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The Twentieth Century Fund

Annual Report 1972

The Twentieth Century Fund is a research foundation engaged in the study 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 capital assets.

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The Twentieth Century Fund Annual Report 1972



THE TWENTIETH CENTURY FUND

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Dedication

This annual report was to have been prepared mainly under the supervision of Matthew Holcombe Fox, the Fund's public information officer, who had been responsible for the two previous reports. He was working on the present report when he died suddenly on February 22, 1973, at the age of twenty-six.

Matthew was a member of the Fund staff for over two years. In addition to his activity in putting together the Fund's annual report, the newsletter, and other informational material, he had a special competence in communications and a special interest in issues relating to the First Amendment. He supervised the Fund Task Force on the Government and the Press which produced *Press Freedoms Under Pressure*. With Carol M. Barker he co-authored a Fund staff paper, *Classified Files: The Yellowing Pages*. He also was involved with the Fund Task Force for a National News Council and played a major role in developing the Council idea.

Matthew's office was usually a shambles, and his procedures were sometimes exasperating. But he worked in his own inimitable way—eagerly, joyously, and well. Perhaps his most important contribution to the Fund was his zest and appreciation for those around him, feelings which made for a special warmth whenever he was around.

We dedicate this report to Matthew Holcombe Fox with affection and love.

M. J. Rossant

The Director's Report

Most foundations, the Twentieth Century Fund among them, undertake critical self-examinations from time to time. The Fund is currently in the midst of such an investigation in an effort to determine how to improve its performance in the area of policy-oriented research.

Over the years the Fund has sponsored a large number of research projects. The results have varied in quality and in impact. Some projects failed to live up to expectations; a considerable number have made useful contributions; a few have been truly significant works that have achieved a marked and lasting influence. A review of the Fund's output also reveals an extraordinary diversity in subject matter. At one time or another, it has examined farm policy and urban problems, economic development and the performing arts, the financial markets and the role of the military, the financing of political campaigns and the spread of communications satellites. This rich selection has not been of a hit or miss nature. Rather, it reflects the adeptness of the Trustees in spotting emerging problems and an interest in resolving them. The Board and its staff have always resisted the temptation to transform the Fund into a specialized institution that would confine itself to a specific area. They have sought to utilize the Fund's independence and to deploy the Fund's resources in a flexible manner, inviting and seeking out scholars and other experts who could research and write with authority on subjects of public importance.

A careful review of the record also reveals no characteristic that has been present in every project that ultimately proved disappointing. Some projects have been too ambitious, turning out to be beyond the grasp of their authors;

in others, there were problems with the quality of the work; in still others, the choice of subject matter may have been at fault. Whatever the reasons, the Fund's failures do not call for a safer and more cautious course, avoiding the unknown research director, or steering clear of the risky subject. It would be relatively easy to show a much better record if the Fund were to concentrate on the tried author and the familiar subject. But the payoff in such cases would be modest at best.

The Fund plans to continue sponsoring policy-oriented research. But both the Trustees and the staff have been considering measures to improve the quality as well as increase the influence of the Fund's projects. They have agreed in principle on the need for a greater concentration of effort in a limited number of fields. Thus, instead of organizing its studies on an individual basis, the Fund is considering undertaking a series of projects—book-length studies, staff papers, and Task Force reports—on specific problems in a given area. Concentration will permit more analytical rigor in research and increased effectiveness in the setting out of recommendations for public policy.

Concentration of course will limit flexibility to some extent. Given its finite resources, human and monetary, the Fund cannot afford both concentration and diversity. Yet we should be able to become more intense in our research efforts without sacrificing completely the flexibility that has been a hallmark of the Fund's excursions into a wide variety of areas. In our discussions, the Trustees and the staff have concluded that concentration should be confined to two or three specific areas and that the research in those chosen fields should be

commissioned and completed within a definite time span not to exceed five years. We have also agreed that funds should always be made available for projects that deal with critical and urgent issues of public policy that warrant immediate attention.

The exercise of selecting areas of concentration is still going on. It is difficult to determine what areas call for concentrated research, who is available to work in them, and what types of projects are most needed. Choosing among fields is risky, although mounting a series of projects in an area of concentration is one way to minimize risks.

The decision to engage in concentrated effort also means strengthening the Fund staff so that it is equipped to contribute as well as to supervise a group of related projects. The permanent research staff now consists of a small group of able scholars, and we have decided that they ought to be encouraged to undertake research on their own within chosen areas of concentration. In opening up this opportunity to staff members, we do not contemplate reducing our reliance on outside investigators and scholars. But the more informed our own staff can be, the better our prospects for intelligent supervision of our portfolio of independent projects. Nor will professional and competent staff members be satisfied solely with guiding and encouraging the work of authors seeking to express themselves; they will want to make their own contributions, and we believe they ought to be assisted in doing so.

It should be noted that concentration is not entirely a new development at the Fund. Similarly, some important work has been accomplished by the staff in

the past. The Fund's early work in the area of the financial markets and its later series of studies on collective bargaining, cartels, and economic development represented a concentrated use of the Fund's resources. More recently, we have been heavily involved in research on politics and communications while carrying on a host of other studies. But what is contemplated for the immediate future is that most of the Fund's financial resources and staff effort will be devoted to a limited number of areas for a limited period of time. Such a course may enhance our impact in those areas without turning the Fund into an overly specialized group pursuing relatively narrow or overly technical interests.

Our hope is that the Fund's more concentrated research will lead to policy recommendations that can be implemented, preferably by others. As an operating foundation, the Fund itself is both willing and able to collaborate with foundations in projects involving research, which is where our special competence lies. But we look to other groups with the appropriate experience and skill to take our recommendations, finance them, and make them work. This form of collaboration is of a different order, since the Fund can supply only blueprints. We are convinced that sensible recommendations in public policy areas, based on sound research, will invite many forms of active support.

The Fund has been engaged in just such a collaboration in seeking financial assistance from foundations on behalf of the proposed National News Council. The recommendation for a council was made by an independent Twentieth Century Fund Task Force of distinguished citizens, including nine authorities on electronic and print journalism, who

spent almost two years deliberating over its feasibility. While press councils are not an entirely new idea—in one form or another they have been discussed for years and are in existence in a number of places—the Task Force's suggestion that the council should focus its attention on the national news organizations, which are responsible for the major portion of the news in print and on the air, was both novel and valuable. Those concerned in implementing the proposal recognized that there were risks in so controversial and sensitive an area but felt, as I do, that they were precisely the risks that independent foundations, which pride themselves on experiments in the public interest, ought to be taking.

Foundations, though, have been cautious about responding to the appeal for financing. It is understandable that those foundations providing support to unpopular and high-risk causes, particularly in the areas of civil rights, welfare, and minority problems, are unable to participate. With the federal government cutting back on its aid to these fields, the resources available from private sources are stretched thinner than ever. But only a minority of foundations have ventured into such areas. The majority, while insisting that they are providers of seed money for innovative ventures, continue to play it safe, giving the bulk of their available funds to well established institutions where the risks are minimal. Grants of this nature are needed, yet if foundations are unwilling to take the initiative by providing help to the new and potentially controversial experiments, then they ought to re-examine their proud claim of being intellectual or social pioneers.

I am convinced that foundations have an important role to play in our society.

I also feel that they have not been living up to their potential. During the hectic days of the last decade, when government was engaged in experimentation on a broad scale in areas where most foundations frequently feared to tread, there was a widespread belief that foundations might have outlived their usefulness. That is not the case. Foundations are a source of diversity in the United States. On this ground alone, I think that it would be a mistake to hinder or abolish them through taxation or some finite time limit on their existence. But although foundations may be too closely linked to government, business, and universities to constitute a distinctive force, the willingness to innovate and responsiveness to fresh and iconoclastic ideas that some of them have demonstrated suggest that foundations could be a vital source of effective diversity. Support of orthodox philanthropic ventures is essential. But if foundations are to be a powerful nonmarket force, the objective of public policy should not be to restrict or to eliminate them but to encourage their participation in more independent and innovative activity that is consistent with their own rhetoric.

M. J. Rossant

Trustees and Officers

Trustees

Morris B. Abram

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

Peter A. A. Berle

Partner, Berle & Butzel, New York; New York State Assemblyman, 68th District, Manhattan

Jonathan B. Bingham

United States Representative, 23rd Congressional District, New York; formerly U.S. representative on the Economic and Social Council of the United Nations

Arthur F. Burns

(on leave)

Chairman, Federal Reserve Board of Governors, Washington, D.C.; formerly chairman of President Eisenhower's Council of Economic Advisers

Erwin D. Canham

Editor-in-chief, the *Christian Science Monitor*, Boston, Massachusetts

Hodding Carter III

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

Benjamin V. Cohen

Lawyer, Washington, D.C.; formerly counselor to the Department of State

Robert Coles, M.D.

Psychologist and author, Harvard University

J. Kenneth Galbraith

Professor of economics, Harvard University; formerly U.S. Ambassador to India

Michael Harrington

Author; president of U.S. Socialist Party

Patricia Roberts Harris

Partner, Fried, Frank, Harris, Shriver and Kampelman, Washington, D.C.; formerly U.S. Ambassador to Luxembourg

August Heckscher

Administrator of recreation and cultural affairs and commissioner of parks for the City of New York; formerly director, The Twentieth Century Fund

Vernon E. Jordan, Jr.

Executive director, National Urban League, New York

David E. Lilienthal

Chairman of the board, Development and Resources Corporation, New York; formerly chairman, Tennessee Valley Authority; formerly chairman, Atomic Energy Commission

Georges-Henri Martin

Editor-in-chief, *La Tribune de Geneve*, Geneva, Switzerland

Lawrence K. Miller

Editor, the *Berkshire Eagle*, Pittsfield, Massachusetts

Don K. Price

Dean, John Fitzgerald Kennedy School of Government, Harvard University

James Rowe

Partner, Corcoran, Foley, Youngman and Rowe, Washington, D.C.

Arthur Schlesinger, Jr.

Historian, writer; professor of the humanities, City University of New York; formerly special assistant to President Kennedy

Herman W. Steinkraus

Honorary president, U.N. Association of the United States of America; formerly president, Chamber of Commerce of the U.S.

Charles P. Taft

Member of Cincinnati City Council, formerly mayor; partner, Taft and Luken, Cincinnati; formerly president, Federal Council of the Churches of Christ in America

David B. Truman

President, Mount Holyoke College; formerly vice-president and provost, Columbia University

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Bruce Bliven

Editor and author

Officers

James Rowe

Chairman of the Board

Erwin D. Canham

Vice chairman and chairman of the Executive Committee

Benjamin V. Cohen

Treasurer

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Clerk

M. J. Rossant

Director

Investment Advisory Group

Leo Model

Chairman, Model, Roland & Company, New York

Roger F. Murray

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

Early in fiscal 1972, the Fund received official recognition as a private operating foundation. Under the provisions of the Tax Reform Act of 1969, operating status gives the Fund the right to receive grants from other foundations and encourages collaboration and cooperation with them. Even before passage of the legislation, the Fund was interested in joint ventures; this interest has accelerated as the Fund actively explored opportunities to work with other foundations.

One result of these efforts was a grant from the John and Mary R. Markle Foundation to support the International Conference on Satellite Communications which was held in Sidi Ferruch, Algeria, in March 1972. The report of this meeting, *Global Communications in the Space Age: Toward a New ITU*, was published in English, French, and Spanish, in June 1972.

On a broader scale, the Fund's Task Force for a National News Council contemplates cooperation among a number of foundations to establish a council, independent of government and comprising members from various walks of life, that would serve as a constructive forum for public criticism of the press and as a protector of a free flow of information in the public interest.

The report of the Task Force on the Government and the Press, and a staff report on the problems of scholars in gaining access to government papers also reflect the concern of the Fund for freedom of expression.

In another joint venture, the Fund is undertaking, in cooperation with the Russell Sage Foundation, a study of women in politics based in large part on the 1972 national election. On its own,

the Fund has sponsored studies of the presidential nominating process and public financing of political campaigns. *Presidential Television*, a study of the impact of the electronic media on the two-party system and the branches of government, was completed and scheduled for publication in 1973.

Another election-oriented study begun in 1972 focuses on the changes in political participation and polarization among black and white ethnic groups. The other side of this coin, perhaps, is reflected in a study of discrimination in the education and labor markets, based on the hypothesis that economic differences between blacks and whites have persisted for so long because governmental and political pressure group behavior served to promote discrimination. Still another study examines economic inequality in the affluent society in the light of new criteria—qualitative and environmental—of economic benefit that call into question orthodox economic theory regarding growth and inequality.

The Fund's traditional interest in research on economic growth combined with its long-term interest in international developments led to the sponsorship of a study of Japan's balance of payments surplus and the evolving comparative advantages of Japan's export industries. An earlier manifestation of interest in problems of economic development, a study of planning and budgeting in low-income countries, reached completion and was scheduled for publication in 1973.

Still another traditional interest of the Fund prompted the initiation of a large-scale study of the securities industry, including a research project on conflicts of interest in that industry, a monograph

by Michael Keenan of the New York University department of economics, who served as a scholar-in-residence, and an abridgment of the Securities and Exchange Commission hearings of October 12 to December 2, 1971, on securities market reform.

The organization of this project reflects the perspective that the Fund has developed in recent years on the institutions that significantly affect contemporary American society. Foundations themselves are among these institutions and the Fund's study, *The Big Foundations*, scheduled for publication in the fall of 1972, raises important questions about the nature of their impact.

Similar questions of accountability and social benefit have led to the initiation of a study of public authorities that control such important functions as regional transportation, natural resources management, and economic development. The Fund is also organizing a Task Force on the possible uses of legalized gambling to finance local government activities.

Finally, the Fund has sponsored an examination of the unpublished works of the late Adolf A. Berle, to determine the most suitable form for their publication.

At the end of the fiscal year (June 1972) the Fund had thirty-eight projects completed or in progress.

Completed and Ongoing Studies

Communications

No element of the American social structure has aroused more concern or criticism recently than the media through which the general public is informed and influenced. The Fund accordingly has found it appropriate to focus a substantial part of its research effort on an examination of the policies, practices, and conduits that shape the flow of public information and seed the grounds of public opinion.

Having to a great extent institutionalized the technological changes that enable every village to be as well informed as every urban hub, attention now is concentrated on the kind and quality of the information being communicated. Thus, control, access, credibility, and responsiveness have become touchstone words in a free society anxious that its right to know not be abridged and that every public and private interest be adequately and fairly served.

The studies and task forces sponsored by the Fund reflect this general concern that both government and public get a "fair shake" in presenting the views on whose interplay the formulation of public policies depends; and that the media be both free and responsible in the performance of their constitutional function of assuring that the public's business remains public.

Presidential Television

This book-length report deals with the allocation of broadcasting time to the three branches of government and to the major political parties. Newton N. Minow, former chairman of the Federal Communications Commission; John Bartlow Martin, professor of journalism at Northwestern University and former ambassador to the Dominican Republic;

and Lee Mitchell, a lawyer, have made a number of recommendations that, if implemented, will lead to more balanced access to broadcast media for Congress, the Supreme Court, and the President as well as the political parties, especially the major opposition party. The report will be published in 1973.

Political Public Affairs Broadcasting

This Task Force, whose members are experts in broadcasting, public affairs, and law, decided to adjourn for the 1972 election period. They now plan to reevaluate their preliminary report and the accompanying background paper in light of the new and important issues raised by the national election campaigns and the subsequent decisions of the Nixon administration relating to such broadcasting. The Task Force is headed by Frederick Ford, a former chairman of the Federal Communications Commission.

National News Council

After intensive study and protracted debate the Task Force examining the feasibility of establishing a press council in the United States arrived at a unanimous recommendation calling for the

creation of a private and independent body to promote better performance by the print press and the electronic media and to defend freedom of expression in the public interest. Although the Task Force, which was made up of distinguished journalists, jurists, and authorities in public affairs, had not completed its work by the end of the Fund's fiscal year, it did agree on the desirability of setting up a council to concentrate its attention on the national news organizations—the major radio and television networks, the leading wire services and supplementary wire service, the national newspapers, and news magazines—whose output is heard, seen, or read across the country. The Task Force suggested that the Fund seek to form a consortium of foundations to finance an entirely independent venture over a three-to-five year trial period during which its performance could be assessed.

The idea of a council to hear public complaints against the press is not new. There are in fact local councils in the United States and national councils in some foreign countries, notably Britain and Sweden. But the council envi-





sioned by the Task Force has some special characteristics. It would not only monitor the national news organizations but also cover both print and electronic news; it would hear and investigate not only public complaints against the press but also complaints by the press against the government or special interest groups; and it would serve as an impartial public body for the defense of freedom of expression.

Although its proposal for a national council was greeted with a decidedly mixed reaction by the national news organizations, the Task Force felt that the intensifying conflict between government and the press warranted pressing ahead with implementation. It noted that publishers and newsmen in Britain took a similar attitude toward the British Press Council when it was

first established, only to support it after it had demonstrated its fairness once it began operation. Accordingly the Task Force continued to work on its report, which was published with an accompanying background paper by Alfred Balk, editor of the *Columbia Journalism Review*, in 1972. It was expected that the National News Council would be set up as a separate and independent entity in 1973.

The Flow of News

Most of the news furnished to the American public by newspapers, radio, and television is transmitted through wire services, which have become, in effect, the nation's major wholesalers of current events. The flow of news from its source through the wire services to the local retailers of news and thence to the public has been monitored and analyzed by Arthur E. Rowse, a former investigative reporter. Control over "the wire" he concludes, critically affects what the news audience reads, sees, and hears. His book-length report is now undergoing revision, and its publication date is uncertain.

Media Monopoly

Guido Stempel III, professor of journalism at the University of Ohio, has completed a monograph on the effects of media monopoly on three communities—Zanesville, Steubenville, and Portsmouth, all in Ohio. The focus of his work is on the influence of media ownership on news content and on the quality of information provided the public. Professor Stempel's monograph will be published in 1973.

Press Freedoms Under Pressure

The adversary nature of the relations between government and press has always been recognized, but in the recent past that relationship has often degenerated into outright antagonism. In the face of increasing domestic tensions spurred by racial unrest, social changes, and the divisiveness aroused by the Vietnam war, the news media have found themselves under increasing challenge from both government officials and the public. The freedom of the press had long been taken for granted but now its fragility was becoming apparent.

A Fund Task Force undertook to examine by what means and for what reasons press freedom was being eroded. The Pentagon Papers case, which broke in the midst of its deliberations, epitomized government and public contention over whether the First Amendment guarantee justified the publication by the press of what the government held to be classified information. This conflict manifested itself also in the increasing number of subpoenas being issued against publishers and reporters; in investigations of the broadcast media; in the use of police posing as journalists to tap information sources; and in the treatment accorded the so-called underground press. The Task Force report and a background paper by Fred P. Graham detailing the

pressures on the press and suggesting ways to mitigate them were published as a paperback book in May 1972.

Classified Files: The Yellowing Pages

Even before the publication of the Pentagon Papers focused public attention on the government's system for classifying secret documents, scholars interested in recent and current U. S. foreign policy had been complaining about security restrictions on their use of classified government records, some of them more than a quarter of a century old. As an institution sponsoring scholarly research on public policy issues, the Fund deemed it appropriate to investigate this aspect of the federal classification system. Two members of the staff, Carol M. Barker and the late Matthew H. Fox, examined the executive orders and departmental rules regulating access to classified documents in the military and foreign affairs agencies of the government as well as in the Presidential libraries; they also interviewed many officials and scholars. In their paper, they concluded that the classification system had developed extraconstitutionally out of the "house-keeping" needs of government; that it had grown, especially since World War II, as a result of the vast expansion of the federal bureaucracy; that it has been based largely on extension of the ill-defined doctrine of executive privilege; and that the principal effect, if not purpose, of the classification system is not to protect sensitive information but to permit government officials to shape the public's knowledge of events, particularly on foreign policy issues. They noted that former Presidents and members of presidential administrations have an advantage in being able to draw freely on classified records that remain off limits to scholars. While elaborate

procedures exist on paper to permit public access to these materials, the availability of documents depends on the discretion of officials and the willingness of both officials and scholars to circumvent the rules for safeguarding and controlling archives. The authors predicted that the Nixon administration's reform of the classification system would do little to alleviate these problems.

Global Communications in the Space Age: Toward a New ITU

Carrying forward its past sponsorship of research on the impact of space satellites on communications, the Fund, along with the John and Mary R. Markle Foundation, arranged an international conference to discuss ways in which the International Telecommunication Union could be made strong enough to assume a guiding role in the development of space-age communications. The conference report was issued in June 1972.

The World of Fanzines

Dr. Frederic Wertham, a psychiatrist and author, has set forth his view of the creativity and social attitudes of high school students as analyzed through their amateur publications called "fanzines." These short magazines, constituting an unexplored sector of the press, cover such subjects as comic strips, science fiction, bubble gum cards, sex, and the adult world. The book is scheduled to be published (not as a Fund study) in the winter of 1973 by Southern Illinois University Press.

Little Magazines

A study of literary avant-garde magazines was scheduled for completion in 1972. Lawrence Grauman, Jr., editor of the *Antioch Review*, has not provided the Fund with a manuscript, and the future of this project is in doubt.

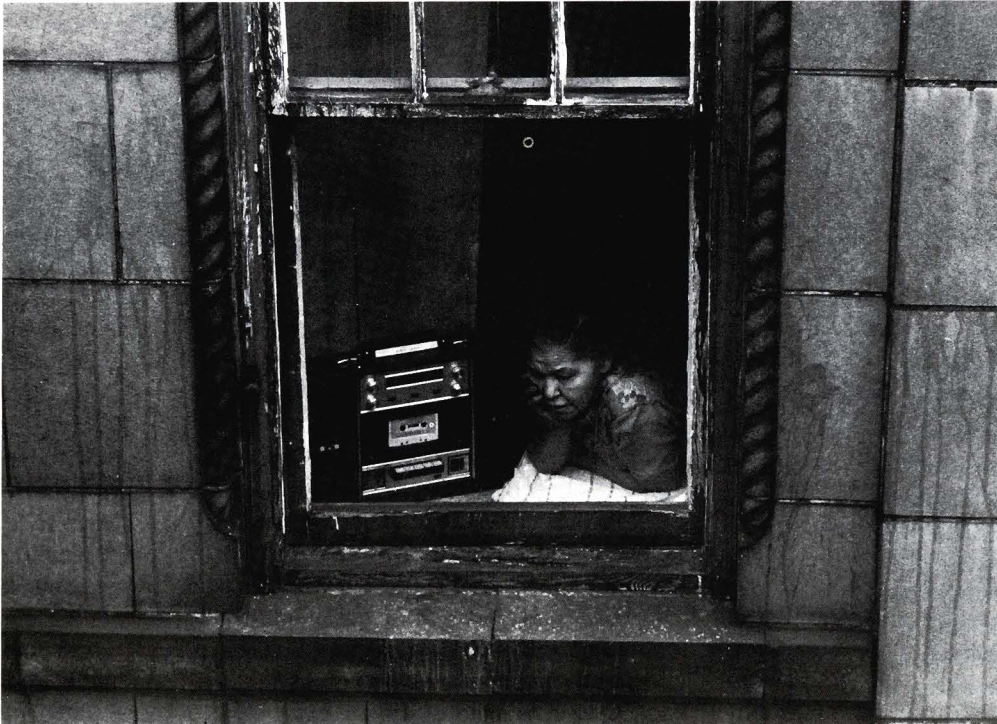


Urban Problems

The "urban crisis" is another area that continues to demand the Fund's attention. The governance of cities and the handling of their ubiquitous crime problems are among the most pressing crises in this area. With New York City facing what promises to be a bruising mayoralty campaign in 1973, the characteristics of the city and the pressures on the man who will be its executive officer are especially pertinent subjects of investigation. Hardly less so is a study of the jails that house the men and women charged with disrupting civic life.

New York City: Urban Drama

Andrew Hacker of Queens College has completed a first draft of his study of New York City. He is now undertaking a revision, which will include a thorough analysis of the administration of John Lindsay. Mr. Hacker is also sifting the latest census data on the racial and ideological composition of New York residents, with particular attention to their political and social mores. This book-length study is scheduled for completion in 1973.



Big-City Mayors

Russell D. Murphy, professor of government at Wesleyan University, is completing his study of big-city mayors, assessing the capacity of the contemporary mayoralty office to deal with the problems of the municipal welfare state. He has been examining the emergence of the mayor as the central figure in municipal government during the nineteenth century, a time when the problems of urbanization, industrialization, and immigration were overwhelming existing political institutions. He is analyzing efforts to reform city politics and to professionalize and strengthen the municipal executive in light of the continuing disparity between the formal authority of the mayor and the demands placed on the office. Professor Murphy has assembled a large amount of data on the personal and political careers of big-city mayors and will seek to define the mayor's office as an institution uniquely exposed to public view. The study, due in late 1973, will conclude with an assessment of the effect of constituency pressures on the use by cities of revenue-sharing funds.



Jails

Ronald L. Goldfarb of Washington, D.C., a lawyer who collaborated with Alfred Friendly on a 1967 Fund study, *Crime and Publicity*, and who more recently completed an examination of prisons for the Ford Foundation, is now investigating the nation's jails. His purpose is to appraise the conditions prevailing in these short-term detention centers; to analyze the treatment accorded alcoholics, narcotics addicts, juvenile offenders, and people too poor to post bail; and to propose reforms. His study is scheduled for completion in 1973.

Economic Development

Economic development has always been a prime area of Fund research, and its concern with conditions in the most populous regions of the world was signaled during the year by the publication of an abridged version of one of its most ambitious studies, *Asian Drama: An Inquiry Into the Poverty of Nations*, by Gunnar Myrdal; and by the appearance in paperback of *The Alliance That Lost Its Way: A Critical Report on the Alliance for Progress*, by Jerome Levinson and Juan de Onis.

In other Fund works under way, two Asian nations that are receiving concentrated attention are Japan, whose development has made it a major factor in world trade; and India, which has still not found a way to hitch economic growth to its enormous manpower.

On the domestic side was the burgeoning energy crisis, which has both technological and ecological ramifications.

Japan and the World Economy

The growing role of Japan in the world economy is the subject of a study by Hugh T. Patrick of Yale and Gary R. Saxonhouse of the University of Michigan. Employing an econometric model developed for their study, they hope to predict the future course of Japan's balance of payments and the composition of her trade. They also plan to examine the probable course of Japanese-American trade relations over the next decade. The study is scheduled for completion in early 1974.

Capitalism and Development in India

Thomas E. Weisskopf, associate professor of economics at the University of Michigan, is planning a radical explanation of the disappointing results of Indian development over the last twenty-five



years. The first section of the study will provide statistical evidence of India's failure to achieve its three goals—economic growth, economic equity, and economic independence. The interpretation concentrates on the distribution of political and economic power in independent India and the resultant choice of a basically capitalist framework for development. The second part of the study will trace the evolution of India's socio-political structure during the colonial period. It is Professor Weisskopf's contention that private interests working in a democratic system restricted the adoption or implementation of policies designed to promote India's development objectives. The study will conclude with a consideration of the prospects for the Indian economy under the present regime or a revolutionary alternative. The deadline for the study has been extended until late 1974.

India's Economy

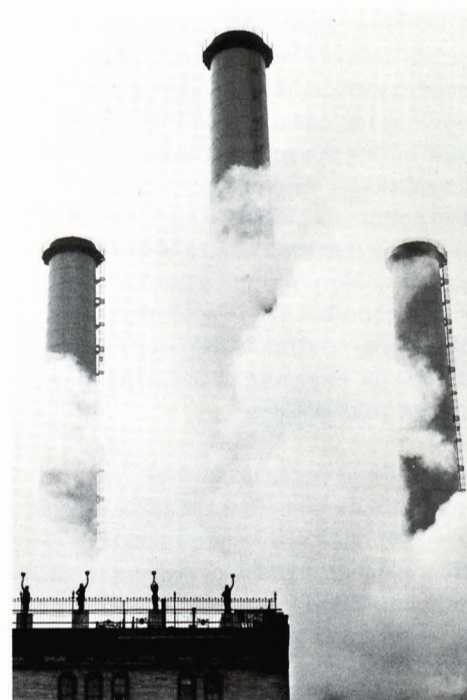
The consequences of the "Green Revolution" for economic development in India are being intensively analyzed by John W. Mellor, professor of agricultural economics at Cornell University. He feels that increased agricultural productivity in the basic food-grains sector can stimulate the entire economy by permitting the expansion of employment in other sectors and creating new sources of investment capital and new markets for consumer goods. Professor Mellor contends that the Indian government is now in a position to adopt a new development strategy emphasizing employment, light industry, and exports. Various policy problems associated with that strategy, including the need to distribute the benefits of growth to the poorest third of the Indian population, will be examined. The study is scheduled for completion in late 1973.

National Energy Policy

Although the "energy crisis" has only recently emerged as a public issue in the United States, it has been building for some time. David Freeman, former energy adviser to the White House, is now completing a manuscript dealing with the problem of how best to provide sufficient units of energy in ways least damaging to the environment. Drawing on his wide experience in a range of energy policy positions, he makes an integrated set of policy recommendations for meeting both short and long term crises. The manuscript is scheduled for completion in mid-1973.

Planning and Budgeting in Low Income Countries

An analysis of planning and budgetary processes in developing countries by Aaron Wildavsky, dean of the Graduate School of Public Affairs, University of California at Berkeley, and Naomi Caiden, professor of political science at Berkeley, was completed in 1972. The authors held extensive interviews with officials in developing countries, and their study provides a detailed account of the current state of planning and budgeting. The work will be published (not as a Fund study) by John Wiley & Sons in late 1973 or early 1974.



Political and Economic Institutions

The number of studies sponsored by the Fund dealing with American political and economic institutions attests to the diversity of the nation's social problems. There is scarcely an area of public concern that has not had to respond to the gauntlets thrown down to society by minority groups, by the women's liberation movement, by youth, by the new and heavier burdens of social welfare, and by the complex demands being made of public administrators. Most of the following studies are still in progress.

Demography of American Juries

The American system of jury trials has come increasingly under attack in recent years. Those concerned with overcrowded courts regard juries as cumbersome and inefficient while others are concerned that unrepresentative juries prevent defendants, especially minority group members and political dissidents, from getting a fair trial. In this study, Jon M. Van Dyke, professor of law at Hastings College of Law, University of California at San Francisco, will argue that the institution of the jury must be preserved as a buffer between the government and the people. Mr. Van Dyke will analyze the impact of various jury selection processes and courtroom procedures, such as peremptory challenges, on the representativeness of juries. He will also examine proposed alternatives, such as less-than-twelve-member juries and less-than-unanimous verdicts, and attempt to determine how different types of juries will affect verdicts. The study is scheduled to be completed in the fall of 1973.

Women in Politics

In collaboration with the Russell Sage Foundation, the Fund is sponsoring a study of the participation of women in politics. Based largely on a survey

of delegates to the 1972 national conventions, an attempt will be made to determine the potential for their greater participation and to provide a research resource for future studies of the changing roles of both men and women in politics. Jeane Kirkpatrick of Georgetown University and Warren Miller of the University of Michigan's Institute for Social Research are co-directing the study, with the assistance of William Crotty of Northwestern University and Elizabeth Douvan of the University of Michigan. The study is scheduled for completion by 1975.

Women and Employment

The report of this fourteen-member Task Force has been delayed because of extensive revisions of the background paper, which was prepared under the direction of Adele Simmons, dean of

student affairs at Princeton University. The Task Force itself covered a wide range of issues involving the conditions and problems of workingwomen, including employer and union practices, equal opportunity legislation and enforcement, the need for child care facilities, and the role of educational institutions and the media in fostering equal job opportunities. Eleanor Holmes Norton, New York City Commissioner of Human Rights, chaired the Task Force, whose report should be ready for release in 1973.





The Leaning Ivory Tower

Warren S. Bennis, president of the University of Cincinnati, has completed his case study of the selection of a university president and a university's response to campus unrest and educational innovation. It will be published (not as a Fund study) in January 1973 by Jossey-Bass.

Discrimination in the Education and Labor Markets

Richard Freeman of the University of Chicago is undertaking a comprehensive study of the history of racial discrimination in American educational and labor markets. His provocative thesis is that the historical disparities between white and black incomes stem largely from discrimination by government and that private market forces tend to reduce such disparities. The study will examine

historical records of white and black income, education, business formation, migration, and other gauges of racial exclusion. In addition, it will analyze the governmental and social pressures that established the overall discriminatory pattern in the United States. The study is scheduled for completion in 1974.

Political Participation and Polarization

Many developments over the past few years have drawn attention to the continuing importance of ethnicity in American politics. The erosion of the ethnic base of the Democratic party, evidence of hostility between blacks and whites, and increased political activity among previously quiescent minorities are among the subjects that will be examined in this study. Three specialists in political sociology, Father Andrew Greeley of the National Opinion Re-

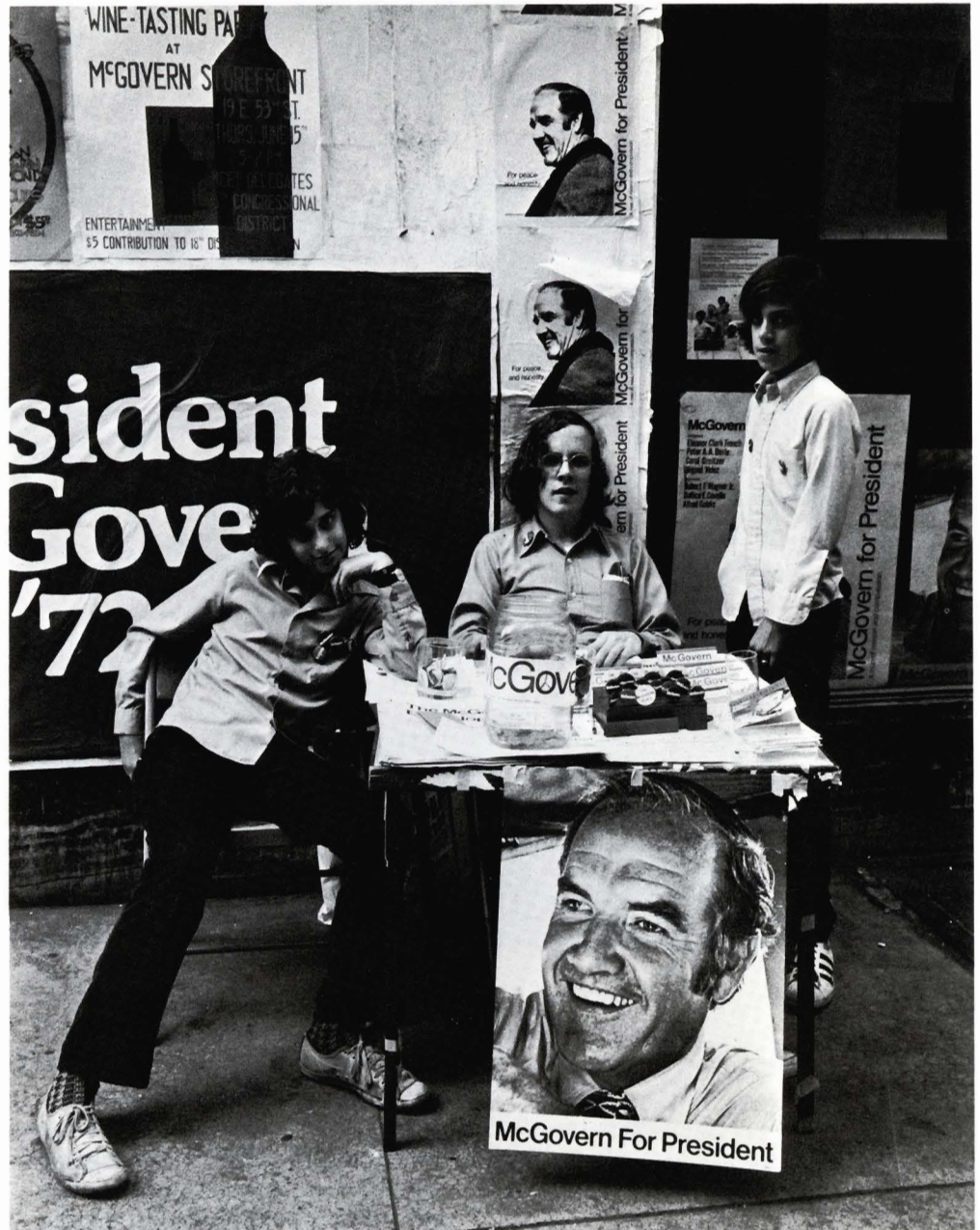
search Center, Professor Sidney Verba of Harvard University, and Professor Norman Nie of the University of Chicago, are analyzing opinion research data in order to assess ethnic differences in political participation, in-group cohesiveness, and inter-group hostility. Their book-length study is scheduled for completion in the fall of 1974.

The Presidential Nominating Process

Recent procedural reforms introduced by the two major political parties and approved by state legislatures could alter significantly the traditional path taken by candidates to the White House. The reforms include increased adoption of presidential preference primaries, opening up the delegate selection process, and elimination of the unit rule whereby state delegates were bound to vote as a bloc at conventions. The nature of these reforms, their implementation, and their impact on both the strategies of candidates in the 1972 election and the power of various constituent groups within the two parties are being studied by Kenneth Bode, a political scientist who served as research director of the McGovern Commission and who now heads the Center for Political Reform, and by David Abbott, associate professor of political science at Brooklyn College. The study is now scheduled for completion in late 1973.

Public Financing of American Elections

David Adamany, professor of politics at the University of Wisconsin, and George Agree, a long-time political fund raiser, are assaying the money factor in American politics in a broad examination of proposed new methods of public financing of elections. They are analyzing the financing of the 1972 election campaign and examining the results of a special poll, on voter attitudes toward





public financing, conducted for the study just after the election by the National Opinion Research Corporation in Chicago. The amounts spent by winning and losing candidates, source of campaign contributions, outlays for television and other publicity devices, and trends in campaign expenditures will also be covered. The report is scheduled for completion in 1973.

Constitutional Change

A study by Clement E. Vose of Wesleyan University analyzes the way in which constitutional change has taken place.

The work discusses the various pressure groups involved and the influence of the social and political climate as well as shifts in the makeup of the Supreme Court. Mr. Vose also proposes judicial and statutory measures to facilitate future change. The study will be published in July 1972 by Lexington Books, a division of D. C. Heath & Company.

The Contemporary Commune Movement

Judson Jerome, a poet and scholar formerly associated with Antioch College, is completing his book-length study of the commune movement in the United States since 1968. His work deals with the movement as a critique of mainstream American society and traces the evolution of communal living from the ideological dogmas and utopian blueprints of an earlier era toward concern with the specific and changing needs of the communards themselves. A chapter of the study will be published in the summer 1973 issue of *The American Scholar*; the study itself is scheduled for completion in the spring of 1973.

The Big Foundations

Waldemar Nielsen, a former executive of the Ford Foundation and the African-American Institute, has completed his controversial study of the country's thirty-three largest foundations, those with assets of \$100 million or more. His jarring conclusion was that philanthropy



has become a “sick malfunctioning institution” and that most big foundations are “unprofessional, passive and ameliorative.” While supporting philanthropic efforts, he claims that the major foundations not only have failed to take a leadership role in fostering social change but often have fallen behind government in meeting social problems. Mr. Nielsen’s study is being published by the Columbia University Press.

The Securities Markets

The Fund has a long tradition of research in the financial area. It is currently giving fresh attention to problems in the securities markets. Michael Keenan of New York University is developing a comprehensive survey of policy issues and problems confronting the marketplace. His work will serve as a guide to the Fund and other research institutions interested in financial research. The Fund also is conducting a study of conflicts of interest in the securities industry. A group of researchers will be examining conflicts involving corporate and public pension funds, brokers and dealers, commercial banks, nonprofit institutions, and other sectors. A steering committee will consider their evidence and suggest ways and means to lessen conflicts. Both studies are expected to be completed in 1973. The Fund also has been overseeing an abridgment of the hearings on securities market reform held by the Securities and Exchange Commission from October 12 to December 2, 1971.

Municipal Credit Ratings

Two private agencies, issuing their own judgments on the financial soundness of tax-exempt obligations, significantly influence the costs of borrowing for states, cities, and local authorities. A Fund Task Force has been examining

ways and means of improving the performance of the municipal credit market, with particular emphasis on achieving more effective and unified ratings. Its report and recommendations will be accompanied by a background paper, by John Petersen of the Securities Industries Association, on the workings of this complex system. The Task Force report is scheduled for completion by June 1973.

Economic Policies of the Federal Government

This critical analysis of the economic policies pursued by the federal government over the past thirty years has been delayed. Harvey Segal, now a vice president of the First National City Bank, is continuing work on his manuscript, but it is too early to predict its completion date.

Public Pension Systems

Public employee retirement systems have been growing at a rapid pace, with far-reaching effects on public finance, public employment, and the security of retirees. Robert Tilove, an authority on pensions, is reviewing the latest developments in benefits, costs, funding and investment policies, and other aspects of state and local pension plans. Their increasing fiscal burden is a special focus of his study, and he will recommend how best to cope with the policy issues raised by these proliferating plans. The work is scheduled for completion in 1973.



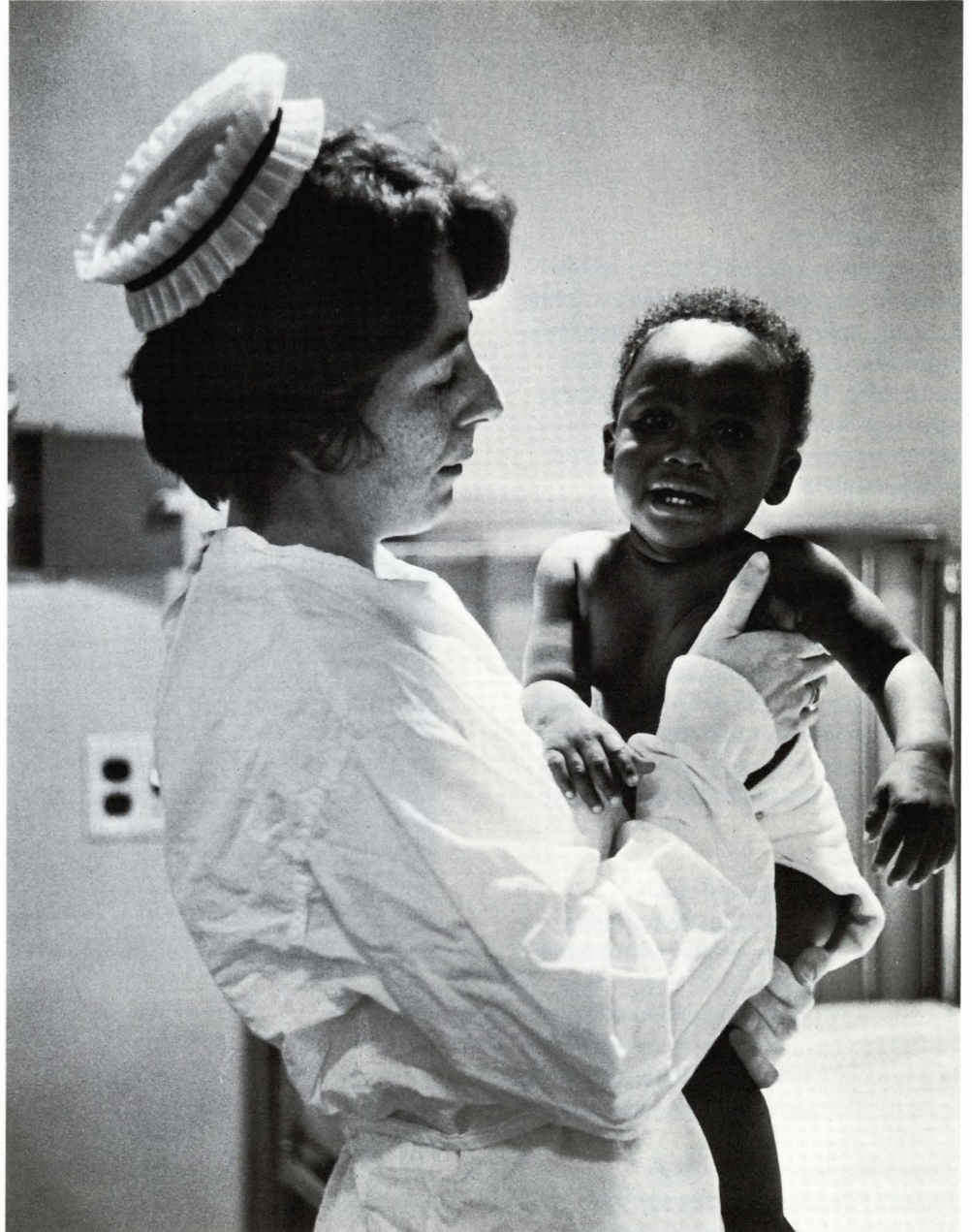
Private Insurance and the Nation's Health

An examination of health insurance from the point of view of the insured, the insurers, and the medical care providers has resulted in a book-length study addressing the many issues that have been raised in the current debate over national health insurance. The authors, John Krizay, director of the Office of Monetary Affairs in the Department of State, and Andrew Wilson, senior economist and consultant at AID, consider that the fundamental problem of reform in health care financing is to meet competing—and valid—claims on the nation's resources while making quality health care available without discrimination to all who need it. Their recommendations are based on their own analysis, supported by surveys of the insured public, physicians, and insurers,

as well as data supplied by government agencies. The completed study is now being edited and should be published early in 1974.

Inequality in an Affluent Society

The failure of economic growth to satisfy the demands of large population groups within advanced industrialized societies has raised important questions about the significance of income distribution. Perhaps the most important of these questions is whether the lowest income groups can be satisfied by continued growth that leaves them better off than they were in the past but perhaps still further behind middle and upper income groups. If, as many suspect, the answer is negative, then governments will have to consider policies designed to bring about a much greater redistribution of income than they have previously attempted. Fred Hirsch, formerly senior economist at the International Monetary Fund, is carrying out a study of this and other questions at Oxford University. He intends to deal with the effects of growth on the distribution of recorded and unrecorded income and with the redistributive policies available to governments. The project is scheduled to be completed in October 1974.



Public Authorities

An increasing amount of public administration—regional transportation, public housing, natural resource management—has come under the control of public authorities. The independence of these agencies from governmental control or public scrutiny has, in turn, generated widespread concern and criticism. Annmarie Hauck Walsh, who is now on leave from the Institute for Public Administration, is undertaking 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. The study is scheduled for completion in 1974.

Multinational Corporations

A study of multinational corporations, under the direction of Walter Goldstein of the State University of New York at Albany, was originally scheduled for completion in June. Professor Goldstein is continuing to revise his manuscript but no date has been set for its publication.

Americans in Southeast Asia

Russell Fifield of the University of Michigan has completed his evaluation of how and why American commitments in Southeast Asia increased. He puts the struggles in Vietnam and Indochina in the perspective of Southeast Asia's history and culture. The book will be published in May 1973 by Thomas Y. Crowell Company.



Publishing

Public Information

Throughout 1972, the Fund kept the public abreast of its activities by distribution of news releases and the Fund's newsletter as well as by holding a number of press conferences to launch studies and reports.

In the period under review, the Fund held a total of eight press conferences in New York and Washington. It sent out thirty press releases and also published its annual report. The press conferences were well attended and Fund reports received widespread attention, nationally and internationally, in both print and the electronic media. In addition, a publications list was revised for complimentary distribution.

The public information department published two newsletters describing Fund activities and studies. The press run of 12,500 is distributed to a broad list of policy makers, scholars, journalists, librarians, and institutions.

During the past year the Fund displayed its studies in forty-three book exhibits, including the American Academy of Political Science, the American Historical Association, the American Library Association, and the White House Conference on the Industrial World Ahead.

A newly updated version of the Fund's Gross National Product Flow Chart, first printed in 1966, was made available. Another edition of 25,000 copies was anticipated for 1973. Widely used in schools and universities, the flow chart provides a graphic presentation 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, is being distributed by McGraw-Hill Films.

Publications

The Fund recently initiated a policy of releasing its short soft-cover Task Force Reports and Staff Papers without charge to policy makers, journalists, and academicians as well as the general public. This policy was begun after it was determined that administrative and distribution costs were smaller than the expenses formerly incurred from processing thousands of small orders.

The Fund's major book-length studies are being printed and distributed by commercial publishing houses and university presses, in most cases bearing the Fund's imprimatur.

Plans are in progress to release some of the Fund's major studies in translation to gain a significantly wider audience abroad. French, German, Italian, Japanese, Persian, and Spanish editions of Seth King's one-volume abridgment of *Asian Drama* by Gunnar Myrdal are being published. Two other Fund studies, *The Alliance That Lost Its Way*, by Jerome Levinson and Juan de Onis, and *From Peasant to Farmer*, by Raanan Weitz, are to be translated into Spanish from the original versions released in 1970 and 1971 respectively. A Fund conference report, *Global Communications in the Space Age: Toward a New ITU*, was published in French and Spanish editions.

The *Fortune* Book Club, a division of Time-Life, selected *The Big Foundations* by Waldemar A. Nielsen as a book-of-the-month choice. The study of the thirty-three largest foundations will be published by Columbia University Press in the fall and a paperback edition will be published in 1973.

In 1973, John Wiley & Sons will publish a collection of maps prepared by cartographer W. William-Olsson to accompany an American geography which was not completed for the Fund. The maps are unique both in subject matter and presentation, covering much of the physical, economic, political, and cultural features of the continent.

In 1973, the Kraus Reprint Company will undertake to distribute all of the Fund's back-list books that are in print and to reissue certain Fund books that have gone out of print. A catalogue of these works is available from Kraus Reprint Company, Millwood, New York 10546.

Current Major Fund Studies, Cloth Bound, in Print

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.

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.

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

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 for improving 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.

Current Fund Paperbacks in Print

The Alliance That Lost Its Way: A Critical Report on the Alliance for Progress, by Jerome Levinson and Juan de Onis. The shortcomings of United States Latin American policy in the sixties, with guidelines for future diplomacy. Reprinted in paperback from the Fund's 1970 study, March 1972, 383 pages, \$2.45. Publisher: Quadrangle Books. Available in Spanish translation.

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.

Global Communications in the Space Age: Toward a New ITU. A report of an international conference sponsored by the John and Mary R. Markle Foundation and the Twentieth Century Fund. 73 pages, June 1972, paper, free. Available in French and Spanish translations.

Classified Files: The Yellowing Pages. A Staff Paper on the evolution of the government's classification system for documents, and the problems that the system creates for scholars and journalists. 115 pages, July 1972, paper, free.

Grants

Books Released With Other Publishers

Parties: The Real Opportunity for Effective Citizen Politics, by John S. Saloma and Fred H. Sontag. A report on political parties, with recommendations for reform. Published June 1972, 390 pages, cloth \$7.95, Alfred Knopf.

The Paper Revolutionaries, by Laurence Leamer. A survey of the underground press. Published July 1972, 220 pages, cloth \$8.95, Simon & Schuster.

What You Don't Know Can Hurt You, by Lester Markel. An examination of public opinion and the news. Published March 1972, 288 pages, cloth \$7.50, Public Affairs Press.

Youth in Politics, by Sidney Hyman. An investigation of the effect of the young in voting, lobbying, and political action. Published July 1972, 436 pages, cloth \$8.50, Basic Books.

The Fund is a private operating foundation under the terms of the Tax Reform Act of 1969. This status gives the Fund considerable flexibility to carry out its own research programs but limits the amount of grants it can make. Under exceptional circumstances, the Board of Trustees approves specific commitments. In the period under review, three commitments that had been approved earlier were fulfilled.

New York City

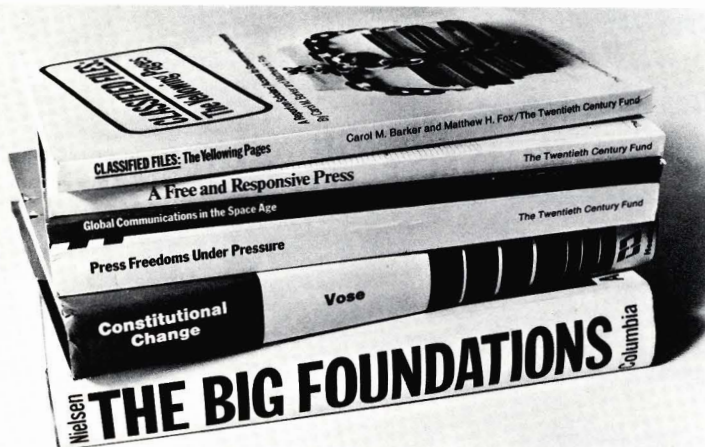
As a pioneer among tax-exempt, property-owning organizations, the Fund made its sixth voluntary payment in 1972 to New York City for municipal services received free of charge. In making a grant of \$12,000, the Fund explained that while its most important contribution to the solution of urban problems was its research program, it also felt a responsibility to pay for services rendered to it free of charge by the city.

Black Academy of Arts and Letters

The Black Academy of Arts and Letters received the third and last \$50,000 grant from the Fund to complete its initial financing. The Academy, which was established in 1969, is devoted to the recognition and development of black artists, writers, and scholars.

International Baccalaureate Office

The Fund made two grants totaling \$50,000 to the International Baccalaureate Office for its experimental program creating a system of curriculum and accreditation as a worldwide standard for admission to institutes of higher education. Begun in 1969, the IBO hopes to develop this international standard within five years. It is supported by the Fund and the Ford Foundation.



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.

Antonia Chayes

Lecturer in law, Boston University Law School,
Boston, Massachusetts

Anthony Downs

Senior Vice President, Real Estate Research
Corporation, Chicago, Illinois

Jo Freeman

Graduate student in political science,
University of Chicago, Chicago, Illinois

Harold Gibbons

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

Rita E. Hauser

Attorney, Stroock & Stroock & Lavan,
New York, New York

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 on
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 (1970-1971)

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

Rapporteur:

Lawrence Laurent

The Washington Post, Washington, D.C.

Members of the 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

Frank Smeal, chairman

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

Edwin H. Yeo III

Senior Vice President, Pittsburgh National Bank,
Pittsburgh, Pennsylvania

John Thompson

Vice President, W. H. Morton & Co.,
New York, New York

Ben Weberman

Financial Editor, *American Banker*,
New York, New York

Rapporteur:

John E. Petersen

Securities Industry Association, Washington, D.C.

Task Force on a National Press Council
(1971)

Lucy Wilson Benson, co-chairman
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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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

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John E. Booth, Associate Director
Richard W. Richardson, Associate Director
Harold Goldberg, Controller

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Frances Klafter (retired)
Noemi Landrau
Alice Mentel
Sadie Rosenfeld
Richard P. Rust (on leave)
Cecile Santos
Pearl W. Schwartz
Susan M. Spinelli
Vilma Velez

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 the Twentieth Century Fund, Inc. (a Massachusetts nonprofit corporation) as of June 30, 1972 and 1971, 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 the Twentieth Century Fund, Inc. as of June 30, 1972 and 1971, 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
October 12, 1972

Finances

Twentieth Century Fund, Inc.

Statements of Assets, Liabilities and Fund Balances

June 30, 1972 and 1971

Assets

	1972	1971
Cash	\$ 151,046	\$ 74,071
Accrued Interest and Dividends Receivable	188,000	159,000
Accounts Receivable and Prepaid Expenses	19,570	10,625
Investments, at cost (quoted market, \$27,893,262 in 1972 and \$27,387,921 in 1971) (Schedule 3)	21,563,755	19,264,756
Fixed Assets, at cost, net of accumulated depreciation of \$141,105 in 1972 and \$131,763 in 1971 (Note 1)	378,010	363,237
<i>Total Assets</i>	\$22,300,381	\$19,871,689

Liabilities and Fund Balances

Liabilities:

Accounts Payable and Accrued Liabilities	\$ 143,283	\$ 116,014
Federal Excise Taxes Payable (Note 2)	50,105	45,200
<i>Total Liabilities</i>	193,388	161,214

Fund Balances (Note 1):

General Fund—

Appropriated for research projects (Schedule 2)	\$ 1,060,836	\$ 774,424
Appropriated for special projects (Schedule 2)	25,000	75,000
Net investment in fixed assets	378,010	363,237
Available for investment and future projects	18,854,648	17,114,939
<i>Total General Fund</i>	20,318,494	18,327,600
1922 Endowment Fund	1,788,499	1,382,875
<i>Total Fund Balances</i>	22,106,993	19,710,475
<i>Total Liabilities and Fund Balances</i>	\$22,300,381	\$19,871,689

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, 1972 and 1971

General Fund

	1972	1971
<i>Income Available for Operations:</i>		
Interest (Note 1)	\$ 599,510	\$ 670,245
Dividends (Note 1)	609,897	682,183
Sale of publications	20,732	63,005
Royalties on sale of publications	26,789	32,216
Grants	10,000	—
<i>Total Income</i>	1,266,928	1,447,649
<i>Expenses:</i>		
Operations (Schedule 1)—		
Research projects	966,887	1,417,260
Special projects	50,000	125,000
Publications	245,559	225,625
Management and general	187,734	166,173
<i>Total Operations</i>	1,450,180	1,934,058
Governmental payments—		
Federal excise tax (Note 2)	52,400	45,200
Payment to New York City in recognition of municipal services	12,000	12,000
<i>Total Expenses</i>	1,514,580	1,991,258
Excess of expenses over income available for operations	(247,652)	(543,609)
Realized net gain (loss) on investment transactions	2,238,546	(199,689)
Increase (decrease) in Fund balance	1,990,894	(743,298)
Fund Balance, beginning of year	18,327,600	19,070,898
<i>Fund Balance, end of year</i>	\$20,318,494	\$18,327,600

1922 Endowment Fund

Fund Balance, beginning of year	\$ 1,382,875	\$ 1,333,766
Realized net gain on investment transactions (Note 1)	405,624	49,109
<i>Fund Balance, end of year</i>	\$ 1,788,499	\$ 1,382,875

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, 1972 and 1971

(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, 1972 are summarized as follows:

	Cost	Accumulated Straight-Line Depreciation	Estimated Useful Lives
Land	\$125,000	\$ —	—
Building	175,000	67,812	40 years
Building Improvements	195,000	73,293	40 years
Accounting Machine	24,115	—	5 years
<i>Total Cost and Depreciation</i>	\$519,115	\$141,105	

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 provided for as incurred, approximated \$28,000 and \$18,000 for the years ended June 30, 1972 and 1971, respectively. There is no unfunded prior service cost as of June 30, 1972.

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, 1972 and 1971 has been made in the accompanying financial statements in accordance with the provisions of the Tax Reform Act of 1969.

Twentieth Century Fund, Inc.

Statements of Operating Expenses by Function

For the years ended June 30, 1972 and 1971

Schedule 1

Expenses	1972				1971	
	Research Projects	Special Projects	Publica- tions	Manage- ment and General	Total	Total
<i>Direct Expenses:</i>						
Salaries, consultant fees, travel, etc.	\$579,089	\$ —	\$ —	\$ —	\$ 579,089	\$1,067,309
Grants to other organizations	—	50,000	—	—	50,000	125,000
Publications—printing, storage, etc. . .	—	—	65,418	—	65,418	86,811
Public information—annual report, newsletter, press conferences, etc.	—	—	—	38,930	38,930	48,504
<i>Headquarters Expenses:</i>						
Salaries, wages and related costs (Note 1)	239,577	—	125,238	98,401	463,216	392,692
Office equipment and supplies	31,321	—	10,572	8,305	50,198	23,802
Maintenance and repair of building . .	22,636	—	12,676	9,960	45,272	60,488
Professional fees	22,144	—	12,328	9,815	44,287	35,064
Meetings and conferences	39,693	—	9,113	7,160	55,966	42,786
Telephone and telegraph	18,143	—	4,021	9,800	31,964	16,843
Depreciation (Note 1)	4,671	—	2,616	2,055	9,342	9,342
Washington, D.C. office	2,865	—	409	818	4,092	7,077
Other	6,748	—	3,168	2,490	12,406	18,340
Total Operating Expenses	\$966,887	\$50,000	\$245,559	\$187,734	\$1,450,180	\$1,934,058

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, 1972

Schedule 2

Title of project and project director	Total Project App- ropriation to June 30, 1972	Appropriated Balance June 30, 1971	Activity For The Year		Appropriated Balance June 30, 1972
			Net Appro- priations	Expenses	
<i>Research Projects:</i>					
Big City Mayors, R. Murphy	\$ 41,450	\$ 41,450	\$ —	\$ 21,869	\$ 19,581
The Big Foundations, W. Nielsen	72,142	2,051	6,392	8,443	—
Capital Markets	50,000	30,000	20,000	21,531	28,469
Capitalism and Underdevelopment in India, T. Weisskopf	57,300	42,357	—	23,999	18,358
Conflict of Interest in Securities Markets	40,000	—	40,000	7,584	32,416
Contemporary Commune Movement, J. Jerome	66,250	63,969	—	45,115	18,854
Demography of American Juries, J. Van Dyke	35,000	35,000	—	10,691	24,309
Discrimination in Education & Labor Markets, R. Freeman	64,600	—	64,600	3,000	61,600
Economic Development in the Caribbean, B. Stephansky, R. Kaufman, R. Perusse	147,841	32,159	(32,159)	—	—
Economic Policies of the Federal Government, H. Segal	86,250	53,830	—	8,321	45,509
Film on the City of Washington, J. Sandler	104,900	238	3,000	1,440	1,798
Flow of News, A. Rowse	63,450	(1,239)	6,000	4,420	341
Governmental Power & Press Freedom, Twentieth Century Fund Task Force	36,860	(236)	11,860	11,624	—
Indian Development, J. Mellor	82,500	22,388	—	15,849	6,539
Inequality in the Affluent Society, F. Hirsch	93,500	—	93,500	6,583	86,917
International Satellite Communications International Conference, (with John & Mary R. Markle Foundation)	39,733	27,366	9,733	37,099	—
Jails, R. Goldfarb	83,000	60,826	—	34,312	26,514
Japan and the World Economy, H. Patrick and G. Saxonhouse	101,750	—	101,750	6,560	95,190
Leadership and Change in Higher Education, W. Bennis	22,646	5,531	(4,254)	1,277	—
Little Magazines, L. Grauman, Jr.	24,625	15,144	—	13,053	2,091
Media Monopolies, G. Stempel	17,973	4,385	—	—	4,385
The Multinational Corporation, W. Goldstein	60,900	37,253	2,400	36,881	2,772
Municipal Credit Ratings, Twentieth Century Fund Task Force	22,000	18,538	—	7,978	10,560
National Energy Policy, S. D. Freeman	58,050	58,050	—	20,393	37,657
New York City: Urban Drama, A. Hacker	32,000	4,288	—	2,036	2,252
Planning and Budgeting in Low-Income Countries, A. Wildavsky and N. Caiden	49,250	17,227	—	12,321	4,906
Political Access to TV and Radio, N. Minow, J. B. Martin, L. Mitchell	67,000	55,534	—	37,968	17,566
Political Participation and Polarization, S. Verba, H. Greeley, N. Nie	148,176	—	148,176	—	148,176
Political Parties, J. Saloma and F. Sontag	159,097	(8,932)	9,097	165	—
Presidential Nominating Process, D. Abbott and K. Bode	102,423	—	102,423	47,350	55,073
Press Councils, Twentieth Century Fund Task Force	30,151	17,222	5,151	22,373	—

Twentieth Century Fund, Inc.

Statement of Project Appropriations, continued

Schedule 2

Title of project and project director	Total Project Approp- riation to June 30, 1972	Appropriated Balance June 30, 1971	Activity For The Year		Appropriated Balance June 30, 1972
			Net Appro- priations	Expenses	
Private Insurance Coverage and Public Health Care, J. Krizay and A. Wilson	88,587	(3,150)	11,487	8,337	—
Public Affairs Broadcasting, Twentieth Century Fund Task Force	25,000	13,675	—	2,316	11,359
Public Authorities, A. H. Walsh	120,100	—	120,100	—	120,100
Public Employee Retirement Systems, R. Tilove	93,950	47,783	—	25,745	22,038
Public Financing of Elections, D. Adamany and G. Agree	115,087	—	115,087	30,959	84,128
The South: A Strategy for Change, T. Naylor	37,953	47,861	(17,047)	30,814	—
Suburban Police, J. Davis	70,840	—	70,840	428	70,412
Suburbs & Urban Development, P. Davidoff and N. Gold	92,743	17,457	(18,557)	(1,100)	—
Unemployment of Youth, Twentieth Century Fund Task Force	15,407	15,608	(14,594)	1,014	—
Women and Employment, Twentieth Century Fund Task Force	27,100	(5,032)	6,000	2	966
Youth in Electoral Politics, S. Hyman	76,516	5,823	4,516	10,339	—
<i>Total Research Projects</i>		774,424	865,501	579,089	1,060,836
<i>Special Projects:</i>					
Black Academy of Arts & Letters	150,000	50,000	—	50,000	—
International Baccalaureate Office	75,000	25,000	—	—	25,000
<i>Total Special Projects</i>		75,000	—	50,000	25,000
<i>Total Projects</i>		\$849,424	\$865,501	\$629,089	\$1,085,836

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

Twentieth Century Fund, Inc.

Statement of Investments

Summary, June 30, 1972

Summary**Schedule 3**

Description	Cost			Quoted Market
	1922 Endowment Fund	General Fund	Total	
Commercial Paper	\$ —	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Notes	400,000	—	400,000	401,625
Bonds	1,240,967	3,932,043	5,173,010	5,314,438
Common Stocks	132,455	13,858,290	13,990,745	20,177,199
<i>Total Investments</i>	\$1,773,422	\$19,790,333	\$21,563,755	\$27,893,262

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

Twentieth Century Fund, Inc.

Statement of Investments, continued

Schedule 3

Description	Par Value	Cost	Quoted Market
<i>Commercial Paper:</i>			
G.M.A.C. Credit Corp. 4.625% 7/31/72	\$1,100,000	\$1,100,000	\$1,100,000
Household Finance Corp. 4.4% 7/5/72	400,000	400,000	400,000
Household Finance Corp. 4.4% 7/5/72	200,000	200,000	200,000
W. T. Grant Corp. 4.55% 7/11/72	300,000	300,000	300,000
<i>Total Commercial Paper</i>	\$2,000,000	\$2,000,000	\$2,000,000
<i>Notes:</i>			
American Express Credit Corp. 6.5% 1977	100,000	100,000	100,125
National Bank of Detroit 6.875% 1979	100,000	100,000	100,750
New England Telephone and Telegraph Co. 6.5% 1979	100,000	100,000	100,000
United States Leasing Corp. 7.65% 1977	100,000	100,000	100,750
<i>Total Notes</i>	\$ 400,000	\$ 400,000	\$ 401,625

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	100,500
Detroit Edison Co. 9.00% 1999	100,000	99,750	112,250
Dow Chemical Co. 7.75% 1999	125,000	125,000	128,125
Florida Power & Light Co. 8% 1999	100,000	101,141	104,000
General Telephone Company of California 7.625% 2001	150,000	150,750	150,375
Hawaiian Telephone Co. 8% 1994	150,000	152,448	153,938
Heller (Walter E.) & Co. 9.5% 1989	100,000	100,000	110,500
Illinois Bell Telephone Co. 8% 2005	100,000	102,000	106,125
Illinois Power Co. 8.35% 1999	100,000	100,000	106,750
Indiana & Michigan Electric Co. 8% 1974	100,000	101,000	102,375
Iowa Electric Light & Power Co. 8.625% 1999	200,000	200,534	215,000
Iowa Public Service 8% 2001	100,000	99,437	104,125
Marathon Oil Co. 8.5% 2000	200,000	199,500	217,750
Marine Midland Banks, Inc. 7.625% 1994	100,000	99,500	98,500
National Cash Register Co. 7.70% 1994	100,000	100,000	103,750
Northern States Power Co. 8% 1999	100,000	96,168	105,250
Northwestern Bell Telephone Co.—			
6.00% 2001	50,000	51,188	42,438
7.00% 2009	150,000	149,125	145,125
Ohio Edison Co. 8.25% 1999	100,000	102,000	107,500
Pacific Gas & Electric Co.—			
7.5% 2001	100,000	100,612	100,500
8.875% 2002	200,000	201,587	219,750
Pan Am World Airways, Inc. 5.25% 1989	250,000	234,813	185,625
Philadelphia Electric Co. 9% 1995	100,000	102,250	113,250
Province of Ontario 9.25% 2000	100,000	99,000	111,500
Province of Quebec 7.875% 1999	200,000	197,172	201,000
R. J. Reynolds Tobacco Co. 7.875% 1994	100,000	99,750	104,000
South Central Bell Telephone Co. 8.5% 2001	200,000	198,799	218,500
Southwestern Bell Telephone Co. 8.25% 2005	100,000	101,500	107,875
Standard Oil Co. (Ohio)—			
7.60% 1999	100,000	100,000	100,500
8.5% 2000	100,000	99,750	110,625
Texas Electric Service Co. 7.625% 1999	100,000	102,090	102,625
Union Electric Co.—			
8.25% 1999	100,000	101,500	107,500
9.00% 2000	100,000	99,875	109,875
Vermont Yankee Nuclear Power Corp. 9.625% 1998	125,000	127,140	138,437
Virginia Electric & Power Co.—			
7.125% 1999	100,000	100,930	96,750
7.75% 1999	200,000	200,000	205,750
Virginia Railway Corp. 6% 2008	100,000	95,670	76,750
Weyerhaeuser Co. 7.65% 1994	200,000	200,000	206,000
Wisconsin Natural Gas Co. 8.75% 1994	100,000	101,531	107,250
Total Bonds	\$5,200,000	\$5,173,010	\$5,314,438

Description	No. of Shares	Cost	Quoted Market
<i>Common Stocks:</i>			
Alpha Portland Industries, Inc.	20,000	\$ 396,641	\$ 347,500
American Airlines, Inc.	5,000	136,250	178,750
American Telephone & Telegraph Co.	11,024	303,652	458,874
Baxter Laboratories, Inc.	10,000	322,934	472,500
Bundy Corp.	20,000	603,444	470,000
Burlington Industries, Inc.	6,800	257,931	243,950
Cenco Instruments Corp.	20,000	385,760	502,500
Christiana Securities Co.	2,000	282,798	324,000
Emerson Electric Co.	10,000	472,534	851,250
Federated Department Stores, Inc.	110,000	1,797,673	5,362,500
First & Merchants Corp.	5,000	173,797	160,625
First National Boston Corp.	3,000	115,857	204,000
First Security Corp.	10,000	305,965	342,500
General Electric Co.	12,000	512,236	789,000
General Motors Corp.	10,000	599,510	748,750
Harris Bankcorp, Inc.	10,000	544,139	501,250
Hercules, Inc.	10,000	537,544	651,250
Manufacturers Hanover Corp.	10,000	346,302	326,250
Mobil Oil Corp.	10,000	315,080	562,500
National Steel Corp.	10,000	458,618	420,000
New England Merchants Co., Inc.	5,500	130,625	116,875
Perkin-Elmer Corp.	10,000	113,554	402,500
Phillips Petroleum Co.	25,000	667,301	706,250
Pittway Corp.	10,000	382,279	470,000
St. Regis Paper Co.	10,000	408,287	417,500
Santa Fe Industries, Inc.	10,000	250,390	296,250
Security Pacific Corp.	10,000	330,638	276,250
Shell Oil Co.	10,000	471,315	458,750
Southern Pacific Co.	10,000	270,306	447,500
Standard Oil Co. (Indiana)	10,000	244,167	696,250
Sybron Corp.	5,000	173,448	166,250
Union Carbide Corp.	12,000	534,512	550,500
Union Pacific Corp.	15,000	598,808	785,625
Weyerhaeuser Co.	10,000	546,450	468,750
<i>Total Common Stocks</i>		\$13,990,745	\$20,177,199

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