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

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Contents

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

Director's Report

Compared to the private and public sectors of American society, the so-called Third Sector receives relatively little scrutiny. The Third Sector is the aggregation of tax-exempt, not-for-profit institutions engaged in providing services of one sort or another. As Peter Drucker recently pointed out, the Third Sector has undergone a veritable explosion in growth, and is now so big that it "may now employ more people than federal, state, and local government put together."

The Third Sector has been virtually neglected not only because it is big but also because it is exceedingly diverse. A taxonomy of Third Sector organizations, which has yet to be compiled, would include colleges and universities, hospitals, museums and other cultural institutions, service organizations, religious groups, trade and professional associations, public interest lobbies, foundations, charities, and voluntary agencies. Many are recipients of government funds; some depend solely on private contributions or endowments; most probably rely on a combination of public and private money. The only thing they have in common is that they are not operated for profit. In Drucker's view, they also may have in common an array of problems; he suggests that their purposes and performance should be examined to determine whether or not they are efficiently and effectively operated.

As a nonprofit foundation devoted to public policy research, the Twentieth Century Fund has had a special interest in the workings of the Third Sector. In fact, our own concern about the ethics, standards, and practices of this sector has led us

to devote a portion of our resources to critical examinations of specific not-for-profit institutions. One such Fund project was Waldemar Nielsen's study, which resulted in the book *The Big Foundations*; Nielsen focused on the comparatively small number of foundations with assets of over \$100 million. As part of its series on conflicts of interest in the securities markets, the Fund also sponsored a report on conflicts of interest in not-for-profit institutions by Chris Welles, which dealt mainly with problems encountered by foundations and educational institutions. And an independent Fund Task Force chaired by John J. Gilligan, the former governor of Ohio, now head of the Agency for International Development, made recommendations designed to improve the endowment policies of the nation's private colleges and universities.

Although our relatively modest resources have prevented us from vast research undertakings on the Third Sector, we have been sponsoring a series of separate projects that are analyzing not-for-profit cultural institutions. The first in this series was a Fund Task Force Report on performing arts centers, *Bricks, Mortar, and the Performing Arts*, published in 1970. During the fiscal year just ended, *The Subsidized Muse*, Dick Netzer's study of cultural institutions and the influence of direct public subsidies on their operations, provided a useful and provocative guide for public policymakers. In addition, editing was completed on Karl Meyer's investigation of the American art museum; its publication in early 1979 will, I am sure, create a great deal of interest, even among those not directly associated with museums.

Other Fund projects in this area include a study of indirect public subsidies to the arts, a joint effort by Michael O'Hare, J. Mark Schuster, and Alan L. Feld, which is scheduled for completion in the coming fiscal year. Edward C. Banfield has been exploring the issue of public interest in subsidies for visual arts institutions, and Lawrence J. White has been studying the role of public libraries and the management and financial difficulties they face. Banfield's manuscript will be completed at the end of the 1979 fiscal year, and White's completion date has been extended to 1980 because of his temporary appointment with the Council of Economic Advisers in Washington.

The research findings of these various Fund projects confirm the need for systematic study of the entire Third Sector. Too many not-for-profit or-

ganizations—museums and ballet companies, hospitals and charities, schools and libraries—assume that most of their problems stem from inadequate funding. The available evidence suggests that this assumption is wrong: money frequently gives rise to new problems while perpetuating many dubious practices and some outmoded institutions. Perhaps the most important objective of the researcher in the not-for-profit field should be determining whether the plethora of organizations is serving useful purposes or whether the public interest might be better served by eliminating them.

I have deliberately posed the question in either-or terms because not-for-profit institutions are not only growing in number but, once established, are peculiarly resistant to elimination. Their durability is based on their immunity to the pressures that affect government and corporate organizations. Admittedly, many government institutions seem to enjoy a similar immunity. However, President Carter's call for "zero based" budgeting for federal departments and agencies and recent indications that voters favor limitations on taxes or public spending or both argue that even entrenched government bureaucracies must justify their existence. Publicly owned corporations, of course, have long been subject to competitive forces and the pressures of stockholders. Recently, pressure on corporations has intensified as government agencies and Third Sector public interest groups demand higher standards of probity and performance.

The Third Sector, though, does not face the wrath of voters or stockholders, and few organizations within it are toughened by competition. To be sure, some Third Sector institutions are not entirely free from strife. Hospitals, museums, and orchestras have been experiencing difficulties with their staffs, some of which have formed unions. Colleges and universities must cope with the conflicting interests of alumni, faculty, and

students. Many other institutions have had troubles with the constituents they serve. But none of the individuals or organized groups voicing criticism question the usefulness of an institution, whether management or employees or clients, they have a self-interest in its survival.

It is time to end the Third Sector's special immunity. I do not mean to imply that it should be subject to indiscriminate attacks aimed at undermining it—given its size, multiplicity, and resources such attacks represent no real threat. But it should be subject to the same kind of critical examination that many other institutions in our society have been undergoing. The Filer Commission's report on the nation's philanthropic institutions represented an important contribution; more such studies are needed. Drucker thinks that the institutions of the Third Sector are most in need of "more and better management" and, possibly, different management. Researchers as well as those who run not-for-profit organizations must ask themselves if the purpose, frequently noble or inspired, that originally created the institution, is still valid. If it is, then it is appropriate to go on to consider how to improve its function-

ing. But I venture to suggest that an honest examination will reveal that a few institutions at least have outlived their usefulness, much as some corporations have found that they can no longer run at a profit.

(One institution in the government sector that had long escaped critical attention—public authorities—has now been examined by Annmarie Hauck Walsh, whose Fund study entitled *The Public's Business* was published during this fiscal year. Walsh found that because public authorities have been relatively free from serious examination by legislators or scholars, they have developed practices that are not responsive to the public interest. She recommends a series of reforms to make public authorities more responsive—and more responsible.)

A similar approach is called for in the Third Sector. Because it is so rich and varied, there is room for many different types of research, from basic data gathering to analyses of specific institutions, from assessments of management to appraisals of performance. The Fund, with its concern about public policy, would benefit in its own pursuit of projects in the area from research done by others, and I am heartened that a number of scholars are embarking on work in the field. We also would welcome the opportunity to join in collaborative efforts and to establish a means of information sharing. Systematic research in this area, which could result in the setting up of standards, would undoubtedly spur constructive self-examination by the trustees and managements of not-for-profit organizations.

The Fund itself regularly reviews its own performance; it examines both its investment and research activities, which are naturally interrelated. Indeed, the Trustees have been evaluating the possibility of a closer relationship between the Fund's research program and the management of the Fund's endowment, both of which involve the taking of substantial risks. These risks are minimized, to a considerable extent, by diversification. In our research project portfolio, diversification takes the form of sponsoring projects in a number of different areas and of making use, not only of established authorities, but also of unknown and frequently untried scholars. The Fund's research program is, if anything, more venturesome than its investment program, partly because intellectual risk taking is still in a pioneering stage, partly because having the assur-

ance that we will have enough income from our endowment to make possible the taking of intellectual risks calls for a certain prudence in managing our endowment.

The research program is closely monitored by the staff and the Trustees. As a result, procedures for selecting research proposals and supervising research projects are constantly being refined. Evaluating its failures and successes is regarded as an essential part of the Fund's work—enhancing rather than inhibiting risk taking. The Trustees—and the staff—of the Fund would not be satisfied if all of its projects fulfilled expectations and produced publishable manuscripts; that would be clear evidence that the Fund was being too cautious. It is important to court failure, as long as the prospects are carefully weighed in advance.

The Fund's latest attempt to improve its research program entails transforming the regular mid-winter meeting of the Projects Committee, which ordinarily considers project proposals, to a meeting in which the Trustees carefully review the existing portfolio and discuss potential new policy research areas. Systematic investigations of this sort should increase our capacity to engage in productive investment in research.

M. J. Rossant

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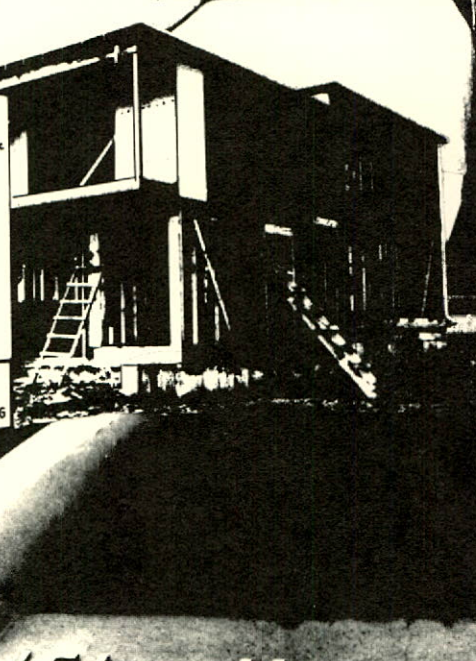


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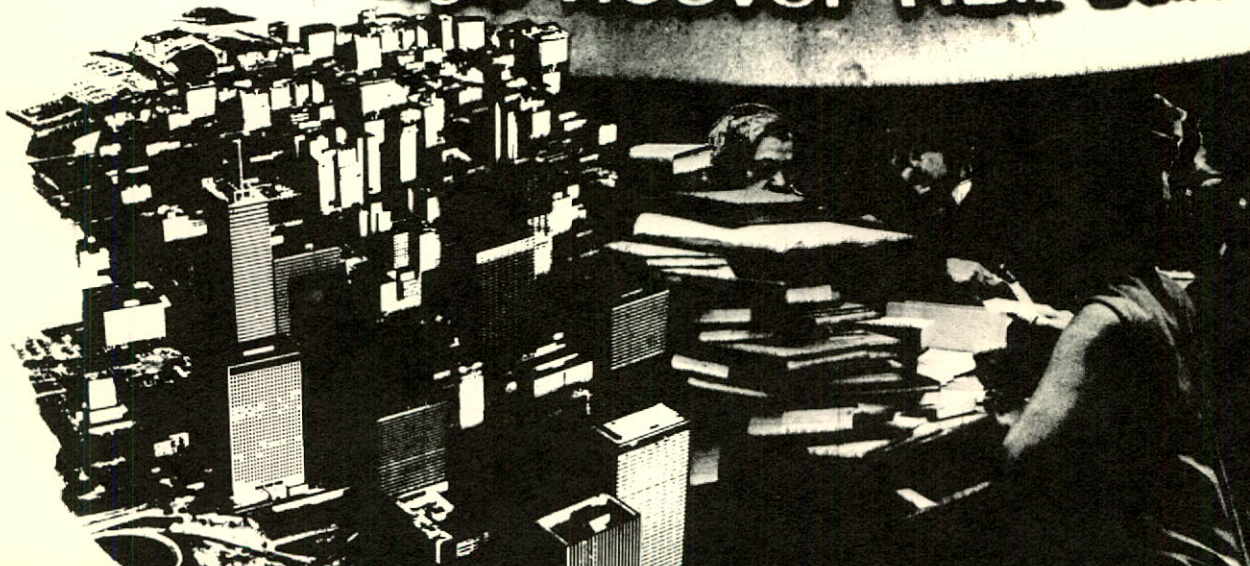
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Introduction

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

The research program currently comprises 54 projects directed by individual scholars under contract to the Fund. As a private operating foundation under the terms of the Tax Reform Act of 1969, the Fund does not make research grants, award fellowships or scholarships, or support dissertation research. Instead, it directly administers its programs. The Fund edits the manuscripts and arranges for their publication by commercial publishers or university presses.

Proposals are invited by the Fund in four broad areas: Business, Economics, and Public Administration; Urban Problems and Social Issues; Politics and Communications; and International Affairs. The project descriptions on the following pages indicate the range of the Fund's interests within these areas. In general, the program emphasizes certain central themes, including analysis of the performance of the private sector from a public policy perspective; the fiscal, political, and social problems of the nation's larger cities; the influence of the press and broadcasting on politics; and the functioning of the international economic and communications systems. Because the Fund stresses responsiveness to changing policy concerns, projects of merit outside its areas of concentration are not barred from consideration.

The Fund's staff actively solicits proposals on topics selected by the staff and Trustees. It also reviews all proposals submitted independently. An initial proposal may consist of a letter, a few pages in length, describing a policy problem for investigation and presenting a research plan. Members of the staff work closely with applicants to develop preliminary proposals; full proposals—15 to 20 pages in length—include, in addition to a definition of the problem and a description of the research approach and methodology, a tentative book outline. Only those pro-

posals recommended by the staff are reviewed by the Board of Trustees, and only the Board of Trustees has the authority to approve proposed projects. Proposals are judged in terms of their potential contribution to public policy, scholarship, and clarity of presentation.

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

In the second stage of the project, the Fund continues to work closely with the research director but asks him to assume some financial risk as an incentive for timely completion of an acceptable, publishable manuscript. The research director is compensated on a contingency basis for portions (usually thirds) of manuscript delivered and approved by the Fund. Written comments by the staff on all manuscript received are provided to the research director. These comments evaluate the author's presentation and the soundness and appropriateness of the supporting research. The research director is solely responsible for the accuracy of the evidence he presents, and has complete independence in drawing conclusions and setting forth recommendations.

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

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

Completed and Continuing Studies

Business, Economics, and Public Administration

The Individual Investor and the Stock Market

Despite the rapid growth of institutional investors and the decrease in the number of individuals who own stock, individuals continue to own much more stock than institutions. Marshall E. Blume and Irwin Friend of the Wharton School at the University of Pennsylvania have studied the attitudes of individual investors, and suggest a number of ways in which they can reduce risk in their portfolios. They oppose direct government measures to restrict institutional investment in the market or to promote investment by individuals. The manuscript is scheduled for publication as a Fund Report by Wiley-Interscience in the fall of 1978.

Control of the Large Corporation

The issue of corporate governance has received a great deal of attention from the Securities and Exchange Commission and private groups concerned about a range of issues from domestic political contributions and efforts to provide environmental protection to the effects of certain international transactions on the political affairs of other countries. But in the absence of a clear understanding of how corporations are controlled, efforts to alter their behavior by broadening their boards and by enhancing representation of stockholders may be misdirected. Edward S. Herman of the University of Pennsylvania's Wharton School, a contributor to the Fund's Conflicts of Interest series, is studying the 200 largest American corporations to determine who controls them, how control is exercised, and what sort of constraints affect those in control. He intends to propose changes in the legislative provisions for corporate governance that will take account of the realities of the corporate power structure and enhance its accountability to the public and its stockholders. The project is scheduled for completion in late 1978.

Securities Market

The steering committee—William L. Cary, Benjamin V. Cohen, Roger F. Murray, William Stott, M. J. Rossant, and Roy A. Schotland, its chairman—that has supervised a series of Fund reports on different sectors of the marketplace has called for new measures to lessen conflicts of interest in the securities markets. A one-volume compilation of eight studies, along with an introduction and a concluding chapter containing the commit-

tee's recommendations, is currently being prepared, and will be submitted to publishers for publication as a Fund Report in 1979.

Financial Instability and the Strategy of Economic Policy

Although widely recognized as important to the health and functioning of the nation's economy, financial institutions and markets have not been fully incorporated into economic theory and policy. By reexamining the role of the functioning—and malfunctioning—of the financial sector in economic analysis, Hyman P. Minsky of Washington University in St. Louis has concluded that many of the policies currently proposed to combat inflation may actually exacerbate it. He has sought to formulate an alternative approach to policy, based on an analysis of the role of capital formation in promoting inflation, that he believes will cope with macroeconomic problems more effectively. The study is scheduled for completion in early 1979.

Regional Development Planning

The economic decline of the northeast and north central states has renewed pressures for federal assistance for regional economic development, but the justification for such assistance from a national perspective is unclear. Based on his review of regional development programs, Benjamin Chinitz of the State University of New York at Binghamton concluded that federal regional development activities should focus on areas where high unemployment and underutilization of resources make possible noninflationary growth. Because his research did not result in a book-length manuscript, his project was terminated on a mutually satisfactory basis, with the Fund releasing rights in the project to him.

The Future of Fiscal Federalism

The enormous growth in federal transfers of funds to state and local governments has been accompanied by an increased federal involvement in local programs that has resulted in confusion and overlapping responsibilities. Richard C. Leone, former treasurer of New Jersey, has examined the prospects and problems that are the result of fiscal federalism—the complicated and expanded fiscal relations of the federal, state, and local governments. His manuscript will deal with the difficult choices that will face policymakers when taxpayer pressure and inflation will bring about limitations on revenues and expenditures. His study is scheduled to be completed in 1978.

Fiscal Health and Strain in American Cities

Over the last few years, New York and a number of other cities, both large and small, have experienced financial distress. Many observers attribute their plight to major economic and demographic changes over which they have no control, but other cities faced with similar slowdowns in economic growth and major demographic changes have not suffered fiscal strain or crisis. Terry N. Clark of the University of Chicago has been studying differences in the ways cities react in order to identify cures for fiscal health or strain and to provide effective yardsticks for discriminating between strained and healthy cities. He plans to make recommendations for dealing with potential sources of fiscal strain. The study is scheduled for completion in early 1979.

The Enforcement Process in Social Regulation

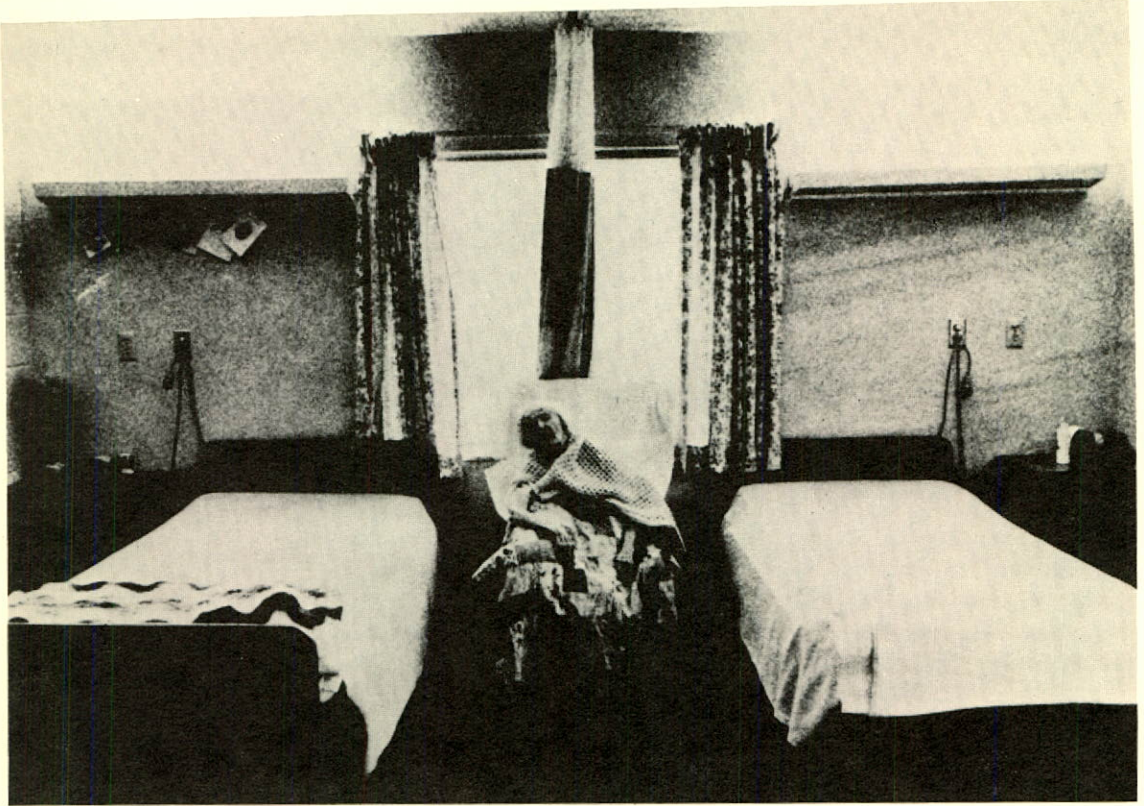
Regulation by legal order is now the most popular form of social control over the marketplace in the United States. Each year, the Federal Register lists many new rules as the number of regulatory agencies multiplies. Early in the 1970s, only the price and entry conditions of a handful of industries were regulated, but today, almost any decision in almost every industry has to be examined for possible noncompliance. Accordingly, more

and more companies complain about the cost and intrusiveness of government regulation. Eugene Bardach and Robert Kagan of the University of California at Berkeley are studying regulation, and point out that the same objectives may be accomplished in many different ways, including some devices, once more widely used than regulation, that are largely ignored today. They plan to assess regulation and the numerous options to it—furnishing information and assistance to corporations and consumers, financial incentives, facilitating conflict resolutions—to determine which methods are most appropriate in which situations. The study will be completed in late 1979.

The Politics of Land Use Reform

Local government traditionally determined land use regulation, but it has been increasingly unable to cope with the growing number of projects whose environmental effects spill over local boundaries. As a result, the states have become involved in reform of the regulation of land use. In his study of the reform movement, Frank J. Popper, a political scientist and urban planner, points out, however, that these regulatory reforms have fallen far short of their objectives in several areas and have had unintended conse-





quences in others. He plans to conclude with his recommendations for regulation. The project is scheduled for completion by the end of 1978.

The Nursing Home Industry

Because of widespread scandals associated with the operations of nursing homes, they continue to be accorded journalistic coverage and legislative attention. Bruce C. Vladeck of Columbia University has concluded that such scandals are symptoms of much deeper problems. In conducting a systematic evaluation of the nursing home industry and the policies of federal and state governments for regulating them, he has found that the policies, mainly through inadvertence, are largely to blame for the problems that have afflicted nursing homes and their residents. He recommends new methods for regulating nursing homes and examines options to them. The project is scheduled for completion in 1978.

Immigration Laws and Public Policy

Since passage ten years ago of the law regulating immigration, new problems involving legal and illegal immigration have arisen. Abba P. Schwartz, who played an important role in the

shaping of the current law on immigration, was studying their impact to determine possible new policy measures that might be useful in the light of recent developments. Because he did not produce a manuscript, his project has been terminated.

Legal Institutions and Technological Change

Recent environmental legislation has presented courts with cases they never had to deal with in the past—cases involving technological developments that pose great risks to society and scientific evidence about such risks. Joel Yellin, who was trained as a physicist and is now a social scientist at MIT, is investigating the effects of legal procedures and legal thinking on the judicial treatment of scientific uncertainty. He hopes to suggest institutional changes that will enable courts to use scientific data more effectively. His study is scheduled for completion in 1980.

Urban Problems and Social Issues

Criminal Courts and the Process of Reform

Critics take a skeptical view of the almost continuous efforts being made to reform the nation's criminal courts. They contend that attempts to make the courts more effective and efficient have been excessively expensive, overly elaborate, and ultimately unsuccessful. Malcolm Feeley of the University of Wisconsin has reviewed four of the most widely heralded changes: bail reform, determinate sentencing, pretrial diversion, and speedy trial rules. Concluding that these well-intentioned reforms were based on unrealistic expectations, he points out that the criminal court system is not a coherent arrangement of parts amenable to consistent or systematic treatment. Rather, it consists of many semi-independent agencies that pursue their own institutional objectives and bureaucratic interests and, as such, often resist or redefine reforms. He also suggests that, if the courts were not required to resolve basic social problems, then properly designed, limited reform measures would produce significant results. The project is scheduled for completion in 1979.

Evaluation of Judicial Performance: The Trial Judge

Public concern over the quality of the judiciary in the United States has traditionally led to demands for reform of the process by which judges are selected. Trial judges today work within large, increasingly bureaucratic organizations, making it difficult to evaluate their performance. Arthur Rosett of the University of California at Los Angeles Law School was attempting to develop new means of evaluation, which would be applied throughout a judge's tenure. Because he did not produce a manuscript that conformed to the standards of the Fund, his project has been terminated.

Police Information Systems

The detective or investigative work done by local police departments has not been subject to much scholarly analysis. But many police administrators have come to believe that detective divisions, the nonuniformed and glamorous branch of police forces, should be either restricted or eliminated as a waste of scarce resources. Carl Klockars of the University of Delaware, who has completed more than a year of intensive field investigation on detective divisions of state, county, and local police departments in Delaware, is now analyzing and assessing the perfor-

mance of detectives to determine whether their work is a critical part of police activity or whether it should be reduced in scope and significance. The completion of the project, which has been subject to some delay, is scheduled for 1979.

New York City Task Force

Despite long-term financial help from Washington, the economic future of New York City remains unclear. New York has avoided bankruptcy, but both its infrastructure and its public services are still deteriorating. Its unemployment rate is much higher than the national average, and a substantial proportion of its population subsists on welfare. Nevertheless, in the past year, Manhattan has begun to enjoy a revival in business activity, a rise in property values, and a shortage of office space. The shifting fortunes of the entire city and the options available to the public and private sectors for improving conditions in New York City will be considered by an independent Twentieth Century Fund Task Force to be established in the fall of 1978. As a basis for the deliberations of the Task Force, the Fund's research staff is preparing a comprehensive background paper on the city's past and present conditions and its prospects for the future.

Desegregation and Integration of the Public Schools

Twenty years after the Supreme Court handed down its historic decision mandating the desegregation of public schools—*Brown v. Board of Education* (1954)—the Fund invited Robert B. McKay, then dean of the New York University School of Law, to direct a study analyzing the successes and failures encountered in interpreting and implementing the decision with the objective of identifying new policies for bringing about integration. After assuming the directorship of the Aspen Institute Program on Justice, Society, and the Individual, he found that competing demands on his time prevented timely completion of the study. The project has therefore been terminated on a mutually satisfactory basis, and the Fund has released its rights in the project to McKay.

Discrimination in Education and the Labor Market

Despite passage of the Civil Rights Act, blacks are still not fully integrated into the mainstream of American life. Setbacks during the most recent recession have caused many blacks to doubt that legislation—or litigation—can help to better their

economic position. Richard E. Freeman of Harvard University is studying the role of government, first in perpetuating discrimination (for example, by restrictions on voting, denial of access to education, and discrimination in public employment) and then in eliminating it (by civil rights legislation and affirmative action programs). He hopes to demonstrate that government activity can in fact narrow the gap between blacks and whites and to determine the most effective means of attaining this objective. The study, which has been subject to many delays, is now scheduled for completion in 1979.

Work and the Underclass in American Society

Discussion of the "underclass" in the United States has become increasingly popular among journalists, politicians, and scholars. In her project for the Fund, Marcia Freedman of the Conservation of Human Resources Project at Columbia University argues that the designation "underclass" is inaccurate because it lumps together a small, destructive minority prone to violence with a large number of people with little or no attachment, either personal or through family relationships, to legitimate work, who support themselves instead by a combination of government transfer payments, off-the-books employment, and nonviolent illegal activities. Policy measures currently under consideration, which reflect a "we vs. them" attitude on the part of the middle class, may increase rather than diminish the gulf between the larger society and those existing on its margins. She plans to analyze the uneasy relations between the underclass and the larger society as well as the effects of public policy on these relations. The project is scheduled for completion in the fall of 1979.

Socioeconomic Condition of the Black Middle Class

The black poor have received a good deal of scholarly attention, but the black middle class, which has grown substantially in recent years, has not. L. Bartholomew Landry of the University of Maryland has conducted a comprehensive survey of the background of the black middle class, its size, growth, mobility, security, and relations with other classes, black and white. Landry has developed a new definition of the black middle class, and his study contains new information and fresh analysis of its prospects. The project is now scheduled for completion in 1979.

Urban Transportation Problems and Policies

Urban transportation policy has shifted several times since World War II. During the 1950s, the construction of urban expressways stimulated a proliferation of private automobiles. In the following decade, policymakers turned to large and expensive rail transit systems, such as BART in San Francisco and METRO in Washington, to reduce the pollution, congestion, and noise associated with the private automobiles. Since 1973, the energy crisis has enhanced the appeal of mass transit for government policymakers because of fuel costs. But John R. Meyer and Jose Gomez-Ibanez of Harvard University contend that the costs of large-scale, fixed-rail transit systems far exceed their benefits and that mass transit is no panacea for urban transportation problems. Given present residential and work patterns, they argue that public transit cannot entirely or even substantially replace the private automobile, which gives its owner unparalleled autonomy, flexibility, and door-to-door service. They plan to focus on ways of "civilizing" the automobile, recognizing its virtues and minimizing its harmful effects on the environment, safety, land use, and energy consumption. But they also are considering ways to improve the productivity and marketability of current mass transit systems and evaluating a variety of innovations in public transportation. The project is scheduled for completion in 1979.

Strategies of Governing: Big Cities and Their Mayors

The crises that have afflicted a number of the nation's older and most prominent metropolises give substance to the claim that big cities are ungovernable. Yet the chief executives of big cities today have larger and more expert staffs, more substantial funding from the federal government, and often greater authority than ever before; their performance, therefore, should be more effective rather than less. Mayors, however, are bedeviled by conflicting and increasingly vocal pressure from different interests at a time when the party system or machine has lost much of its powers, and they face demographic and economic trends beyond their control. Arnold M. Howitt of Harvard University is assessing the ways in which big city mayors are coping with the challenge, concentrating on the administrations of the seven mayors who governed the problem-plagued cities of Boston, New York, and Philadelphia over the last two decades. The study is scheduled for completion in 1980.



Mortgage Policy and Housing Markets

The construction of new housing has been subject to wide cyclical swings and skyrocketing prices. At the same time, sound buildings have been left to deteriorate. The federal government has introduced several mortgage policy programs to deal with these problems, but they have had limited—and sometimes perverse—impact. Kenneth Rosen of Princeton University is studying the housing cycle, the demographic components of the demand for housing, and the effects of government policies on housing markets, which actually may have exacerbated volatility and dislocations in the housing market instead of alleviating them. He plans to recommend policy changes that will contain inflation in the cost of housing and promote urban reinvestment. The study is scheduled for completion in late 1979.

Capital Requirements and the Future of the Cities

The infrastructure of a city—its streets, schools, transportation system, water supply, and other facilities—is critical to its very existence and to the quality of life afforded its citizens. Yet as a result of neglect, the infrastructures of many of the nation's older cities have suffered serious deterioration, and the onset of fiscal difficulties at the very time these conditions began to be recognized

has hampered their ability to do anything about the problem. George S. Tolley of the University of Chicago will examine the requirements for improving urban infrastructure over the next ten to fifteen years and the problem of financing such improvements. In addition, he plans to develop criteria for choosing among various projects when financial stringency makes such choices necessary. The project is scheduled for completion in May 1980.

Domestic Youth Unemployment

Economists and policymakers have long debated the troubling and seemingly intractable problem of youth unemployment. Some believe that it is caused by inadequate demand, while others believe that it is caused by weaknesses and rigidity in the labor market. Michael L. Wachter of the University of Pennsylvania points out that traditional explanations and prescriptions for youth unemployment do not take important demographic forces into account. For example, a baby boom generation entered the labor market in the 1970s, but a baby bust generation will take its place after 1980. As a result of this demographic shift, the problems associated with labor surplus will give way to those associated with labor scarcity. But the aging baby boom generation may not benefit from the shift and may continue to lack jobs. The implications of these developments and the need to formulate policies to deal with them are the focus of this study, which is scheduled for completion in 1980.

National Retirement Policies

The trend toward early retirement combined with increasing inflation has placed a serious strain on public and private retirement systems. Because the proportion of workers to retirees is expected to decline, Social Security and other payment systems financed by contributions from those in the labor force will face added pressure in the future. The recent increases in Social Security payments mandated by Congress do not solve the basic problem, and further changes may soon be necessary. Michael J. Boskin of Stanford University is analyzing the implications of demographic and retirement trends for national retirement policies and the effect of retirement policies on the welfare of the aged. He will argue that policies that encourage later retirement will be of economic and social benefit both to the elderly and to the nation as a whole. The study is scheduled for completion in 1980.

Politics and Communications

Consensus and Divergence in American Values and Attitudes

At the bicentennial of its independence, the United States was viewed by many as a middle-aged, status quo power with little more than a rhetorical commitment to the ideas that inspired the American Revolution. Future observers, however, are likely to be impressed by the extent to which the American political system continued to respond to those ideals by extending traditional freedoms, recognizing new rights, and accommodating the demands of groups formerly excluded from full political participation. Using innovative survey research techniques, Herbert McClosky of the University of California at Berkeley has collected and analyzed rich new data on the political values of Americans in the mid-1970s. He has found broad, though superficial, adherence to liberal democratic values in all sectors of American society and, more important, a deep commitment to values such as freedom and equality among the nation's elite. The study is now scheduled for completion in mid-1979.

Political Surveillance in the United States

Widespread publicity given to abuses committed by the Federal Bureau of Investigation (FBI) and other government intelligence agencies while investigating the activities of domestic political groups has led many Americans to oppose any government surveillance of domestic political activity prior to the commission of a crime. Richard Morgan of Bowdoin College argues that the United States, like other Western democracies, must have the power, compatible with the preservation of civil liberties, of defending itself against politically motivated violence. His study reviews the intelligence excesses of recent years and the reforms, adopted and proposed, that their exposure has prompted. He concludes with his own recommendations for maintaining and overseeing an effective but limited domestic intelligence program. His study, currently being edited, should be completed in 1978.

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

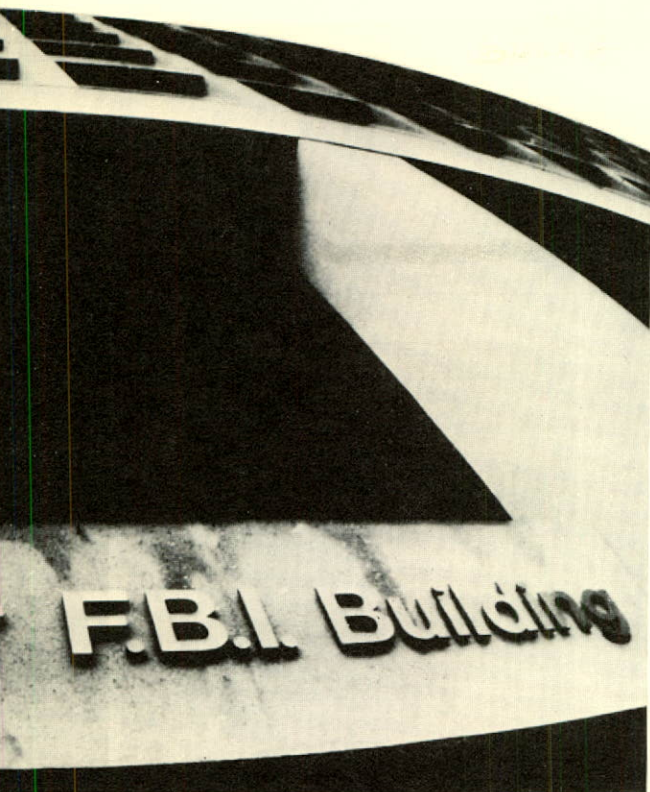
In the early 1970s, the 1966 Freedom of Information Act was found wanting by scholars as an easy and reliable means of access to information about executive decisionmaking in the Vietnam war. In 1974, Congress acted to make informa-



tion more available, overriding a presidential veto in the process. Since then, the act has proved an effective tool in, among other things, exposing abuses committed by federal intelligence agencies. It has also been exploited by businesses seeking information about regulatory proceedings, by prisoners seeking their own files and procedural manuals from law enforcement agencies, and by inquisitive individuals, native and foreign. Compliance with the amended legislation has consumed both the time of large numbers of skilled government personnel and increasing amounts of public funds. Allen Weinstein of Smith College, author of *Perjury*, the widely acclaimed study of the Hiss-Chambers case, is examining the consequences, both intended and unintended, of the 1974 legislation. He hopes to devise recommendations upholding the public's right to know while protecting legitimate government activities. The study, which has been subject to considerable delay, is now scheduled for completion by late 1978.

The Economics of the Daily Press in the United States

The disappearance of many big-city newspapers, which has diminished competition, and the rise of large newspaper chains, which have absorbed



many independent papers, have stimulated concern over public access to adequate news coverage and the availability of differing opinions. James Rosse and Ray Olszewski of Stanford University are examining the economic structure of the newspaper industry to determine the reasons and possibly a cure for the increase in monopolization. Their project is scheduled for completion in early 1979.

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

Most news and an increasing amount of feature material—both print and broadcast—are produced by the major wire services. These news wholesalers are faced with technological, ethical, and economic problems—including increased costs and competition from the so-called supplementary wire services of major newspapers and newspaper chains—that affect both the content of the news they release and their relations with sources and clients. Edward J. Epstein, author of *Legend and News from Nowhere*, had been investigating the news wholesalers, but partly because of other writing commitments and partly because of the Associated Press's refusal to cooperate, ceased work for a time. Negotiations for completion of the study are in progress.

National News Council

More than five years have passed since the National News Council went into operation following a call for its establishment by an independent Twentieth Century Fund Task Force. During those years, the Council, now chaired by Norman Isaacs, a veteran editor and publisher, has gained recognition as a defender of freedom of the press in the public interest and as an independent and impartial forum for dealing with public complaints about alleged unfair or inaccurate reporting. During the past twelve months, the addition to its staff of A. H. Raskin, the well-known labor reporter for *The New York Times* who subsequently was assistant editor of its editorial page, and the broadening of its financial support have strengthened Council operations.

In 1979, the Council will pay more attention to the ethical practices of the press, including such issues as invasion of privacy and payment for exclusive rights to stories. The increase in financial support, especially from communications companies or foundations funded by them, not only enables the Council to expand its operations but also demonstrates the Council's growing acceptance by the press. Currently, about twenty-five different organizations in communications are supplying about 20 percent of the Council's annual budget, a substantial increase. Determined to maintain its independence, the Council has also stepped up fund-raising activities with corporations, foundations, and individuals.

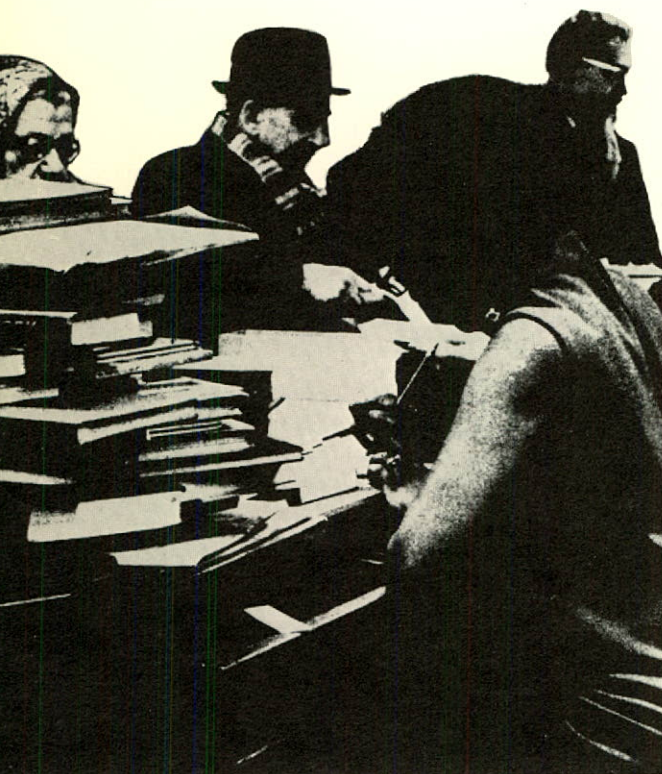
Indirect Subsidies to the Arts

Although government support for the arts in the United States has often been compared unfavorably to European practice, American arts institutions have benefited for many years from indirect subsidy through tax deductions and tax exemptions. This system was in existence long before direct public funding for the arts began its meteoric rise in the mid-1960s, and still exceeds direct subsidies in dollar value. But the provisions of the tax laws that assist the arts were not designed for that purpose; moreover, there has been no systematic attempt to hold arts institutions to account for their use of these public funds or to scrutinize the way in which policies are shaped to take advantage of tax benefits. In a pioneering effort, Michael O'Hare of the Massachusetts Institute of Technology (MIT), Alan Feld of Boston University, and J. Mark Schuster of MIT are attempting to determine how much indirect assist-

ance—not only through tax legislation but also through copyright laws and unemployment insurance—the arts receive and how indirect subsidies affect artistic production and public access to the arts. Their study is now scheduled for completion in the spring of 1979.

Visual Arts and the Public Interest

The recent and rapid rise in government subsidies to the arts has led to a series of studies of the effects of different types of subsidies. One Fund-sponsored work, *The Subsidized Muse* by Dick Netzer, examined the efficiency and equity of current direct government funding of the arts; another, now in preparation, examines indirect aid, which is provided largely through tax deductions and exemptions. Edward C. Banfield of Harvard University, author of *The Unheavenly City* and *The Unheavenly City Revisited*, is exploring the basic issues—partly philosophical, partly political—involved in government support for the arts in a democracy. He is questioning whether government ought to provide direct federal support to the visual arts, what form its support should take, and what results it can be expected to produce. The study is scheduled for completion in 1979.



Reform of the Presidential Election Process

Three times in the nation's history, candidates who ran second in the popular vote were elected president because they won majorities in the electoral college. The exceedingly close election of 1976 could have given Gerald Ford a comfortable electoral majority, although he trailed Jimmy Carter by two million votes. The reawakened controversy over this unique American institution led the Fund to establish an independent, bipartisan Task Force to examine the advantages and disadvantages of maintaining the electoral college. The Task Force—chaired by Jeane Kirkpatrick, resident scholar at the American Enterprise Institute for Public Policy Research, and Stephen Hess, senior fellow of the Brookings Institution—recommended maintaining the electoral college system but awarding an electoral vote bonus to the popular vote winner nationwide, which would virtually assure that the candidate with the most votes will be elected president. The report of the Task Force, along with a background paper by William R. Keech, will be published by Holmes & Meier Publishers in the spring of 1978.

The Public Library in America

The modest government subsidies to the nation's public libraries have seldom been challenged because of the role of free public libraries in educating and Americanizing generations of poor immigrants. But in an era of inflation and popular resistance to taxes, libraries can no longer take for granted the continuing availability of public funds. Lawrence J. White of New York University observes that the primary function of public libraries is providing recreational reading to middle-class adults, a function that is not necessarily an appropriate use of public funds. He argues that libraries can improve their productivity but that the free-service-to-all system eliminates incentives for efficiency and innovation. Although the findings of his research to date have been written in an article being submitted for journal publication, he has had to suspend work on a book-length manuscript because of temporary service with the President's Council of Economic Advisers. Accordingly, completion of the study has been deferred to the summer of 1980.

Presidential Television Debates

Congress suspended the "equal-time" provision of the Federal Communications Act before the 1960 national election in order to allow the television networks to sponsor a series of debates be-

tween John F. Kennedy and Richard M. Nixon. The enormous popularity and influence of these "great debates" led many observers to believe that they would become a permanent part of the presidential campaign process. Yet presidential candidates did not meet again in televised debates until 1976, when the Carter-Ford debates were sponsored by the independent League of Women Voters, thereby allowing the networks to televise them as a news event, avoiding the equal-time provision. Whether or not such televised debates will take place in future elections is still uncertain. Therefore, the Fund has convened a Task Force of distinguished citizens, chaired by Douglass Cater, in order to provide an independent assessment of the value of presidential debates and the best methods of arranging them. The report of the Task Force, together with a background paper by Lee M. Mitchell, will be published in the spring of 1979.

Congressional Budget Reform and the Power of the Purse

The 1974 Congressional Budget and Impoundment Control Act, which received nearly unanimous support, was widely heralded as a major step in reestablishing a balance between the legislative and executive branches in budgetary decisions. With its passage, Congress gained a way to play a much larger role in the making and reviewing of budget policy. However, Dennis S. Ippolito of Emory University, pointing out that earlier attempts to strengthen congressional control over the budget have not been notably successful, asserts that the success of the current effort is by no means guaranteed. He is reviewing the first five years of experience with congressional budget reform in order to determine its impact on congressional politics and policy decisions as well as its prospects for the future. The project is scheduled for completion in the fall of 1980.

International Affairs

Finance in Developing Economies

The functions of the financial sector in developing countries had been subject to very little analysis until very recently, when it became evident that the availability of financial resources and the role of financial institutions have a significant influence on the development process. Millard F. Long of Boston University and Frank Veneroso, a consultant to the World Bank, have been investigating the financial sector and its importance in developing countries. Their analysis goes further than—and takes some issue with—recent theoretical work, attempting to enhance understanding of the ways in which financial institutions affect development. They plan to make recommendations for increasing financial resources to spur growth. The project is scheduled for completion in June 1979.

The Role of Economic Advisors in Developing Countries

Ever since the rebuilding of war-torn Europe and Japan, advice by the advanced countries has played an important role in the formation of the economic and social policies of the developing countries. The rise in the number of native-born advisors has lessened the role and influences of foreigners, but the latter still have a considerable influence through government contracts or through their representation of foreign governments or international institutions that provide financial or development assistance. Lauchlin Currie, himself a foreign advisor since 1949, when he headed the first World Bank mission to Colombia, has been investigating the influence of foreign advisors on development. He is trying to measure what kind of advice they provide, how host governments make use of them, and whether they can be made more effective. The study is scheduled for completion by early 1979.

Postwar International Monetary System

The dollar, which was once considered the world's strongest currency, is no longer regarded as good or even better than gold. Its weakening has meant a loss of U.S. power and the breakdown of the international monetary system that so successfully avoided the monetary crises that were a recurrent economic feature before World War II. Now, the fear of a new monetary collapse has returned, and Milton Gilbert, the former economic advisor to the Bank of International Settlements, is analyzing international monetary coop-

eration and how it can be used to avert future difficulties. His study, which has been subject to delay, is now scheduled for completion by the end of 1978.

Japan and the World Economy

Japan's phenomenal position in world trade has usually been attributed to its cultural uniqueness, the necessity of rebuilding from scratch after World War II, and its protectionist policies. Based on innovative and detailed econometric analysis, Hugh Patrick of Yale University and Gary Saxonhouse of the University of Michigan dispute these explanations. They argue that Japan's trade structure, like that of any other nation, can be explained by its resources and its level of technology. They will explore the consequences of these findings for international trade and monetary policy in their study, which, after prolonged delays, is now scheduled for completion by the end of 1978.

Nationalization of U.S. Enterprises in Latin America

Asserting their sovereignty in recent years, Latin American governments have taken over major American-owned enterprises, provoking disputes that have threatened U.S. relations with Latin America. Paul E. Sigmund of Princeton University, in his study of nationalization in Mexico, Cuba, Chile, Peru, and Venezuela, argues that U.S. policymakers have stressed security interests more than economic interests in their reaction to nationalization. With economic interdependence increasing, he urges greater flexibility and restraint by Washington in future investment disputes. His analysis of recent policy changes in the countries he has studied convinces him that there is a continuing role, under stricter national control, for foreign investment in Latin America and the rest of the Third World. The manuscript is scheduled for submission to publishers in early 1979.

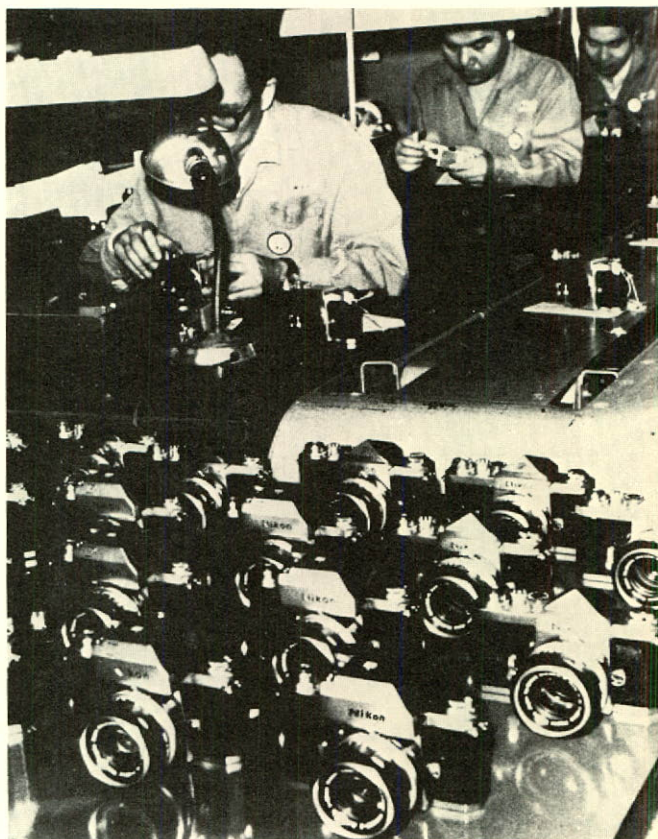
Soviet-American Economic Relations

While trade between the Soviet Union and the United States has been traditionally small relative to each nation's total trade, there is mounting concern in Washington over extending credits and expanding commerce with the U.S.S.R. Trade policy is being used as a bargaining weapon in political relations, and more restrictive policies aimed at denying sophisticated technology to the U.S.S.R. on security grounds have been called for. Franklyn D. Holzman of Tufts University has

been examining the significance of American-Soviet trade to both countries and the economic factors that affect U.S. trade policy toward the Soviet Union. He takes the position that restrictive policies toward trade are likely to be unproductive, and even counterproductive, and that the dangers of Soviet acquisition of sophisticated technology have been exaggerated. The project, which has been subject to delay, is now scheduled for completion in early 1979.

The International Flow of News

Charging that news reportage around the world is discriminatory and unbalanced, spokesmen for the Third World have been calling for an end to Western domination of communications. Like its demands for a new economic order, the Third World's demands for a new world information order have stirred widespread controversy. An independent and international Fund Task Force of distinguished authorities in the communications field from both the Third World and the West, chaired by Françoise Giroud of France, has deliberated over the charges and countercharges. The Task Force held meetings in England, at which it



heard guests from various organizations, including Sean MacBride, chairman of UNESCO's international communications commission, and at Fund headquarters in New York. Although finding some substance to the Third World's accusation that the flow of news was unbalanced, the Task Force concluded that controls over the major news agencies—the wholesalers—would not solve the problem. The Task Force, however, called for improvements to be undertaken by "retailers"—newspapers and broadcasting outlets—in both the developed and the developing countries. In addition, the Task Force affirmed its belief that press freedom is an integral part of national development and criticized government efforts, formal and informal, to control the press. The report of the Task Force is scheduled for completion in the fall of 1978.

The International Labor Organization

In 1977, the United States withdrew from the International Labor Organization (ILO) to protest its growing politicization. Walter Galenson of Cornell University is studying the usefulness of the ILO, the reasons why the United States withdrew, and the prospects for reentry. Because the ILO in principle gives equal voice to government, labor, and business groups, he also is investigating the influence of the AFL-CIO and Chamber of Commerce on U.S. policy toward the ILO. Galenson will conclude his work with his own policy recommendations. The study is scheduled for completion in 1980.

Politicization in the United Nations System

The specialized agencies of the United Nations are supposed to concentrate on technical or functional tasks and to avoid political entanglements. But increasingly, member states and alliances of states have raised political issues in these agencies. The United States has responded adversely to both the introduction of these issues and the objectives of the states involved; it has therefore withheld its contributions from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) and withdrawn from membership in the International Labor Organization (ILO). (These two U.N. agencies are the subjects of other Fund studies.) Daniel Partan of Boston University Law School has been studying the specific issue of politicization. He takes the view that it is unrealistic to exclude politics entirely from agency operations but possible to limit the impact and harmfulness of politicization. The project is scheduled for completion in 1979.

Arms Races and Arms Control

Popular and even most expert opinion on arms control assumes that states arm competitively and that their competition results in an upward spiral of armaments that sooner or later results in armed conflict. The policies that rest on these assumptions are, of course, only as good as the theory on which they are based. Charles Fairbanks of Yale University traces contemporary assumptions about arms races back to popular debate about armaments prior to World War I. His view is that the resulting theory is validated neither by scientific proof nor by history. He will draw on his reassessment of arms race theory in making recommendations for arms control policy. His study is now scheduled for completion in the spring of 1979.

Nuclear Proliferation

Current U.S. nuclear policy seeks to keep potential proliferators from obtaining access to nuclear technology and materials. According to Lewis Dunn of the Hudson Institute, proliferation has been contained not only by technological constraints but also by the economic costs and limited political advantages of going nuclear. Because many states possess or will soon be able to acquire the resources necessary for at least a rudimentary nuclear weapons capacity, he argues that U.S. policy should concentrate on counteracting the political incentives for acquiring nuclear weapons. Conceding that antiproliferation policy is not likely to succeed, his study will conclude with recommendations for dealing with the results of proliferation. The project is now scheduled for completion in early 1979.

Formulation of American Policy Toward the Arab-Israeli Dispute

Development of a policy on the Arab-Israeli conflict consistent with U.S. global interests and acceptable to both divergent interests in the Middle East and a divided public at home continues to challenge the nation's chief executive. Steven L. Spiegel of the University of California at Los Angeles has identified the domestic groups that attempt to influence U.S. policy toward Israel and the Arab states. He has also traced the fluctuating course of that policy through each presidential administration since that of Harry S. Truman. Because the detailed, historical manuscript that resulted from his work could not be designated a Fund study, it was released to the research director so that he might make his own publishing arrangements.

The Taiwan Issue in U.S. Relations with China and Japan

The future of Taiwan will be affected by any normalization in relations between Washington and Peking. The importance of Taiwan to Japan, our principal Asian ally, makes the issue of normalization even more sensitive. Ralph N. Clough, for many years a foreign service officer in East Asia, has written a comprehensive study of the current relationships among these nations. The manuscript, entitled *Island China*, will be published by Harvard University Press in October 1978.

United States Policy Toward UNESCO

The increasingly political environment in the United Nations Educational, Scientific, and Cultural Organization (UNESCO) led to a suspension of U.S. payments to the organization in 1974 and to a debate over whether the United States should remain associated with it. Lawrence Finkelstein of Northern Illinois University is attempting to sort out the "national interest" in UNESCO from the interests of individual scientific, educational, and cultural groups. In the process, he is evaluating the effectiveness of UNESCO's programs and analyzing its budget to determine who has gained—or lost—from its activities. He plans recommendations dealing with the issue of the options open to the United States from withdrawal to ways of increasing its influence. The study is scheduled for completion in 1979.

Development Planning

While economic development planning has had some successes in the post-World War II era, much more attention has been paid to its many failures. There is considerable skepticism that planning can accelerate development in countries lacking adequate financial, material, and human resources, even with the assistance of foreign experts, technology, and aid. Nevertheless, Ranaan Weitz, a successful practitioner of development planning as head of Israel's Settlement Study Center and author of *From Peasant to Farmer*, a previous Fund Study, maintains that coordinated planning can be effective. He claims that importation of planning techniques has hindered rather than hastened development but that an integrated approach to development, based on indigenous resources, can succeed. His study is scheduled for completion at the end of 1979.

Eurocommunism and United States Policy

The participation of Communist parties in coalition governments of Western European democracies is a particularly sensitive and controversial

issue for U.S. policymakers. Recent developments in France and Italy suggest that Communists and Communist parties may be less of a specter than they seemed a year ago, but whether or not the European Communist parties will continue to profess independence from the Soviet Union and allegiance to democratic procedures remains uncertain. Michael Ledeen, a journalist-scholar who is editor of the *Washington Review of Strategic and International Studies*, is analyzing the strategies of the Communist parties in France, Italy, and Spain, with particular emphasis on the policy problems that Communists in high government positions might create for the United States and its political, economic, and military relationships in Europe. His study is scheduled for completion in 1979.

The Political Economy of Development

Over the past thirty years, economic development theory has been subject to repeated changes. At the same time, development practice has been erratic and its accomplishments uneven. Ian M. D. Little, economist and fellow of Nuffield College, Oxford, believes that the fluctuations in development theory and practice reflect intellectual fashions in the developed world and political pressures in the less developed countries. He will review the forces shaping postwar development practice in order to determine the validity of competing theories and policies. Only by separating myth from reality, he argues, will it be possible to reduce the hostility between rich and poor nations and reestablish a common ground for cooperation between them. The project is scheduled for completion in the spring of 1981.



Publishing

Dissemination of the results of Twentieth Century Fund-sponsored research is carried out through the Fund's unsubsidized publishing program. The Fund arranges for the editing of completed book-length reports and studies and then offers them to a variety of commercial and university presses. Most Fund manuscripts are of interest to more than one publisher; in choosing among those interested, the Fund pays special attention to the publisher's overall commitment to a work, his ability to bring the work out quickly and at a reasonably low price, and his marketing and promotion plans. And because the Fund seeks a broad and concerned audience for its works, it makes special efforts to arrange for low-cost paperback publication of each work as soon as possible after hardcover publication. Standard royalty terms, including advance payment, are features of all Fund contracts with publishers of book-length manuscripts.

The Fund works closely with the publisher on the launching of each work. In most cases, on the eve of a book's publication, the author or members of a Task Force address a press conference held at Fund headquarters.

Monographs, papers, and Task Force reports are published under a variety of conditions. The Fund itself issues some reports, arranges with publishers for joint publication of others, and arranges for publication of still others under terms comparable to those for book-length studies.

Among books issued during fiscal 1978 were *The Public's Business: The Politics and Practices of Government Corporations* by Annmarie Hauck Walsh, published by The M.I.T. Press; *The Subsidized Muse: Public Support for the Arts in the United States* by Dick Netzer, published by Cambridge University Press, both issued as Twentieth Century Fund studies; *State Policies and Federal Programs: Priorities and Constraints* by Peter Passell and Leonard Ross, published by Praeger Publishers, Inc., a Twentieth Century Fund Report; and John Bartlow Martin's *U.S. Policy in the Caribbean*, a Twentieth Century Fund Essay, published by Westview Press.

In addition, *Top Secret: National Security and the Right to Know* by Morton H. Halperin and Daniel N. Hoffman was issued by New Republic Books; *Counsel for the Poor: Criminal Defense in Urban America* by Robert Hermann, Eric Single, and John Boston by Lexington Books; *The "Dol-*

lar Drain" and American Forces in Germany: Managing the Political Economics of Alliance by Gregory F. Treverton by Ohio University Press; and *Housing the Poor: The Case for Heroism* by Alexander Polikoff by Ballinger Publishing Company.

Two Task Force reports were issued by the Twentieth Century Fund in fiscal 1978: *The Raised Curtain: Report of the Twentieth Century Fund Task Force on Soviet-American Scholarly and Cultural Exchanges* with a background paper by Herbert Kupferberg, which the Fund itself issued, and *Confronting Youth Crime: Report of the Twentieth Century Fund Task Force on Sentencing Policy Toward Young Offenders* with a background paper by Franklin E. Zimring, which was issued by Holmes & Meier Publishers, Inc.

Harvard University Press brought out a paperback edition of the Twentieth Century Fund Study *Social Limits to Growth* by Fred Hirsch, which it had first published in hardcover in 1976.

Fund books tend to be in continuous demand. Among the books reissued during the year were *Press Freedoms Under Pressure: Report of the Twentieth Century Fund Task Force on the Government and the Press* with a background paper by Fred P. Graham, originally published in 1972; . . . *A Nice Place to Live: Report of the Twentieth Century Fund Task Force on Prospects and Priorities of New York City*, originally published in 1973; and *Performing Arts: The Economic Dilemma*, a Twentieth Century Fund Study by William J. Baumol and William G. Bowen, originally issued by the Fund in 1966 and brought out in paperback in 1968 by The M.I.T. Press, all reprinted by Kraus Reprint Company. Also reissued were *Housing for Defense: A Review of the Role of Housing in Relation to America's Defense and a Program for Action*, a Twentieth Century Fund Survey by Miles S. Colean, originally published by the Fund in 1940 and reprinted by Arno Press, Inc., and *Approaches to Economic Development* by Norman Buchanan and Howard S. Ellis, originally published in 1955 and reprinted by Greenwood Press, Inc.

In addition, the Fund entered into agreements with John Wiley & Sons, Inc., for the publication of *The Changing Role of the Individual Investor*, a Twentieth Century Fund Report by Marshall E. Blume and Irwin Friend; with Harvard University Press for publication of *Island China*, a Twenti-

eth Century Fund Study by Ralph N. Clough; and with Holmes & Meier Publishers, Inc., for publication of *Winner Take All: Report of the Twentieth Century Fund Task Force on Reform of the Presidential Election Process* with a background paper by William R. Keech.

Many Fund works are in demand abroad; among those either translated or placed with foreign publishers for translation in fiscal 1978 was *Social Limits to Growth* by Fred Hirsch, which is being published in Japanese, Portuguese, German, and Swedish. Negotiations also are under way for Spanish and Italian editions. The Fund is negotiating with publishers for a Persian translation of *Asian Drama: An Inquiry into the Poverty of Nations*, a Twentieth Century Fund Study by Gunnar Myrdal, which was originally published in 1968 by Pantheon Books.

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

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

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

The Subsidized Muse: Public Support for the Arts in the United States by Dick Netzer, a Twentieth Century Fund Study. The author, an economist, views public support of the arts as analogous to public subsidies in such areas as housing, public transportation, and education. He considers both the public interests that may be served by government intervention to supplement the resources that the market provides to the arts and the hazards of such intervention. Netzer points out that, regardless of the amount of money available to the arts, creative individuals will always be able to think of more projects than the funds can cover. The book sets out the logical arguments for government support of the arts and appraises the record of public support since 1965 in the light of these arguments, in order to assess just what difference government subsidy has made to the arts in general. 289 pages, April 1978, \$14.95. Publisher: Cambridge University Press.

The Public's Business: The Politics and Practices of Government Corporations by Annmarie Hauck Walsh, a Twentieth Century Fund Study. The author traces the growth of the more than 7,000 government corporations currently spending over \$24 billion annually on operations and new capital facilities. The book is a comparative study based on a large number—and variety—of authorities, including several Pennsylvania municipal corporations, the New Jersey Sports and Exposition Authority, the U.S. Postal Service, and several European authorities. The author analyzes the forces in politics, government, and the private sector that have favored the choice of government corporations over other institutional arrangements for the provision of public works and services. She examines the consequences of this choice for the quality and nature of authority activities, the consumers or users of authority services, the various participants in the municipal bond market, and the public. And she points out that efficiency, which is generally associated with public authorities, is a quality that should characterize all government activities, from garbage collection to higher education. 436 pages, April 1978, \$19.95. Publisher: The M.I.T. Press.

Open Spaces: The Life of American Cities by August Heckscher with Phyllis Robinson, maps by Dyck Fledderus, a Twentieth Century Fund Essay. Open spaces—parks, plazas, waterfronts, the space allotted to thruways, and others—possibly do more to define and characterize our cities

than any other element. Heckscher, in this work, examines the way in which open spaces are used in cities across the nation. Based on his personal observations, he draws conclusions as to the ways cities can be enhanced through better use of space. 386 pages, March 1977, \$20.00. Publisher: Harper & Row.

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

Social Limits to Growth by Fred Hirsch, a Twentieth Century Fund Study. A landmark work setting forth a new view of the changing nature of desirable social objectives and economic growth, Hirsch points out that as societies become richer, larger numbers of people can afford and acquire the trappings of affluence. But many of these goods and services neither are available in large quantities nor can be acquired by large numbers of people without losing their value. He concludes that fundamental changes must be made in the individual orientations and expectations of the successful few rather than the aspiring many. 208 pages, December 1976, \$10.00 (paper, \$3.95). Publisher: Harvard University Press.

The New Presidential Elite: Men and Women in National Politics by Jeane Kirkpatrick, jointly sponsored by the Twentieth Century Fund and the Russell Sage Foundation, a Twentieth Century Fund Study. American politics, according to Kirkpatrick, is being transformed by a new type of political activist, one unconcerned about party organization and out of touch with the values and views of the party rank and file. The study includes the first large-scale examination of convention delegates to be undertaken in the last two decades, and the only comprehensive analysis of politically active women and the obstacles they face in achieving full participation in political life. 605 pages, October 1976, \$20.00. Distributor: Basic Books, Inc.

The Changing American Voter by Norman H. Nie, Sidney Verba, and John R. Petrocik, a Twentieth Century Fund Study. The authors, basing their study on a comprehensive survey of American voters, document and analyze the dramatic changes in attitudes toward political parties, issues, and candidates since the last major work on the subject in 1952. A timely yet scholarly account, it has many significant implications for policymakers, politicians, and the public. 416 pages, May 1976, \$15.00 (paper, \$5.95). Publisher: Harvard University Press.

The New Economics of Growth: A Strategy for India and the Developing World by John Mellor, a Twentieth Century Fund Study. Focusing on the failure of India to carry forward its economic development, the author makes a strong case for increasing investments in agriculture rather than in industry. He asserts, with a substantial amount of data to support him, that his strategy will increase the participation of the poor in the growth process and eventually lead to greater industrial production. 384 pages, April 1976, \$11.50. Publisher: Cornell University Press.

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

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

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

The Big Foundations by Waldemar A. Nielsen, a Twentieth Century Fund Study. The author presents the first detailed examination of the nation's thirty-three largest foundations (each with assets of over \$100 million). Although he defends the idea of foundations, he criticizes the disturbing failures of these institutions and suggests ways in which they can realize their unique potential. 484 pages, October 1972, \$10.95 (paper, \$4.95). Publisher: Columbia University Press.

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

Asian Drama: An Inquiry into the Poverty of Nations by Gunnar Myrdal (abridged). Seth S. King's condensed version of Myrdal's three-volume Fund study contains the essence of the original analysis of the institutional attitudes and conditions—economic, social, and political—affecting development in South Asia. 446 pages, January 1972, \$10.00 (paper, \$2.45). Publisher: Pantheon. Available in French, German, Italian, Japanese, and Spanish translations.

The Alliance That Lost Its Way: A Critical Report on the Alliance for Progress by Jerome Levinson and Juan de Onis, a Twentieth Century Fund Study. This work is widely recognized as the most useful and wide-ranging critique of the programs begun under the Kennedy administration to strengthen the economies and governments of Latin America. 383 pages, November 1970, \$7.95 (paper, \$2.95). Publisher: Quadrangle Books. Available in Spanish translation.

Current Fund Paperbacks in Print

Confronting Youth Crime: Report of the Twentieth Century Fund Task Force on Sentencing Policy Toward Young Offenders with a background paper by Franklin E. Zimring. This report confronts the dilemma of protecting and nurturing the young while effectively deterring youth crime and addresses the difficult problems of the transition from juvenile to criminal court. In its recommendations, the Task Force sets forth the basic outlines of a coherent and just sentencing policy. 120 pages, April 1978, \$5.75 (cloth, \$12.50). Publisher: Holmes & Meier Publishers, Inc.

The Raised Curtain: Report of the Twentieth Century Fund Task Force on Soviet-American Scholarly and Cultural Exchanges with a background paper by Herbert Kupferberg. The report makes recommendations for U.S. policy regarding present and future exchange agreements and their implementation and explores ways of im-

proving the access to research material by U.S. scholars participating in Soviet-American exchange programs. 101 pages, August 1977, single copies free.

Conflicts of Interest: Nonprofit Institutions by Chris Welles. The author finds that questionable relationships among donors, trustees, and trustee-linked banks and businesses are the source of most conflicts of interest affecting the endowment funds of foundations and educational institutions. Welles proposes measures to break these extensive interlocks and to diversify and strengthen the portfolios of nonprofit institutions. 93 pages, May 1977, single copies free.

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

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

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

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

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

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

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

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

Easy Money. This Task Force report examines the increasing resort to legalized gambling by state and local governments as a means of increasing revenue and combating organized crime. Concluding that the major benefits claimed for legalized gambling are illusory, the report states that legal gambling cannot be counted on either to raise public revenues or to reduce organized crime. 88 pages, November 1974, \$3.00. Publisher: Kraus Reprint Company.

Openly Arrived At. This Task Force report argues that if Congress is to flourish as an effective branch of government it must recognize and adapt to the electronic age by allowing television and radio coverage of all public sessions of the

U.S. Senate and House of Representatives. 104 pages, October 1974, single copies free.

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

A Free and Responsive Press. This Task Force report urges the establishment of an independent National News Council to hear complaints from the press and the public on questions of accuracy, fairness, access, and government interference, as well as to study and report on issues involving freedom of the press. The background paper traces the development of the British press council and of state and local press councils in the United States. 88 pages, February 1973, \$3.00. Publisher: Kraus Reprint Company.

Press Freedoms Under Pressure. This Task Force report studies governmental pressure against the press through subpoenas, censorship, and legislation. The background paper provides a survey of various forms of such pressure. The appendices present a list of state shield laws currently in effect, the Department of Justice guidelines for subpoenas to the news media, and Supreme Court opinions in the Pentagon Papers case. 193 pages, May 1972, \$8.00. Publisher: Kraus Reprint Company.

Books Issued by Other Publishers

Housing the Poor: The Case for Heroism by Alexander Polikoff. This book describes how law and public policy helped fashion the racially and economically segregated residential pattern that today characterizes most of our major metropolitan areas as well as explains why neither the courts nor local governments can be relied upon to confront this "apartheid" condition effectively. It then develops the argument for "heroism"—a federal housing dispersal policy to provide realistic housing opportunities for the poor in middle-class neighborhoods. 216 pages, March 1978, \$15.00. Publisher: Ballinger Publishing Company.

The "Dollar Drain" and American Forces in Germany: Managing the Political Economics of Alliance by Gregory F. Treverton. This is a case

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

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

Top Secret: National Security and the Right to Know by Morton H. Halperin and Daniel N. Hoffman. The authors of this work present a critique of recent abuses in the intelligence field, and have also constructed a blueprint for reform of America's use of executive secrecy. They argue that secrecy has been neither a rare nor a benign phenomenon, that the executive branch has made secrecy an essential part of its modus operandi, and that fundamental and structural changes are needed to foster greater respect for First Amendment values. 158 pages, September 1977, \$8.95 (paper, \$3.95). Publisher: New Republic Books.

Jury Selection Procedures: Our Uncertain Commitment to Representative Juries by Jon M. Van Dyke. The author reviews the historical development of the jury system and analyzes the workings of the system today. He bases his analysis on data collected from the federal courts and a large number of state jurisdictions. Claiming that current jury selection procedures fail to produce representative panels, Van Dyke concludes his work with recommendations for reform to eliminate practices that he considers discriminatory. 426 pages, February 1977, \$15.00. Publisher: Ballinger Publishing Company.

Political Money: A Strategy for Campaign Financing in America by David W. Adamany and George E. Agree. Arguing that the existing methods of financing political campaigns are inconsistent with democratic ideals, the authors advocate the use of a campaign finance voucher system involving citizen participation as a basis for

flat and proportional grants to candidates for a range of public offices. 242 pages, March 1975, \$12.50. Publisher: The Johns Hopkins University Press.

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

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

Exploitation from 9 to 5. This Task Force report examines the status and problems of working women, analyzes sex discrimination in the labor market, and presents recommendations aimed at improving the position of women in American society. 224 pages, January 1975, \$13.50. Publisher: Lexington Books/D.C. Heath & Company.

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

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

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

Grants

The Fund, which is a private operating foundation under the Tax Reform Act of 1969, devotes the major portion of its resources to its own research program. It has limited discretion to make grants, which the Board of Trustees has exercised solely to demonstrate the Fund's responsibility to the community and in connection with its own research activity. In 1978, as in previous years, the Fund made two such grants.

National News Council

During the last few years, the National News Council has strengthened its operations by the addition of new staff members and by broadening its sources of financial support. The Fund made a grant of \$100,000 to the Council for fiscal 1978

and approved a final grant for fiscal 1979 of \$100,000, which will fulfill the Fund's commitment to the operations of the Council.

New York City

Since 1967, the Fund has made annual, unrestricted contributions to the City of New York in recognition of the municipal services the Fund, as a tax-exempt property owner, receives free of charge. In fiscal 1978, as in the previous two years, the Board of Trustees approved a grant of \$20,000 to the city. With this latest payment, the Fund's contributions to the city reached \$156,500.

Headquarters Staff

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

Staff

Steven M. L. Aronson
Rashida Barry
Idalia Bonet
Marilyn Cheikes
Nina K. Cobb
Nancy Collins
Nadia Creamer
Hugo Fosco
Nettie Gerduk
Randy Gilbert
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Paul L. Hecht
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Joshua Nelson
Gary Nickerson
Marc F. Plattner
Margaret Rosenbaum
Alfred Salvatore
Masha Sinnreich
Susan Spinelli
Jerry Stilkind
Karen Thomas

Consultants

Theodore Draper
Richard C. Leone*

*Resigned, February 1978

Task Force Members

Task Force on Soviet-American Scholarly and Cultural Exchanges (1977)

Harry C. McPherson, Jr., *chairman*
Former Special Counsel to President Johnson

Brewster C. Denny
Dean, Graduate School of Public Affairs, University of Washington

Sheldon Gold
President, ICM Artists, Limited

Townsend Hoopes
President, Association of American Publishers

Eugene List
Pianist, New York

Hans J. Morgenthau
Professor of Political Science, New School for Social Research

Spencer Oliver
Commission on Security and Cooperation in Europe

Richard Pipes
Frank B. Baird Jr. Professor of History, Harvard University

Harrison Salisbury
Author and Editor

Colette Shulman
Member of the Board, Council for Emigrés in the Professions

Rapporteur:
Herbert Kupferberg
Senior Editor, Parade Publications, Incorporated

Task Force on Sentencing Policy Toward Youth Crime (1977)

Robert A. Taft, Jr., *chairman*
Former Senator from Ohio; Attorney, Taft, Stettinius and Hollister

Allan Breed
Visiting Fellow, Office of Juvenile Justice, Department of Justice

Elizabeth Douvan
Social Psychologist, Institute of Social Research, University of Michigan

Peter B. Edelman
New York State Commissioner of Youth Administration

Sister M. Isolina Ferre
Executive Director, Center for Orientation and Services, Puerto Rico

Richard H. Kuh
Attorney, Kuh, Shapiro, Goldman, Cooperman and Levitt

Paul Lerman
Chairman, Graduate School of Social Work, Rutgers University

George Napper
Crime Analysis Team, Atlanta

Aryeh Neier
Executive Director, American Civil Liberties Union

Justine Wise Polier
Retired Judge, New York State Family Court

Cruz Reynoso
Judge, California Appellate Court

William Sylvester White
Judge, Cook County Circuit Court-Juvenile Division

Marvin Wolfgang
Director, Center for Studies in Criminology, University of Pennsylvania

Robert L. Woodson
Resident Fellow, American Enterprise Institute, Washington, D.C.

Rapporteur:
Franklin E. Zimring
Professor of Law and Director of Center for Studies in Criminal Justice, University of Chicago

Task Force on the International Flow of News (1977)

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

Elie Abel
Dean, School of Journalism, Columbia University, New York

Harry J. Boyle
Retiring Chairman, Canadian Radio and Telecommunications Commission, Toronto

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

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

Henry Grunwald
Corporate Editor, Time, Inc., New York

Thilo Koch
Television Writer, Wurttemberg, Germany

Colin Legum
Associate Editor, *The Observer*, London

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

Georges-Henri Martin
Editor-in-Chief, *La Tribune de Geneve*, Geneva

Carlos Monsivais
Television Journalist, Mexico City

S. Nihal Singh
Editor, *The Statesman*, Ltd., Calcutta

Frank Stanton
Former President, Columbia Broadcasting System, New York

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

David Webster
Director, Public Affairs, British Broadcasting Corporation, London

Benjamin Whitaker
Writer, Director, Minority Rights Group, London

Rapporteur:
John Cornwell
Editor, *Observer News Service*, London

**Task Force on Reform of the
Presidential Election Process
(1977)**

Jeane Kirkpatrick, *co-chairman*
Resident Scholar, American Institute
for Public Policy Research

Stephen Hess, *co-chairman*
Senior Fellow, The Brookings
Institution

Patrick Caddell
Polling Analyst, Cambridge Survey
Research

Thomas E. Cronin
Professor of Political Science,
University of Delaware

Heinz Eulau
William Bennett Munro Professor of
Political Science, Stanford University

Neal R. Peirce
Journalist, *The National Journal*

Paul Puryear
Vice-Chancellor, University of
Massachusetts

Richard Rovere
Political Reporter, *The New Yorker*

Arthur M. Schlesinger, Jr.
Schweitzer Professor of the
Humanities, City University of New
York

John Sears
Attorney, Baskin and Sears

Jill Ruckelshaus
Political Activist, Medina, Washington

Jules Witcover
Political Columnist, *The Washington
Star*

Rapporteur:
William R. Keech
Professor of Political Science,
University of North Carolina

**Task Force on Presidential
Television Debates
(1978)**

Douglass Cater, *chairman*
President, Observer International, Inc.,
Washington, D.C.

Douglas L. Bailey
President, Bailey, Deardourff &
Associates, Inc.

James David Barber
Professor of Political Science, Duke
University

Elizabeth S. Carpenter
Consultant, The Friends of the Lyndon
Baines Johnson Library

William H. Donaldson
Dean, School of Organization and
Management, Yale University

Philip L. Geyelin
Editorial Page Editor, *Washington Post*

Richard Hatcher
Mayor, Gary, Indiana

Norman Lear
Television Producer, Los Angeles

Roland Nachman
Attorney, Montgomery, Alabama

John O. Pastore
Former Senator from Rhode Island,
Chairman of the Board, Columbus
National Bank, Providence

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

Herbert Schmertz
Vice-President, Public Affairs, Mobil
Oil Corporation

William Small
Vice-President, CBS News

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

Helen Thomas
White House Correspondent, UPI

James Wooten
Political Reporter, Washington, D.C.

Rapporteur:
Lee M. Mitchell
Attorney, Sidley & Austin

Auditor's Report

August 30, 1978

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

We have examined the balance sheets of Twentieth Century Fund, Inc. (a Massachusetts not-for-profit corporation) as of June 30, 1978 and 1977, the related statements of income, expenses, and changes in fund balances and the additional financial information presented in the attached schedules for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Investments held as of June 30, 1978 and 1977 were confirmed to us by the Fund's custodian.

In our opinion, the financial statements and the additional information referred to above present fairly the financial position of Twentieth Century Fund, Inc., as of June 30, 1978 and 1977 and the results of its operations and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Touche Ross & Co.

Finances

Twentieth Century Fund, Inc.

Balance Sheets

June 30, 1978 and 1977

Assets

	1978	1977
Cash	\$ 29,395	\$ 18,705
Accrued Interest and Dividends Receivable	208,599	205,504
Accounts Receivable and Prepaid Expenses	17,626	17,623
Investments, at cost (quoted market, \$25,102,550 in 1978 and \$26,705,250 in 1977) (Schedule 3)	20,298,899	20,476,439
Fixed Assets, at cost, net of accumulated depreciation of \$218,264 in 1978 and \$198,421 in 1977 (Note 1)	432,715	346,497
<i>Total Assets</i>	\$20,987,234	\$21,064,768

Liabilities and Fund Balances

Liabilities:

Accounts Payable and Accrued Liabilities	\$ 143,489	\$ 28,767
Federal Excise Tax Payable (Note 3)	67,851	51,017
<i>Total Liabilities</i>	\$ 211,340	\$ 79,784

Fund Balances (Note 1):

General Fund—

Appropriated for research projects (Schedule 2)	\$ 1,872,744	\$ 1,835,052
Appropriated for special project (Schedule 2)	100,000	200,000
Net investment in fixed assets	432,715	346,497
Available for investment and future projects	18,370,435	18,603,435
<i>Total Fund Balances</i>	\$20,775,894	\$20,984,984
<i>Total Liabilities and Fund Balances</i>	\$20,987,234	\$21,064,768

See notes to financial statements.

Twentieth Century Fund, Inc.
Statements of Income, Expenses and Changes in Fund Balances
 For the years ended June 30, 1978 and 1977

General Fund

	1978	1977
<i>Income from Operations:</i>		
Interest	\$ 543,444	\$ 539,771
Dividends	825,342	791,939
Royalties on sale of publications	21,182	37,382
Other	2,405	2,037
<i>Total Income</i>	\$ 1,392,373	\$ 1,371,129
<i>Expenses:</i>		
Operations (Schedule 1)—		
Research projects	\$ 1,237,163	\$ 1,095,738
Special project	100,000	100,000
Publications	289,120	250,639
Management and general	253,947	232,484
<i>Total Operations</i>	\$ 1,880,230	\$ 1,678,861
Governmental payments—		
Federal excise tax (Note 3)	\$ 66,757	\$ 49,757
Payment to New York City in recognition of municipal services	20,000	20,000
<i>Total Expenses</i>	\$ 1,966,987	\$ 1,748,618
Excess of expenses over income from operations	\$ (574,614)	\$ (377,489)
Realized net gain (loss) on investment transactions	365,524	(4,109)
Decrease in Fund Balance	\$ (209,090)	\$ (381,598)
Fund Balance, beginning of year	20,984,984	19,596,493
Transferred from 1922 Endowment Fund (Note 4)	—	1,770,089
<i>Fund Balance, end of year</i>	\$20,775,894	\$20,984,984

See notes to financial statements.

Twentieth Century Fund, Inc.

Notes to Financial Statements

For the years ended June 30, 1978 and 1977

(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, 1978 are summarized as follows:

	Cost	Accumulated Straight-Line Depreciation	Estimated Useful Lives
Land	\$125,000	\$ —	—
Building	175,000	94,062	40 years
Building Improvements	278,686	110,028	40 years
Equipment	72,293	14,174	7 years
<i>Total Cost and Depreciation ..</i>	\$650,979	\$218,264	

(2) Employee benefits:

Retirement benefits for substantially all employees are provided through defined contributions by the Fund for the purchase of individual annuity contracts with Teachers Insurance and Annuity Association and College Retirement Equities Fund. The cost of the plan, which is funded currently, approximated \$52,000 and \$42,000 for the years ended June 30, 1978 and 1977, respectively. There is no unfunded prior service cost as of June 30, 1978.

(3) 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.

(4) 1922 Endowment Fund:

In fiscal 1977, upon a unanimous vote of the Board of Trustees of the Twentieth Century Fund, the 1922 Endowment Fund was merged with the General Fund. Prior to this, interest and dividends earned on the 1922 Endowment Fund investments were recorded directly in the General Fund and were available for program use.

Twentieth Century Fund, Inc.
Statement of Operating Expenses by Function
 For the year ended June 30, 1978 with
 Comparative Totals for 1977

Expenses	1978				1977	
	Research Projects	Special Project	Publica- tions	Manage- ment and General	Total	Total
<i>Direct Expenses:</i>						
Salaries, consultant fees, travel, etc. (Schedule 2)	\$ 814,771	\$ —	\$ —	\$ —	\$ 814,771	\$ 723,132
Grant to National News Council (Schedule 2)	—	100,000	—	—	100,000	100,000
Publications-printing, storage, etc.	—	—	26,623	—	26,623	30,850
Public information-annual report, newsletter, press conferences, etc.	—	—	—	27,228	27,228	31,040
<i>Headquarters' Expenses:</i>						
Salaries, wages and related costs (Note 2)	306,154	—	204,093	140,315	650,562	585,053
Office equipment and supplies	17,674	—	8,853	6,087	32,614	33,430
Maintenance and repair of building	24,912	—	17,330	11,914	54,156	43,845
Professional fees	—	—	—	43,372	43,372	36,490
Meetings and conferences	41,550	—	13,498	9,278	64,326	41,897
Telephone and telegraph	18,441	—	9,220	9,220	36,881	29,191
Depreciation (Note 1)	9,128	—	6,350	4,365	19,843	14,772
Other	4,533	—	3,153	2,168	9,854	9,161
Total Operating Expenses	\$1,237,163	\$100,000	\$289,120	\$253,947	\$1,880,230	\$1,678,861

See notes to financial statements.

Twentieth Century Fund, Inc.
Statement of Project Appropriations
 For the year ended June 30, 1978

Schedule 2

Title of Project and Project Director	Total Project Appropriation June 30, 1978	Appropriated Balance June 30, 1977	Activity for the Year		Appropriated Balance June 30, 1978
			Net Appropriations	Expenses	
<i>Research Projects:</i>					
American Policy Toward the Arab-Israeli Dispute, S. Spiegel	\$ 67,600	\$ 889	\$(889)	\$ —	\$ —
Arms Races and Arms Control, C. Fairbanks	54,900	41,953	—	18,815	23,138
Black Middle Class, L. B. Landry	125,640	9,918	—	7,482	2,436
Capital Requirements and the Future of the City, G. S. Tolley	101,967	—	101,967	1,970	99,997
Changing Role of the Individual Investor, M. Blume, I. Friend	151,862	1,275	(1,275)	—	—
Conflicts of Interest, Steering Committee	160,000	27,122	(24,167)	2,955	—
Congressional Budget Reform and the Power of the Purse, D. S. Ippolito	73,200	—	73,200	—	73,200
Consensus and Divergence in American Values and Attitudes, H. McClosky	104,610	74,425	—	20,490	53,935
Control of the Large Corporation, E. S. Herman	49,811	15,477	—	11,319	4,158
Criminal Courts and the Process of Reform, M. Feeley	72,000	64,966	—	21,979	42,987
Desegregation and Integration of Public Schools, R. McKay	49,850	29,115	(33,115)	(4,000)	—
Development Planning, R. Weitz	91,500	—	91,500	7,789	83,711
Domestic Youth Unemployment, M. L. Wachter	93,415	—	93,415	—	93,415
Economics of the Daily Press, J. Rosse	66,100	15,466	—	1,166	14,300
Education and Labor Market Discrimination, R. Freeman	64,600	26,521	—	—	26,521
Enforcement Process in Social Regulation, E. Bardach, R. Kagan	99,154	99,154	—	40,043	59,111
Eurocommunism and United States Policy, M. A. Ledeen	40,600	—	40,600	8,533	32,067
Evaluation of Judicial Performance, A. Rosett	62,300	39,371	(21,601)	17,770	—
Finance in Developing Economies, M. Long, F. Veneroso	120,716	89,803	—	26,663	63,140
Financial Instability and Economic Policy, H. Minsky	41,400	11,933	—	638	11,295
Fiscal Health and Strain in American Cities, T. N. Clark	96,151	82,013	—	55,112	26,901
Freedom of Information Problems and the Federal Government, A. Weinstein	17,650	10,518	—	9,000	1,518
Future of Fiscal Federalism, R. Leone	92,800	67,666	—	38,777	28,889
Future of New York City	29,000	3,542	—	232	3,310

(Continued on following page)

Twentieth Century Fund, Inc.
Statement of Project Appropriations, continued
 For the year ended June 30, 1978

Title of Project and Project Director	Total Project Appropriation June 30, 1978	Activity for the Year		Appropriated Balance June 30, 1978	Appropriated Balance June 30, 1978
		Net			
		Appropriations	Expenses		
Indirect Subsidies to the Arts, M. O'Hare	\$ 60,733	\$ —	\$ 19,196	\$ 34,008	\$ 14,812
International Flow of News, Task Force	50,000	24,114	53,975	29,861	—
International Labor Organization, W. Galenson	74,770	—	20,719	73,071	52,352
Japan and the World Economy, H. Patrick, G. Saxonhouse	101,750	—	—	24,477	24,477
Juvenile Justice, Task Force	22,000	(233)	11,999	12,232	—
Legal Institutions and Technological Change, J. Yellin	89,912	89,912	27	—	89,885
Mortgage Policy and Housing Markets, K. Rosen	69,000	69,000	17,465	—	51,535
National Retirement Policies, M. J. Boskin	85,000	85,000	10,605	—	74,395
Nationalization of U.S. Enterprises in Latin America, P. Sigmund	64,215	21,305	6,387	—	14,918
Nuclear Proliferation, L. Dunn	71,700	48,968	26,723	—	22,245
Nursing Home Industry, B. C. Vladeck	62,790	48,323	35,045	—	13,278
Operations of 1965 Immigration Act, A. Schwartz	95,000	62,038	52,872	(9,166)	—
Police and Their Informants, C. Klockars	98,118	35,235	17,262	—	17,973
Political Economy of Development Since 1944, I. M. Little	83,750	83,750	4,593	—	79,157
Political Surveillance in the U.S., R. E. Morgan	49,500	16,095	10,563	—	5,532
Politicization in the U.N. System, D. Partan	56,400	47,294	15,417	—	31,877
Politics of Land Use Reform, F. J. Popper	70,200	28,716	10,640	—	18,076
Postwar International Monetary Experience, M. Gilbert	146,500	146,500	25,000	—	121,500
Presidential Television Debates, Task Force	24,500	—	5,121	24,500	19,379
Public Library in America, L. White	72,300	82,588	25,085	(12,529)	44,974
Reform of the Presidential Election Process, Task Force	23,000	—	19,564	—	—
Regional Development Policy, B. Chinitz	56,420	41,740	13,950	—	27,790
Role of Economic Advisors in Developing Countries, L. Currie	42,716	42,216	20,479	—	21,737
Soviet-American Cultural Exchange, Task Force	26,800	10,800	2,508	(8,292)	—
Soviet-American Economic Relations, F. Holzman	77,100	30,478	209	—	30,269
Strategies of Governing: Big Cities and Their Mayors, A. M. Howitt	73,575	—	16,636	73,575	56,939
Taiwan-U.S. Relations with China and Japan, R. Clough	79,700	17,825	13,753	(4,072)	—
U.S. Foreign Economic Policy, P. B. Kenen	90,795	90,795	—	(90,795)	—
U.S. Policy Toward UNESCO, L. S. Finkelstein	89,500	—	8,653	89,500	80,847

Twentieth Century Fund, Inc.

Statement of Project Appropriations, continued

For the year ended June 30, 1978

Schedule 2

Title of Project and Project Director	Total Project Appropriation June 30, 1978	Appropriated Balance June 30, 1977	Activity for the Year		Appropriated Balance June 30, 1978
			Net Appropriations	Expenses	
Urban Transportation Problems and Policies, J. R. Meyer,					
J. A. Gomez-Ibanez	\$ 99,000	\$ —	\$ 99,000	\$ 7,063	\$ 91,937
Visual Arts and the Public Interest, E. C. Banfield	65,000	63,349	—	33,461	29,888
Wholesale News: The Wire Services, E. Epstein	127,700	42,261	—	2,104	40,157
Work and the Underclass in American Society, M. Freedman	73,750	73,750	—	20,964	52,786
Total Research Projects	\$4,300,020	\$1,835,052	\$852,463	\$814,771	\$1,872,744
<i>Special Project:</i>					
National News Council	\$ 600,000	\$ 200,000	—	\$100,000	\$ 100,000
Total Research and Special Projects	\$4,900,020	\$2,035,052	\$852,463	\$914,771	\$1,972,744

Twentieth Century Fund, Inc.
Statement of Investments
 June 30, 1978

Summary	Schedule 3	
Description	Cost	Quoted Market
Commercial Paper	\$ 2,050,000	\$ 2,050,000
Notes	2,227,743	2,173,906
Bonds	3,324,384	3,157,507
Common Stocks	12,696,772	17,721,137
<i>Total Investments</i>	\$20,298,899	\$25,102,550

See notes to financial statements.

Twentieth Century Fund, Inc.
Statement of Investments, continued

Schedule 3

Description	Principal Amount	Cost	Quoted Market
<i>Commercial Paper:</i>			
New York Bank for Savings 7.4% 7/12/78	\$ 475,000	\$ 475,000	\$ 475,000
New York Bank for Savings 7.8% 7/31/78	290,000	290,000	290,000
International Harvester Credit Corp. 7.6% 7/17/78	350,000	350,000	350,000
Montgomery Ward Credit Corp. 7.65% 7/24/78	500,000	500,000	500,000
International Harvester Credit Corp. 7.7% 7/26/78	250,000	250,000	250,000
Westinghouse Credit Corp. 7.65% 7/27/78	185,000	185,000	185,000
<i>Total Commercial Paper</i>	\$2,050,000	\$2,050,000	\$2,050,000
<i>Notes:</i>			
BankAmerica Corp. 6.625% 1980	\$ 200,000	\$ 199,120	\$ 191,750
Chemical N.Y. Corp. 6.625% 1980	100,000	99,430	95,500
Citicorp. 5.9% (a) 1989	500,000	496,875	496,875
Commercial Credit Co. 6% 1978	450,000	450,000	429,750
Commercial Credit Co. 6.375% 1978	100,000	100,000	99,125
Federal National Mortgage Association 7.65% 1985	125,000	123,438	117,250
First Chicago Corp. 6.75% 1980	100,000	99,250	95,000
National Bank of Detroit 6.875% 1979	100,000	100,005	99,000
New England Telephone & Telegraph Co. 6.5% 1979	100,000	100,000	98,281
New York Bank for Savings 8% (a) 1981	200,000	209,000	200,750
Standard Oil Co. (Indiana) 6% (a) 1989	250,000	250,625	250,625
<i>Total Notes</i>	\$2,225,000	\$2,227,743	\$2,173,906

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

Twentieth Century Fund, Inc.
 Statement of Investments, *continued*

Schedule 3

Description	Principal Amount	Cost	Quoted Market
<i>Bonds:</i>			
Bethlehem Steel Corp. 8.45% 2005	\$ 100,000	\$ 99,625	\$ 91,500
General Motors Acceptance Corp. 8.75% 2001	100,000	100,750	96,500
Illinois Bell Telephone Co. 8% 2005	100,000	102,000	90,250
Illinois Power Co. 8.35% 1999	100,000	100,000	91,750
Indianapolis Power & Light Co. 9.3% 2006	250,000	253,437	252,500
Iowa Public Service Co. 8% 2001	100,000	99,437	87,500
Kansas City Power & Light Co. 8.875% 2006	200,000	198,500	188,750
Northern States Power Co. 8% 1999	100,000	96,167	88,500
Ohio Edison Co. 8.25% 1999	100,000	102,000	89,125
Pacific Gas & Electric Co. 8.875% 2002	200,000	201,587	190,000
Pfizer Inc. 8.5% 1999	100,000	100,250	94,000
Philadelphia Electric Co. 9% 1995	84,000	85,890	80,430
Province of Ontario 9.25% 2000	100,000	99,000	99,000
Province of Ontario 8.4% 1985	100,000	100,750	97,125
R. J. Reynolds Tobacco Co. 7.875% 1994	100,000	99,750	94,500
Rochester Gas & Electric Co. 9.25% 2006	250,000	252,500	237,500
South Central Bell Telephone Co. 8.5% 2001	200,000	198,798	192,250
Standard Oil Co. (Indiana) 9.2% 2004	250,000	254,063	256,562
Standard Oil Co. (Ohio) 8.5% 2000	100,000	99,750	94,500
Standard Oil Co. (Ohio) 8.375% 2007	100,000	100,250	91,750
The Travelers Corp. 8.7% 1995	279,000	279,349	274,815
U.S. Treasury 7.875% 2000	200,000	199,000	184,200
Wisconsin Natural Gas Co. 8.75% 1994	100,000	101,531	94,500
<i>Total Bonds</i>	\$3,313,000	\$3,324,384	\$3,157,507

Twentieth Century Fund, Inc.
Statement of Investments, continued

Schedule 3

Description	Number of Shares	Cost	Quoted Market
<i>Common Stocks:</i>			
American Telephone & Telegraph Co.	11,024	\$ 303,652	\$ 660,062
Baxter Travenol, Inc.	12,000	383,564	508,500
Bundy Corp.	10,900	230,144	128,075
Continental Oil Co.	20,000	433,639	527,500
Corning Glass Works	10,000	597,987	561,250
Deere & Co.	20,000	388,160	630,000
Dresser Industries, Inc.	16,000	382,704	708,000
Federated Department Stores, Inc.	80,000	1,687,453	2,960,000
General Electric Co.	12,000	512,236	606,000
General Motors Corp.	10,000	599,510	593,750
Harris Bankcorp, Inc.	20,000	544,139	605,000
Hewlett-Packard	3,000	198,942	243,000
International Business Machines Corp.	3,000	604,490	771,750
International Flavors & Fragrances, Inc.	15,000	305,323	350,625
International Paper Co.	5,000	266,968	198,125
Jefferson Pilot Corp.	15,000	509,973	453,750
Manufacturers Hanover Corp.	10,000	346,302	347,500
Merck & Co., Inc.	8,000	435,450	444,000
Mobil Oil Corp.	10,000	315,080	617,500
Perkin Elmer Corp.	25,000	418,189	593,750
Phillips Petroleum Corp.	30,000	395,581	963,750
Roper Corp.	20,000	475,192	532,500
St. Louis-San Francisco Railway	6,000	240,424	226,500
St. Regis Paper Co.	15,000	408,287	410,625
Santa Fe Industries, Inc.	10,000	250,390	348,750
Schlumberger Ltd.	6,000	404,915	500,250
Standard Oil Co. (Indiana)	20,000	244,167	965,000
Union Pacific Corp.	20,000	398,386	892,500
Weyerhaeuser Co.	15,000	415,525	373,125
<i>Total Common Stocks</i>		\$12,696,772	\$17,721,137

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