Century Fund Study. The author traces the growth of the more than 7,000 government corporations spending over \$24 billion annually on operations and new capital facilities. The author analyzes the forces in politics, government, and the private sector that have favored the choice of government corporations for the provision of public works and services. She examines the consequences of this choice for the quality and nature of authority activities, the consumers or users of authority services, the various participants in the municipal bond market, and the public. 436 pages, April 1978, \$19.95 (paper, \$9.95). Publisher: The MIT Press.

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**Social Limits to Growth**

By Fred Hirsch, a Twentieth Century Fund Study. In this landmark work setting forth a new view of the changing nature of desirable social objectives and economic growth, Hirsch points out that as societies become richer, larger numbers of people can afford and acquire the trappings of affluence. But many of these goods and services neither are available in large quantities nor can be acquired by larger numbers of people without losing their value. He concludes that fundamental changes must be made in the individual orientations and expectations of the successful few rather than the aspiring many. 209 pages, December 1976, \$10.00 (paper, \$3.95). Publisher: Harvard University Press. Available in Swedish, Japanese, Portuguese, German, Italian, and Spanish translations.

**The New Presidential Elite:****Men and Women in National Politics**

By Jeane Kirkpatrick, jointly sponsored by the Twentieth Century Fund and the Russell Sage Foundation. American politics, according to Kirkpatrick, is being transformed by a new type of political activist, one unconcerned about party organization and out of touch with the values and views of the party rank and file. The study includes a large-scale examination of convention delegates and the only comprehensive analysis of politically active women and the obstacles they face in achieving full participation in political life. 605 pages, October 1976, \$13.95. Distributor: Basic Books.

**The New Economics of Growth: A Strategy for India and the Developing World**

By John Mellor, a Twentieth Century Fund Study. Focusing on the failure of India to carry forward its economic development, the author makes a strong case for increasing investments in agriculture rather than in industry. He explains how such a strategy will increase the participation of the poor in the growth process and eventually lead to greater industrial production. 384 pages, April 1976, \$25.00 (paper, \$8.95). Publisher: Cornell University Press.

**Public Employee Pension Funds**

By Robert Tilove, a Twentieth Century Fund Report. A thorough examination of public employee pension funds, this work stresses the need for sweeping reform. Tilove says it is necessary to integrate public pensions with Social Security to avert a taxpayer revolt. 384 pages, March 1976, \$35.00. Publisher: Columbia University Press.

**The Big Foundations**

By Waldemar A. Nielsen, a Twentieth Century Fund Study. The author presents the first detailed examination of the nation's thirty-three largest foundations (each with assets of over \$100 million). Although he defends the idea of foundations, he criticizes the disturbing failures of these institutions and suggests ways in which they can realize their unique potential. 484 pages, October 1972, \$25.00 (paper, \$12.00). Publisher: Columbia University Press.

**Asian Drama:****An Inquiry into the Poverty of Nations**

By Gunnar Myrdal (abridged). Seth S. King's condensed version of Myrdal's three-volume Fund Study contains the essence of the original analysis of the institutional attitudes and conditions—economic, social, and political—affecting development in South Asia. 446 pages, January 1972, \$10.00 (paper, \$3.95). Publisher: Pantheon. Available in French, German, Italian, Japanese, Persian, and Spanish translations.

**The Alliance That Lost Its Way: A Critical Report on the Alliance for Progress**

By Jerome Levinson and Juan de Onis, a Twentieth Century Fund Study. This work is widely recognized as the most useful and wide-ranging critique of the programs begun under the Kennedy administration to strengthen the economies and governments of Latin America. 338 pages, November 1970, \$7.95 (paper, \$2.95). Publisher: Quadrangle Books. Available in Spanish translation.

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## Fund Task Force Reports in Print

### Living Cities

Once a largely elitist movement, urban preservation has taken on grass roots appeal. More than four thousand local preservation societies have sprung up across the country, spurring increased government involvement at all levels. But how well has the preservation movement used its growing power and influence? This report of an independent Task Force assesses the record and evaluates where preservation has brought positive benefits and where it has not, focusing on an evaluation of preservation as a tool of urban development. The Task Force, chaired by Orin Lehman, commissioner, New York State Office of Parks, Recreation, and Historic Preservation, and including a diverse group of public officials, preservationists, and developers from across the country, concludes that preservation has been a boon to development and puts forth detailed recommendations for government and private sector activities that will protect our historical legacy while promoting the economic well-being of our nation's cities. The report is accompanied by a comprehensive background paper by David Listokin of the Center for Urban Policy Research of Rutgers University. 118 pages, June 1985, \$10.00. Publisher: Priority Press Publications.

### Battle Lines

This report of an independent Task Force examines the feud between the military and the media over press access to war zones, and considers what can be done to prevent relations between the military and the media from becoming so strained as to restrict the flow of information to the American public during military engagements. The Task Force, chaired by Edward N. Costikyan and made up of media and military representatives as well as those with experience in government service and politics, focused on the critical role of civilian authorities in securing effective press coverage of our military. The volume includes a background paper by Peter Braestrup, a veteran journalist and former war correspondent. 178 pages, May 1985, \$10.00. Publisher: Priority Press Publications.

### The Science Business

Revolutionary discoveries in molecular biology and the potential profits to be made from the commercial application of these discoveries have resulted in a huge upsurge in collaborative arrangements between industry and the scientific community. This development, while providing significant funding for continued research, has raised serious concerns. An independent Task Force, chaired by Robert L. Sproull, then chancellor of the University of Rochester, and including representatives from the business, financial, scientific, and academic communities, assessed the problems and con-

flicts arising from the commercialization of science and offers guidelines for future university-industry relations. The volume includes a background paper by Nicholas Wade, an editorial writer for *The New York Times*. 84 pages, June 1984, \$7.50. Publisher: Priority Press Publications.

### Science in the Streets

The communication of information about the risks that inevitably accompany technological developments is critical to an informed citizenry. But reporting on situations involving risk is complicated by a lack of public understanding, by pressures faced by the media, by a reluctance on the part of the scientific community to speak out until conclusive data are available, and by the uncertainty inherent in most risk situations. An independent Task Force, comprised of scientists, media representatives, and others knowledgeable about risk, examined media coverage of several recent threats to the health and environment of Americans—from dioxin to the accident at Three Mile Island to AIDS—and offers recommendations on how to improve communication of scientific information. In addition to the report of the Task Force, this volume includes a background paper by Dorothy Nelkin; a dissent by Harrison E. Schmitt, former astronaut and senator from New Mexico, who served as chairman of the Task Force; and a paper by Harry Schwartz on the media's treatment of AIDS. 97 pages, May 1984, \$7.50. Publisher: Priority Press Publications.



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### **Next Steps for Summitry**

This report of an international conference on economic summitry sponsored by the Twentieth Century Fund addresses what can be done to improve the performance of the annual economic summit meetings attended by leaders of the seven major industrial democracies. The distinguished members of the conference, chaired by Jean Francois-Poncet, former French foreign minister, assess the strengths and weaknesses of economic summits and offer constructive, practical, and detailed recommendations on how to make the summits more useful. Their report is accompanied by a background paper by David Watt, former director of the Royal Institute of International Affairs (Chatham House), United Kingdom, that provides a concise history of summitry. 61 pages, May 1984, \$7.50. Publisher: Priority Press Publications.

### **What Price PACS?**

With the decline of the major political parties, the rise of interest groups, and the need for increasing amounts of money to buy technological expertise and exposure, political action committees (PACs) have emerged as a major new force in American politics. While this development promotes citizen participation in politics, it also gives cause for concern. PACs have become the chief conduit for handling donations from business, labor unions, professional associations, and other groups to candidates seeking public office, and have a huge and, as yet, largely untapped potential for a much

wider variety of activities. An independent Task Force, chaired by Edmund S. Muskie, examined the growing role and influence of PACs in American politics and offers recommendations for reform of political campaign financing. The background paper by Frank J. Sorauf assesses the constitutional and legal issues raised by PACs, evaluates their effects on the American polity, and discusses methods used to control or regulate them. 129 pages, January 1984, \$8.50. Publisher: Twentieth Century Fund.

### **Making the Grade**

The report, which examines America's troubled public school system, presents the recommendations of an independent Task Force consisting of eleven noted educators. The Task Force, which was chaired by Robert Wood of Wesleyan University, former secretary of the Department of Housing and Urban Development, concluded that the only hope for America's schools is a "national commitment to excellence." The report demands that the federal government take the lead to assure that all public school students acquire the knowledge and skills necessary for participation in our democratic society. The Task Force presents specific recommendations aimed at improving the quality of teachers, ensuring adequate training in mathematics and science, and promoting the teaching of English to non-English-speaking students. The background paper by Paul E. Peterson of the University of Chicago presents a detailed examination

of the state of the public school system. 174 pages, May 1983, \$6.00. Publisher: Twentieth Century Fund.

### **Deficits and Detente**

The report of an international conference on the balance of trade in the Comecon countries declares that the indebtedness of Poland and the other Comecon nations poses a threat to the stability of the international financial network. In their report on the balance of payments of the Soviet Union and its East European allies, the participants at the conference—bankers, economists, journalists, and political scientists—noted that the deficits of the Comecon countries have to be addressed by both creditor banks and debtor governments. The background paper by Richard Portes explores the depth of the indebtedness problem. The conference was sponsored by the Center for Research on International Institutions, Geneva, the Graduate Institute of International Studies, Geneva, and the Twentieth Century Fund. 92 pages, March 1983, \$6.00. Publisher: Twentieth Century Fund.

### **New York—World City**

The report, which examines the long-term economic and fiscal difficulties facing New York City, presents the recommendations of an independent Task Force, consisting of businessmen, politicians, and educators and chaired by retired Judge Charles Breitel. The Task Force identifies foreign investment as the brightest spot in the city's economy and

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recommends policies that will enhance New York City's position as a global marketplace. The report also recommends the preservation and reconstruction of existing residential neighborhoods and infrastructure. The report of the Task Force is accompanied by a background paper by Masha Sinnreich, formerly of the Fund staff, and an appendix by former New York City Budget Director David A. Grossman. 230 pages, December 1979, \$8.95 (cloth, \$17.50). Publisher: Oelgeschlager, Gunn & Hain, Inc.

#### **With the Nation Watching**

This report suggests that televised presidential debates by the leading contenders for the nation's highest office be a "regular and customary feature" of presidential campaigns. To that end, the Task Force, composed of Americans in broadcasting, journalism, politics, and public affairs—urges immediate action on the organization, financing, and format of the debates. In each of these areas, the Task Force arrived at specific policy recommendations based on its deliberations, the information provided by the detailed background paper written by Lee M. Mitchell, and interviews with a variety of guest witnesses. The Task Force, chaired by Douglass Cater, a senior fellow of the Aspen Institute and president of Observer International, also offers a blueprint for exploiting the potential of television in future campaigns. 120 pages, June 1979, \$5.95 (cloth, \$12.95). Publisher: Lexington Books/D. C. Heath and Company.

#### **A Free and Balanced Flow**

In early 1978, a group of distinguished journalists and communications experts was brought together by the Twentieth Century Fund to examine the dispute over the imbalance in the flow of information between developed and developing nations. Headed by Francoise Giroud, former French minister of culture, the Task Force held a series of meetings, here and abroad, listened to the views of guest witnesses, and then assessed the charges and countercharges over imbalances in the flow of information and threats to freedom of the press. The report of the Task Force presents the recommendations of this distinguished group and calls for an independent body to monitor efforts to deal with the dispute. 77 pages, December 1978, \$5.75 (cloth, \$12.50). Publisher: Lexington Books/D. C. Heath and Company.

#### **Winner Take All**

Since the beginning of the Republic, the electoral college has been the subject of controversy. An ingenious compromise, it was devised to be acceptable to both advocates of direct popular election and those of congressional election of the president. The Task Force, a bipartisan group including both supporters and critics, has evaluated the present electoral system and various proposed alternatives and has arrived at a totally new approach to the presidential election process—the national bonus plan. 82 pages, August 1978, \$9.00 (cloth, \$16.50). Available from the Twentieth Century Fund.

#### **Confronting Youth Crime**

This report confronts the dilemma of protecting and nurturing the young while deterring youth crime and addresses the problems of the transition from juvenile to criminal court. In its recommendations, the Task Force sets forth the basic outlines of a coherent and just sentencing policy. 120 pages, April 1978, \$7.50 (cloth, \$16.50). Publisher: Holmes & Meier Publishers.

#### **The Raised Curtain**

The report makes recommendations for U.S. policy regarding present and future exchange agreements and their implementation and explores ways of improving the access to research material by U.S. scholars participating in Soviet-American exchange programs. 101 pages, August 1977, \$3.00. Publisher: Twentieth Century Fund.

#### **Those Who Served**

This Task Force report recommends maintenance of existing special programs for veterans until general social welfare measures, such as Social Security, a national medical program, and other services, provide equal or better benefits. It calls on the federal government to provide employment for all Vietnam-era veterans who are willing to work but cannot find jobs. 134 pages, December 1974, \$3.00. Publisher: Kraus Reprint Company.

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### **Easy Money**

This Task Force report examines the increasing resort to legalized gambling by state and local governments as a means of increasing revenue and combating organized crime. Concluding that the major benefits claimed for legalized gambling are illusory, the report states that legal gambling cannot be counted on either to raise public revenues or to reduce organized crime. 88 pages, November 1974, \$5.00. Publisher: Kraus Reprint Company.

### **The Rating Game**

This Task Force report recommends the establishment of an independent nonprofit information center to compile and publish reports on the fiscal conditions of state and local government borrowers. The accompanying background paper provides a comprehensive survey of the tax-exempt market. 161 pages, April 1974, \$7.00. Publisher: Kraus Reprint Company.

### **A Free and Responsive Press**

This Task Force report urges the establishment of an independent National News Council to hear complaints from the press and the public on questions of accuracy, fairness, access, and government interference, as well as to study and report on issues involving freedom of the press. The background paper traces the development of the British Press Council and of state and local press councils in the United States. 88 pages, February 1973, \$8.00. Publisher: Kraus Reprint Company.

### **Press Freedoms Under Pressure**

This Task Force report examines government pressure against the press through subpoenas, censorship, and legislation. The background paper provides a survey of various forms of such pressure. The appendixes present a list of state shield laws currently in effect, the Department of Justice guidelines for subpoenas to the news media, and Supreme Court opinions in the Pentagon Papers case. 192 pages, May 1972, \$8.00. Publisher: Kraus Reprint Company.

### **Fund Papers in Print and Forthcoming**

#### **The Costa Rican Laboratory**

By Sol W. Sanders, a Twentieth Century Fund Paper. Most of the attention given the continuing international debt crisis has focused on the major debtor countries. Yet many other countries have been hard hit. In this paper, part of the Fund's continuing series on international debt problems, Sanders focuses on the debt of a single small country, Costa Rica, which, in per capita terms, probably has the biggest debt problem in Latin America. He examines how Costa Rica, long considered a "model democracy," managed to get into such financial straits; what can be done to assure that responsibility for financial excesses are shared equitably; and how such excesses can be avoided in the future. 74 pages, forthcoming, April 1986, \$7.00. Publisher: Priority Press Publications.

#### **A Matter of Choice: A Critique of Comparable Worth by a Skeptical Feminist**

By Jennifer Roback, a Twentieth Century Fund Paper. The idea of comparable worth—that is, comparable pay for different but comparable jobs—has become an increasingly political issue. The women's movement, its most ardent advocate, has focused its campaign for comparable worth on the gap between wages paid for jobs traditionally held by men and wages paid for jobs traditional-

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ly held by women, arguing that this gap demonstrates the continuing discrimination in our society. Roback, a feminist who is a research associate at the Center for the Study of Public Choice at George Mason University, contends that acceptance of comparable worth will only delay the full integration of women into all sectors of the economy. 53 pages, forthcoming, March 1986, \$7.00. Publisher: Priority Press Publications.

#### **The African Burden**

By Rupert Pennant-Rea, a Twentieth Century Fund Paper. The entire developing world has been hard hit by the international debt crisis, yet little attention has focused on the heavy debt burden in Africa, which contains many of the world's poorest countries. As part of a series on international debt problems, Pennant-Rea, editor of *The Economist*, examines the unique characteristics of Africa's economic problems and explores remedies that will enable Africa to ease the burden of its indebtedness and to increase economic growth. 55 pages, forthcoming, January 1986, \$7.00. Publisher: Priority Press Publications.

#### **A Quiet Broker?**

##### **A Way Out of the Irish Conflict**

By William V. Shannon, a Twentieth Century Fund Paper. In this impartial and succinct analysis of the problems in Northern Ireland, Shannon reveals the roots of the hostilities that fester there and that have for so long caused such wrenching violence, explains

the enduring continuation of the embittered quarrel that has cost thousands of lives, assesses the many attempts to resolve the conflict, and makes specific recommendations for a political resolution—including a possible role for the United States. 52 pages, March 1985, \$7.00. Publisher: Priority Press Publications.

#### **Spiked: The Short Life and Death of the National News Council**

By Patrick Brogan, a Twentieth Century Fund Paper. In 1973, an independent Twentieth Century Fund Task Force called for the establishment of a private organization that would give the public a forum for airing its grievances about unfair and inaccurate reporting by the media and that would protect the media from threats to its independence. In this no-holds-barred account, Brogan chronicles the history of the National News Council, set up to achieve those objectives, revealing in detail its game but losing struggle to establish itself, the work it accomplished, and the causes of its demise. 129 pages, February 1985, \$8.00. Publisher: Priority Press Publications.

#### **The Costs of Default**

By Anatole Kaletsky, a Twentieth Century Fund Paper. Although debtor nations have so far managed to avoid outright default through rescheduling arrangements, Kaletsky, of London's *Financial Times*, contends that the internal sacrifices required may prove intolerable and that some form of

default by one or more borrowers is highly likely. Stressing the fragility of the economic and political underpinnings of current adjustment programs, the genuine risk that default will occur, and the need for governments and banks to share in the burden of debt relief, he proposes options for a cooperative solution to the debt crisis. 116 pages, January 1985, \$7.00. Publisher: Priority Press Publications.

#### **The Debt of Nations**

By M. S. Mendelsohn, a Twentieth Century Fund Paper. In this first in a series of Fund Papers analyzing the international debt problem, Mendelsohn, a British financial writer who is a consultant to the World Bank, disagrees with those who place blame for the huge debts incurred by Third World nations on irresponsible governments and negligent lending institutions. Claiming that the current situation is a natural outgrowth of prevailing market forces—in which risk is a primary ingredient—he argues that the threat of a worldwide collapse caused by default by one or more of the heavily indebted developing nations is exaggerated and can be averted. 67 pages, September 1984, \$7.00. Publisher: Priority Press Publications.

#### **Beyond Debate**

By Joel L. Swerdlow, a Twentieth Century Fund Paper. Tens of millions of television viewers watched the 1976 and 1980 presidential debates. According to most surveys,

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such debates have a unique ability to interest citizens in politics and government. Swerdlow, a journalist specializing in politics and the media, reviews the 1960, 1976, and 1980 debates; explores why debates did not take place in 1964, 1968, and 1972; examines the impediments to televised debates; analyzes participation of third-party and independent candidates; and assesses the incentives that might be created to encourage major party candidates to participate. He also evaluates ways to improve the organization, sponsorship, and format of televised presidential debates as well as how to ensure that they will be a regular feature of presidential campaigns. 89 pages, February 1984, \$6.00. Publisher: Twentieth Century Fund.

## Other Books in Print

### **Pensions:**

#### **The Hidden Costs of Public Safety**

By Robert M. Fogelson. Firemen's and policemen's pension systems, which are in serious fiscal trouble, are putting a severe financial strain on big cities across the nation. Fire and police pension rolls have grown tremendously, pension payrolls have soared, and, despite all the money the cities have poured into these systems, a massive buildup of deficits has taken place. To pay these pension bills, cities may have to raise property taxes, defer capital improvements, reduce the municipal work force, and cut back on vital services. Fogelson investigates how police and fire pension systems got into such serious trouble, reveals why efforts to solve the problem have failed, and evaluates proposals for reform. 248 pages, August 1984, \$25.00. Publisher: Columbia University Press.

#### **Excellence & Equity: The National Endowment for the Humanities**

By Stephen Miller. From its founding in 1965, the National Endowment for the Humanities (NEH) has supported scholarly research as well as educational and public programs in the humanities. While its budget grew dramatically over the years, so did tensions and criticism over its handling of this dual mandate. Miller, a former NEH staff member, assesses how NEH's "identity problem" has affected its development and ac-

complishments and makes recommendations for restructuring the NEH, for revising its review procedures, and for improving the process by which its chairman is selected. 192 pages, May 1984, \$15.00. Publisher: University Press of Kentucky.

#### **The Public Library in the 1980s: The Problems of Choice**

By Lawrence J. White. Many public libraries are closing; others are finding funding in short supply and in danger of disappearing altogether. Even though only a relatively small portion of the public makes use of libraries, most Americans think of the public library as a significant cultural institution. White, a professor of economics at New York University, addresses the dilemma, offering recommendations to strengthen the finances of libraries. The author's proposed solutions to the serious and long-term problems facing libraries include a discussion of the possible uses of new technology. 208 pages, February 1983, \$22.95. Publisher: Lexington Books/D. C. Heath and Company.

#### **Reforming the Reforms: A Critical Analysis of the Presidential Selection Process**

By James W. Ceaser. Almost two decades have passed since the Democratic convention was rocked by demands for new presidential nominating procedures. Reforms have been carried out that attempt to weaken the power of traditional party leaders, foster rank-and-file participation in the candidate

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selection process, and reduce the influence of special interest groups. Today, the number of states holding primaries has doubled, delegates are more closely bound to a national candidate, and public financing exposes backroom deals and encourages participation by candidates who are not wealthy. Ceaser thoroughly covers the role of the parties and their primaries and conventions, both historically and under the new revisions. 201 pages, February 1982, \$16.00. Publisher: Ballinger Publishing Company.

**The Role of Economic Advisers in Developing Countries**

By Lauchlin Currie. If they are to accelerate the pace of growth in the developing countries, foreign economic advisers must influence the policymakers who can act on their advice. Currie, who led the first World Bank mission to Colombia in 1949 and who has subsequently served as a resident economic adviser to that country, examines the performance of many of the foreign missions to Colombia over the past thirty years and shows why so much of their advice was inappropriate and makes recommendations for improving the content and influence of advice. 270 pages, December 1981, \$27.50. Publisher: Greenwood Press.

**The International Labor Organization: An American View**

By Walter Galenson. This work presents an insider's view of the International Labor Organization (ILO), from which the United

States had withdrawn in protest in 1977 and later rejoined in 1980. The source of conflict, the author argues, arises not from the day-to-day operations of the ILO but from its tripartite structure. The book examines why the United States perceived conditions as sufficiently changed to warrant its rejoining and presents recommendations for the appropriate U.S. role in the ILO during this second phase of U.S. participation. 351 pages, May 1981, \$21.50 (paper, \$7.75). Publisher: University of Wisconsin Press.

**The Politics of Land-Use Reform**

By Frank J. Popper. This book examines the land-use reform movement that arose in the late 1960s—one of the major currents in recent American political history. In a highly readable combination of sophisticated policy analysis and on-the-ground realism, the author evaluates the movement, tracing its origins, course, and results, and points out the lessons to be learned from it. Using a case-study approach, the author focuses on the land-use programs of six states with strong innovative reforms. 321 pages, March 1981, \$20.00 (paper, \$7.50). Publisher: University of Wisconsin Press.

**Up Against Apartheid: The Role and the Plight of the Press in South Africa**

By Richard Pollak. This is a firsthand report on the English-language press's battle against the Nationalist's policy of apartheid. The techniques employed by the South African government to exert control and the

efforts of the press to resist are documented in the examination of the one institution that remains relatively free to criticize the Afrikaner government. Portions of the Erasmus Commission reports that document the scandalous propaganda efforts of the South African government—never before published in the United States—are included. 157 pages, March 1981, \$12.95. Publisher: Southern Illinois University Press.

**Domestic Intelligence: Monitoring Dissent in America**

By Richard E. Morgan. This book examines the tension between the need to protect privacy and political dissent and the need for the government to protect the community. In the aftermath of Watergate, the revelation of serious abuses created distrust of virtually all domestic intelligence activity and led to vigorous efforts at reform. The ABSCAM and BRILAB operations placed the FBI once again in the public eye. The author concludes that intelligence operations aimed at anticipating criminal activity are necessary in a complex, highly vulnerable society, but emphasizes that they can be conducted responsibly with appropriate guidelines and oversight mechanisms. 194 pages, October 1980, \$13.95 (paper, \$6.95). Publisher: University of Texas Press.

**Housing the Poor: The Case for Heroism**

By Alexander Polikoff. This book describes how law and public policy helped fashion the racially and economically segregated resi-

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dential pattern that today characterizes most of our major metropolitan areas as well as explains why neither the courts nor local governments can be relied upon to confront this "apartheid" condition effectively. It then develops the argument for "heroism"—a federal housing dispersal policy to provide realistic housing opportunities for the poor in middle-class neighborhoods. 216 pages, March 1978, \$15.00. Publisher: Ballinger Publishing Company.

**The "Dollar Drain" and American Forces in Germany: Managing the Political Economics of Alliance**

By Gregory F. Treverton. This is a case study of a long-standing problem clouding relations between the United States and the Federal Republic of Germany—the issue of "offset," or the financial concessions made by West Germany in connection with the stationing of U.S. troops on West German soil. On the basis of extensive interviews with participants, the author analyzes the varying interests and points of view that governed the actions of politicians and bureaucrats in both countries. 226 pages, February 1978, \$12.00. Publisher: Ohio University Press.

**Top Secret: National Security and the Right to Know**

By Morton H. Halperin and Daniel N. Hoffman. The authors of this work present a critique of recent abuses in the intelligence field. They have also constructed a blueprint for reform of America's use of executive

secrecy. They argue that secrecy has been neither a rare nor a benign phenomenon, that the executive branch has made secrecy an essential part of its modus operandi, and that fundamental and structural changes are needed to foster greater respect for First Amendment values. 158 pages, September 1977, \$8.95 (paper, \$3.95). Publisher: New Republic Books.

**Political Money: A Strategy for Campaign Financing in America**

By David W. Adamany and George E. Agree. Arguing that the existing methods of financing political campaigns are inconsistent with democratic ideals, the authors advocate the use of a campaign finance voucher system involving citizen participation as a basis for flat and proportional grants to candidates for a range of public offices. 242 pages, March 1975, \$17.50 (paper, \$5.95). Publisher: Johns Hopkins University Press.

**Energy: The New Era**

By S. David Freeman. A comprehensive guide through the maze of information and misinformation surrounding the energy crisis, this book offers a clear explanation of how the crisis developed and what should be done about it. 386 pages, May 1974, \$14.50 (paper, \$2.45). Publisher: Walker and Company (Vintage Books).

**Planning and Budgeting in Poor Countries**

By Naomi Caiden and Aaron Wildavsky. This book is a critical examination of the plan-

ning and budgeting processes of governments of poor countries throughout the world, recommending reforms to make the most of limited resources. 371 pages, February 1974, \$35.95. Publisher: Wiley-Interscience.

## TASK FORCE MEMBERS

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### TASK FORCE ON THE MILITARY AND THE MEDIA (1984)

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Partner, Paul, Weiss, Rifkind, Wharton & Garrison, New York

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Defense Correspondent, the *Baltimore Sun*

**Shelby Foote**  
Author, South Memphis, Tennessee

**Edward M. Fouhy**  
Executive Producer, NBC Network News, Washington, D.C.

**Jerry Friedheim**  
Executive Vice President, American Newspaper Publishers Association, Reston, Virginia

**Roswell Gilpatric**  
Partner, Cravath, Swaine & Moore, New York; former Deputy Secretary of Defense

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National Correspondent, MacNeil-Lehrer News Hour, New York

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Eaton Professor of the Science of Government and Director, Center for International Affairs, Harvard University

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**Colonel Harry G. Summers, Jr.**  
General Douglas MacArthur Chair of Military Research, Army War College, Carlisle Barracks, Pennsylvania

**Craig R. Whitney**  
Assistant Managing Editor, *The New York Times*

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**Peter Braestrup**, *rapporteur*  
Editor, *Wilson Quarterly*

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Retired Partner, Ross & Hardies, Chicago; Professor of Law, Duke University

**Allan B. Jacobs**  
Professor of City and Regional Planning, University of California, Berkeley

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President, Preservation Action, Washington, D.C.

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Executive Vice President, Enterprise Development Company, Columbia, Maryland; former Chairman and Chief Executive



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State Historic Preservation Officer, Department of Community Affairs, Providence, Rhode Island

**John E. Zuccotti**

Partner, Tufo & Zuccotti, New York

**David Listokin, rapporteur**

Professor, Center for Urban Policy Research, Rutgers University

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Topping Professor of Law, Medicine and Public Policy, University of Southern California

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Professor of Sociology, Princeton University

**John Sweeney**

President, Service Employees International Union, Washington, D.C.

**Bruce C. Vladeck**

President, United Hospital Fund, New York

**Jonathan Weiner**

Principal, McKinsey & Company, Inc., New York

**Nicholas T. Zervas, M.D.**

Professor of Surgery, Harvard Medical School; Chief of the Neurosurgical Service, Massachusetts General Hospital, Boston

**Andrew Tobias, rapporteur**

Financial journalist; author of *The Invisible Bankers*

## GRANTS

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The Fund, a private operating foundation under the Tax Reform Act of 1969, devotes its income to its own program of public policy research. The Board of Trustees has exercised the Fund's limited discretion to make grants solely to demonstrate the Fund's responsibilities to the community or in connection with its own research activity.

### **New York City**

In 1985, the Fund made an unrestricted voluntary payment of \$25,000 to the City of New York in recognition of the municipal services—police and fire protection and garbage disposal—that it receives free of charge as a tax-exempt property owner. As the eighteenth annual voluntary payment to the city, the gift brings the total contribution to the city to \$326,500. The first payment, made in 1967, was for \$10,000, and increases have been made from time to time to take account of inflation.

## HEADQUARTERS STAFF

M. J. Rossant, *Director*  
Marcia Bystryn, *Assistant Director*  
Beverly Goldberg, *Assistant Director*  
Wendy Mercer, *Controller*

Loretta Ahlrich  
Stephen Andors  
Rashida Barry  
Evelyn Bonet  
Ronald Chernow  
Glenn Edwards  
Diane Englander  
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Hugo Fosco  
Nettie Gerduk  
Pamela Gilfond  
Jeffrey Laurenti  
Scott McConnell  
Marlene McHugh  
Cameron Munter  
Gary Nickerson  
Victor Rodriguez  
Beth Stern

*Consultants*  
Theodore Draper  
Robert F. Wagner, Jr.

# AUDITORS' REPORT

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**To the Board of Trustees of  
Twentieth Century Fund, Inc.:**

We have examined the balance sheets of Twentieth Century Fund, Inc. (a Massachusetts not-for-profit corporation) as of June 30, 1985 and 1984 and the related statements of revenue, expenses, and changes in fund balance for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Twentieth Century Fund, Inc. as of June 30, 1985 and 1984 and the results of its operations and the changes in its fund balance for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The data contained on pages 53 to 59 inclusive are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our examinations of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

New York, NY  
August 14, 1985

Arthur Andersen & Co.

Twentieth Century Fund, Inc.

**Balance Sheets**

June 30, 1985 and 1984

	1985	1984
<b>Assets</b>		
Cash	\$ 69,616	\$ 67,230
Accrued interest and dividends receivable	281,390	316,729
Accounts receivable and prepaid expenses	1,300	6,992
Investments, at cost (quoted market of \$38,492,287 and \$33,859,826)	36,317,110	26,711,720
Fixed assets, at cost, net of accumulated depreciation of \$345,951 and \$360,908 (Note 2)	351,195	387,531
<b>Total Assets</b>	<b>\$ 37,020,611</b>	<b>\$27,490,202</b>
<b>Liabilities and Fund Balance</b>		
<i>Liabilities:</i>		
Accounts payable and accrued expenses	\$ 28,531	\$ 70,620
Federal excise tax payable	223,111	75,375
<b>Total Liabilities</b>	<b>\$ 251,642</b>	<b>\$ 145,995</b>
<i>Fund Balance:</i>		
Net outstanding project commitments	\$ 2,172,505	\$ 1,832,924
Net investment in fixed assets	351,195	387,531
Available for investment and future projects	34,245,269	25,123,752
<b>Total Fund Balance</b>	<b>\$ 36,768,969</b>	<b>\$27,344,207</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 37,020,611</b>	<b>\$27,490,202</b>

*The accompanying notes to financial statements are an integral part of these statements.*

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Twentieth Century Fund, Inc.

**Statements of Revenue, Expenses, and Changes in Fund Balance**

For the years ended June 30, 1985 and 1984

	1985	1984
<b>Revenue</b>		
Interest	\$ 1,797,712	\$ 1,283,186
Dividends	782,006	943,355
Royalties on sale of publications	26,346	26,003
Task Force publication sales	15,906	32,070
Other	14,477	5,810
Total Revenue	<b>\$ 2,636,447</b>	<b>\$ 2,290,424</b>
<b>Expenses</b>		
<i>Operations:</i>		
Program	\$ 1,552,178	\$ 1,412,252
Publishing	211,342	391,542
Administration	541,992	540,599
Total Operations	<b>\$ 2,305,512</b>	<b>\$ 2,344,393</b>
<i>Government payments:</i>		
Federal excise tax	217,937	70,216
Payment to New York City in recognition of municipal services	25,000	25,000
Total Expenses	<b>\$ 2,548,449</b>	<b>\$ 2,439,609</b>
<b>Changes in Fund Balance</b>		
Net excess (deficiency) of revenue from operations over expenses	\$ 87,998	\$ (149,185)
Realized net gain on investment transactions	9,336,764	1,495,851
Increase in Fund Balance	9,424,762	1,346,666
Fund Balance, beginning of year	27,344,207	25,997,541
Fund Balance, end of year	<b>\$ 36,768,969</b>	<b>\$27,344,207</b>

*The accompanying notes to financial statements are an integral part of these statements.*

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Twentieth Century Fund, Inc.  
**Notes to Financial Statements**  
For the years ended June 30, 1985 and 1984

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**(1) Accounting policies**

Research projects:

The cost of research projects is recognized as incurred. Unexpended appropriations for projects in process at year-end are reported as reservations of the fund balance.

Investments:

Investments are carried at lower of aggregate cost or market. Gains and losses on sales of investments are determined on a first-in, first-out basis. Interest income is accrued as earned. Dividend income is recorded as of declaration date.

Tax status:

Twentieth Century Fund is a research foundation engaged in the study of cultural, economic, and social issues and institutions. The United States Treasury Department has advised that the Fund is considered a private foundation, as defined in sections 501(c)(3) and 509(a) of the Internal Revenue Code, and a private operating foundation as defined in Internal Revenue Code section 4942(j)(3). This classification results in an exemption from federal income taxes pursuant to Internal Revenue Code section 501(a).

**(2) Fixed asset accounting**

Major fixed asset additions are capitalized and depreciated using the straight-line method over their estimated useful lives. Fixed assets and the related accumulated depreciation at June 30, 1985, are summarized as follows:

	Cost	Accumulated Depreciation	Estimated Useful Lives
Land	\$125,000	\$ —	
Building	175,000	124,687	40 years
Building Improvements	278,686	173,064	40 years
Equipment	118,460	48,200	7 years
Total Cost and Depreciation	\$697,146	\$345,951	

**(3) Employee benefits**

Retirement benefits for substantially all employees are provided through defined contributions by the Fund for the purchase of individual annuity contracts with Teachers Insurance and Annuity Association and College Retirement Equities Fund. The cost of the plan, which is funded currently, approximated \$57,000 and \$52,000 for the years ended June 30, 1985 and 1984, respectively. There is no unfunded prior service cost as of June 30, 1985.

Twentieth Century Fund, Inc.

**Statement of Operating Expenses by Function**

For the year ended June 30, 1985, with

Comparative Totals for 1984

Schedule 1

Expenses	Program	Publishing	Administration	Schedule 1	
				1985	1984
				Total	Total
<i>Direct Expenses:</i>					
Salaries, consultant fees, and travel	\$710,115	\$ —	\$ —	\$710,115	\$612,929
National News Council	—	—	—	—	85,214
Publications, printing	—	59,284	—	59,284	90,854
Annual Report, clipping services	—	—	24,407	24,407	33,759
Newsletter, press conferences	—	38,962	—	38,962	90,068
<i>Headquarters' Expenses:</i>					
Salaries and related costs	565,452	84,198	299,777	949,427	846,328
Office equipment and supplies	46,488	5,350	16,958	68,796	66,010
Maintenance of building	63,021	9,743	30,888	103,652	87,883
Option management fees	—	—	49,920	49,920	100,000
Professional fees	—	—	75,074	75,074	48,723
Meetings and conferences	74,951	4,810	16,457	96,218	144,909
Telephone and postage	29,053	4,492	14,240	47,785	49,837
Depreciation	22,092	3,416	10,828	36,336	32,610
Other	41,006	1,087	3,443	45,536	55,269
<b>Total Operating Expenses</b>	<b>\$1,552,178</b>	<b>\$211,342</b>	<b>\$541,992</b>	<b>\$2,305,512</b>	<b>\$2,344,393</b>

Twentieth Century Fund, Inc.  
**Statement of Project Appropriations**  
For the year ended June 30, 1985

Schedule 2

Title of Project and Project Director	Total Project Appropriation	Unexpended Balance June 30, 1984	Activity for the Year		Unexpended Balance June 30, 1985
			Net Appropriations	Expenses	
<i>Accountability in the New Health Care System</i> , B. H. Gray	\$92,500	\$ —	\$92,500	\$ —	\$92,500
<i>American Policy Toward East Asia</i> , R. L. Sneider	95,500	—	95,500	—	95,500
<i>American Trade Policymaking System</i> , I. M. Destler	91,650	46,583	—	16,898	29,685
<i>Availability of Nonfuel Minerals</i> , R. F. Mikesell	62,500	28,112	—	8,894	19,218
<i>Capital Requirements and the Future of the City</i> , G. S. Tolley	101,967	27,570	(27,570)	—	—
<i>Conflicts of Interest in the Arts</i> , Task Force	25,000	24,500	—	—	24,500
<i>Contemporary Emigration Policies</i> , A. Dowty	82,700	51,315	—	29,115	22,200
<i>Crisis of Multilateralism</i> , J. G. Ruggie	99,000	—	99,000	—	99,000
<i>Development Planning</i> , R. Weitz	91,500	7,500	—	7,500	—
<i>Direct Democracy in America</i> , T. E. Cronin	86,750	46,175	—	9,671	36,504
<i>Domestic Youth Unemployment</i> , M. L. Wachter	93,415	16,989	—	—	16,989
<i>Effect of Congressional Oversight on Social Regulation</i> , C. H. Foreman	67,750	60,946	—	33,659	27,287
<i>Federal Power and Electoral Rights</i> , A. Thornstrom	75,800	31,266	—	10,582	20,684
<i>Future of Banking in the United States</i> , J. L. Pierce	115,500	—	115,500	12,043	103,457
<i>Future of Cities</i> , R. F. Wagner, Jr.	85,750	—	85,750	8,207	77,543
<i>Future of Social Security</i> , W. A. Achenbaum	73,250	28,989	—	2,130	26,859
<i>Historic Preservation</i> , Task Force	30,500	28,830	36,177	65,007	—
<i>Immigration Reform from an Urban Perspective</i> , T. Muller	90,300	—	90,300	18,734	71,566
<i>Income Redistribution Policy</i> , R. H. Haveman	110,500	—	110,500	—	110,500
<i>Industrial Policy Debate in the United States</i> , O. L. Graham	67,000	42,201	—	10,728	31,473
<i>International Communications Development in the 1980's</i> , R. L. Stevenson	79,500	20,075	—	7,597	12,478
<i>International Debt and Default</i> , Task Force	46,000	35,516	—	8,341	27,175
<i>Investment Banking in the American Securities Markets</i> , J. Brooks	93,000	93,000	—	36,623	56,377
<i>Law Enforcement Policy Toward Organized Crime</i> , J. B. Rubinstein	98,200	60,700	(64,700)	(4,000)	—
<i>Medical Malpractice</i> , Task Force	46,500	—	46,500	—	46,500
<i>Metropolitan News Media and Urban Policy</i> , P. C. Kaniss	75,250	40,501	—	1,768	38,733
<i>Metropolitan Segregation</i> , G. Orfield	74,300	34,135	—	8,026	26,109



Twentieth Century Fund, Inc.

**Statement of Project Appropriations, continued**

For the year ended June 30, 1985

Schedule 2

Title of Project and Project Director	Total Project Appropriation	Unexpended Balance June 30, 1984	Activity for the Year		Unexpended Balance June 30, 1985
			Net Appropriations	Expenses	
<i>Military Manpower Policy</i> , D. R. Segal	88,200	33,772	—	5,311	28,461
<i>Military and the Press</i> , Task Force	39,500	31,500	7,975	39,475	—
<i>National Retirement Policies</i> , M. J. Boskin	85,000	25,502	—	6,600	18,902
<i>National Service in America</i> , C. C. Moskos	83,400	46,195	—	12,810	33,385
<i>New American Health Care System</i> , D. W. Light	84,700	—	84,700	9,762	74,938
<i>New U. S. Policy for the Atlantic Alliance</i> , D. P. Calleo	93,350	21,574	—	10,602	10,972
<i>News Media, the Government, and the Public</i> , R. M. Clurman	108,700	94,452	—	30,779	63,673
<i>Northern Ireland Problem</i> , Conference	10,000	—	10,000	9,145	855
<i>Not-for-Profit Sector in a Mixed Economy</i> , B. A. Weisbrod	115,500	48,441	—	6,764	41,677
<i>Police Undercover Work</i> , G. T. Marx	94,500	28,498	—	6,331	22,167
<i>Policy Research Institutions in the U.S.</i> , J. A. Smith	89,500	89,500	—	45,628	43,872
<i>Politics of Crisis Management in Biomedical Research</i> , S. Panem	110,000	110,000	—	55,964	54,036
<i>Politics of Urban Infrastructure</i> , H. T. Sanders	70,500	26,871	—	(2,030)	28,901
<i>Presidential Science Advising</i> , G. Herken	68,300	68,300	—	22,539	45,761
<i>Public Policy Toward Disability</i> , E. D. Berkowitz	81,500	45,354	—	10,934	34,420
<i>Reassessment of Germany's Role in the Atlantic Order</i> , J. Joffe	91,500	91,500	—	19,250	72,250
<i>Third World Demands in the Next Decade</i> , B. D. Nossiter	99,200	80,253	—	46,647	33,606
<i>U. S. Defense Policy</i> , E. N. Luttwak	120,000	—	120,000	—	120,000
<i>U. S. International Monetary Policy</i> , R. Z. Aliber	121,000	56,973	—	204	56,769
<i>U. S. and Latin America in the 1980's</i> , A. F. Lowenthal	78,900	45,236	(45,236)	—	—
<i>U.S.-Mexican Economic Relations</i> , S. Weintraub	98,800	—	98,800	—	98,800
<i>UNESCO and Its Future</i> , S. N. Singh	92,100	92,100	—	39,572	52,528
<i>United Nations and the Paralysis of Western Diplomacy</i> , R. Righter	94,000	—	94,000	6,731	87,269
<i>Worker Representation</i> , C. Heckscher	72,000	72,000	—	35,574	36,426
<b>Total Research Projects</b>	<b>\$4,241,732</b>	<b>\$1,832,924</b>	<b>\$1,049,696</b>	<b>\$710,115</b>	<b>\$2,172,505</b>

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Twentieth Century Fund, Inc.  
**Statement of Investments**  
June 30, 1985

Schedule 3

<b>Description</b>	<b>Cost</b>	<b>Market</b>
<b>Summary:</b>		
Short Term Paper	\$25,895,468	\$25,895,468
Notes	1,689,389	1,738,775
Bonds	6,205,959	7,018,356
Common Stock	2,526,294	3,839,688
Total Investments	\$36,317,110	\$38,492,287

Twentieth Century Fund, Inc.  
**Statement of Investments, continued**  
June 30, 1985

Schedule 3

Description	Principal Amount	Cost	Quoted Market
<b>Certificates of Deposit:</b>			
IDS Cash Reserve Certificate (a)	\$1,032,693	\$1,032,693	\$1,032,693
IDS Variable Term Certificate 7.98% 12/19/85	1,000,000	1,000,000	1,000,000
	<b>\$2,032,693</b>	<b>\$2,032,693</b>	<b>\$2,032,693</b>
<b>Money Market Funds (b):</b>			
Boston Company Cash Management Fund	\$1,525,422	\$1,525,422	\$1,525,422
Dreyfus Liquid Assets Inc.	1,569,332	1,569,332	1,569,332
Dreyfus Government Securities Series	1,543,475	1,543,475	1,543,475
IDS Cash Management Fund Inc.	1,133,864	1,133,864	1,133,864
Kemper Money Market Fund Inc.	1,563,254	1,563,254	1,563,254
T. Rowe Price Prime Reserve Fund	1,560,968	1,560,968	1,560,968
	<b>\$8,896,315</b>	<b>\$8,896,315</b>	<b>\$8,896,315</b>
<b>Promissory Notes:</b>			
American Express Credit Corp. 6.9% 7/19/85	\$375,000	\$375,000	\$375,000
American Express Credit Corp. 7.35% 7/3/85	850,000	850,000	850,000
American Express Credit Corp. 7.3% 7/5/85	275,000	275,000	275,000
Ford Motor Credit Co. 6.9% 7/19/85	1,500,000	1,500,000	1,500,000
General Electric Credit Corp. 7.25% 7/17/85	250,000	250,000	250,000
General Electric Credit Corp. 7.25% 7/29/85	525,000	525,000	525,000
General Motors Acceptance Corp. 7.45% 7/10/85	250,000	250,000	250,000
General Motors Acceptance Corp. 7.375% 7/15/85	400,000	400,000	400,000
General Motors Acceptance Corp. 7.45% 7/29/85	650,000	650,000	650,000
Household Finance Corp. 7.45% 7/29/85	1,500,000	1,500,000	1,500,000
Prudential Funding Corp. 7.4% 7/29/85	525,000	525,000	525,000
Prudential Funding Corp. 7.45% 7/29/85	975,000	975,000	975,000
Sears Roebuck Acceptance Corp. 6.875% 7/19/85	1,125,000	1,125,000	1,125,000
Sears Roebuck Acceptance Corp. 7.45% 7/29/85	375,000	375,000	375,000
Westinghouse Credit Corp. 6.9% 7/19/85	1,500,000	1,500,000	1,500,000
	<b>\$11,075,000</b>	<b>\$11,075,000</b>	<b>\$11,075,000</b>
<b>U.S. Government:</b>			
U.S. Treasury 7.22% 12/26/85	\$2,000,000	\$1,927,000	\$1,927,000
U.S. Treasury 7.03% 9/26/85	2,000,000	1,964,460	1,964,460
	<b>\$4,000,000</b>	<b>\$3,891,460</b>	<b>\$3,891,460</b>
Total Short Term Paper	\$26,004,008	\$25,895,468	\$25,895,468

(a) Interest rate declared quarterly. (b) Yields change daily.

Twentieth Century Fund, Inc.  
**Statement of Investments, continued**  
June 30, 1985

Schedule 3

Description	Principal Amount	Cost	Quoted Market
<b>Notes:</b>			
American Express Credit Corp. 11.5% 1989	\$250,000	\$249,603	\$262,150
American Express Credit Corp. 11.125% 1990	500,000	490,000	512,500
Amoco Corp. (c) 1989	250,000	250,625	250,625
Commercial Credit Co. 9.5% 1986	200,000	200,000	199,000
Commercial Credit Co. 15% 1987	200,000	200,000	214,500
General Motors Acceptance Corp. 10% 1985	200,000	200,000	200,000
K-Mart Corp. 9.875% 1985	100,000	99,161	100,000
<b>Total Notes</b>	<b>\$1,700,000</b>	<b>\$1,689,389</b>	<b>\$1,738,775</b>
<b>Bonds:</b>			
Bell Canada 14.5% 1991	\$200,000	\$199,000	\$225,000
CBS, Inc. 14.5% 1992	100,000	99,375	113,000
Central Hudson Gas & Electric 17.125% 1991	100,000	98,750	108,820
Cincinnati Bell Inc. 15% 1991	200,000	198,500	209,500
General Motors Acceptance Corp. 14.625% 1989	300,000	298,950	328,500
Imperial Oil Ltd. 15.5% 2011	200,000	200,000	240,000
Niagara Mohawk Power Co. 15.75% 1992	100,000	99,250	111,000
South Carolina Electric & Gas Co. 16% 2011	100,000	100,000	100,000
Superior Oil Co. 14.375% 1991	250,000	250,000	280,000
Tenneco Inc. 14.5% 1991	200,000	198,000	220,750
U.S. Treasury 10.75% 1990	400,000	313,875	414,748
U.S. Treasury 11.5% 1995	250,000	239,920	269,375
U.S. Treasury 11.875% 1993	250,000	247,266	270,857
U.S. Treasury 12.5% 1987	800,000	785,219	850,248
U.S. Treasury 13% 1990	800,000	781,844	897,000
U.S. Treasury 13.125% 1994	800,000	777,688	922,000
U.S. Treasury 13.25% 1988	250,000	249,375	273,905
U.S. Treasury 13.5% 1986	250,000	236,953	258,670
U.S. Treasury 13.75% 1987	250,000	247,344	272,733
U.S. Treasury 13.875% 1986	200,000	189,000	214,250
Upjohn Co. 14% 1991	200,000	198,250	219,000
Wells Fargo & Co. 14.5% 1991	200,000	197,400	219,000
<b>Total Bonds</b>	<b>\$6,400,000</b>	<b>\$6,205,959</b>	<b>\$7,018,356</b>

(c) Floating interest rate is based on U.S. Treasury Bill rate.

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Twentieth Century Fund, Inc.  
**Statement of Investments, continued**  
June 30, 1985

Schedule 3

<b>Description</b>	<b>Number of Shares</b>	<b>Cost</b>	<b>Quoted Market</b>
<b>Common Stocks:</b>			
Federated Department Stores, Inc.	21,000	\$1,052,599	\$1,338,750
General Electric Co.	6,700	386,241	414,563
International Business Machines Corp.	10,300	918,140	1,274,625
Union Pacific Corp.	17,000	169,314	811,750
Total Common Stocks		\$2,526,294	\$3,839,688

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