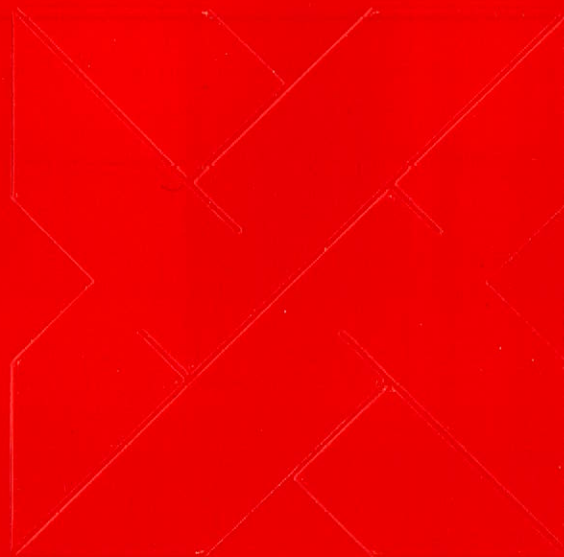


Annual Report 1979



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The Twentieth Century Fund Annual Report 1979

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.

The Twentieth Century Fund
41 East 70 Street
New York, New York 10021

Contents

4	Director's Report
7	Trustees and Officers
7	Investment Advisory Group
8	Introduction
10	Completed and Continuing Studies
10	Business, Economics, and Public Administration
13	Urban Problems and Social Issues
17	Politics and Communications
20	International Affairs
24	Publishing
25	Current Major Fund Studies, Reports, and Essays, Cloth Bound, in Print
26	Fund Studies, Reports, and Essays, Cloth Bound, in Print
27	Current Fund Paperbacks in Print
29	Books Issued by Other Publishers
31	Grants
31	Headquarters Staff
31	Task Force Members
33	Auditor's Report
34	Finances

Director's Report

Private foundations, like many American institutions and individuals, have been having a rough time these days. They have been buffeted by sustained inflation and beset by eroding values in the securities markets. A number of big foundations have been established in recent years, but the overall growth of foundations has slowed. Existing foundations, moreover, are spending more but having less of an impact, partly because they have been unable to keep pace with inflation, partly because other sources of funding, especially the federal government, have vastly increased their support to those areas that were traditionally supported by grants from foundations. Even if current economic and financial trends are moderated, it seems clear that foundations will find it difficult

to keep their role as a diverse and useful force in our society from diminishing.

Foundations have already retrenched over the past decade. In 1968, they made grants of \$1.5 billion; last year, their grants were approximately \$2.2 billion, which, after inflation is taken into account, represents a substantial decline. Similarly, while total foundation assets have increased from what they were ten years ago, the shrinkage in the purchasing power of the dollar has meant a reduction in real terms even after the accretion resulting from the creation of new foundations is taken into account. This poor showing is not solely the result of unfavorable economic developments and fumbling economic policies here and abroad—foundations have themselves contributed by the mediocre management of their endowments.

It is always hazardous to generalize about such a varied group of institutions; yet there is little doubt that foundations, large, medium, and small, have never before faced so uncertain a future. In the more stable past, they were generally able to meet the needs of grantees while preserving their capital even though they devoted relatively little attention to improving their investment performance. For the most part, they simply assumed that the rich would grow richer. There may still be validity in that adage, but not for most foundations.

Thus, foundations are faced with the difficult choice of reducing their current spending in real terms or of jeopardizing their future grant-making capacity. Whatever course is taken, those responsible for foundation policy must make a conscious choice. If they fail to do so, if they proceed on the well-intentioned assumption that they can maintain their current obligations and preserve their capital, they may be engaging in the unconscious and involuntary liquidation of foundation assets.

Many foundations have refused to read the handwriting on the wall. They continue to believe that much of their difficulties stem from government invasions of their tax-exempt status. Admittedly, foundation tax exemption is no longer sacrosanct, and there is no doubt that the current federal rule calling for a minimum 5 percent annual payout penalizes those foundations earning more than the minimum because they must then pay out the excess in grants. A proposal currently before Congress would fix the payout at 5 percent but would allow foundations earning more to accumulate the excess. This proposal would enhance the prospects for preserving capital. But given the current levels of both interest rates and inflation, so low a rate would probably bring too great a curtailment in present grants. It would be preferable to increase the payout rate to, say, 7.5 percent, in return for accumulating the excess, or else to set flexible payout rates that give foundations the incentive to improve the management of their endowments.

Whether or not the present regulations are modified, foundations should be paying much more attention to asset management. All too often, they have been prone to follow what is most fashionable in their investing. It was just over a decade ago that foundations belatedly discovered the vogue for equities, foregoing immediate returns for the potential of capital gains; many of them then suffered declines in capital as well as in income. More recently, many joined

the bandwagon of fixed income securities, which may well maintain their income but at the expense of reducing their capital base.

It seems to me that if foundations are to make a difference in our society, if they are to have the means to make various contributions to social and economic betterment through innovative or intellectual risk taking, they must also take investment risks. The assessment of risk is basic to the formulation of investment strategy. Traditionally, though, foundations have preferred to play it safe, following the crowd without realizing that doing so means they cannot do better than the crowd. Moreover, the crowd frequently panics, sometimes with catastrophic results. I do not think it prudent simply to follow fashion. On the contrary, the most prudent course may be to take calculated risks rather than to pursue what appears to be a safe investment strategy. In truth, there is no safe or riskless way to increase income and preserve capital.



Because foundation resources, even under more effective investment management, will be limited, those responsible for foundation programs must reexamine their spending policies. Obviously, they should be eliminating all those expenses that in more abundant times went for what seemed to be necessities but were only frills. They must go beyond needed economies and consider how the money available for grants can be best spent. The objective of such an exercise is not to make foundations conform to a more homogeneous pattern in their grantmaking, even if that were a realistic possibility. It is not. Foundations prize their independence and their remarkable variety in terms of funds, interests, operating procedures, competence, and degree of specialization. Generally speaking, they are much more singular in their programs than they have been in their investment policies, although they are frequently prone to the latest

vogue in their grants. But that does not mean that they can afford to go on doing what they have been doing in grantmaking. At the very least, they ought to be subjecting their program policies to the same sort of hard and disciplined thinking that must be brought to their investment decisions.

The vast majority of foundation grants have gone in one way or another to the so-called Third Sector—the staggering array of institutions whose only common characteristic is that they all operate on a not-for-profit basis. It is important, I think, for foundations to determine more precisely the financial needs of the Third Sector and perhaps to give their own support more selectively. Now that foundations are just one of the multiple sources of support for not-for-profit institutions, they should be asking themselves whether they should continue to make grants for new buildings or for endowments, or whether they should be thinking instead of funding research or special programs or new institutions. Because they no longer are in a position to do it all, foundations must make choices that are more than across-the-board reductions in their grants.

Undertaking a rigorous review may well lead foundations to return to what they do best rather than to create an increasing number of new programs designed to demonstrate their “responsiveness” and “relevance.” Or it could also lead to a realization that some existing pro-

grams should be terminated because their usefulness is over, thus increasing the amount available for new programs. A conscientious and thorough reevaluation will not only serve to redirect and revitalize foundation programs but also will make program administrators more aware of the new realities posed by the limits of foundation resources.

In the last analysis, foundations can do only so much, and their activity is largely dependent on using their income and capital more productively. It is not enough to focus simply on better investment management; better program management is just as critical. Foundations that strive for a greater appreciation of the roles that they can play will be in a position to cope with the challenges that lie ahead, avoiding the threat of involuntary liquidation in the process. Moreover, a foundation that consciously assesses its position and then decides that the better part of wisdom is to engage in a planned liquidation is far more virtuous, to itself and to its beneficiaries, than one which withers away because of a mismatch between its finances and its activities.



As one phase of our continuing investigation of the Third Sector, the Fund is thinking of embarking on a fresh study of foundations, their assets, their programs, their trustees, and their managements. Despite increased scrutiny and much improved reporting, the fact remains that there is surprisingly little in the way of concrete and comprehensive evidence about the behavior and performance of foundations. This lack of empirical data and the resulting subjectivity of judgment about foundations were affordable luxuries in a period of high growth and expanding assets (along with other resources available for the solution of social problems). But these favorable conditions have passed, and they are unlikely to recur in the short-term future. Thus, the need to assess foundation performance—in terms of

the distribution of grants among competing users and in terms of foundation management of limited resources—is now pressing.

At the same time, the Fund is continuing to review its own activity—its program of public policy research and the management of assets. During the last difficult decade, we have been fortunate to have the services of three investment advisors who have proved of invaluable help to the Finance Committee and to me. And as the following pages show, we are beginning to reap the benefits from the expanded research program that we embarked upon four years ago; a record number of Fund books are scheduled for publication over the next eighteen months.

M. J. Rossant

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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.

has only recently been recognized, as well as the Third World countries that have rejected the paternalism of the industrial West and seek a redistribution of global resources in their favor.

The policy innovations of the past decade—deregulation, zero-based budgeting, public participation, and nonintervention in foreign affairs—are not likely to be equal to—and may conceivably impede—the tasks of mobilizing resources, making tough decisions about their allocation, and protecting U.S. access to them abroad. Technological breakthroughs may eventually lift the limits on growth and eliminate the social problems that result from them. In the interim, however long the interim lasts, social and political adjustments will be essential.

The Twentieth Century Fund is looking for proposals for public policy research in each of its four areas of interest described below that address the problems created by slow growth, inflation, and limited resources. They should go beyond critiques of current programs and policies to seek imaginative solutions. The objectives of the Fund's research program are to assist private institutions in making the most of limited and even declining resources and to contribute to a strengthening of the political process and public institutions so that they can do more than arbitrate among competing private interests.

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 research directors, while providing them with professional assistance in presenting their findings and conclusions.

The research program currently comprises 53 projects directed by individual scholars under contract to the Fund. As a private operating foundation under the terms of 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.

Proposals are invited by the Fund in four broad areas: Business, Economics, and Public Administration; Urban Problems and Social Issues; Politics and Communications; and International Affairs. The project descriptions on the following pages indicate the range of the Fund's interests within these areas. Because the Fund stresses responsiveness to changing policy concerns, projects of merit outside its areas of concentration are not barred from consideration.

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, a few pages in length, describing a policy problem for investigation and presenting a research plan. Members of the staff work closely with applicants to develop preliminary proposals; full proposals—15 to 20 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 research 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 research director. Before the end of the first stage, the research 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 research director but asks him to assume some financial risk as an incentive for timely completion of an acceptable, publishable manuscript. The research director is compensated on a contingency basis for portions (usually thirds) of manuscript delivered and approved by the Fund. Written comments by the staff on all manuscript received are provided to the research director. These comments evaluate the author's presentation and the soundness and appropriateness of the supporting research. The research director is solely responsible for the accuracy of the evidence he presents, and has complete independence in drawing conclusions and setting forth recommendations.

An important aspect of the Fund's work is dissemination of the findings of the research it sponsors. Once an acceptable manuscript is complete, the Fund edits it and places it with an appropriate commercial or university publisher. Usually, the Fund holds press conferences to announce publication of books bearing its imprimatur and works with publishers to assure the widest possible readership for its books.

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

Completed and Continuing Studies

Business, Economics, and Public Administration

Control of the Large Corporation

Over the last few years, there has been renewed criticism about the extent of corporate power. Many groups claiming to be adversely affected by management decisions and unable to influence those decisions have asked whether there is or can be any effective social control over the large corporation. Edward S. Herman of the University of Pennsylvania's Wharton School has examined the history of the nation's two hundred largest corporations to determine who controls them, the basis for that control, and what degree of autonomy these controlling interests have. He analyzes the relationship between government and business and speculates on the possibilities of changes in their relationship. The manuscript is scheduled for submission to publishers early in 1980.

Financial Instability and the Strategy of Economic Policy

Inflation is now recognized as the most serious threat to the American economy, but controversy rages over how to cure it. Hyman P. Minsky of Washington University contributes to the debate by disputing the prevailing view that large-scale capital investment to improve productivity will reduce inflationary pressures. It is his contention that existing financial practices, which spurred postwar economic growth by facilitating capital investment, have also produced substantial rigidities in the financial sector, and that retrenchment in the form of restrictive monetary policy would precipitate a serious financial and economic crisis. His study, scheduled for completion in 1980, will recommend major restructuring of economic policies and institutions.

Future of Fiscal Federalism

Most states appear to have surmounted the fiscal difficulties of the early 1970s, some of them amassing substantial budget surpluses in the process. Richard C. Leone, former treasurer of the State of New Jersey, warns that the present prospect is for

renewed difficulties, which will melt surpluses. Tax burdens have approached the limits of acceptability, with taxpayers voting for tax cuts while demanding increased services. At the same time, sustained inflation has undermined congressional support for federal transfers to states and localities—the major source of intergovernmental assistance to the cities in the 1960s and 1970s. He predicts that the states, often accused of antiurban bias, will be responsive to the plight of cities but that they will be facing difficult economic and political choices in the allocation of resources. His project, which will recommend new arrangements among the federal government, states, and cities, is scheduled for completion in 1980.

Fiscal Health and Strain in American Cities

Although there have been a great many recent studies of the effects of federal policy on urban economic and fiscal problems, little systematic attention has been paid to the effects of local fiscal policies on those problems. Terry N. Clark of the University of Chicago has been analyzing extensive data on a sample of sixty-two cities to uncover the political determinants of local fiscal policy and the potential, given those political constraints, for leaders to fashion policies that will keep cities from experiencing fiscal strain. He intends to explore the various alternatives open to mayors, ranging from coalition-building to productivity drives. The study is scheduled for completion in early 1980.

The Enforcement Process in Social Regulation

A spate of new government agencies, empowered to regulate hiring, working conditions, product safety, pollution, and other requirements once the province of business managers, was established in the late 1960s. These agencies, the result of civil rights, consumer, and environmental movements, not only expanded the scope of regulation, but they also provided for stricter enforcement and more severe sanctions. Subsequently, numerous complaints have been voiced by the business communi-

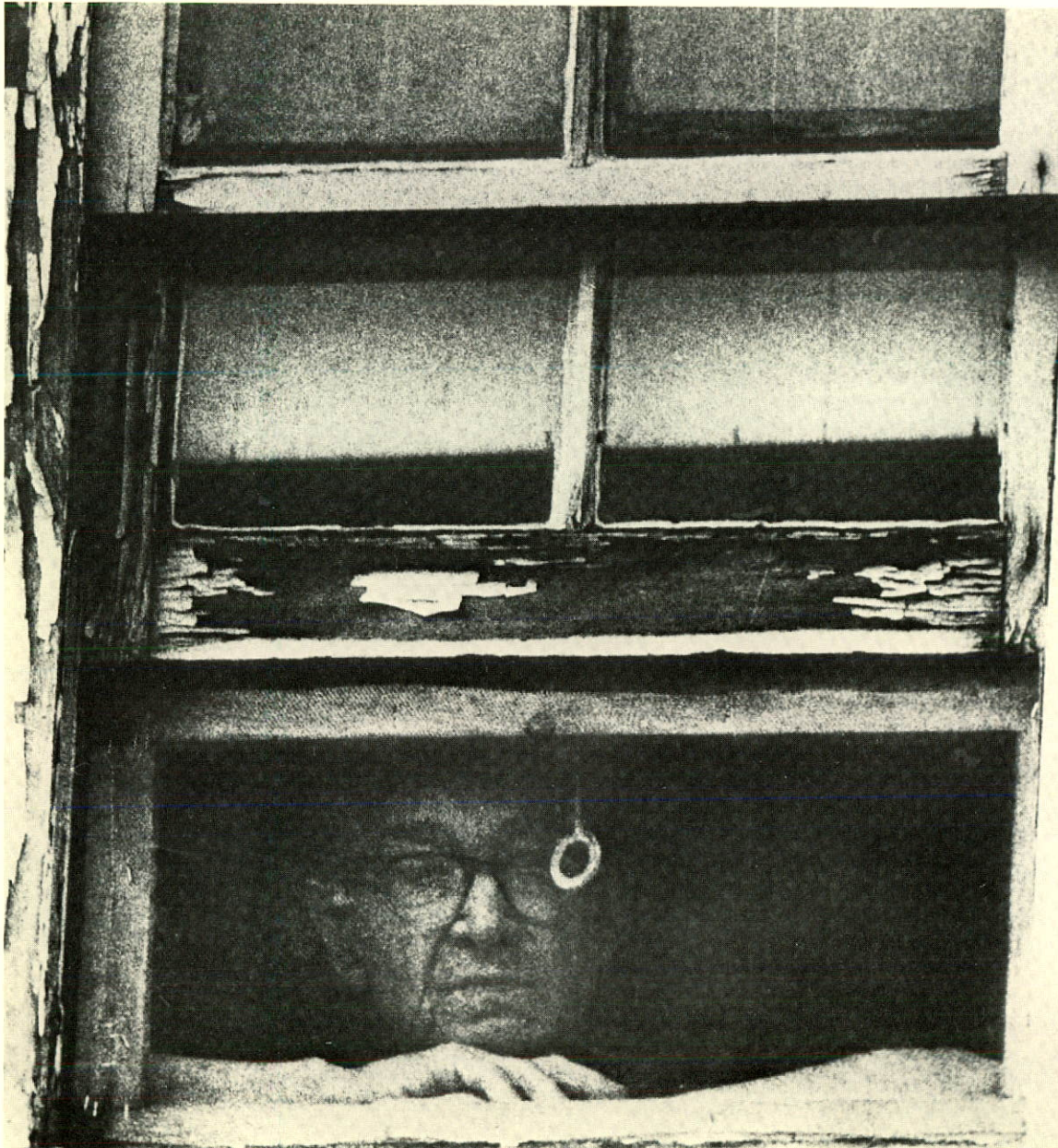
ty regarding the unnecessarily high costs of regulation. Eugene Bardach and Robert A. Kagan of the University of California at Berkeley, who have conducted detailed studies of the regulatory process, argue that the inflexible enforcement techniques mandated by the new statutes have rendered regulation more unreasonable and less effective. They believe that, although the threat of severe sanctions is an important enforcement tool, agencies must be given more discretion. They also call for greater use of such alternative regulatory techniques as disclosures and financial incentives. The study will be completed in early 1980.

The Politics of Land-Use Reform

The economic growth of the late 1960s and early 1970s and the resulting concern about its adverse effects provided a climate favorable to the passage of environmental legislation, including significant measures for regulation of state land use. After completing case studies of five exemplary state land-use programs, Frank J. Popper of the Environmental Law Institute concludes that the reform measures succeeded in subjecting large development projects to stricter environmental standards. At the same time, the bureaucratic delays and economic costs of land-use regulation stimulated political opposition that is likely to grow in the less favorable economic conditions now prevailing. His manuscript, which will be submitted to publishers in late 1979, recommends a strategy for land-use reform that avoids the deficiencies of the regulatory approach and appeals to the economic interests of a broader constituency.

Legal Institutions and Technological Change

As a result of the rapid development of ever-more-complex and hazardous technological products and processes, such as fission reactors and gene splicing, the courts and the administrative agencies charged with the regulation of such developments are confronting issues that may be beyond their competence. Joel Yellin, who was trained as a



physicist and is now a social scientist at the Massachusetts Institute of Technology, contends that traditional legal reasoning and procedures are not adequate to the task of assessing the scientific analysis on which decisions about the future effects of high technology should rest. By examining the court records of a number of environmental cases in order to identify the strengths and weaknesses of current procedures, he hopes to suggest institutional changes that will make the regulatory agencies more accountable. His study is scheduled for completion in the fall of 1980.

The Nursing Home Industry

After more than a decade of expansion made possible by an enormous influx of federal funds, the nursing home industry remains a disaster area. Racked by scandals, the industry has been charged with serving as the dumping ground for the nation's unwanted elderly. Bruce C. Vladeck, assistant commissioner of health in New Jersey, argues that inadequate care has been endemic to the industry and that even the best homes are undesirable places to live. But the real responsibility for the failure of the industry lies in the faulty conception of nursing home care and the flawed policy process that gave rise to its expansion. His study, which presents a new strategy for the care of the elderly, will be published by Basic Books in the spring of 1980.

Labor and the Performing Arts

Because the performing arts are labor intensive by their nature, personnel costs form a major part of production. With the advent of large-scale government funding, a new influence has been interjected into the collective bargaining that determines these labor costs. Thomas R. Brooks, a writer specializing in the field of labor, is evaluating public subsidies to see if they have increased the demands of unions and made for greater willingness on the part of performing arts institutions to grant concessions. He will consider the special labor conditions that



characterize so many of the performing arts—uncertainty of employment, a short working life, and the willingness of performers to “showcase” their talents at little or no pay—and will go on to determine whether or not public subsidies can be designed to protect both the legitimate interests of performing artists and the public’s interest in increased productivity. His study, which will result in a monograph, is scheduled for completion in late 1979.

Fiscal Problems of Urban America’s Fire and Police Pension Systems

Although public employee pension costs have played an important role in the fiscal crises plaguing the nation’s older cities, the burden of future pension commitments also threatens otherwise healthy and prosperous cities. The most serious problems are in the retirement plans for the uniformed services—police and fire departments—whose essential and hazardous work has won them generous pensions and early retirement. In some cities, the number of police and firemen on retirement at half pay almost equals the number on active duty. Robert M. Fogelson, a social historian at MIT, argues that pension obligations will force many cities into cutbacks on services—ranging from reductions in the number of active duty officers to postponing the maintenance of decaying capital facilities to trimming municipal services. He will examine the decisions that led to present pension arrangements and to efforts, mostly unsuccessful, to reform them. His study, which is scheduled for completion in 1981, will provide recommendations for dealing with the pension demands resulting from sustained inflation.

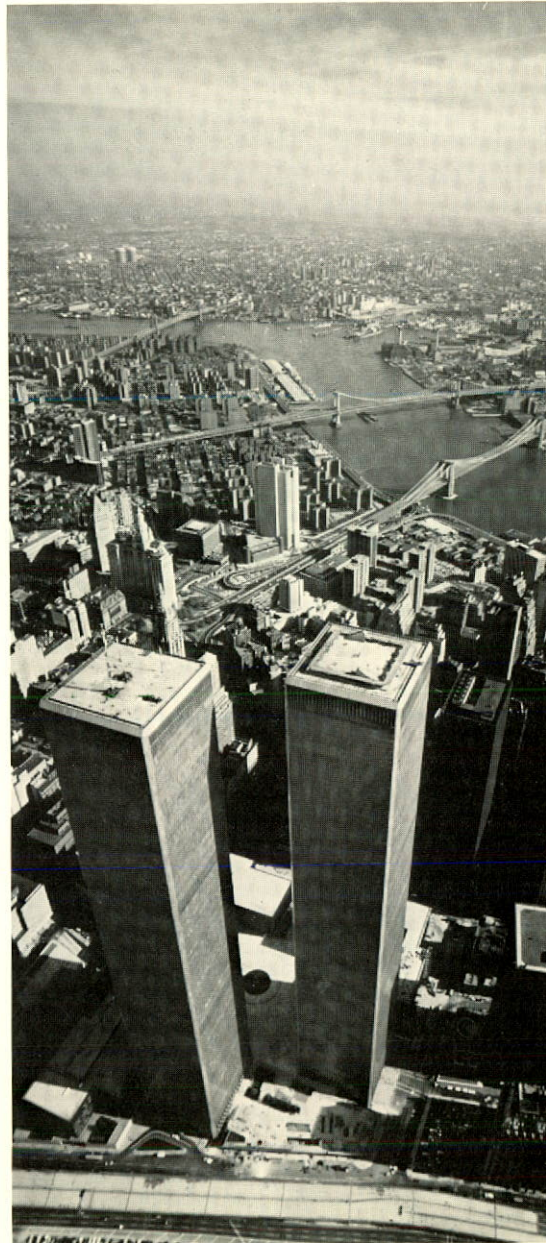
Urban Problems and Social Issues

Capital Requirements and the Future of the Cities

The streets, transit systems, sewers, and other facilities that make up the infrastructure in many aging American cities have, like London Bridge in the old nursery rhyme, deteriorated to a dangerous extent. At the same time, many newer and still expanding cities that lack adequate infrastructure are confronted by public and political resistance to the expenditure of necessary funds. George S. Tolley of the University of Chicago is examining the state of the nation's urban infrastructure in an effort to assess the costs of providing adequate maintenance of existing facilities and of constructing new facilities over the next decade. Assuming that fiscal restraints are likely to endure, his study, scheduled for completion in mid-1980, will provide policy recommendations for infrastructure decision-making.

Criminal Courts and the Process of Reform

Dissatisfaction with the ability of the criminal justice system to protect the rights of defendants and safeguard both lives and property has led to many legal and administrative reforms in the courts, most of which have fallen short of expectations. Malcolm M. Feeley of the University of Wisconsin attributes the disappointment to a failure on the part of reformers to understand that what appears to them as malfunctioning of the courts may serve the interests of all those—the judges, prosecutors, defense attorneys, and defendants—comprising the system. Consequently, he argues, such highly acclaimed innovations as bail reform, pretrial diversion, determinate sentencing, and speedy trial legislation have been adopted without fundamentally changing the way the system operates. He believes that, while critics can contribute to reform by publicizing the shortcomings of the courts, successful change will come about only through efforts initiated within the system to strengthen rather than to supplement the adversarial process. His study is scheduled for completion in early 1980.



Discrimination in Education and the Labor Market

The standard economic analysis of discrimination assumes voluntary acceptance of wage differentials by employers and by black and white workers. Yet, because violence has played so large a part in maintaining discrimination and a massive governmental effort was needed to begin dismantling it, standard economic analysis seems unrealistic. In 1972, the Fund contracted with labor economist Richard E. Freeman, now at Harvard University, to reexamine the changes in black political and economic fortunes since the Civil War and to construct a theory that would account for the effects of collective action on economic discrimination. Because the author repeatedly failed to meet his deadlines for completion of the manuscript, the Fund terminated the project at the end of fiscal 1979.

Task Force on the Future of New York City

New York City, which is attempting to regain access to the credit markets, is under tremendous pressures to cut back its services and to encourage economic development. Accomplishing these tasks effectively and equitably and resolving the inherent conflict between them are the vital issues facing the city today. An independent Task Force of sixteen business, political, and academic leaders, both New Yorkers and non-New Yorkers, began meeting in March 1979 to discuss these problems and to recommend new policy directions for the city. Their deliberations, based in part on a comprehensive background paper prepared by Masha Sinnreich of the Fund's research staff, have resulted in a series of recommendations to promote New York as a global market and to spur neighborhood development. The report of the Task Force was released to the press along with the background paper in mid-September. They will be published in hardcover and paperback editions by Oelgeschlager, Gunn, and Hain, Inc., in December 1979.



Police Information Systems

The popular image of the crime-solving detective has been challenged by recent studies that reveal that detective units have a poor record of solving crimes. After more than a year of field observation with three police departments, Carl M. Klockars of the University of Delaware has concluded that detectives spend most of their time on cases that they will not solve. The abilities of individual detectives, who work with witnesses, interrogate suspects, and develop informant networks, are responsible for the majority of successful cases. His analysis suggests that police forces could afford to employ fewer nonuniformed investigative officers, assigning them to cases where their special skills will be useful. But he warns that careful supervision of detectives is essential to prevent the abuses inherent in the use of informants. His study, which has been subject to considerable delay, is scheduled for completion in 1980.

Domestic Youth Unemployment

The high—and worsening—rates of youth unemployment of the 1970s have caused policymakers to worry that a whole generation of young people, but especially minority youth, will be permanently scarred by the difficulties they face in entering the work force. Fiscal policy, manpower training policies, and other traditional tools for dealing with unemployment have failed to work. Michael L. Wachter of the University of Pennsylvania argues that youth unemployment has not responded to fiscal and manpower policies because it is not a demand or a structural problem. Instead, he maintains, it is the result of the inability of the labor market to assimilate the postwar baby boom generation. Wachter will recommend policies to deal with the employment problems of the baby boom generation throughout its lifespan as well as with problems specific to young workers. His study is scheduled for completion in late 1980.



Strategies of Governing: Big Cities and Their Mayors

Even before the severe fiscal crises of the 1970s, the task of governing the nation's largest cities was considered a burial ground for the political careers of incumbents. Still, the mayoralty has attracted ambitious politicians who, despite limited political and financial resources, managed their cities and more often than not won reelection. Arnold M. Howitt of Harvard University is examining the strategies used by mayors in Boston, Philadelphia, and New York to manage the bureaucracy and the municipal work force, shape the budget, and resolve political conflict. He hopes to identify which forms of governance work best under given sets of political and economic circumstances. His study, which is scheduled for completion in late 1980, will conclude with an assessment of policy proposals designed to improve the governability of the nation's cities.

Work and the Underclass in American Society

The vocabulary used to describe the poor has changed significantly in recent years. In the 1960s, the poor were the "disadvantaged," unfairly excluded from society and deserving of its help in overcoming the obstacles to full participation in the "good life" offered by the robust American economy. In the 1970s, they are members of the "underclass" and are assumed to reject the values of society and to threaten its survival by their antisocial behavior. Marcia K. Freedman of the Conservation of Human Resources Project at Columbia University believes that popular perceptions of a growing underclass outside of and preying upon organized society reflect the insecurities of the middle class in a period of economic instability more than they reflect reality. She will describe how the poor, like the affluent, support feverish consumption with incomes derived from work where available, transfer payments if eligible, and illegal activities when the rewards outweigh the risks. The study, which is scheduled for completion in 1980, will conclude by

showing how punitive policy measures based on misconceptions about the poor can create the very conditions they are designed to correct.

Litigation and Social Change

Over the past twenty-five years, the nation's courts have been the arena chosen by advocates of social change seeking to redress alleged wrongs. The courts have responded, and their decisions have spurred legislative and administrative action. Aryeh Neier, former executive director of the American Civil Liberties Union, will explore the major protest movements and how they have used litigation in the years since *Brown vs. Board of Education*. He will examine issues ranging from school integration to sex discrimination, to environmental protection, and to the confinement of people in mental institutions and prisons. His study, which is scheduled for completion in 1981, will assess the effects of public interest litigation both on the objectives of the protest movements and on the role of the courts, focusing on the relations of the judicial with the executive and legislative branches of government.

Socioeconomic Condition of the Black Middle Class

The political significance of the black middle class, at least until its rapid expansion in the 1960s, exceeded its numerical strength. Optimists have seen the achievement of middle-class stature as evidence of black progress, while pessimists have made it a symbol of the abandonment of the black masses. A comprehensive survey conducted by L. Bartholomew Landry of the University of Maryland provides empirical measures of the socioeconomic conditions of the black middle class. His study will trace its evolution over the last century, evaluate the adequacy of its income, and assess its prospects for passing on the advantages of middle-class life to the next generation. The project, which has been subject to delay, is scheduled for completion in late 1979.

Urban Transportation Problems and Policies

Despite the current enthusiasm for urban mass transit that has been stimulated by the energy crisis, the private automobile, according to John R. Meyer and Jose A. Gomez-Ibanez of Harvard University, will continue to be the dominant mode of transportation in the nation's metropolitan areas. They are skeptical that public transit can effectively substitute for the automobile in any but the most densely populated regions. Their study, which is likely to create considerable discussion, is especially critical of investment in heavy rail facilities, which even with rising energy costs are unlikely to justify their costs. They also criticize the advocates of highway building of the 1950s and early 1960s and of "balanced" private and public transportation who followed; as they see it, the increasingly complex goals set for urban transportation policy—environmental protection, safety, energy conservation, and aid to the poor and elderly—require much greater attention to operating proce-

dures as well as to more diverse forms of public transportation designed to meet specific situations. Their study is scheduled for completion by the end of 1979.

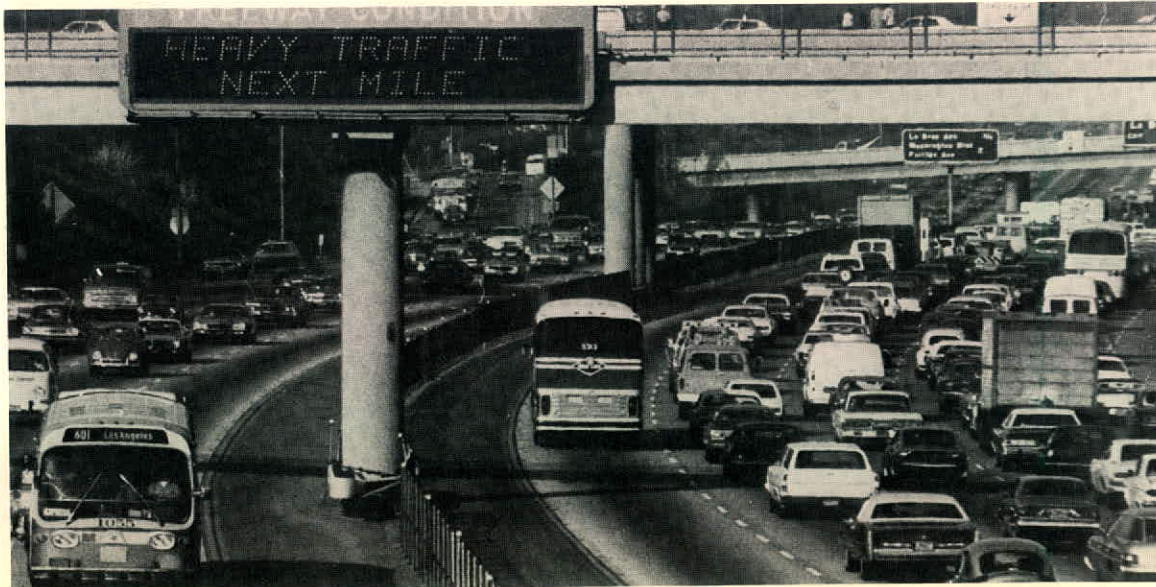
Mortgage Policy and Housing Markets

The average citizen has a large stake in the proper functioning of the housing market. Incessant price rises, the disappearance of mortgage funds every few years, and rapid neighborhood changes that force out long-term residents can upset the plans and expectations of millions. Kenneth T. Rosen of the University of California at Berkeley contends that the federal government's increasing reliance on mortgage policies to solve problems in the housing market is inadequate. He claims that mortgage market policies are irrelevant to secular disturbances caused by changes in demographic or land-use patterns and that they often exacerbate cyclical disturbances they are meant to alleviate. His study, which is scheduled for completion in

1980, will identify the problems most likely to arise in the next decade and will recommend appropriate policies for dealing with them.

National Retirement Policies

The Social Security tax increase mandated last year, one of the least politically popular measures in recent history, seems unlikely to be implemented in its entirety. Congress is now looking at proposals to restructure the tax system to avoid further payroll tax increases. But the Social Security deficit is far too massive to be hidden by tax reform. The problem stems from the rising number of retirees relative to workers, an imbalance that will reach crisis proportions when the enlarged work force resulting from the postwar baby boom begins to retire. Michael J. Boskin of Stanford University believes that, to guarantee adequate retirement income at acceptable cost to the working population, the system must be radically restructured and incentives must be provided for later retirement. He is analyzing demographic data and longitudinal studies of workers in an attempt to devise a new retirement policy. His study is scheduled for completion in 1980.



Politics and Communications

Consensus and Divergence in American Values and Attitudes

Opinion polls constantly monitor U.S. public opinion, but their results are generally superficial and transient. Using sophisticated survey research techniques, Herbert McClosky of the University of California at Berkeley is conducting a study of the deep and lasting values that determine American attitudes on social and political issues. He traces these central values—combining democratic commitment to liberty and equality with capitalistic individualism—to the formative years of the Republic in an attempt to explain how interaction of the liberal and conservative aspects of the American value system has shaped contemporary political institutions and promoted the expansion of traditional freedoms. His study, which has been subject to delay, is scheduled for completion in mid-1980.

Congressional Budget Reform and the Power of the Purse

With the onset of double digit inflation, the Congressional Budget and Impoundment Act of 1974 is even more important than when it was first enacted. Dennis S. Ippolito of Emory University is examining the evolution of the congressional budget process during the five years since the reform legislation was passed to determine its effects on the ability of Congress to control spending and on the distribution of power in Congress and between Congress and the presidency. Pointing out that the Senate has been far more successful than the House in reaching consensus on budget levels and priorities, he will consider the impact of a failure of budget reform on the ability of Congress to shape economic policy. The study is scheduled for completion in the fall of 1980.

Conflicts of Interest in the Arts

Growing public subsidies for the arts have been accompanied by a growth of potential conflicts of interest in grantmaking by federal and state agencies. When patronage was principally a private

affair, conflict abuses were only rarely a matter of public policy. Now that individuals and institutions receive public subsidies, they, as well as those making the subsidies, have an obligation to avoid conflicts. Eleanor Munro, a writer with long experience in the visual arts, committed herself to preparing a background paper on conflicts in public grantmaking to the arts. Subsequently, she resigned from the project, which complements the Fund's other work in public policy in the arts and its series on conflicts in the securities market. The Fund is now negotiating with a replacement so that an independent Fund Task Force on Conflicts in the Arts can be established in 1980.

The Press in South Africa

The scandal over the use of government funds to influence public opinion in South Africa and abroad has shaken the ruling Nationalist party and its supporters. In addition, it has further jeopardized the independence of an already beleaguered press,

especially the English-language press, which played so important a role in exposing the scandal, and the freedom of editors and reporters, both black and white, who oppose apartheid. Richard Pollak, a veteran journalist who was present when the scandal erupted, has been studying the state of the South African press, including the performance of its press council and the attempts by the government to ban publications and to arrest—and torture—reporters regarded as "threats" to its internal security. His study is scheduled for completion in late 1979.

Direct Democracy in America

Because of the fear of the tyranny of the majority, first expressed in the *Federalist Papers*, the United States is one of the few democracies that has neither a national referendum nor a direct legislative process. Yet states and cities are increasingly using devices such as initiatives, referenda, and recalls to resolve controversial issues. California's



Proposition 13, for example, has been widely copied, and recall campaigns have been directed against the mayors of Philadelphia and Cleveland. Thomas E. Cronin of the University of Delaware is exploring the reasons for this growing recourse to direct plebiscitary action and its effect on representative institutions. Drawing on the experiences of states and localities, he plans to examine proposals for a national initiative currently before Congress. His study is scheduled for completion in the summer of 1981.

Political Surveillance in the United States

Revelations over the past decade have demonstrated that intelligence agencies operating in secret and with considerable discretion are likely to abuse their considerable powers. Richard E. Morgan of Bowdoin College has catalogued the violations of civil liberties committed by the foreign and domestic intelligence agencies of the United States in the postwar era. Although he recognizes that it may take another generation before there is a repetition of circumstances similar to those that gave rise to the reform efforts of the 1970s, he argues against overly zealous controls that may cripple the capacity of intelligence agencies to respond to politically inspired violent crime. His manuscript, which concludes with recommendations for a moderate program of reform, is currently being circulated to publishers.

Freedom of Information Problems and the Federal Government: Intelligence and National Security Agencies

Amendments designed to strengthen the Freedom of Information Act (FOIA), passed by Congress in 1974 in reaction to the excessive government secrecy of the Vietnam and Watergate years, are now under counterattack. The Central Intelligence Agency and the Federal Bureau of Investigation, which complain that compliance with the amended law has resulted in release of information to convicted felons and foreign governments and ham-

pered their efforts to protect sources and acquire sensitive intelligence, are leading this campaign. Allen Weinstein, author of *Perjury*, a study of the Hiss-Chambers case, has assessed the effect of the FOIA on the ability both of government agencies to function and of the public to hold them accountable. He concludes that it is no longer merely a set of administrative requirements but represents a new definition of the relations between the public and its government, deserving of serious evaluation. His study is scheduled for completion in late 1979.

Economics of the Daily Press in the United States

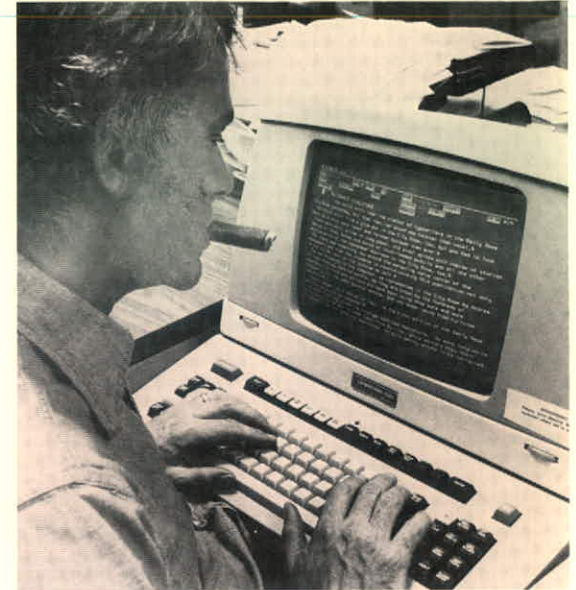
The steep decline in the number of newspapers and the growth of large newspaper chains have created widespread concern about the survival of an independent and competitive press. James N. Rosse of Stanford University has been analyzing the costs, technology, and markets of the newspaper industry in order to identify the causes of the shrinkage and to test the effectiveness of proposed public policy remedies. The study, which has been subject to repeated delays, is scheduled for completion in 1980.

Wholesale News: How the Wire Services Select, Shape, and Distribute Information

The major wire services, the wholesalers of news to newspapers, radio and television stations, and other retail consumers, are responsible for a large portion of the news printed or broadcast in the United States. The project on these services continued in suspension because Edward J. Epstein, the project director, has been busy with other commitments. Negotiations for a resumption of work on the study are under way.

National News Council

Over six years ago, as a result of recommendations made by an independent Twentieth Century Fund Task Force, the Fund, with the help of a small con-



sortium of foundations and individuals, created the National News Council to serve as an impartial forum for public complaints against the press and as a defender against government interference with press freedoms. Departing from its usual practice of investing only in public policy research, the Fund decided to help support the activities of the fledgling Council with a three-year grant of \$100,000 a year. The Council's progress at the end of that three-year period encouraged the Fund to commit itself to another three-year grant with the understanding that the Council would then have to find other sources of support.

In fiscal 1979, the Fund made its final payment to the Council, which, under the chairmanship of Norman Isaacs, has won increasing recognition for its contribution to both press fairness and press freedoms. The Council has broadened its base of financial support, and now is the recipient of grants from communications companies, industrial corpo-

rations, and other sources. As it enters its seventh year, the Council promises to become a permanent institution, one that fulfills the high hopes held by the Fund Task Force that recommended its establishment.

International News Services

At the center of the debate about imbalance in the international flow of news are four Western news services—Associated Press, United Press International, Reuters, and Agence France Presse—which supply 80 percent to 90 percent of all international news to the non-Communist world. Third World critics, who have charged the international news services with sensationalism and antidevelopment bias, propose increased government control of the flow of news. Although these proposals have not been acceptable in the West, the criticism has focused attention on the need for improved coverage of news from the Third World. The capacity of the international news services to provide more extensive coverage is limited, financially and politically. Jonathan Fenby, a former correspondent and editor for Reuters, will evaluate the organization and functioning of the international news services and the economic, technological, and political developments that affect their future. His study is scheduled for completion in the summer of 1981.

The Public Library

The traditional view of the public library as an institution for the education of the poor and the upwardly mobile is under challenge. Television, paperbacks, community colleges, and adult education programs all compete with the library, which now serves a primarily middle-class clientele capable of paying for library services. Thus, the library must justify its claims for tax support from financially pressed localities. After completing, in the fall of 1979, a year of service with the President's Council of Economic Advisors, Lawrence J. White of New York University resumed his analysis of the changing role of the public library. His aims are to under-



stand the changing functions of the library and its economic framework and to examine alternatives to the free public library. His study is scheduled for completion in mid-1980.

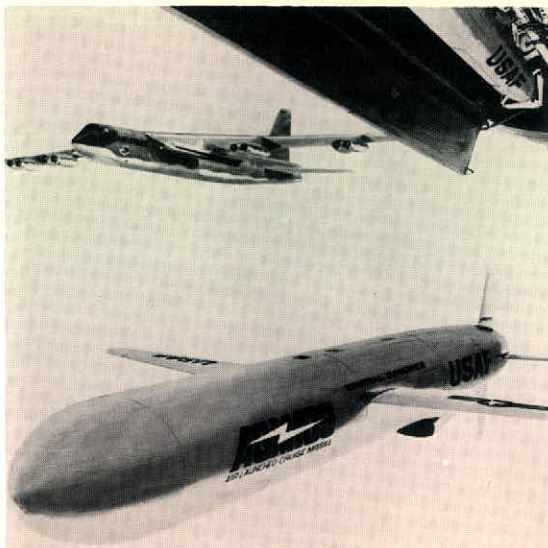
Indirect Subsidies to the Arts

Despite the rapid growth in direct public grants to the arts, indirect subsidies—through the property and income tax exemptions for nonprofit institutions—continue to provide three times as much support for the arts in the United States. After an examination of the range of indirect subsidies to the arts, Michael O'Hare of the Massachusetts Office of Environmental Affairs, on leave from MIT, Alan L. Feld of Boston University Law School, and J. Mark Schuster of MIT have concluded that this form of government support significantly affects the allocation of resources, often to the detriment of the best interests of the arts and the taxpaying public. Their pioneering study, which also includes an analysis of nonfinancial government support for

the arts such as copyright provisions, is currently under review by outside readers and is scheduled for completion in early 1980.

Visual Arts and the Public Interest

The establishment of the National Endowment for the Arts (NEA) in 1965 was the culmination of a decade-long effort to gain congressional approval for federal support to the arts. Since then, the NEA budget has increased twentyfold, suggesting that the case for government subsidies to the arts has been made. But the debate over an elitist versus a populist strategy of public support for the arts implies that there are still some unanswered questions about the public purposes served by such subsidies. Focusing on the visual arts, Edward C. Banfield of Harvard University is addressing these basic questions. His study, scheduled for completion in late 1980, will conclude with observations on the need for a national cultural policy and the consequences of nationalization for the arts.



International Affairs

Arms Races and Arms Control

Underlying the SALT II debate over the relative military strengths of the United States and the Soviet Union are commonly held assumptions that nations arm competitively and that such competition, if not limited by arms control agreements, leads inexorably to war. Charles H. Fairbanks of Yale University has traced these assumptions to popular debates about armaments preceding World War I, and has found that the theory of arms races derived from this debate is not validated by mathematical analysis nor are its predictions confirmed by the history of the interwar period. He is testing the hypothesis put forward by contemporary theorists, that arms races can better be explained by political pressures internal to each arming nation against the record of the postwar U.S.-Soviet buildup of nuclear arsenals. He plans to conclude his study, which is scheduled for completion by the end of 1979, by developing the implications of the analysis for future arms control policy.

Postwar International Monetary System

The great gold rush of 1979 reflected a flight from paper money, particularly from the dollar, which has been in glut all over the world. The dollar's decline, which has forced the United States to take a series of defensive measures, raises the specter of both domestic recession and a serious slowdown in world trade. Milton Gilbert, former economic advisor to the Bank for International Settlements, has traced the causes of the dollar's fall from the world's mightiest currency to its present weakness and its impact on the international monetary network that had been established to stave off a debacle in world trade. His manuscript, on which he had been making final revisions when he met with a fatal heart attack, will be published in 1980.

Japan and the World Economy

Japan's large trade surpluses in recent years have provoked protectionist reaction in the United States. Hugh T. Patrick of Yale University and

Gary R. Saxonhouse of the University of Michigan, whose econometric analysis attributes Japan's emergence as a trading giant to the normal workings of comparative advantage, reject the protectionist rationale. Their study, originally scheduled for 1974, has been repeatedly delayed because of competing commitments on the part of the authors; they insist that they are dedicated to completing this study, which will include policy recommendations, although their deadline remains uncertain.

Nationalization of U.S. Enterprises in Latin America

A review of major nationalizations in Latin America, beginning with Castro's revolution in Cuba and culminating in Venezuela's peaceful takeover of U.S. petroleum interests in 1976, ostensibly shows that extensive U.S. investment in Latin America has come to an end. Such a judgment is, however, premature. Paul E. Sigmund of Princeton University argues that the nationalizations of the last two decades have eliminated politically exposed enclaves, thereby clearing the way for new types of relationships between host governments and multinational corporations. Drawing on case studies of investment disputes in five countries, he concludes that clearer distinctions will have to be made between the national interest and the private interests of foreign investors, and that public policy will have to be changed to encourage foreign investment in the least developed countries and to stimulate development of energy resources. His study will be published by the University of Wisconsin Press in the spring of 1980.

Soviet-American Economic Relations

Soviet-American trade, although of limited size relative to the total trade of the United States and the Soviet Union, has been a domestic political issue. Much of the controversy has focused on the congressional restrictions on trade credits made in an attempt to alter Soviet emigration policies and on the concern expressed about the transfer of Ameri-

can technology to the Soviet Union. Franklyn D. Holzman of Tufts University has concluded that, while economic advantages accrue to both countries through trade, they are not significant enough to provide political leverage. He argues that attempts to use trade for political purposes may prove counterproductive and that fears of a trade or technology "give-away," except in some military areas, are largely unjustified. His study, which has been subject to repeated delays, is scheduled for completion in late 1979.

The International Labor Organization

The International Labor Organization (ILO) is the only agency in the United Nations from which the United States has withdrawn. Walter Galenson of Cornell University attributes its withdrawal to the tripartite structure of the ILO, which gives direct representation to representatives of labor, management, and government. He contends that organized labor's strong opposition to ILO policies—its anti-Israeli resolutions, its accommodation to state-controlled representatives of management and labor, and its selective treatment of the Soviet Union—was responsible for the withdrawal. In examining the case for rejoining, he believes that the ILO's ability to improve working conditions and provide technical assistance must be weighed along with the political difficulties. His study, which will be submitted to publishers in late 1979, includes an innovative review of these programs and concludes with his recommendations for U.S. policy toward the ILO.

Politicization in the United Nations System

In recent years, Third World nations, supported by the Soviet bloc, have used the specialized agencies of the United Nations to promote political causes far removed from the technical purview of the health, education, and labor organizations. Politicization has caused the United States to curtail contributions to the United Nations Economic, Social, and Cultural Organization and to withdraw from



the International Labor Organization. Daniel G. Partan of Boston University Law School has been seeking reforms that will limit politicization of the specialized agencies. Because he has concluded that procedural constraints can be effective only if they are accepted by the member nations, he has extended his study to include a reexamination of the role of the specialized agencies within a system dominated by the development concerns of the Third World majority. As a result of the changing scope of the work, he now expects to complete the manuscript in the winter of 1980.

Finance in Developing Countries

Until recently, economic development policy focused on the allocation of physical and human resources. Today, the importance of money and credit, financial arrangements, and financial institutions in the development process is beginning to gain wide recognition. Millard F. Long, of Boston University, and Frank A. Veneroso, a consultant with the World Bank, argue that the financial sector can play a major role in development by improving the allocation of resources, especially in the more advanced developing countries. They contend that the potential contribution of the financial sector is often reduced by regulatory structures and banking laws. They also argue that current monetary policy in these countries tends to aggravate inflation and economic instability. Their study, which is scheduled for completion in 1980, will recommend appropriate monetary policies and financial sector reforms for the advanced developing countries.

Nuclear Proliferation

Every addition to the "nuclear club" has provoked the formulation of new U.S. policies for ending nuclear proliferation. But the pace of proliferation continues to quicken. Lewis A. Dunn of the Hudson Institute has found that many nations have or will soon have the capacity to build at least primitive nuclear weapons and delivery systems; in addition, even countries lacking technological resources

may be able to purchase nuclear capacity through illegitimate channels. He suggests that instead of relying on technological barriers to proliferation U.S. policy must counter the political incentives that encourage proliferation. He reviews the problems involved in imposing sanctions against future proliferators and argues that strengthening the U.S. alliance structure may be the best defense against widespread proliferation. Because he fears that these efforts may not prove adequate, he will consider strategies for arms control and conflict management in the event nations resort to nuclear weapons. The study is scheduled for completion in late 1979.

The Political Economy of Development

The exaggerated demands voiced by proponents of the New International Economic Order have had the perverse effect of reducing public support in the West for increased assistance to developing countries. Ian M. D. Little, an economist and Fellow of Nuffield College, Oxford, believes that changing political attitudes are as important as economics in determining the conflicting development perspectives of the rich and poor nations. He is reviewing the history of economic development since World War II in order to distinguish the economic principles underlying differing development positions from the changing political and intellectual fashions that have tended to obscure them. It is his belief that this clarification will provide a basis for agreement and cooperation between the developed and developing nations. His study is scheduled for completion in the spring of 1981.

United States Policy Toward UNESCO

As Third World majorities in the United Nations have challenged U.S. interests, U.S. participation in several of the UN's specialized agencies has come under examination. In 1974, Congress temporarily suspended payments to the United Nations Educational, Scientific, and Cultural Organization (UNESCO) as a protest against anti-Israeli resolutions;



more recently, the press has sounded an alarm about the campaign within UNESCO to promote a New World Information Order. Lawrence S. Finkelstein of Northern Illinois University argues that the United States will continue to confront such problems in UNESCO in the years ahead. He points out that the United States, a dominant power in UNESCO's early years, insisted that it promote mass communications as an instrument of peace through understanding; now, the new majority can use UNESCO to promote state control of mass communications in the interest of development. His study, which is scheduled for completion in 1980, will examine how the United States should respond to this and similar threats to its interests within UNESCO.

Eurocommunism and United States Policy

Early in the 1970s, Communist parties in a number of Western European countries seemed to be breaking their ties with the Soviet Union to pursue

independent and nationalistic objectives. Recent developments, particularly in France and Italy, suggest that the allegiance of these parties to democratic policies and procedures was more apparent than real. Michael A. Ledeen, editor of the *Washington Review of Strategic and International Studies*, has been tracing the Eurocommunist movement to determine both its roots and its portents for Europe and for the United States. His study is scheduled for completion in 1979.

Development Planning

The quest by development planners for the elusive ingredients of rapid economic development resembles the quest for the holy grail. Except for those developing countries that have petroleum resources, which have been buttressed by monopoly pricing power, few countries have managed a sustained rate of economic growth through planning. Yet the search for ways and means continues. Raanan Weitz, head of Israel's Settlement Study

Center and an economic planner of note, is convinced that integrated planning, which takes account of the human resources available, can work effectively. Making use of data from a variety of different countries, he is attempting to formulate an approach to accelerate the process of development. His study is expected to be completed in 1980.

Policy Issues Involving the Antarctic Region

The Antarctic Treaty, signed in 1959 by the twelve nations that had established research stations on the continent, has successfully promoted scientific research and minimized political conflict. But the recent heightened interest in exploiting the marine and mineral resources of the region threatens that stability, especially given the territorial disputes whose resolution was postponed by the treaty until 1991 as well as the growing resentment of the many nations excluded from the treaty. Philip W. Quigg, former managing editor of *Foreign Affairs* and a writer on international and environmental affairs, believes that the current arrangements for governing Antarctica cannot long withstand the demands and pressures for change. He is exploring the full range of economic, political, and environmental issues that will bear on the future of Antarctica in order to recommend policies that will best serve the interests of the United States and the world. The study is scheduled for completion in 1981.

The Arms Transfer Phenomenon and International Politics

The Carter administration's declared intention of reducing the U.S. role as a weapons supplier to other nations, along with the difficulties it has had implementing this policy, has generated renewed interest in the old issue of arms sales and their effects on international conflicts. Geoffrey T. H. Kemp of the Fletcher School of Law and Diplomacy questions the suitability of the administration's approach to the changing security environment that



the United States will confront in the 1980s. He plans to develop realistic criteria by which arms requests may be assessed on a case-to-case basis and to apply these criteria in evaluating recent arms sales decisions. In addition, he will recommend improvements in the process by which arms policy is formulated and implemented. The study is scheduled for completion in early 1981.

The Role of Economic Advisors in Developing Countries

The uneven record of development efforts over the last thirty years has raised questions about the role of foreign economic advisors and the appropriateness of their advice. Lauchlin Currie, who led the first World Bank development mission to Colombia in 1949, and has subsequently served as resident advisor to Colombian governments, brings a unique perspective to these questions. After reviewing the spectrum of development advice provided to Colombia since 1949, he has concluded that the effectiveness of advice may depend as much on the advisor being in the right place at the right time and having the ear of influential policy-makers as on the quality of the advice itself. He criticizes much of the advice provided to Colombia for neglecting efficient economic allocation that promotes growth and concentrating instead on equity considerations that may inhibit growth. The manuscript, now under review prior to editing, is scheduled for completion in early 1980.

Publishing

Dissemination of the results of research projects is an important part of the Fund program. Once a project proposal is approved by the Board of Trustees, the Fund begins the process by sending out news releases to the print press and broadcast media. During the research phase, project directors are encouraged to meet with scholarly and professional groups. Once a book-length manuscript is produced, the Fund arranges to have it edited to ensure its accessibility to the widest possible audience. Throughout these stages, information about the project is presented to interested scholars and potential publishers through news releases, the Fund's Newsletter, which is distributed to more than 13,000 interested individuals and groups, and the Fund's Annual Report.

The Fund's publishing program involves circulating its edited manuscripts to all publishers who express an interest in them and then choosing the publisher whose overall commitment to the work, whose ability to get it out quickly and at a reasonably low price, and whose marketing and promotion plans appear to be the most advantageous for that particular book. All contracts with publishers of book-length manuscripts include standard royalty terms and an advance. Because it seeks a broad and concerned audience, the Fund makes special efforts to arrange low-cost paperback publication of most of its books. In addition, the Fund works closely with the publisher on publicity arrangements. In almost all cases, on the eve of a book's

publication, the Fund arranges a press conference for the author or members of a Task Force at its headquarters.

During fiscal 1979, a variety of Twentieth Century Fund works was issued in hardcover and paperback editions by commercial and university presses: *The Changing Role of the Individual Investor* by Marshall E. Blume and Irwin Friend was published by John Wiley and Sons; *Island China* by Ralph N. Clough was published by Harvard University Press; and *The Art Museum: Power, Money, Ethics* by Karl E. Meyer was published by William Morrow and Co. Three Twentieth Century Fund Task Force Reports were also issued in both hardcover and paperback: *Winner Take All: Report of the Twentieth Century Fund Task Force on Reform of the Presidential Election Process* with a background paper by William R. Keech was published by Holmes & Meier; *A Free and Balanced Flow: Report of the Twentieth Century Fund Task Force on the International Flow of News* with a background paper by Colin Legum and John Cornwell was published by Lexington Books/D.C. Heath & Company; and *With the Nation Watching: Report of the Twentieth Century Fund Task Force on Televised Presidential Debates* with a background paper by Lee M. Mitchell was published by Lexington Books.

Open Spaces: The Life of American Cities by August Heckscher, originally published in 1977, was released in paperback by Harper & Row, and *Research and the Health of Americans* by Stephen P. Strickland was published, without the Fund imprimatur, by Lexington Books/D.C. Heath & Company.

Many Fund works are published in translation: during fiscal 1979, *Social Limits to Growth* by Fred Hirsch, originally published by Harvard University Press in both hardcover (1976) and paperback (1978), was released in a Swedish edition, and arrangements were made for German, Japanese, and

Italian editions. *From Peasant to Farmer*, by Raanan Weitz, originally published by Columbia University Press in 1971, was released in a Portuguese edition in Brazil, joining earlier Spanish and Italian translations.

A continuing demand for the Fund backlist has resulted in an arrangement with Kraus Reprints for reissuing a variety of works. Among the older Fund works available through Kraus Reprints are *The Rating Game: Report of the Twentieth Century Fund Task Force on Municipal Bond Credit Ratings*, background paper by John E. Petersen; *Of Time, Work, and Leisure* by Sebastian de Grazia; *Crime and Publicity: The Impact of News on the Administration of Justice* by Alfred Friendly and Ronald L. Goldfarb; *Cartels in Action: Case Studies in International Business Diplomacy* by George W. Stocking and Myron W. Watkins; *Easy Money: Report of the Twentieth Century Fund Task Force on Legalized Gambling*, background paper by David Beale and Clifford Goldman; *A Free and Responsive Press: Report of the Twentieth Century Fund Task Force for a National News Council*, background paper by Alfred Balk; *CDCs: New Hope for the Inner City: Report of the Twentieth Century Fund Task Force on Community Development Corporations*, background paper by Geoffrey Faux; *Bricks, Mortar, and the Performing Arts: Report of the Twentieth Century Fund Task Force on Performing Arts Centers*, background paper by Martin Mayer; and *Antitrust Policies: American Experience in Twenty Industries* by Simon Newcomb Whitney. A brochure listing reprints of Fund works is available from Kraus Reprints, Route 100, Millwood, New York 10546 / (914) 762-2200.

With a large number of Fund-sponsored manuscripts completed and undergoing a final editing, a record volume of publications will be issued in fiscal 1980. A contract was signed with Greenwood Press for publication of *Abuse on Wall Street*, a one-volume compilation of a series of Fund mono-

graphs on Conflicts of Interest in the Securities Market, which will have an introduction by Roy A. Schotland, professor of law at Georgetown University; a foreword by M. J. Rossant, director of the Twentieth Century Fund, and a concluding chapter presenting the recommendations of the Steering Committee that guided the series. Eight monographs will be included in the volume: *Corporate Pension Fund Asset Management* by John Brooks; *Broker-Dealer Firms* by Martin Mayer; *State and Local Pension Fund Asset Management* by Louis M. Kohlmeier; *Commercial Bank Trust Departments* by Edward S. Herman; *Investment Banking* by Nicholas Wolfson; *Union Pension Fund Asset Management* by Richard E. Blodgett; *Nonprofit Institutions* by Chris Welles; and *Real Estate Investment Trusts* by Roy A. Schotland, the only monograph not previously issued. The work is scheduled for publication in 1980.

A contract was also signed for an enlarged edition of *The Changing American Voter* by Norman H. Nie, Sidney Verba, and John R. Petrocik; the new edition will include an analysis of the 1976 elections. Harvard University Press, which brought out the original work in hardcover and paperback in 1976, will publish the revised work in the fall of 1979.

In addition, the Fund will be circulating a record number of manuscripts to publishers over the next few months: the *Report of the Task Force on the Future of New York City* along with the background

paper prepared for the Task Force by Masha Sinnreich will be published in mid-December 1979 by Oelgeschlager, Gunn, and Hain. The manuscripts on the nursing home industry prepared for the Fund by Bruce C. Vladeck, on the nationalization of United States enterprises in Latin America by Paul Sigmond, on domestic surveillance by Richard Morgan, on the international monetary agreements after Bretton Woods by Milton Gilbert, on land-use reform by Frank Popper, and on the politicization of the International Labor Organization by Walter Galenson will be readied for submission to publishers in 1979.

Rights to the Gross National Product Flow Chart, an important part of economic education since its publication in 1955 as part of the Fund Study, *America's Needs and Resources* by J. Frederick Dewhurst and associates, were transferred to the Peabody Center for Economic and Social Education of the George Peabody College for Teachers. The Center will update the chart and continue its publication.

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

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 continuing controversy over the role of the trustees; the 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 his wide-ranging work. 352 pages, February 1979, \$15.00. 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. Formerly a senior fellow at the Brookings Institution, and now a fellow at the Woodrow Wilson Center for Scholars, Clough served as deputy chief of the U.S. mission in Taipei and as director of the Office of Chinese Affairs in the State Department; he has brought his extensive background to bear on evaluating 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 reflective of our rapidly changing political, economic, and strategic interests in the new 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 rela-

tions. 420 pages, May 1978, \$19.00. Publisher: Westview Press.

State Policies and Federal Programs: Priorities and Constraints by Peter Passell and Leonard Ross, a Twentieth Century Fund Report. The authors analyze and answer the latest questions involving states' rights. Using California as a base because of its high potential for autonomy, they chart and analyze its major programs and policies to suggest the maximum other states might attain within the constraints laid down by the federal government. Focusing on five areas—fiscal policy, higher education, primary education, medical care for the poor, and welfare and unemployment insurance—Passell and Ross provide evidence that the division of resources between state and federal governments is far from equal. 168 pages, May 1978, \$16.95. Publisher: Praeger Publishers.

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, public 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. Netzer points out that, regardless of the amount of money available to the arts, creative individuals will always be able to think of more projects than the funds can cover. The book sets out the logical arguments for government support of the arts and appraises the record of public support since 1965 in the light of these arguments, in order to assess just what difference government subsidy has made to the arts in general. 289 pages, April 1978, \$14.95. 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 currently spending over \$24 billion annually on operations and new capital facilities. The book is a comparative study based on a large number—and variety—of authorities, including several Pennsylvania municipal corporations, the New Jersey Sports and Exposition Authority, the U.S. Postal Service, and several European authorities. The author analyzes the forces in politics, government, and the private sector that have favored the choice of government corporations over other institutional arrangements 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. And she points out that efficiency, which is generally associated with public authorities, is a quality that should characterize all government activities, from garbage collection to higher education. 436 pages, April 1978, \$19.95. Publisher: The M.I.T. Press.

Open Spaces: The Life of American Cities by August Heckscher with Phyllis Robinson, maps by Dyck Fledderus, a Twentieth Century Fund Essay. Open spaces—parks, plazas, waterfronts, the space allotted to thruways—possibly do more to define and characterize our cities than any other element. Heckscher examines the way in which open spaces are used in cities across the nation.

Based on his personal observations, he draws conclusions as to the ways cities can be enhanced through better use of space. 386 pages, March 1977, \$20.00 (paper, \$9.95). Publisher: Harper & Row.

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

Social Limits to Growth by Fred Hirsch, a Twentieth Century Fund Study. A 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. 208 pages, December 1976, \$10.00 (paper, \$3.95). Publisher: Harvard University Press. Available in Swedish translation.

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, a Twentieth Century Fund Study. 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 the first large-scale examination of convention delegates to be undertaken in the last two decades, 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, \$20.00. Distributor: Basic Books, Inc.

The Changing American Voter by Norman H. Nie, Sidney Verba, and John R. Petrocik, a Twentieth Century Fund Study. The authors, basing their

study on a comprehensive survey of American voters, 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, it has many significant implications for policymakers, politicians, and the public. 416 pages, May 1976, \$15.00 (paper, \$5.95). Publisher: Harvard University Press.

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 asserts, with a substantial amount of data to support him, that his strategy will increase the participation of the poor in the growth process and eventually lead to greater industrial production. 384 pages, April 1976, \$11.50. Publisher: Cornell University Press.

Public Employee Pension Funds by Robert Tilove, a Twentieth Century Fund Report. A thorough examination of the fast-growing field of public employee pension funds, this work stresses the need for sweeping reform. Tilove indicates that it is necessary to integrate public pensions with Social Security if a taxpayer revolt is to be averted. 384 pages, March 1976, \$20.00. Publisher: Columbia University Press.

The Patient as Consumer: Health Care Financing in the United States by John Krizay and Andrew Wilson, a Twentieth Century Fund Report. This analytical study of the nation's health insurance system describes the various forms of health insurance and examines their impact on the cost and quality of medical care. 229 pages, May 1974, \$11.50 (paper, \$7.95). Publisher: Lexington Books/D.C. Heath & Company.

Presidential Television by Newton N. Minow, John Bartlow Martin, and Lee M. Mitchell, a Twentieth Century Fund Report. The authors deal with the dangers that presidential access to television poses for the nation's traditional system of checks and balances. Minow and his collaborators suggest a number of reforms to preserve constitutional balance in an era of technological change. 232 pages, November 1973, \$8.95. Publisher: Basic Books, Inc.

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, \$10.95 (paper, \$4.95). Publisher: Columbia University Press.

Constitutional Change: Amendment Politics and Supreme Court Litigation Since 1900 by Clement E. Vose, a Twentieth Century Fund Study. An examination of the historical development of the Constitution, this work looks to the future of constitutional reform, providing a penetrating analysis of the political and social aspects of constitutional amendments and Supreme Court decisions. 446 pages, July 1972, \$15.00. Publisher: Lexington Books/D.C. Heath & Company.

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, \$2.45). Publisher: Pantheon. Available in French, German, Italian, Japanese, 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.

Current Fund Paperbacks in Print

Winner Take All: Report of the Twentieth Century Fund Task Force on Reform of the Presidential Election Process with a background paper by William R. Keech. 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, \$5.75 (cloth, \$12.50). Publisher: Holmes & Meier Publishers, Inc.

A Free and Balanced Flow: Report of the Twentieth Century Fund Task Force on the International Flow

of *News* with a background paper by Colin Legum and John Cornwell. 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 Françoise 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 conclusions and recommendations of this distinguished group, including the call for an independent body to monitor efforts designed to deal with the dispute. 77 pages, December 1978, \$5.75 (cloth, \$12.50). Publisher: Lexington Books/D.C. Heath & Company.

With the Nation Watching: Report of the Twentieth Century Fund Task Force on Televised Presidential Debates with a background paper by Lee M. Mitchell. 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 ensure that such debates become a reality in the 1980 campaign and beyond, the Task Force, composed of distinguished Americans—all experienced 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 Carter, a senior fellow of the Aspen Institute and president of Observer International, Inc., 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 & Company.

Confronting Youth Crime: Report of the Twentieth Century Fund Task Force on Sentencing Policy Toward Young Offenders with a background paper by Franklin E. Zimring. This report confronts the dilemma of protecting and nurturing the young while effectively deterring youth crime and addresses the difficult 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, \$5.75 (cloth, \$12.50). Publisher: Holmes & Meier Publishers, Inc.

The Raised Curtain: Report of the Twentieth Century Fund Task Force on Soviet-American Scholarly and Cultural Exchanges with a background paper by Herbert Kupferberg. 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, single copies free.

Conflicts of Interest: Nonprofit Institutions by Chris Welles. The author finds that questionable relationships among donors, trustees, and trustee-linked banks and businesses are the source of most conflicts of interest affecting the endowment funds of foundations and educational institutions. Welles

proposes measures to break these extensive interlocks and to diversify and strengthen the portfolios of nonprofit institutions. 93 pages, May 1977, single copies free.

Conflicts of Interest: Union Pension Fund Asset Management by Richard E. Blodgett. Tracing the conflict abuses in the management of union pension funds to structural weaknesses inherent in the provisions of the 1947 Taft-Hartley Act, Blodgett recommends new measures to strengthen the independence of the trustees of these funds and to enhance their accountability. 61 pages, March 1977, single copies free.

Law Enforcement: The Federal Role. This Task Force report evaluates the performance of the Law Enforcement Assistance Administration (LEAA). An independent group of law enforcement experts recommends that LEAA's regional bureaucracy be dismantled and that the agency's focus be shifted to criminal justice research, experimentation, and program evaluation. 145 pages, May 1976, \$3.95 (cloth, \$6.95). Publisher: McGraw-Hill Book Company.

Fair and Certain Punishment. This Task Force report examines the inequities in the present system of sentencing that result in widely disparate prison terms (or none at all) for those convicted of somewhat similar crimes. The report also presents a detailed plan for a new approach to sentencing that would systematize the considerations involved in the sentencing decision and make the decisions fairer to both the individual prisoner and the public. 142 pages, April 1976, \$3.95 (cloth, \$6.95). Publisher: McGraw-Hill Book Company.

Rights in Conflict. This Task Force report finds that court-imposed restraints on journalists "constitute a growing threat to freedom of the press" and recommends measures designed to protect the rights of the defendants without impairing press free-

doms. The report is accompanied by a comprehensive background paper on conflicts between the press and the judiciary. 112 pages, March 1976, \$3.95 (cloth, \$6.95). Publisher: McGraw-Hill Book Company.

Paying for Energy. This Task Force report explores ways of preventing further disruption of world economic and trade relations as a result of much higher priced oil. The report concludes that major oil-importing countries must expand their own oil and gas production and explore new energy sources. 136 pages, December 1975, \$3.95 (cloth, \$6.95). Publisher: McGraw-Hill Book Company.

Funds for the Future. This Task Force report investigates the critical financial situation faced by independent institutions of higher learning and examines a wide range of university investment procedures. The report recommends a series of measures to build endowments and improve endowment performance as a means of assuring the survival and strength of private colleges and universities. 206 pages, November 1975, \$4.50 (cloth, \$7.95). Publisher: McGraw-Hill Book Company.

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.

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 pub-

lic revenues or to reduce organized crime. 88 pages, November 1974, \$3.00. Publisher: Kraus Reprint Company.

Openly Arrived At. This Task Force report argues that if Congress is to flourish as an effective branch of government it must recognize and adapt to the electronic age by allowing television and radio coverage of all public sessions of the U.S. Senate and House of Representatives. 104 pages, October 1974, single copies free.

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, \$3.00. Publisher: Kraus Reprint Company.

Press Freedoms Under Pressure. This Task Force report studies governmental pressure against the press through subpoenas, censorship, and legislation. The background paper provides a survey of various forms of such pressure. The appendices 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. 193 pages, May 1972, \$8.00. Publisher: Kraus Reprint Company.

Books Issued by Other Publishers

Research and the Health of Americans: Improving the Policy Process by Stephen P. Strickland. A searching appraisal of the National Institutes of Health and its role in national biomedical research. The author investigates the criteria, priorities, and workings of medical research programs against the backdrop of diminishing government support. The main focus of the book is the various decisionmaking processes that influence the nation's medical research activities. Those processes are many and varied; separately, they reflect the natural characteristics of the arenas in which they operate. Nearly two years of concentrated study of these issues culminated in recommendations for relating medical research more effectively and realistically to the health needs of Americans. 162 pages, July 1978, \$16.00. Publisher: Lexington Books/D.C. Heath & 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 pol-

iticians and bureaucrats in both countries. 226 pages, February 1978, \$12.00. Publisher: Ohio University 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 residential 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.

Counsel for the Poor by Robert Hermann, Eric Single, and John Boston. This work examines the extent and quality of the legal defense provided to criminal defendants who are too poor to afford counsel fees. 256 pages, December 1977, \$15.00. Publisher: Lexington Books/D.C. Heath & Company.

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, and 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.

Jury Selection Procedures: Our Uncertain Commitment to Representative Juries by Jon M. Van Dyke. The author reviews the historical development of

the jury system and analyzes the workings of the system today. He bases his analysis on data collected from the federal courts and a large number of state jurisdictions. Claiming that current jury selection procedures fail to produce representative panels, Van Dyke concludes his work with recommendations for reform to eliminate practices that he considers discriminatory. 426 pages, February 1977, \$15.00. Publisher: Ballinger Publishing Company.

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, \$12.50. Publisher: The Johns Hopkins University Press.

Jails: The Ultimate Ghetto of the Criminal Justice System by Ronald Goldfarb. The conditions facing inmates of pretrial detention centers are the subject of this searching examination. Special attention is paid to issues such as alcoholism and narcotics addiction, jailed juveniles, and the growing politicization of jail inmates. 480 pages, April 1975, \$9.95 (paper, \$3.50). Publisher: Anchor Press/Doubleday.

The New Yorkers: A Profile of an American Metropolis by Andrew Hacker. An examination of the diverse groups making up New York City's population and their attitudes toward politics, crime, schooling, and welfare. 182 pages, April 1975, \$10.00. Publisher: Mason/Charter.

Exploitation from 9 to 5. This Task Force report examines the status and problems of working women, analyzes sex discrimination in the labor market, and presents recommendations aimed at improving

the position of women in American society. 224 pages, January 1975, \$13.50. Publisher: Lexington Books/D.C. Heath & Company.

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. Publisher: Walker and Company. (Paper, \$2.45. Publisher: Vintage Books/Random House.)

Families of Eden: Communes and the New Anarchism by Judson Jerome. This combination of research and firsthand experience comments on the economics, communications, political structures, and dynamics of growth in the commune movement. 271 pages, May 1974, \$7.95. Publisher: The Seabury Press, Inc.

Planning and Budgeting in Poor Countries by Naomi Caiden and Aaron Wildavsky. This study is a critical examination of the planning and budgeting processes of governments of poor countries throughout the world, recommending reforms to make the most of limited resources. 371 pages, February 1974, \$14.95. Publisher: Wiley-Interscience.

Grants

The Fund, a private operating foundation under the Tax Reform Act of 1969, devotes a major portion of its resources 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 responsibility to the community and in connection with its own research activity. In fiscal 1979, as in previous years, the Fund made two such grants.

National News Council

In 1973, the Fund helped establish the National News Council and in the ensuing years provided financial support for its operations. In fiscal 1979, the Fund made a terminal grant of \$100,000 to the Council, bringing the total to \$600,000. Under the chairmanship of Norman Isaacs, the Council has

Headquarters Staff

M. J. Rossant, Director
John E. Booth, Associate Director
Carol M. Barker, Assistant Director

Staff

Steven M. L. Aronson*
Rashida Barry
Evelyn Bonet
Idalia Bonet
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Alan Emdin
Hugo Fosco
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Beverly Goldberg
Paul L. Hecht
Judith S. Jacobson*
Valerie Keuling
Walter Klein
Linda Locke*
Carolyn McKenna

been successful in attracting other sources of financial support, enabling it to continue to operate as an independent entity.

New York City

In 1967, the Fund made its first \$10,000 payment to the City of New York in recognition of the municipal services—police and fire protection and garbage disposal—that the Fund, as a tax-exempt property owner, receives free of charge. Payments, increased from time to time because of inflation, have been made annually ever since. For the last three years, the grant has been \$20,000; the Fund's contributions to the city total \$176,500.

Wendy Mercer
Joshua Nelson*
Gary Nickerson
Marc F. Plattner
Margaret Rosenbaum*
Brenda Shactman
Masha Sinnreich
James A. Smith
Susan Spinelli
Jerry Stilkind*
Karen Thomas*
Janine Ulla

Consultant

Theodore Draper

*Resigned in Fiscal 1979.

Task Force Members

Task Force on Presidential Television Debates (1978)

Douglass Cater, *chairman*

President, Observer International, Inc., Washington, D.C.

Douglas L. Bailey

President, Bailey, Deardourff & Associates, Inc.

James David Barber

Professor of Political Science, Duke University

Elizabeth S. Carpenter

Consultant, The Friends of the Lyndon Baines Johnson Library

William H. Donaldson

Dean, School of Organization and Management, Yale University

Philip L. Geyelin

Editorial Page Editor, *Washington Post*

Richard Hatcher

Mayor, Gary, Indiana

Norman Lear

Television Producer, Los Angeles

Roland Nachman

Attorney, Montgomery, Alabama

John O. Pastore

Former Senator from Rhode Island; Chairman of the Board, Columbus National Bank, Providence

Gene Pokorny

Executive Vice-President, *Cambridge Reports*, Cambridge, Massachusetts

Herbert Schmertz

Vice-President, Public Affairs, Mobil Oil Corporation

William Small

Vice-President, CBS News

Percy Sutton

Former Manhattan Borough President; Attorney, Phillips, Nizer, Benjamin, Krim and Ballon

Helen Thomas

White House Correspondent, UPI

Rapporteur:

Lee M. Mitchell

Attorney, Sidley & Austin

Task Force on the Future of New York City (1978)

Charles D. Breitel, *chairman*

Former Chief Judge, State of New York; Counsel, Proskauer Rose Goetz & Mendelsohn

Peter A. A. Berle

Attorney, Berle, Butzel, Kass, and Case

Andrew J. Biemiller

Former Congressman from Wisconsin; Legislative Director, AFL-CIO

José A. Cabranes

General Counsel, Yale University

Peter F. Flaherty

Former Mayor, Pittsburgh; former Deputy Attorney General, Carter administration

Gaylord Freeman

Honorary Chairman, The First National Bank of Chicago

Theodore C. Jackson

Executive Vice-President, Bowery Savings Bank

Robert Lekachman

Distinguished Professor of Economics, Herbert H. Lehman College and Graduate Center of the City University of New York

Stephen May

Former Mayor, Rochester, New York; Chairman, State Board of Elections

J. David Moxley

Northeast Regional Partner, Touche Ross and Company

John R. Petty

President, Marine Midland Bank

John S. Samuels 3d

Chairman of the Board, Carbomin International

Ellen S. Straus

President, Straus Communications

Julien J. Studley

President, J. J. Studley, Inc.

Jacqueline Grennan Wexler

Former President, Hunter College

Charles W. Whalen, Jr.

President, New Directions

Task Force on the International Flow of News (1977)

Francoise Giroud, *chairman*

Former Editor, *L'Express*; Former Minister of Culture, Paris

Elie Abel

Dean, School of Journalism, Columbia University, New York

Harry J. Boyle

Retiring Chairman, Canadian Radio and Telecommunications Commission, Toronto

Abdelkader Chanderli

Former Algerian Representative to the United States and the United Nations, Geneva

Alberto Dines

Political Columnist, *Folha de São Paulo*, Rio de Janeiro

Henry Grunwald

Corporate Editor, Time, Inc., New York

Thilo Koch

Television Writer, Wurttemberg, Germany

Colin Legum

Associate Editor, *The Observer*, London

Flora Lewis

Chief European Correspondent, *The New York Times*, Paris

Georges-Henri Martin

Editor-in-Chief, *La Tribune de Geneve*, Geneva

Carlos Monsivais

Television Journalist, Mexico City

S. Nihal Singh

Editor, The Statesman, Ltd., Calcutta

Frank Stanton

Former President, Columbia Broadcasting System, New York

Roger Tatarian

Former Vice-President, UPI; Professor of Journalism, California State University

David Webster

Director, Public Affairs, British Broadcasting Corporation, London

Benjamin Whitaker

Writer; Director, Minority Rights Group, London

Rapporteur:

John Cornwell

Editor, Observer News Service, London

Auditor's Report

August 23, 1979

The Board of Trustees
Twentieth Century Fund, Inc.
New York, New York

We have examined the balance sheets of Twentieth Century Fund, Inc. (a Massachusetts not-for-profit corporation) as of June 30, 1979 and 1978, the related statements of income, expenses, and changes in fund balances and the additional financial information presented in the attached schedules 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. Investments held as of June 30, 1979 and 1978 were confirmed to us by the Fund's custodian.

In our opinion, the financial statements and the additional information referred to above present fairly the financial position of Twentieth Century Fund, Inc. at June 30, 1979 and 1978, and the results of its operations and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Touche Ross & Co.

Finances

Twentieth Century Fund, Inc.

Balance Sheet

June 30, 1979 and 1978

	1979	1978
Assets		
Cash	\$ 3,909	\$ 29,395
Accrued Interest and Dividends Receivable	219,653	208,599
Accounts Receivable and Prepaid Expenses	19,906	17,626
Investments, at cost (quoted market \$26,279,477 in 1979 and \$25,102,550 in 1978) (Schedule 3)	19,956,731	20,298,899
Fixed Assets, at cost, net of accumulated depreciation of \$245,091 in 1979 and \$218,264 in 1978 (Note 1)	434,674	432,715
Total Assets	\$20,634,873	\$20,987,234
Liabilities and Fund Balances		
<i>Liabilities:</i>		
Accounts Payable and Accrued Liabilities	\$ 46,809	\$ 143,489
Federal Excise Tax Payable	29,895	67,851
Total Liabilities	\$ 76,704	\$ 211,340
<i>Fund Balances (Note 1):</i>		
General Fund—		
Appropriated for research projects (Schedule 2)	\$ 1,536,897	\$ 1,872,744
Appropriated for special project (Schedule 2)	—	100,000
Net investment in fixed assets	434,674	432,715
Available for investment and future projects	18,586,598	18,370,435
Total Fund Balances	\$20,558,169	\$20,775,894
Total Liabilities and Fund Balances	\$20,634,873	\$20,987,234

See notes to financial statements.

Twentieth Century Fund, Inc.

Statements of Income, Expenses and Changes in Fund Balances

For the years ended June 30, 1979 and 1978

	1979	1978
General Fund		
<i>Income from Operations:</i>		
Interest	\$ 652,326	\$ 543,444
Dividends	834,183	825,342
Royalties on sale of publications	34,767	21,182
Grants received (Schedule 2)	47,500	—
Other	15,101	2,405
Total Income	\$ 1,583,877	\$ 1,392,373
<i>Expenses:</i>		
Operations (Schedule 1)—		
Research projects	\$ 1,247,132	\$ 1,237,163
Special project	100,000	100,000
Publications	257,518	289,120
Management and general	255,549	253,947
Total Operations	\$ 1,860,199	\$ 1,880,230
Governmental payments—		
Federal excise tax	\$ 28,000	\$ 66,757
Payment to New York City in recognition of municipal services	20,000	20,000
Total Expenses	\$ 1,908,199	\$ 1,966,987
Excess of expenses over income from operations	\$ (324,322)	\$ (574,614)
Realized net gain on investment transactions	106,597	365,524
Decrease in Fund Balance	\$ (217,725)	\$ (209,090)
Fund Balance, beginning of year	20,775,894	20,984,984
Fund Balance, end of year	\$20,558,169	\$20,775,894

See notes to financial statements.

Twentieth Century Fund, Inc.

Notes to Financial Statements

For the years ended June 30, 1979 and 1978

(1) Accounting policies:

Accounting for 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 General Fund balance.

Fixed asset accounting—

Major fixed asset additions are capitalized and depreciated over their estimated useful lives. Fixed assets and the related accumulated depreciation at June 30, 1979 are summarized as follows:

	Cost	Accumulated Straight-Line Depreciation	Estimated Useful Lives
Land	\$ 125,000	\$ —	—
Building	175,000	98,437	40 years
Building Improvements	278,686	119,034	40 years
Equipment	101,079	27,620	7 years
Total Cost and Depreciation	\$679,765	\$245,091	

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 advised on February 14, 1972, that the Fund is considered a private foundation, as defined in sections 501 (c) (3) and 509 (a) of the Internal Revenue Code, and as 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) 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 \$45,000 and \$52,000 for the years ended June 30, 1979 and 1978, respectively. There is no unfunded prior service cost as of June 30, 1979.

Twentieth Century Fund, Inc.
Statement of Operating Expenses by Function
For the year ended June 30, 1979 with
Comparative Totals for 1978

Schedule 1

	1979				1978	
Expenses	Research Projects	Special Project	Publica- tions	Manage- ment and General	Total	Total
<i>Direct Expenses:</i>						
Salaries, consultant fees, travel, etc. (Schedule 2)	\$ 840,771	\$ —	\$ —	\$ —	\$ 840,771	\$ 814,771
Grant to National News Council (Schedule 2)	—	100,000	—	—	100,000	100,000
Publications-printing, etc.	—	—	26,871	—	26,871	26,623
Public information-annual report, newsletter, press conferences, etc.	—	—	—	31,953	31,953	27,228
<i>Headquarters' Expenses:</i>						
Salaries, wages and related costs (Note 2)	322,231	—	186,748	160,990	669,969	650,562
Office equipment and supplies	13,435	—	5,773	4,976	24,184	32,614
Maintenance and repair of building	19,909	—	12,551	10,820	43,280	54,156
Professional fees	—	—	—	23,720	23,720	43,372
Meetings and conferences	19,103	—	7,569	6,525	33,197	64,326
Telephone and telegraph	15,090	—	7,545	7,547	30,182	36,881
Depreciation (Note 1)	12,340	—	7,780	6,707	26,827	19,843
Other	4,253	—	2,681	2,311	9,245	9,854
Total Operating Expenses	\$1,247,132	\$100,000	\$257,518	\$255,549	\$1,860,199	\$1,880,230

Twentieth Century Fund, Inc.
Statement of Project Appropriations
 For the year ended June 30, 1979

Schedule 2

Title of Project and Project Director	Total Project Appropriation June 30, 1979	Appropriated Balance June 30, 1978	Activity for the Year		Appropriated Balance June 30, 1979
			Net Appropriations	Expenses	
<i>Research Projects:</i>					
Arms Races and Arms Control, C. Fairbanks	\$ 54,900	\$ 23,138	\$ —	\$ 5,846	\$ 17,292
Arms Transfer Phenomenon and International Politics, G. T. H. Kemp	65,500	—	65,500	4,469	61,031
Black Middle Class, L. B. Landry	125,640	2,436	—	5,893	(3,457)
Capital Requirements and the Future of the City, G. S. Tolley	101,967	99,997	—	39,919	60,078
Conflicts of Interest in the Arts	25,000	—	25,000	1,000	24,000
Congressional Budget Reform and the Power of the Purse, D. S. Ippolito	73,200	73,200	—	23,533	49,667
Consensus and Divergence in American Values and Attitudes, H. McClosky	104,610	53,935	—	22,980	30,955
Control of the Large Corporation, E. S. Herman	49,811	4,158	—	—	4,158
Criminal Courts and the Process of Reform, M. Feeley	72,000	42,987	—	17,951	25,036
Development Planning, R. Weitz	91,500	83,711	—	48,017	35,694
Direct Democracy in America, T. Cronin	86,750	—	86,750	2,577	84,173
Domestic Youth Unemployment, M. L. Wachter	93,415	93,415	—	29,009	64,406
Economics of the Daily Press, J. Rosse	66,100	14,300	—	24	14,276
Education and Labor Market Discrimination, R. Freeman	64,600	26,521	(26,521)	—	—
Enforcement Process in Social Regulation, E. Bardach, R. Kagan	99,154	59,111	—	28,851	30,260
Eurocommunism and United States Policy, M. A. Ledeen	40,600	32,067	—	13,214	18,853
Finance in Developing Economies, M. Long, F. Veneroso	120,716	63,140	—	23,545	39,595
Financial Instability and Economic Policy, H. Minsky	41,400	11,295	—	4,855	6,440
Fiscal Health and Strain in American Cities, T. N. Clark	96,151	26,901	—	18,232	8,669
Fiscal Problems of Urban America's Fire and Police Pension Systems, R. M. Fogelson	89,600	—	89,600	2,800	86,800
Freedom of Information Problems and the Federal Government, A. Weinstein	17,650	1,518	—	7,637	(6,119)
Future of Fiscal Federalism, R. Leone	92,800	28,889	—	16,484	12,405
Future of New York City, Task Force	47,500	3,310	18,500	13,315	8,495
Indirect Subsidies to the Arts, M. O'Hare	60,733	14,812	—	5,259	9,553
International Labor Organization, W. Galenson	74,770	52,352	—	18,085	34,267
International News Service, J. Fenby	73,850	—	73,850	2,766	71,084
Japan and the World Economy, H. Patrick, G. Saxonhouse	101,750	24,477	—	—	24,477
Labor and the Performing Arts, T. R. Brooks	18,350	—	18,350	3,000	15,350
Legal Institutions and Technological Change, J. Yellin	89,912	89,885	—	39,625	50,260
Litigation and Social Change, A. Neier	98,700	—	98,700	23,281	75,419
Mortgage Policy and Housing Markets, K. Rosen	69,000	51,535	—	14,549	36,986

(Continued on following page)

Twentieth Century Fund, Inc.

Statement of Project Appropriations, continued

For the year ended June 30, 1979

Schedule 2

Title of Project and Project Director	Total Project Appropriation June 30, 1979	Appropriated Balance June 30, 1978	Activity for the Year		Appropriated Balance June 30, 1979
			Net Appropriations	Expenses	
<i>Research Projects:</i>					
National Retirement Policies, M. J. Boskin	\$ 85,000	\$ 74,395	\$ —	\$ 42,283	\$ 32,112
Nationalization of U. S. Enterprises in Latin America, P. Sigmund	64,215	14,918	(5,540)	9,378	—
Nuclear Proliferation, L. Dunn	71,700	22,245	—	8,890	13,355
Nursing Home Industry, B. C. Vladeck	62,790	13,278	82	13,360	—
Police and Their Informants, C. Klockars	98,118	17,973	—	3,231	14,742
Policy Issues Involving the Antarctic Region, P. W. Quigg	89,800	—	89,800	5,341	84,459
Political Economy of Development Since 1944, I. M. Little	83,750	79,157	—	22,837	56,320
Political Surveillance in the U.S., R. E. Morgan	49,500	5,532	—	1,441	4,091
Politicization in the U.N. System, D. Partan	56,400	31,877	—	8,099	23,778
Politics of Land Use Reform, F. J. Popper	70,200	18,076	—	5,072	13,004
Postwar International Monetary Experience, M. Gilbert	146,500	121,500	(65,424)	56,076	—
Presidential Television Debates, Task Force	72,000	19,379	47,653(a)	67,032	—
Press in South Africa, R. Pollak	15,000	—	15,000	9,159	5,841
Public Library in America, L. White	72,300	44,974	—	5,555	39,419
Regional Development Policy, B. Chinitz	56,420	27,790	(26,376)	1,414	—
Role of Economic Advisors in Developing Countries, L. Currie	42,716	21,737	—	11,617	10,120
Soviet-American Economic Relations, F. Holzman	77,100	30,269	—	4,040	26,229
Strategies of Governing: Big Cities and Their Mayors, A. M. Howitt	73,575	56,939	—	23,095	33,844
U. S. Policy Toward UNESCO, L. S. Finkelstein	89,500	80,847	—	44,907	35,940
Urban Transportation Problems and Policies, J. R. Meyer, J. A. Gomez-Ibanez	99,000	91,937	—	30,534	61,403
Visual Arts and the Public Interest, E. C. Banfield	65,000	29,888	—	8,573	21,315
Wholesale News: The Wire Services, E. Epstein	127,700	40,157	—	—	40,157
Work and the Underclass in American Society, M. Freedman	73,750	52,786	—	22,121	30,665
Total Research Projects	\$4,049,663	\$1,872,744	\$504,924	\$840,771	\$1,536,897
<i>Special Project:</i>					
National News Council	\$ 600,000	\$ 100,000	\$ —	\$100,000	\$ —
Total Research and Special Projects	\$4,649,663	\$1,972,744	\$504,924	\$940,771	\$1,536,897

(a) Grants received from the William Benton, William and Flora Hewlett, and John and Mary R. Markle Foundations totaling \$47,500.

Twentieth Century Fund, Inc.
Statement of Investments
June 30, 1979

Schedule 3

	Description	Cost	Quoted Market
Summary	Commercial Paper	\$ 2,345,000	\$ 2,345,000
	Notes	1,874,553	1,857,528
	Bonds	3,324,384	3,076,860
	Common Stocks	12,412,794	19,000,089
	Total Investments	\$19,956,731	\$26,279,477

See notes to financial statements.

Twentieth Century Fund, Inc.
Statement of Investments, continued

Schedule 3

Description	Principal Amount	Cost	Quoted Market
<i>Commercial Paper:</i>			
Ford Motor Credit Co. 9.875% 7/2/79	\$ 420,000	\$ 420,000	\$ 420,000
General Motors Acceptance Corp. 9.875% 7/5/79	300,000	300,000	300,000
International Harvester Credit Corp. 9.95% 7/11/79	875,000	875,000	875,000
TransAmerica Financial Corp. 9.9% 7/18/79	325,000	325,000	325,000
General Electric Credit Corp. 9.65% 7/25/79	425,000	425,000	425,000
Total Commercial Paper	\$ 2,345,000	\$ 2,345,000	\$ 2,345,000
<i>Notes:</i>			
BankAmerica Corp. 6.625% 1980	\$ 200,000	\$ 199,120	\$ 188,500
Cenco, Inc. 8% 1993	6,800	6,800	6,000
Chemical N.Y. Corp. 6.625% 1980	100,000	99,430	97,375
Citicorp. 9.7% (a) 1989	500,000	496,875	504,375
Federal National Mortgage Association 7.65% 1985	125,000	123,438	116,875
First Chicago Corp. 6.75% 1980	100,000	99,250	96,125
National Bank of Detroit 6.875% 1979	100,000	100,005	100,000
Standard Oil Co. (Indiana) 10.55% (a) 1989	250,000	250,625	251,563
U.S. Treasury 8.5% 1980	500,000	499,010	496,715
Total Notes	\$1,881,800	\$1,874,553	\$1,857,528

(a) Floating interest rate is based upon U.S. Treasury Bill Rate.

Twentieth Century Fund, Inc.
Statement of Investments, continued

Schedule 3

Description	Principal Amount	Cost	Quoted Market
<i>Bonds:</i>			
Bethlehem Steel Corp. 8.45% 2005	\$ 100,000	\$ 99,625	\$ 89,875
General Motors Acceptance Corp. 8.75% 2001	100,000	100,750	94,625
Illinois Bell Telephone Co. 8% 2005	100,000	102,000	89,093
Illinois Power Co. 8.35% 1999	100,000	100,000	88,093
Indianapolis Power & Light Co. 9.3% 2006	250,000	253,437	235,938
Iowa Public Service Co. 8% 2001	100,000	99,437	87,437
Kansas City Power & Light Co. 8.875% 2006	200,000	198,500	186,000
Northern States Power Co. 8% 1999	100,000	96,167	87,812
Ohio Edison Co. 8.25% 1999	100,000	102,000	84,750
Pacific Gas & Electric Co. 8.875% 2002	200,000	201,587	185,000
Pfizer Inc. 8.5% 1999	100,000	100,250	93,000
Philadelphia Electric Co. 9% 1995	84,000	85,890	77,700
Province of Ontario 9.25% 2000	100,000	99,000	96,843
Province of Ontario 8.4% 1985	100,000	100,750	95,250
R. J. Reynolds Tobacco Co. 7.875% 1994	100,000	99,750	90,125
Rochester Gas & Electric Co. 9.25% 2006	250,000	252,500	233,437
South Central Bell Telephone Co. 8.5% 2001	200,000	198,798	188,562
Standard Oil Co. (Indiana) 9.2% 2004	250,000	254,063	250,000
Standard Oil Co. (Ohio) 8.5% 2000	100,000	99,750	92,000
Standard Oil Co. (Ohio) 8.375% 2007	100,000	100,250	90,000
Travelers Corp. 8.7% 1995	279,000	279,349	266,445
U.S. Treasury 7.875% 2000	200,000	199,000	182,750
Wisconsin Natural Gas Co. 8.75% 1994	100,000	101,531	92,125
Total Bonds	\$3,313,000	\$3,324,384	\$3,076,860

Description	Number of Shares	Cost	Quoted Market
<i>Common Stocks:</i>			
American Telephone & Telegraph Co.	11,024	\$ 303,652	\$ 638,014
Baxter Travenol, Inc.	12,000	383,564	508,500
Continental Oil Co.	20,000	433,639	757,500
Corning Glass Works	10,000	597,987	577,500
Deere & Co.	20,000	388,160	777,500
Dresser Industries, Inc.	16,000	382,704	726,000
Federated Department Stores, Inc.	75,800	1,672,023	2,245,575
General Electric Co.	12,000	512,236	600,000
General Motors Corp.	10,000	599,510	593,750
Hanna Mining Co.	10,000	378,024	332,500
Harris Corp.	10,000	268,213	285,000
Hewlett-Packard	3,000	198,942	291,750
International Business Machines Corp.	8,000	425,650	587,000
International Flavors & Fragrances, Inc.	15,000	305,323	307,500
International Paper Co.	5,000	266,968	223,125
Jefferson Pilot Corp.	15,000	509,973	547,500
Manufacturers Hanover Corp.	10,000	346,302	355,000
Merck & Co., Inc.	8,000	435,450	540,000
Mobil Oil Corp.	20,000	315,080	785,000
Perkin Elmer Corp.	25,000	418,189	743,750
Phillips Petroleum Corp.	30,000	395,581	1,147,500
Roper Corp.	40,000	475,192	390,000
St. Louis-San Francisco Railway	7,000	278,762	357,875
St. Regis Paper Co.	15,000	408,287	468,750
Santa Fe Industries, Inc.	10,000	250,390	418,750
Schlumberger Ltd.	9,000	404,915	666,000
Standard Oil Co. (Indiana)	20,000	244,167	1,315,000
Union Pacific Corp.	20,000	398,386	1,367,500
Weyerhaeuser Co.	15,000	415,525	446,250
Total Common Stocks		\$12,412,794	\$19,000,089

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