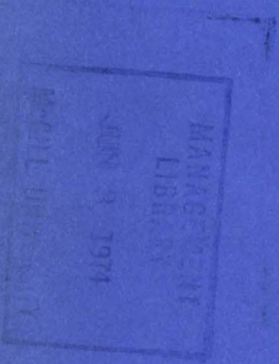


The Twentieth Century Fund

Annual
Report
1973



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
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New York, New York 10021

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The Twentieth Century Fund Annual Report 1973



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Dedication

This annual report is dedicated to Herman W. Steinkraus, who retired this year as a member of the Board of Trustees of the Twentieth Century Fund, which he joined in 1950. He was chairman of the finance committee from 1968 to 1971. In appreciation of his long and active participation in Fund activities, the Board on his retirement this year acknowledged his many valuable contributions by conferring on him the status of Honorary Trustee.

Like Edward A. Filene, the founder of the Fund, Herman Steinkraus is a conscientious and public-spirited businessman with vision as well as special expertise. Particularly concerned about improving labor-management relations, he accomplished a great deal in the field, putting into practice a number of innovations as head of the Bridgeport Brass Company and as president of the Chamber of Commerce of the United States. But he also devoted himself to the betterment of international relations, serving with distinction with the United Nations Association of the United States, and to numerous other concerns over which he demonstrated compassion and dedication. Many of them are reflected in studies undertaken by the Fund.

While Herman Steinkraus was lavish in the devotion and energy he gave to his work in the public interest, he was—and is—no less lavish toward those closest to him—his family and his home town. He and his wife, who have been married over fifty years, remain constant com-

panions, traveling everywhere together. They are close to their daughters, Ruth and Marjorie, and to their son, Billy, who filled them with pride when he won an Olympic gold medal for horsemanship. A resident of Westport, Connecticut, Herman Steinkraus was an environmentalist long before it became a vogue, and employed his keen sense of things financial as chairman of the board of finance for Westport.

The staff and Trustees of the Fund join in saluting Herman Steinkraus, who is a man for all seasons.

M. J. Rossant

The Director's Report

The foundation community continues to express concern about its future. On the face of it, such concern appears to be warranted. In an age of inflation, it is becoming more difficult to do as much with the same amount of money. Moreover, the uncertain and depressed state of the securities markets has cost many foundations substantial losses of assets. Meanwhile, the birth rate of new foundations has slowed, and the death rate has increased. Some members of the foundation fraternity are talking as if private philanthropy has had its day.

The golden age of philanthropy may well be behind us. Yet foundations still possess considerable wealth and can expect more with the inevitable resurgence of confidence in the body politic and the inevitable recovery of prices in the securities market. Despite certain legal impediments to the creation of foundations, the philanthropic impulse is likely to be reawakened once the atmosphere, now so heavily clouded by Watergate and its revelations, clears.

Certainly foundations have no reason to despair about the future. The legal strictures that now apply to foundations are not always easy to live with, but they hardly sound the death knell for philanthropy. There is still plenty of opportunity to undertake worthwhile ventures, and ample room for fresh and unortho-

dox attempts to advance the frontiers of knowledge. Instead of deploring alleged restraints and seeking to change the minimum and reasonable payout requirements imposed by Congress, foundations should be devoting attention to improving their investment performance and to strengthening their capacity to take risks.

The significance of a foundation is based not only on the size of its monetary resources but, more important, on its ability to put those resources to work in imaginative and innovative ways that benefit society. The pioneering efforts of a relatively few institutions were responsible for the flourishing philanthropy of past years. I do not believe that these intellectual resources are dwindling. On the contrary, foundations overall are probably more innovative and certainly more professional than they were in the good old days. Many are venturing into high-risk areas that were never contemplated in a previous era; others are demonstrating greater authority and skill in dealing with traditional areas of foundation interest. Thus, there is every reason to believe that foundations can play as vital a role in the future as they did in the past.

In the aftermath of Watergate, foundations can also demonstrate their value by setting an example of rectitude and excellence. At a time of skepticism and doubt about the established institutions in American society, foundations must operate both responsively and responsibly. As possessors of risk capital, they ought not to be excessively cautious and overly timid in their programs. Most foundations claim to pursue excellence yet all too often settle for something less. The Fund, I must admit, is no exception. In evaluating our work, I find

that many of those receiving foundation support do not give their projects the meticulous and thorough care that they do in other settings—the campus, government, business. The fault is not so much in the recipients of foundation largesse, although they are not blameless; it is because foundations are not harder and more demanding taskmasters.

I do not mean to imply that foundations ought to interfere with or inhibit the work of those seeking support. Rather, I am suggesting that foundations must learn to be more self-critical and more competent in carrying out their programs. All too frequently foundation risk taking takes the form of random stabs in the dark. Although inspiration has value, it must be accompanied by systematic and sustained efforts to identify needs and problems—economic, cultural, social, and political—that call for diverse but defined responses from the universe of foundations.

In the Fund's case, our concentration on public policy issues has narrowed the range of our portfolio of projects. But it still calls for the making of hard choices. We have learned that it is a mistake, for example, to fund an ambitious project without the trained personnel to conduct it. We have also found out that the work of acknowledged authorities in a given field is not an automatic guarantee of high quality.

I would share some of the current pessimism about the future of foundations if they fail to evaluate what they are doing and do not take corrective steps. Complacency is sure to lead to stagnation. But if foundations individually establish higher standards and set up critical techniques for evaluating their own work, it is conceivable that society will enjoy

a new golden age of philanthropy. Foundations should not restrict activity to a few sectors that promise immediate and tangible payoffs. Such a policy would not involve risk taking in any real sense. I venture to suggest that, as in the past, only a few foundations will have the courage and the conscience, along with the skills, to undertake truly pioneering activity; but by improving their internal staffs and expanding on their fields of competence, foundations in general will become much better equipped to take risks and to make more lasting and critical contributions.

In the process of reexamining themselves, foundations may also recognize virtues in acting together. Traditionally, foundations have been highly individualistic; this behavior is consistent with their origins as the product of a single donor or family of donors. Although this individualism has encouraged diversity, foundations have now reached a stage of development where cooperation and collaboration in certain areas may be worthwhile. I have long urged that foundation trustees ought to be more representative of the public as well as more concerned—and capable. I also see the need for a code of ethical standards for full-time professionals in the field. And I think that there is much to be gained from collaboration on projects and cooperation in the management of foundation investments.

Progress, admittedly uneven, has taken place on some of these fronts. At the moment, perhaps the most immediate problem of many foundations is to assure that inflation does not erode their existing resources. Although the largest foundations can afford internal investment managers of high professional caliber, many medium-sized and smaller

institutions cannot. Because smaller foundations are frequently the most audacious and inventive in their activities, it would be particularly tragic if their programs were to be curtailed or eliminated by either inflation or poor investment performance or both. It is my belief that they therefore ought to explore innovations in the handling of monetary resources—specifically the pooling of assets and sharing of the costs of professional investment management. Collaboration of this nature should not discourage diversity in terms of programs. On the contrary, it may not only preserve but also perhaps increase the pool of funds available for a variety of purposes.

The Fund is prepared to partake in exploring ways and means of helping other foundations in this area. We are prepared to share our experience in investment management with other foundations interested in increasing income while preserving assets needed for their program. In addition, we are eager to make available the findings of our securities research, some of which is pertinent to foundations. The Fund does not claim to have all the answers. Far from it. We are intent, however, on acquiring the ability to manage our own resources effectively instead of leaving this task to others. Foundations concerned about the future should at least consider joining with us.

M. J. Rossant

Trustees and Officers

Trustees

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Partner, Paul, Weiss, Rifkind, Wharton and Garrison, New York; formerly president, Brandeis University

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(on leave)

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Hodding Carter III

Editor, the *Delta Democrat-Times*, Greenville, Mississippi

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S. Sloan Colt Professor of Banking and Finance, Graduate School of Business, Columbia University, and economic consultant for Teachers Insurance Annuity Association and College Retirement Equities Fund

Howard M. Stein

Chairman, Dreyfus Corporation, New York

The Investment Advisory Group, together with the director, advises the Fund's finance committee on ways to increase resources for an expanded research program.

Introduction

The projects inaugurated by the Fund this year reflected its continuing interest in the broad problems facing society and the nation. Of special concern to the Fund—reflected in both its research program and its annual payment to the City of New York for municipal services—are the critical problems that the leaders of great American cities are struggling to resolve. In collaboration with the Fund for the City of New York, the Fund appointed an independent Task Force on Legalized Gambling to examine the implications of this increasingly controversial but popular source of revenues for cities and states. Another new project dealing with urban problems was the special Task Force on Prospects and Priorities of New York City, which was to report to the new city administration the results of its study of key problems facing the new mayor. The Fund also completed a film documentary on the nation's capital, tentatively entitled *Washington: The Last Plantation*.

In another of its major areas of interest—communications—the Fund commissioned a study of the impact of advances in computer technology on personal privacy. This study, conducted by Howard Latin of the Law School of the University of California at Berkeley, will explore the effects on individuals of new computer applications and will suggest possible means of controlling the release of computer-based information now being placed in these systems. Other studies in the communications area, completed and published during the year included *A Free and Responsive Press*, the report and background paper by the Fund's Task Force for a National News Council; *Effects on Performance of a Cross-Media Monopoly*, a monograph by Guido H. Stempel III; and *Presidential Television*, by Newton N. Minow, John

Bartlow Martin, and Lee M. Mitchell. In a manifestation of its long-standing interest in political and economic institutions, the Fund sponsored an analysis of the process by which United States government policy on the Middle East is formulated. Steven L. Spiegel, of the University of California at Los Angeles, will examine the influence of government agencies, the White House, the business community, and other groups in the policy making process.

The Fund also is supporting a study of the critical relations between federal and state governments. Peter Passell and Leonard Ross, of Columbia University, are focusing on the state of California to determine the impact of federal actions in such areas as health, higher education, elementary and secondary education, and welfare.

At the end of the fiscal year (June 1973) the Fund had thirty-five projects completed or in progress.

Completed and Ongoing Studies

Communications

Advances that have brought the wired city within the technological reach—if not the economic grasp—of most of urban America have made possible other kinds of communications as well. Full examination of this field, to which the Fund has committed a large portion of its resources, must also take into account the communication of data and the impact of such communication on persons and their privacy.

Therefore, while research sponsored by the Fund has analyzed the communications impact of presidential television and the significance of the technological centralization of wire service news handling, the advent of the computer age has also led the Fund to investigate the building up, storage, and relatively uncontrolled dissemination of personal information.

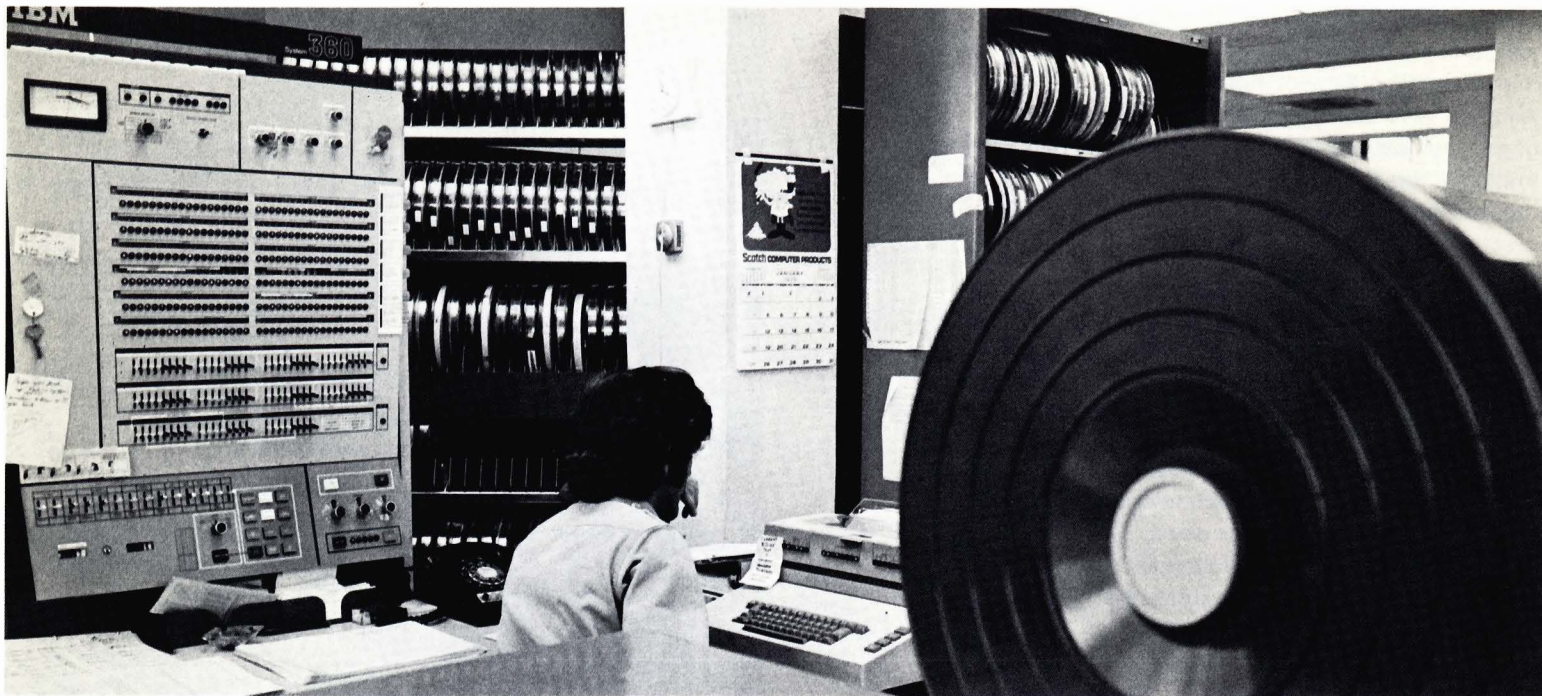
Political Public Affairs Broadcasting

The members of this Task Force—a group of experts in public affairs, law, and broadcasting—decided to adjourn for the period of the 1972 election campaign. The course of events, in particular Watergate, in the months following the election rendered obsolete the manuscript that had been produced to that point. Consideration is now being given to the scope and approach that would be appropriate for the work of a reconvened Task Force.

Little Magazines

Lawrence Grauman, editor of *Antioch Review*, was scheduled to complete his study of the problems of literary avant-garde magazines in 1972. Early in 1973, Mr. Grauman agreed to submit a new work schedule, a revised outline, and his first chapter to the Fund by August 30, with the understanding that subsequent chapters would follow.





Computers, Information Processing, and Privacy

Howard Latin, a researcher attending the Law School of the University of California at Berkeley, is studying the impact of new computer technology and applications on personal privacy. Mr. Latin's report will examine the social problems resulting from apparent infringements of the rights of individuals to privacy and to control of information concerning their personal lives. The report is scheduled for completion in 1974.

The Flow of News

Within the body of newspaper and broadcast journalism, the wire services are the central nervous system, transmitting information around the country and signaling other news organizations on what to cover. Control of the "wires" largely determines the news diet of the American public. Arthur E. Rowse, a former investigative reporter, has monitored the

flow of news from its source through the major wholesalers—the wire services—out to the local retailers of news and beyond, to the public. His book-length report is tentatively scheduled for publication in 1974.

Task Force Report on a National News Council

Established in response to the unanimous recommendation of an independent Twentieth Century Fund Task Force, the National News Council has begun a three-year trial run supported by a foundation consortium that includes the Fund. The Council is examining public complaints about the performance of the print and electronic media and conducting studies on issues that affect the freedom of the press in the United States.

An independent, tax-exempt organization with its own staff and offices, the Council is designed to serve the public



in three ways. First, it provides a forum for hearing and reporting on complaints from any individual or group about the accuracy and fairness of news disseminated by the national suppliers of news—the wire services, the major supplementary news services, the broadcast networks and the principal national newspapers and newsweeklies. In addition, the Council receives and acts upon complaints from the news media against individuals and organizations—public or private—alleged to restrict the freedom of the press to gather and disseminate news. Finally, the Council is, on its own initiative, commissioning reports on issues affecting freedom of the press.

The Council includes nine public members and six from the news media, under the chairmanship of Roger J. Traynor, former chief justice of the California Supreme Court. Other public members are Joan Ganz Cooney, president of the Children's Television Workshop, which created "Sesame Street"; Thomas B. Curtis, former U.S. Representative from Missouri and former chairman of the Corporation for Public Broadcasting; Irving Dilliard, formerly editorial page editor of the *St. Louis Post Dispatch* and emeritus professor of journalism at Princeton University; Albert Gore, former U.S. Senator from Tennessee and now chairman of the board of the Island Creek Coal Company; Dorothy R. Height, director of the Racial Justice Center of the YWCA and president of the National Council of Negro Women; the Rev. James Lawson, Jr., pastor of Centenary United Methodist Church, Memphis, and a leader in the civil rights movement; Robert B. McKay, dean of the New York University Law School; and Sylvia Roberts, Baton Rouge attorney, who is chairman of the Committee on Rights for Women of the American Bar Association

and president of the Legal Defense and Education Fund of the National Organization for Women.

Media members are Loren F. Ghiglione, editor and publisher of the *Southbridge* (Mass.) *Evening News*; Mary T. (Molly) Ivins, co-editor of the *Texas Observer*; Ralph M. Otwell, managing editor of the *Chicago Sun-Times*; Ralph Renick, vice-president/news director of WTVJ-TV, Miami; William A. Rusher, publisher of the *National Review*; and R. Peter Straus, president of Straus Communications, Inc., which operates radio station WMCA in New York.

The Council's day-to-day operations are supervised by Executive Director William B. Arthur, former managing editor of *Look*. Its associate director, Ned Schnurman, was formerly a television newsman with WCBS in New York and with National Educational Television.

Urban Problems

One of the more important roles a foundation can play is to relate its scholarship and research to the crises in which most American cities are continually enmeshed. The Fund has exhibited its concern with the problems of the city through constructive analysis and research as well as by the annual contribution it makes to New York City for municipal services it receives free of charge as a tax-exempt property owner.

With inauguration of a new mayor scheduled half-way through the next fiscal year, the Fund organized an independent Task Force to examine some of the major problems the new mayor will face, and to make recommendations in areas where he has special responsibility. The Fund has also sponsored a film on the peculiar thrall in which the nation's capital is held—appropriately entitled *Washington: The Last Plantation*.



Jails

An outbreak of riots and other disturbances in the nation's jails and prisons in the early 1970s attracted the public's attention to the condition of these institutions. Ronald L. Goldfarb, a Washington, D.C., attorney, has for many years been concerned with criminal justice and the penal system. In 1967, he and Alfred Friendly co-authored a Fund study, *Crime and Publicity*. His study of prisons (sponsored by the Ford Foundation) was published last year. He has recently submitted to the Fund a completed manuscript, the product of his Fund-sponsored research, which examines the inhabitants of short-term detention centers; the special problems of sickness, alcoholism and narcotics addiction, and jailed juveniles; and the growing politicization of jail inmates. The manu-

script is being reviewed and prepared for submission to publishers.

New York City: Urban Drama

Andrew Hacker's study of New York City, which has gone through several revisions, has now been restructured as a critical analysis of the "Lindsay era," the eight-year period of Mayor John V. Lindsay's administration. The manuscript is now scheduled for completion in early 1974.

Prospects and Priorities for New York City

In recent years, New York City has become the symbol of urban deterioration. But as the time for mayoral elections drew near, the Fund saw an opportunity to give fresh and serious consideration to the needs of the nation's largest city

and to the resources available for meeting these needs in the 1970s. Consequently it has appointed a Task Force on the Prospects and Priorities for New York City, chaired by Robert M. Morgenthau, to meet during the six months preceding the November 1973 election, to examine the state of the city and to define an appropriate strategy and set of policy priorities for the new mayor and his administration. The Task Force members found that the dramatic population shifts and expansion of government programs of the last two decades, combined with the more recent leveling-off of state and federal aid, left the city in straitened circumstances. Focusing their attention on the new mayor, the Task Force is urging him to husband the resources of that office by selecting his priorities carefully, avoiding excessive rhetoric, and concentrating on efficient management of the city's programs. At the same time, the Task Force is advising the mayor-elect to assume an active leadership role and to serve as a vigorous advocate for the city's interests in Albany and Washington in order to maintain New York City's high quality and range of municipal services. The Task Force plans to make specific policy recommendations in five areas: collective bargaining, criminal justice, health and hospitals, transportation, and economic development. The Task Force report, entitled . . . *A Nice Place to Live*, is scheduled for publication in paperback.



Big-City Mayors

The mayors of the nation's largest cities are the most directly exposed of all political officeholders to the complex of problems known as the urban crisis. Russell D. Murphy, professor of government at Wesleyan University, is tracing the development of the mayoralty from a largely ceremonial office, in the early



nineteenth century, to its emergence today as the focus of local political pressures and the spokesman for urban needs at the state and national level. Professor Murphy challenges the conventional notion of the mayor as a minor figure in a political dead-end job, but he finds that the powers given mayors by municipal charters are often inadequate for meeting the needs and expectations of their constituents. The study is now due to be completed in 1974.

Washington: The Last Plantation

This documentary film on the city of Washington, written and produced by Jesse Sandler, has been completed. Tentatively entitled *Washington: The Last Plantation*, it is being reviewed by the staff and the Board of the Fund in preparation for its release to the public.

Economic Development

The Fund continued its support of research on economic development, a traditional field of interest. Its current projects include analyses of countries experiencing both slow and rapid growth. Arrangements were made for Spanish editions of two recent Fund studies: *The Alliance That Lost Its Way*, by Jerome Levinson and Juan de Onis and *From Peasant to Farmer*, by Raanan Weitz; *Journeys Toward Progress*, by Albert O. Hirschman, a Fund study of economic policy making in Latin America, is being republished in paperback.

Indian Development

Prospects for accelerated economic development in India based on increased agricultural productivity made possible by the "Green Revolution" are the subject of an analysis by John W. Mellor, professor of agricultural economics at Cornell University. Production of more food grains can lead to an expansion of employment in other sectors of the economy, Professor Mellor argues, but only if the Indian government adopts the appropriate policies to encourage this development. The manuscript is undergoing a final revision and should be completed early in 1974.

Japan and the World Economy

Japan's changing role in the world economy is the subject of a study by Hugh T. Patrick, professor of economics at Yale, and Gary R. Saxonhouse, an economist at the University of Michigan. They plan to predict the future course of Japan's balance of payments and the composition of her trade, including the probable course of Japanese-American trade relations over the next decade, by using an econometric model developed for their study. They also plan to assess the implications of the worldwide energy crisis and changing exchange

rates for Japan's future in world trade. The study is scheduled for completion in 1974.

Capitalism and Development in India

This analysis of the failure of India's economic development efforts since independence was due for completion in 1974. The research is completed, but work on the project by Thomas E. Weisskopf, associate professor of economics at the University of Michigan, has been suspended.

Planning and Budgeting in Poor Countries

Aaron Wildavsky, dean of the Graduate School of Public Affairs, University of California at Berkeley, and Naomi Caiden, professor of political science at Berkeley, have written a book that makes innovative recommendations for reforming the planning and budgeting systems of poorer countries throughout the world. The authors analyze the political, economic, and social developments that influence government budgeting in these countries. They argue that the requisites of comprehensive economic planning do not exist in poor countries, and that, in the effort to create them, planners merge into the environment they have set out to change. The work is set for publication (not as a Fund study) in early 1974.



Political and Economic Institutions

The Fund is supporting a variety of policy-oriented projects that deal with America's political and economic institutions. The projects range from a study of the need for a national energy policy to an analysis of the jury system, a Task Force on municipal bonds, several political examinations, and finally an examination of the legalization of gambling. It is the Fund's purpose to contribute to public debate and to deepen public understanding of significant aspects of American society.

Public Financing of American Elections

The financing of American election campaigns is the subject of a study by David Adamany, professor of political science at the University of Wisconsin, and George Agree, an experienced political fund raiser. Their research includes analysis of the 1972 election campaign and the results of a special poll on voter attitudes toward public financing conducted for the study by the National Opinion Research Corporation. They conclude that the present system of financing elections gives an unfair advantage to the rich, leads to the corruption of candidates for public office, and, with the advent of high technology campaigning, is producing insufficient funds to support vigorous electoral contests for some public offices. Their manuscript, which includes a set of recommendations for public financing of election campaigns, is scheduled for completion in 1974.

The Presidential Nominating Process

Since 1968, both major parties have adopted procedural reforms which have brought significant changes in the way presidential nominees are chosen. The reforms have opened up the delegate selection process to grass roots participation, spurred adoption of presidential



preference primaries by many state legislatures, and eliminated use of the unit rule which bound local and state delegations to vote as a bloc at conventions. The nature of the reforms proposed by the party commissions, their adoption and implementation by state legislatures and state party organizations, and their impact on the strategies of candidates in the 1972 election and on the distribution of power within the two parties are the subject of a study by Kenneth Bode, a political scientist who served as research director of the McGovern Commission, and David Abbott, associate professor of political science at Brooklyn College. The study is scheduled for completion in 1974.

Securities Markets

The study of conflicts of interest in the securities markets, under the direction of a steering committee composed of William L. Cary, Benjamin V. Cohen, Roger Murray, Roy Schotland, William Stott, and the Fund Director, has produced a number of reports. These reports, researched and written by John Brooks, Edward Herman, Louis Kohlmeier, and Martin Mayer, will be published separately in 1974 as part of a series covering conflicts in the various sectors of the securities industry. The entire collection, with a preface by the Director and a concluding chapter by Roy Schotland providing recommendations for public policy, will also be published in book form.

Another study in the area of the securities markets deals with current and prospective problems facing the industry. Written by Michael Keenan of New York University, it has encountered lengthy delays. His work, which will serve as a guide to individuals and institutions concerned with reform of the market-

place, is now expected to be published in the fall of 1974.

National Energy Policy

The role of the federal government in assuring the steady flow of reasonably priced energy, produced under environmentally acceptable conditions, has been the subject of argument for a number of years. Recent events have intensified the need for a comprehensive policy in this area. David Freeman, a former White House energy advisor, has written a manuscript that explains the nature and magnitude of the issues involved in formulating a national energy policy. His manuscript is being revised and publication is scheduled for fall 1974.

Discrimination in the Education and Labor Markets

Richard Freeman, an economist at Harvard University, is undertaking a comprehensive study of the history of racial discrimination in American educational and labor markets. It is his provocative thesis that the historical disparities between white and black incomes stem largely from discrimination by government, and that private market forces actually tend to reduce such disparities. The study will examine records of white and black income, education, business formation, migration, and other gauges of racial exclusion. In addition, Professor Freeman will analyze the governmental and social pressures that established overall discriminatory patterns in the United States. The study is scheduled for completion late in 1974.

Control of Multinational Corporations

Walter Goldstein, professor of political science at the State University of New York at Albany, was scheduled to complete a study of the problems of controlling the activities of multinational



corporations by September 1972. His manuscript is under revision, but the future of the project is in doubt.

Political Participation and Polarization

The trauma of the Vietnam War and political developments at home have had an appreciable impact on the American public, accentuating changes in the rate of citizen participation in politics and polarizing attitudes toward political issues. This process is under study by Andrew Greeley, director of the Center for the Study of American Pluralism at the National Opinion Research Center of the University of Chicago, Norman Nie, associate professor of political science at the University of Chicago, and Sidney Verba, professor of government at Harvard University. They are seeking to detect trends and permanent alterations in American political behavior over the long term. Their study is scheduled for completion in late 1974.

Inequality in an Affluent Society

Despite their historically unprecedented affluence, the United States and a number of other developed nations contain large numbers of poor people.

Fred Hirsch, formerly at the International Monetary Fund, is working at Oxford University on a study of government policies dealing with inequality in advanced societies. In particular, he is concerned with the impact of government expenditures for capital goods as well as government regulations in various sections of the economy on groups at the lower end of the income scale. The project is scheduled for completion in the fall of 1974.

The Contemporary Commune Movement

A book about the contemporary commune movement in the United States has been completed by Judson Jerome, a poet and scholar formerly associated with Antioch College. Arrangements are being made for publication of the work (not as a Fund Study), which

examines the development of communal living from the early ideological stages to the later pragmatic arrangements that take into account the needs and desires of those living in the commune.

Women in Politics

The Fund, in collaboration with the Russell Sage Foundation, is sponsoring a study of the participation of women in politics. The study, based largely on a survey of delegates to the 1972 national conventions, will provide a research resource for future studies of the changing roles of both men and women in politics and the potential for their greater participation in the political process. Jean Kirkpatrick of Georgetown University and Warren Miller of the University of Michigan's Institute for Social Research are co-directors of the project, with the assistance of William Crotty of Northwestern University and Elizabeth Douvan of the University of Michigan. The results of their survey suggest that the delegate group is an elite whose members display a surprising uniformity of action and perception. The study is scheduled for completion by 1975.

Private Insurance and the Nation's Health

The high cost of medical care has long been a subject of heated public debate. John Krizay, director of the Office of Monetary Affairs in the Department of State, and Andrew Wilson, a senior economist and consultant at the Agency for International Development, have examined health care financing from the points of view of the patient as consumer, the health insurance companies and government agencies involved in health care financing, and the doctors, nurses, technicians, and hospital administrators who are the providers of health care. Their findings indicate that a

fundamental problem of health care financing is determining the extent of public demand for health care and assessing it against competing claims on the nation's resources. The book-length report will be published in the first half of 1974.

Women and Employment

This independent Task Force has explored a number of issues affecting working women, including equal opportunity legislation and enforcement, employer and union practices, the role of educational institutions and the media in fostering equal job opportunities, and the need for child care facilities. New York City's commissioner of human rights, Eleanor Holmes Norton, chaired the Task Force, and the background paper for it was prepared under the direction of Adele Simmons, dean of student affairs at Princeton University. The report of the Task Force and the background paper are being reviewed and are scheduled for release in 1974.

The Planning and Politics of Low Income Housing

Alexander Polikoff, a Chicago lawyer who has been a leading figure in the celebrated Gautreaux suit against the Chicago Housing Authority for its allegedly discriminatory housing policies, is undertaking a study of discrimination in public housing programs, which has contributed to an estimated shortage of 9 million units of low-income housing. Mr. Polikoff plans to recommend new public policies for dealing with discrimination in housing. His work is scheduled for completion early in 1975.

Economic Policies of the Federal Government

This examination of the economic policies pursued by the federal government



over the post-World War II period continues to face delays. The research director, Harvey Segal, a vice-president at the First National City Bank, has been unable to provide a firm deadline for completion of his work.

State in the Nation

Peter Passell and Leonard Ross, both of Columbia University, have begun work on a review and analysis of the general problems of state and federal relations with a detailed examination of the interaction between federal funding and regulations and state government programs in California. The study will rest heavily on analyses of California's social service programs, including health, higher education, elementary and secondary education, welfare, and the impact of federal actions on overall budgeting in the state. The project is scheduled for completion by the end of 1974.

United States Policy Toward the Arab-Israeli Dispute

The process by which U.S. government policy toward the prolonged Middle East conflict has been formulated is the subject of an analysis undertaken by Steven L. Spiegel, associate professor of political science at the University of California at Los Angeles. Drawing on primary documents, memoirs of participants, and personal interviews, Professor Spiegel intends to characterize the policy-making pattern under each of the five postwar presidential administrations. He will examine the relative influence in routine decisions and crisis situations of the President and his White House advisors, the State Department, the American mission to the United Nations, the Pentagon, the Central Intelligence Agency (CIA), Jewish groups, the oil companies, and various foreign em-

bassies. At least one major crisis during each administration will be examined, including the 1948 recognition of the state of Israel, the 1956 Suez conflict, the 1967 six-day war, and the most recent outbreak of hostilities. The study is scheduled for completion in the fall of 1975.

Municipal Credit Ratings

Two private companies issue ratings of the creditworthiness of bonds and other debt instruments sold by state and local governments, ratings which can substantially affect the amount of interest that these governments will have to pay on their debt. A Fund Task Force has been examining the present bond rating system. The report of the Task Force, which will appear in 1974, recommends the creation of a new data-gathering agency to be funded by state and local governments, and the development of firm criteria for the determination of credit ratings. The rapporteur and author of the background paper is John Petersen of the Municipal Finance Officers Association.

Demography of American Juries

Jon M. Van Dyke, professor of law at Hastings College of Law of the University of California, is completing his study of contemporary American jury selection procedures. Tracing the evolution of the jury and jury selection criteria in English and American law, Mr. Van Dyke measures federal law and a sample of state law regarding jury selection against the standards of a "jury of peers" and representative juries. The study also examines the impact of excuses and exemptions and courtroom procedures on jury membership and assesses various proposed changes in the jury system, including less-than-twelve-member juries and less-than-

unanimous verdicts. Professor Van Dyke intends to conclude his work with an analysis of the effect of under-representation of various population groups on the verdicts of juries. The study is now scheduled for completion in mid-1974.

Public Employee Retirement Systems

The growth of public employee pension payments has become a major political issue in New York and many other states. Robert Tilove, a recognized expert on retirement systems, has been studying the development and characteristics of these plans throughout the country. He has made a comprehensive survey of the major systems and an analysis of their operations, giving special attention to the impact of their growth during a period of expanding Social Security payments. Mr. Tilove has completed his work on the manuscript, and publication should take place late in 1974.

Legalized Gambling

Many states and cities have been moving in recent years toward legalization of some forms of gambling, in the expectation that this measure will provide substantial revenues and perhaps also reduce the opportunities for police corruption. An eleven-member Fund Task Force, chaired by Paul Ylvisaker, is currently examining this subject with a view to making policy recommendations on the appropriate extent and form of legalized gambling. The rapporteurs for the Task Force are David Beale and Clifford Goldman. The Task Force report and background paper are expected to be issued in spring 1974.

Public Authorities

The independence of public authorities from governmental control or public scrutiny has generated widespread con-



cern and criticism. Annmarie Hauck Walsh, who is now on leave from the Institute for Public Administration, is completing a study that will review the history of the development of public authorities, analyze their operations, provide measures of their performance, examine their usefulness, and determine how they could be made more efficient and more accountable. A final manuscript is expected in late 1974.

Publishing

Public Information

During the period under review, the Fund issued nine press releases and published its 1972 annual report. The Fund also held three press conferences, one of them in Washington, to announce publication of major studies and reports. The Fund received extensive publicity on the report of its Task Force for a National News Council; its controversial proposal drew extended news and editorial coverage throughout the nation.

The public information department revised the list of Fund publications and made it available for complimentary distribution. The department also prepared and issued a newsletter which was distributed to a mailing list of 12,500, including policy makers, journalists, scholars, libraries, and other institutions.

During the past year, the Fund displayed its publications in forty book exhibits, including the American Academy of Political and Social Science, the Society for International Development, the National Conference on Social Welfare, and the Latin American Studies Association.

The Fund's Gross National Product Flow Chart, first printed in 1966 and updated periodically, continued to be a popular item for schools and universities. Because of heavy demand, a printing of 25,000 copies was ordered for the 1973 edition. A new edition is expected to be undertaken in 1974. The chart provides a graphic representation of the flow of the nation's goods, services, income, and expenditures. A color film based on the flow chart, produced by the Cambridge Design Group with Professor Paul Samuelson of MIT as consultant, was distributed by McGraw-Hill Films for approximately seventy showings during the year.

Publications

The Fund has arranged for the reissuing of many of its publications in paperback, thereby reaching an ever broadening market. The Fund continues the policy of making its soft-cover Task Force reports and staff papers available to the public without charge, while its major book-length studies are printed and distributed by commercial publishing houses and university presses.

During the year, Harper & Row brought out a paperback abridged edition of *The Military Establishment: Its Impacts on American Society*, by Adam Yarmolinsky, which appeared originally in a hardcover edition in 1971. Other publications brought out this year in paperback include *Parties: The Real Opportunity for Effective Citizen Politics*, by John S. Saloma III and Frederick Sontag (Vintage Books); and *What You Don't Know Can Hurt You*, by Lester Markel (Quadrangle Books).

After both hardcover and paperback editions and selection as a book-of-the-month choice by the *Fortune* Book Club, Waldemar A. Nielsen's *The Big Foundations* was summarized in a pamphlet issued by Public Affairs Committee.

In 1973, the Kraus Reprint Company began distributing all of the Fund's backlist books that are in print and reissuing certain Fund books that have gone out of print. The first reprints scheduled to become available were *Bricks, Mortar and the Performing Arts*, the report of the Fund Task Force on Performing Arts Centers (1970); *The President's Commissions*, by Frank Popper (1970); *Of Time, Work, and Leisure*, by Sebastian de Grazia (1962); and *Pickets at City Hall*, the report and recommendations of the Fund Task Force on Labor Disputes in Public Employment (1970). In

1974, *Classified Files: The Yellowing Pages*, a staff paper on the evolution of the government's declassification system for documents, and the problems that the system creates for scholars and journalists; and *CDC's: New Hope for the Inner City*, the report of an independent Task Force on Community Development Corporations, will be available from Kraus. The complete catalogue of books in print and of reprints is available from Kraus Reprint Company, Millwood, New York 10546.

Current Major Fund Studies,

Cloth Bound, in Print

The Big Foundations, by Waldemar A. Nielsen. This study is the first detailed examination of the thirty-three largest foundations, each with assets of over \$100 million. While defending the idea of foundations, it attacks the disturbing failures of the foundations 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. More than a study 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. Publisher: Lexington Books/D.C. Heath & Company.

Asian Drama: An Inquiry Into the Poverty of Nations, by Gunnar Myrdal (abridged). A condensation by Seth S. King of Myrdal's three-volume Fund study, this book contains the essence of the original analysis of the institutional attitudes and conditions—economic, social, and political—affecting development in South Asia. 464 pages, January 1972, \$10 (paper, \$2.45). Publisher: Pantheon. Available in French, German, Italian, Japanese, Persian, and Spanish translations.

From Peasant to Farmer: A Revolutionary Strategy for Development, by Raanan Weitz. The study suggests new approaches to agriculture in developing countries, with strong emphasis on land reform and improving production and distribution. It is based on field work carried out in Sri Lanka, Greece,

Spain, Turkey, Mexico, and Israel, as well as extensive economic research. 292 pages, October 1971, \$10. Publisher: Columbia University Press. Available in Spanish translation.

Haiti: The Politics of Squalor, by Robert I. Rotberg, with Christopher K. Clague. This study provides a comprehensive analysis of Haiti's troubled history, politics, economy, and culture. It also suggests ways to improve life in the world's most volatile and impoverished mini-state. 457 pages, March 1971, \$10. Publisher: Houghton Mifflin.

The Alliance That Lost Its Way: A Critical Report on the Alliance for Progress, by Jerome Levinson and Juan de Onis. Critical recognition has labeled this study as the most useful and comprehensive survey of the programs begun under the Kennedy administration to strengthen the economies and governments of Latin America. 383 pages, November 1970, \$7.95 (paper, \$2.95). Publisher: Quadrangle Books. Available in Spanish translation.

The Military Establishment: Its Impacts on American Society, by Adam Yarmolinsky. Aided by a team of specialists, Mr. Yarmolinsky analyzes the remarkable growth of the American military since World War II and attempts to gauge its influence, direct and indirect, on various aspects of American life. 434 pages, February 1971, \$10 (paper, \$3.95; abridged, 1973, 374 pages, paper \$1.95). Publisher: Harper & Row.

Current Fund Paperbacks in Print

A Free and Responsive Press. A Task Force report and background paper that urges 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. 88 pages, February 1973, paper, free.

Press Freedoms Under Pressure. A Task Force report and background paper on governmental pressure in journalism through subpoenas, censorship, and legislation. 193 pages, May 1972, paper, free.

Journeys Toward Progress: Studies of Economic Policy-Making in Latin America, by Albert O. Hirschman. This analysis of three economic policy problems in Latin America serves to counteract both the gross overconfidence in its ability to solve other peoples' problems that affected the United States and the lack of confidence in the ability to solve their own problems that had long plagued Latin Americans. Reprinted in paperback from the Fund's 1963 study. 1973, 308 pages, \$3.45. Publisher: W. W. Norton and Company.

Books Released with Other Publishers

Americans in Southeast Asia, by Russell Fifield. This volume examines American policy in Southeast Asia beginning in 1945 in order to demonstrate in the most precise political and social terms the origins of our involvement. The author traces subsequent events through 1972 and places Vietnam and Indochina in the perspective of Southeast Asia's history and contemporary affairs. 417 pages, May 1973, \$10. Publisher: Thomas Y. Crowell Company.

The World of Fanzines, by Frederic Wertham, M.D. This study by a noted psychiatrist examines those often informal, sometimes illustrated publications issued and written by young people and reflecting their perceptions of our society. 144 pages, November 1973, \$10. Publisher: Southern Illinois University Press.

Parties: The Real Opportunity for Effective Citizen Politics, by John S. Saloma III and Frederick Sontag. A comprehensive report on political parties with recommendations for reform. 390 pages, June 1972, \$7.95. Publisher: Alfred Knopf. (Paper, \$2.95; Publisher: Vintage.)

The Leaning Ivory Tower, by Warren Bennis. As participant-observer, the author details the search for a new president of the State University of New York at Buffalo and the story of the inauguration and failure of a new plan of higher education. 154 pages, January 1973, \$7.75. Publisher: Jossey Bass.

The Paper Revolutionaries, by Laurence Leamer. A survey of the underground press. 220 pages, July 1972, \$8.95 (paper, \$2.95). Publisher: Simon and Schuster.

What You Don't Know Can Hurt You, by Lester Markel. An examination of public

opinion and the news. 288 pages, March 1972, \$7.50. Publisher: Public Affairs Press. (Paper, revised, \$2.95; Publisher: Quadrangle.)

Effects on Performance of a Cross-Media Monopoly, by Guido H. Stempel III.

The effect of cross-media monopoly on the flow of news is explored in a monograph developed with research support from the Fund. 30 pages, June 1973, Journalism Monographs. Publisher: Association for Education in Journalism.



Grants

As a private operating foundation under the terms of the Tax Reform Act of 1969, the Fund enjoys considerable flexibility in its own research programs but is limited in the amount of grants it can make. Under exceptional circumstances, the Board of Trustees approves specific commitments. In the period under review, two commitments that had been approved earlier were fulfilled and a new grant was made.

National News Council

The unanimous report of a Fund Task Force recommended establishment of a National News Council to promote better performance by the print and electronic media and to defend freedom of the press. Such a Council was established as an independent entity separate from the Fund, and the Trustees approved a grant of \$100,000 a year for three years as a contribution to its support.

New York City

The Fund was the first of the city's property-owning foundations to make a payment to the city of New York for the various services it received free of charge. For the sixth consecutive year, the Fund made a grant to the city in recognition that its responsibilities reach beyond its extensive research program on urban problems. The grant of \$12,000 brought to a total of \$68,000 the amount given by the Fund to New York City since 1967.

International Baccalaureate Office

The Fund completed its three-year grant of \$75,000 to the International Baccalaureate Office, which is also supported by the Ford Foundation. Beginning in 1969, the IBO has worked to develop a system of curriculum and accreditation as a worldwide standard for admission to institutions of higher education.

Task Force Members

Task Force on Working Women (1971)

William Asher

Manager, Industrial Relations, U.S. Operations,
Xerox Corporation, Rochester, New York

David Bazelon

Judge, U.S. Court of Appeals,
Washington, D.C.

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Senior Vice President, Real Estate Research
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Jo Freeman

Associate Professor, Program in American Studies,
State University College at Old Westbury,
New York

Harold Gibbons

Vice President, International Brotherhood of
Teamsters, St. Louis, Missouri

Rita E. Hauser

Attorney, Stroock & Stroock & Lavan,
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Aileen Hernandez

Project Director, National Committee Against
Discrimination in Housing, San Francisco, California

Maurice Lazarus

Vice Chairman of the Board, Federated
Department Stores, Inc., Boston, Massachusetts

Eleanor Holmes Norton, chairman

New York City Commissioner of
Human Rights, New York, New York

Esther Peterson

Consultant on Consumer Affairs, Giant Food Inc.,
Landover, Maryland

Sylvia Roberts

Attorney, Baton Rouge, Louisiana

Thomas Winship

Editor, *Boston Globe*, Boston, Massachusetts

Harris Wofford

President, Bryn Mawr College,
Bryn Mawr, Pennsylvania

Rapporteur:

Adele S. Simmons

Dean of Student Affairs, Princeton University,
Princeton, New Jersey

Task Force on Political Public Affairs Broadcasting (1971)

Elie Abel

Dean, Graduate School of Journalism,
Columbia University, New York, New York

Douglass Cater

Director, Communications and Society, Aspen
Institute for Humanistic Studies, Aspen, Colorado

Frederick Ford, chairman

Pittman, Lovett, Ford, Hennessy and White,
Washington, D.C.

Vera Glaser

Journalist, Knight Newspapers, Inc.,
Washington, D.C.

Robert Northshield

Executive Producer, NBC News,
New York, New York

George Owens

President, Tougaloo College,
Tougaloo, Mississippi

W. Theodore Pierson

Partner, Pierson, Ball & Dowd,
Washington, D.C.

Howard Stein

Chairman, Dreyfus Corporation, Inc.,
New York, New York

Robert D. Stuart, Jr.

President and Chief Executive Officer,
Quaker Oats Company, Chicago, Illinois

Task Force on Municipal Credit Ratings (1971)

William Cannon

Partner, Mudge Rose Guthrie Alexander & Mitchell,
New York, New York

Frank Carr

President, American Municipal Bond Assurance Co.,
Milwaukee, Wisconsin

Roy M. Goodman

New York State Senator, New York, New York

Juanita M. Kreps

Professor of Economics and Dean, The Woman's
College, Duke University, Durham, North Carolina

Frank E. Morris

President, Federal Reserve Bank of Boston,
Boston, Massachusetts

Arthur Naftalin

Professor of Political Science, University of
Minnesota, Minneapolis, Minnesota

Joseph Pechman

Director, Economics Division, Brookings Institution,
Washington, D.C.

Leland S. Prussia, Jr.

Vice President, Bank of America, NT&SA,
San Francisco, California

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Executive Vice President and Treasurer, Morgan
Guaranty Trust Co., New York, New York

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Senior Vice President, Pittsburgh National Bank,
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Vice President, W. H. Morton & Co.,
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Ben Weberman

Financial Editor, *American Banker*,
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Rapporteur:

John E. Petersen

Municipal Finance Officers Association,
Washington, D.C.

Task Force on a National Press Council (1971)

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President, League of Women Voters,
Washington, D.C.

Barry Bingham, Sr.

Chairman of the Board, *Louisville Courier Journal*,
Louisville, Kentucky

Stimson Bullitt

President, King Broadcasting Company,
Seattle, Washington

Hodding Carter III

Editor, *The Delta Democrat Times*,
Greenville, Mississippi

Robert Chandler

Editor, *Bend Bulletin*, Bend, Oregon

Ithiel de Sola Pool

Department of Political Science, Massachusetts
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Hartford N. Gunn, Jr.

President, Public Broadcasting System,
Washington, D.C.

Richard Harwood

Assistant Managing Editor, *The Washington Post*,
Washington, D.C.

Louis Martin

Editor, *Chicago Defender*, Chicago, Illinois

John B. Oakes

Editorial Page Editor, *The New York Times*,
New York, New York

C. Donald Peterson, co-chairman

Associate Justice of the Supreme Court,
St. Paul, Minnesota

Paul Reardon

Associate Justice of the Supreme Judicial Court,
Boston, Massachusetts

Richard Salant

President, CBS News, New York, New York

Jesse Unruh

Los Angeles, California

Rapporteur:

Alfred Balk

Editor, *Columbia Journalism Review*, Columbia
University, New York, New York

Task Force on Prospects and Priorities of New York City (1973)

Frederick O'Reilly Hayes

Formerly Budget Director of New York City

William Herbster

Senior Vice President in charge of Urban Affairs,
First National City Bank

Theodore W. Kheel

Lawyer and labor mediator
Battle, Fowler, Lidstone, Jaffin, Pierce & Kheel

Robert M. Morgenthau, chairman

Lawyer; formerly United States Attorney for the
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Teachers College, Columbia University

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Professor of History, Graduate Center,
University of the City of New York

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Distinguished Professor of Urban Affairs,
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Donald E. Weeden

Chairman, Weeden and Company

Joint Task Force on Legalized Gambling (With the Fund for the City of New York) (1973)

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Jerome Cavanagh

Cavanagh & Toohey, Detroit, Michigan

Monsignor John J. Egan

Catholic Committee on Urban Ministry,
Notre Dame University, Notre Dame, Indiana

Millicent H. Fenwick

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Julius Margolis

Director, Fels Center of Government,
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Burke Marshall

Professor, Yale University Law School,
New Haven, Connecticut

Henry Rowen

Dean, Graduate School of Business,
Stanford University, Stanford, California

Percy Sutton

President, Borough of Manhattan,
New York, New York

James Q. Wilson

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Noemi Landrau
Joyce Layne
Wendy Mercer
Robert Nelson
Peter Reuter
Leon Sigal
Susan M. Spinelli

Consultants

Theodore Draper
Isador Lubin

Auditors' Report

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

We have examined the statements of assets, liabilities and fund balances of Twentieth Century Fund, Inc. (a Massachusetts nonprofit corporation) as of June 30, 1973 and 1972, and the related statements of income, expenses and changes in fund balances for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements referred to above present fairly the assets, liabilities and fund balances of Twentieth Century Fund, Inc. as of June 30, 1973 and 1972, and its income, expenses and changes in fund balances for the years then ended, in conformity with generally accepted accounting principles consistently applied during the periods.

Arthur Andersen & Co.

New York, New York,
September 11, 1973.

Finances

Twentieth Century Fund, Inc.

Statements of Assets, Liabilities and Fund Balances

June 30, 1973 and 1972

Assets

	1973	1972
Cash	\$ 254,691	\$ 151,046
Accrued Interest and Dividends Receivable	148,752	188,000
Accounts Receivable and Prepaid Expenses	582,267	19,570
Investments, at cost (quoted market, \$24,998,290 in 1973 and \$27,893,262 in 1972) (Schedule 3)	20,938,798	21,563,755
Fixed Assets, at cost, net of accumulated depreciation of \$156,476 in 1973 and \$141,105 in 1972 (Note 1)	362,639	378,010
Total Assets	\$22,287,147	\$22,300,381

Liabilities and Fund Balances

Liabilities:

Accounts Payable and Accrued Liabilities	\$ 147,250	\$ 143,283
Federal Excise Taxes Payable (Note 2)	44,153	50,105
Total Liabilities	\$ 191,403	\$ 193,388

Fund Balances (Note 1):

General Fund—

Appropriated for research projects (Schedule 2)	\$ 818,061	\$ 1,060,836
Appropriated for special projects (Schedule 2)	300,000	25,000
Net investment in fixed assets	362,639	378,010
Available for investment and future projects	18,841,542	18,854,648
Total General Fund	\$20,322,242	\$20,318,494
1922 Endowment Fund	1,773,502	1,788,499
Total Fund Balances	\$22,095,744	\$22,106,993
Total Liabilities and Fund Balances	\$22,287,147	\$22,300,381

The accompanying notes to financial statements and Schedules 2 and 3 are an integral part of these statements.

Twentieth Century Fund, Inc.

Statements of Income, Expenses and Changes in Fund Balances

For the years ended June 30, 1973 and 1972

General Fund

	1973	1972
<i>Income Available for Operations:</i>		
Interest (Note 1)	\$ 530,525	\$ 599,510
Dividends (Note 1)	638,431	609,897
Sale of publications	549	20,732
Royalties on sale of publications	20,157	26,789
Grants	—	10,000
<i>Total Income</i>	\$ 1,189,662	\$ 1,266,928
<i>Expenses:</i>		
Operations (Schedule 1)—		
Research projects	1,067,281	966,887
Special projects	25,000	50,000
Publications	198,762	245,559
Management and general	258,274	187,734
<i>Total Operations</i>	1,549,317	1,450,180
Governmental payments—		
Federal excise tax (Note 2)	43,337	52,400
Payment to New York City in recognition of municipal services	12,000	12,000
<i>Total Expenses</i>	\$ 1,604,654	\$ 1,514,580
Excess of expenses over income available for operations	(414,992)	(247,652)
Realized net gain on investment transactions	418,740	2,238,546
Increase in Fund Balance	3,748	1,990,894
Fund Balance, beginning of year	20,318,494	18,327,600
<i>Fund Balance, end of year</i>	\$20,322,242	\$20,318,494

1922 Endowment Fund

Fund Balance, beginning of year	\$ 1,788,499	\$ 1,382,875
Realized net gain (loss) on investment transactions (Note 1)	(14,997)	405,624
<i>Fund Balance, end of year</i>	\$ 1,773,502	\$ 1,788,499

The accompanying notes to financial statements and Schedule 1 are an integral part of these statements.

Twentieth Century Fund, Inc.
Notes to Financial Statements
 June 30, 1973 and 1972

(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, 1973 are summarized as follows:

	Cost	Accumulated Straight-Line Depreciation	Estimated Useful Lives
Land	\$125,000	\$ —	—
Building	175,000	72,187	40 years
Building Improvements	195,000	78,260	40 years
Accounting Machine	24,115	6,029	5 years
<i>Total Cost and Depreciation</i>	\$519,115	\$156,476	

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 \$33,000 and \$28,000 for the years ended June 30, 1973 and 1972, respectively. There is no unfunded prior service cost as of June 30, 1973.

Interest and dividend income—

Interest and dividends earned on 1922 Endowment Fund investments are recorded directly in the General Fund and are available for program use.

(2) *Tax status:*

The Twentieth Century Fund is a research foundation engaged in the study of cultural, economic and social issues and institutions. The Fund is exempt from income tax under Section 501(c) (3) of the U.S. Internal Revenue Code and has been classified as a private operating foundation. Provision for Federal excise tax on net investment income for the years ended June 30, 1973 and 1972 has been made in the accompanying financial statements in accordance with the provisions of the Tax Reform Act of 1969.

Twentieth Century Fund, Inc.

Statement of Operating Expenses by Function

For the years ended June 30, 1973 and 1972

Schedule 1

Expenses	1973					1972
	Research Projects	Special Projects	Publica- tions	Manage- ment and General	Total	Total
<i>Direct Expenses:</i>						
Salaries, consultant fees, travel, etc. (Schedule 2)	\$ 670,047	\$ —	\$ —	\$ —	\$ 670,047	\$ 579,089
Grants to other organizations (Schedule 2)	—	25,000	—	—	25,000	50,000
Publications—printing, storage, etc.	—	—	73,694	—	73,694	65,418
Public information—annual report, newsletter, press conferences, etc.	—	—	—	34,491	34,491	38,930
<i>Headquarters' Expenses:</i>						
Salaries, wages and related costs (Note 1)	278,876	—	95,758	146,158	520,792	463,216
Office equipment and supplies	21,530	—	7,282	11,115	39,927	50,198
Maintenance and repair of building	20,627	—	7,537	11,503	39,667	45,272
Professional fees	2,006	—	—	32,886	34,892	44,287
Meetings and conferences	34,417	—	5,694	8,691	48,802	55,966
Telephone and telegraph	21,155	—	3,499	5,342	29,996	31,964
Depreciation (Note 1)	7,993	—	2,920	4,458	15,371	9,342
Washington, D.C. office	4,129	—	—	—	4,129	4,092
Other	6,501	—	2,378	3,630	12,509	12,406
Total Operating Expenses	\$1,067,281	\$25,000	\$198,762	\$258,274	\$1,549,317	\$1,450,180

The accompanying notes to financial statements are an integral part of this schedule.

Twentieth Century Fund, Inc.

Statement of Project Appropriations

For the year ended June 30, 1973

Schedule 2

Title of project and project director	Total Project Approp- riation to June 30, 1973	Appropriated Balance June 30, 1972	Activity For The Year		Appropriated Balance June 30, 1973
			Net Approp- riations (a)	Expenses	
<i>Research Projects:</i>					
Big City Mayors, R. Murphy	\$ 41,450	\$ 19,581	\$ —	\$ 2,752	\$ 16,829
Capital Markets, Task Force	50,000	28,469	—	19	28,450
Capitalism and Underdevelopment in India, T. Weisskopf	57,300	18,358	—	—	18,358
Computers Information, H. Latin	8,300	—	8,300	—	8,300
Conflict of Interest in Securities Markets, Task Force	85,000	32,416	45,000	37,420	39,996
Contemporary Commune Movement, J. Jerome	66,274	18,854	24	18,878	—
Demography of American Juries, J. Van Dyke	35,000	24,309	—	15,430	8,879
Discrimination in Education & Labor Markets, R. Freeman	64,600	61,600	—	21,886	39,714
Economic Policies of the Federal Government, H. Segal	86,250	45,509	—	—	45,509
Federal Power & State Priorities, P. Passell, L. Ross	87,700	—	87,700	—	87,700
Film on the City of Washington, J. Sandler	103,102	1,798	(1,798)	—	—
Flow of News, A. Rowse	64,163	341	713	1,054	—
Formulation of American Policy Toward the Arab- Israeli Dispute, S. Spiegel	67,600	—	67,600	—	67,600
Indian Development, J. Mellor	79,442	6,539	(3,058)	3,481	—
Inequality in the Affluent Society, F. Hirsch	93,500	86,917	—	29,967	56,950
Jails, R. Goldfarb	83,000	26,514	—	22,458	4,056
Japan and the World Economy, H. Patrick and G. Saxonhouse	101,750	95,190	—	55,822	39,368
Legalized Gambling, H. Rowan, S. Marcum	25,000	—	25,000	—	25,000
Little Magazines, L. Grauman, Jr.	24,625	2,091	—	815	1,276
Media Monopolies, G. Stempel	13,588	4,385	(4,385)	—	—
The Multinational Corporation, W. Goldstein	58,564	2,772	(2,336)	436	—
Municipal Credit Ratings, Task Force	23,273	10,560	1,273	11,833	—
National Energy Policy, S. D. Freeman	58,050	37,657	—	36,846	811
New York City: Urban Drama, A. Hacker	29,748	2,252	(2,252)	—	—
New York City, B. Smith	30,500	—	30,500	9,511	20,989
Planning and Budgeting in Low-Income Countries, A. Wildavsky, N. Caiden	49,916	4,906	666	5,572	—
Political Access to TV and Radio, N. Minow, J. B. Martin, L. Mitchell	65,237	17,566	(1,763)	15,803	—
Political Participation and Polarization, S. Verba, H. Greeley, N. Nie	148,176	148,176	—	32,589	115,587
Presidential Nominating Process, D. Abbott, K. Bode	126,133	55,073	23,710	66,458	12,325
Press Councils, Task Force	85,000	—	85,000	72,650	12,350

Title of project and project director	Total Project Appropriation to June 30, 1973	Appropriated Balance June 30, 1972	Activity For The Year		Appropriated Balance June 30, 1973
			Net Appropriations (a)	Expenses	
Public Affairs Broadcasting, Task Force	25,000	11,359	—	—	11,359
Public Authorities, A. H. Walsh	120,100	120,100	—	50,633	69,467
Public Employee Retirement Systems, R. Tilove	93,950	22,038	—	12,338	9,700
Public Financing of Elections, D. Adamany, G. Agree	115,087	84,128	—	52,326	31,802
Suburban Police, J. Davis	8,880	70,412	(61,960)	8,452	—
Urban Policies of Open Space, A. Heckscher	5,500	—	(5,500)	—	5,500
Women and Employment, Task Force	26,134	966	(966)	—	—
Women and Politics, W. Crotty, J. Kirkpatrick, W. Miller	124,804	—	124,804	84,618	40,186
<i>Total Research Projects</i>	2,431,696	1,060,836	427,272	670,047	818,061
<i>Special Projects:</i>					
International Baccalaureate Office	75,000	25,000	—	25,000	—
National News Council	300,000	—	300,000	—	300,000
<i>Total Special Projects</i>	375,000	25,000	300,000	25,000	300,000
<i>Total Projects</i>	\$2,806,696	\$1,085,836	\$727,272	\$695,047	\$1,118,061

Note (a) The amounts shown in brackets represent the closeout of unexpended appropriations remaining at completion of the project. The accompanying notes to financial statements are an integral part of this schedule.

Twentieth Century Fund, Inc.
Statement of Investments
 Summary, June 30, 1973

Summary**Schedule 3**

Description	Cost			Quoted Market
	1922 Endowment Fund	General Fund	Total	
Commercial Paper	\$ —	\$ 1,950,000	\$ 1,950,000	\$ 1,950,000
Notes	400,000	397,800	797,800	771,375
Bonds	1,240,967	2,897,283	4,138,250	4,238,063
Common Stocks	75,897	13,976,851	14,052,748	18,038,852
<i>Total Investments</i>	\$1,716,864	\$19,221,934	\$20,938,798	\$24,998,290

The accompanying notes to financial statements are an integral part of this schedule.

Twentieth Century Fund, Inc.
Statement of Investments, continued

Schedule 3

Description	Principal Amount	Cost	Quoted Market
<i>Commercial Paper:</i>			
International Harvester Credit Corp. 8.625% 7/16/73	\$ 100,000	\$ 100,000	\$ 100,000
Morgan Guaranty Trust Co. 7.625% 7/5/73	550,000	550,000	550,000
Morgan Guaranty Trust Co. 8.125% 7/25/73	750,000	750,000	750,000
W. T. Grant Corp. 8.05% 7/6/73	550,000	550,000	550,000
<i>Total Commercial Paper</i>	\$1,950,000	\$1,950,000	\$1,950,000
<i>Notes:</i>			
American Express Credit Corp. 6.5% 1977	\$ 100,000	\$ 100,000	\$ 96,000
BankAmerica Corp. 6.625% 1980	200,000	199,120	192,000
Chemical N.Y. Corp. 6.625% 1980	100,000	99,430	95,500
First Chicago Corp. 6.75% 1980	100,000	99,250	96,250
National Bank of Detroit 6.875% 1979	100,000	100,000	96,500
New England Telephone and Telegraph Co. 6.5% 1979	100,000	100,000	95,125
United States Leasing Corp. 7.65% 1977	100,000	100,000	100,000
<i>Total Notes</i>	\$ 800,000	\$ 797,800	\$ 771,375

Twentieth Century Fund, Inc.
Statement of Investments, continued

Schedule 3

Description	Par Value	Cost	Quoted Market
<i>Bonds:</i>			
Bendix Corp. 6.625% 1992	\$ 300,000	\$ 279,750	\$ 276,000
Continental Oil Co. 7.5% 1999	100,000	99,750	99,000
Detroit Edison Co. 9% 1999	100,000	99,750	110,000
Dow Chemical Co. 7.75% 1999	125,000	125,000	125,938
Florida Power & Light Co. 8% 1999	100,000	101,141	101,625
General Telephone Company (California) 7.625% 2001	150,000	150,750	146,250
Hawaiian Telephone Co. 8% 1994	150,000	152,448	152,250
Heller (Walter E.) & Co. 9.5% 1989	100,000	100,000	105,500
Illinois Bell Telephone Co. 8% 2005	100,000	102,000	101,000
Illinois Power Co. 8.35% 1999	100,000	100,000	104,500
Iowa Public Service 8% 2001	100,000	99,437	102,875
Marathon Oil Co. 8.5% 2000	200,000	199,500	204,000
Marine Midland Banks, Inc. 7.625% 1994	100,000	99,500	97,500
National Cash Register Co. 7.7% 1994	100,000	100,000	97,250
Northern States Power Co. 8% 1999	100,000	96,168	102,750
Ohio Edison Co. 8.25% 1999	100,000	102,000	104,375
Pacific Gas & Electric Co.—			
7.5% 2001	100,000	100,612	98,250
8.875% 2002	200,000	201,587	218,000
Philadelphia Electric Co. 9% 1995	100,000	102,250	109,625
Province of Ontario 9.25% 2000	100,000	99,000	110,500
Province of Quebec 7.875% 1999	200,000	197,172	196,500
R. J. Reynolds Tobacco Co. 7.875% 1994	100,000	99,750	102,000
South Central Bell Telephone Co. 8.5% 2001	200,000	198,799	213,500
Standard Oil Co. (Ohio)—			
7.6% 1999	100,000	100,000	100,500
8.5% 2000	100,000	99,750	107,000
Texas Electric Service Co. 7.625% 1999	100,000	102,090	100,625
Union Electric Co.—			
8.25% 1999	100,000	101,500	103,250
9% 2000	100,000	99,875	108,125
Vermont Yankee Nuclear Power Corp. 9.625% 1998	125,000	127,140	135,625
Virginia Electric & Power Co. 7.75% 1999	200,000	200,000	197,000
Weyerhaeuser Co. 7.65% 1994	200,000	200,000	200,750
Wisconsin Natural Gas Co. 8.75% 1994	100,000	101,531	106,000
Total Bonds	\$4,150,000	\$4,138,250	\$4,238,063

Twentieth Century Fund, Inc.
Statement of Investments, continued

Schedule 3

Description	No. of Shares	Cost	Quoted Market
<i>Common Stocks:</i>			
Alpha Portland Industries, Inc.	20,000	\$ 396,641	\$ 230,000
American Telephone & Telegraph Co.	11,024	303,652	563,602
Baxter Laboratories, Inc.	5,000	162,584	232,500
Bethlehem Steel Corp.	20,000	562,084	540,000
Bundy Corp.	20,000	603,444	342,500
Christiana Securities Co.	2,000	282,798	320,000
Dresser Industries	10,000	480,836	367,500
Federated Department Stores, Inc.	100,000	1,760,933	3,875,000
First & Merchants Corp.	5,000	173,797	180,000
First National Boston Corp.	6,000	115,857	214,500
First Security Corp.	10,000	305,965	375,000
General Electric Co.	12,000	512,236	688,500
General Motors Corp.	10,000	599,510	665,000
Harris Bankcorp, Inc.	10,000	544,139	500,000
Hercules, Inc.	20,000	537,544	650,000
Jefferson Pilot Corp.	10,000	361,723	280,000
Manufacturers Hanover Corp.	10,000	346,302	317,500
Mobil Oil Corp.	10,000	315,080	643,750
New England Merchants Co., Inc.	10,000	230,023	196,250
Philadelphia Life Insurance Co.	10,500	273,018	249,375
Perkin-Elmer Corp.	10,000	113,554	313,750
Phillips Petroleum Co.	25,000	667,301	1,325,000
Pittway Corp.	4,500	171,144	153,000
Roper Corp.	15,000	399,617	279,375
St. Regis Paper Co.	10,000	408,287	367,500
Santa Fe Industries, Inc.	10,000	250,390	236,250
Security Pacific Corp.	10,000	330,638	250,000
Shell Oil Co.	10,000	471,315	522,500
Southern Pacific Co.	10,000	270,306	316,250
Standard Oil Co. (Indiana)	10,000	244,167	870,000
Storer Broadcasting Co.	10,000	178,092	187,500
Union Carbide Corp.	12,000	534,512	408,000
Union Pacific Corp.	15,000	598,808	791,250
Weyerhaeuser Co.	10,000	546,451	587,500
Total Common Stocks		\$14,052,748	\$18,038,852

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