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# Fiftieth Anniversary









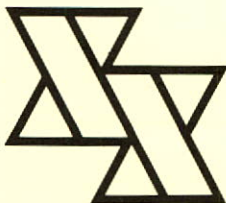
***The Twentieth Century Fund***  
*41 East 70th Street*  
*New York, New York 10021*

*Washington Office:*  
*1755 Massachusetts Avenue, N. W.*  
*Washington, D. C. 20036*



The Twentieth Century Fund is a research foundation engaged in the study of economic, political and social issues and institutions. Its research findings are made available to the public in Fund publications and through its public information activities.

The Fund was founded in 1919 by Edward A. Filene, who made a series of gifts that now constitute the Fund's capital assets. Income from this endowment is used to support the Fund's program.





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\*Deceased October 4, 1968

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It is both proper and healthy that Congress take a close look at foundations. Foundations, after all, do not possess disgruntled stockholders or rebellious students or disenfranchised voters. They have, moreover, generally basked in the favor of a noncritical press and enjoyed good relations with leading politicians. Because of their financial and political independence, foundations are a unique form of institution; their special position in our society carries obligations as well as privileges. They have no right to immunity from the questioning of function and purpose that has been leveled against corporations, universities and the major political parties. In truth, many independent foundations have been examining themselves, but they may well benefit from the critical and comprehensive searching of others.

Whether the current congressional inquiry will be critical and comprehensive is not at all certain. Previous congressional investigations have been disappointingly inconclusive and superficial, failing to provide either adequate information or insight for appraising the value of foundations. Now there is a fresh opportunity to conduct a thorough appraisal of their varied activities. But so far Congress has once again contented itself with a cursory and distorted glimpse at what some foundations are doing while permitting some of its members to beat the drums for imposing taxation on the funds of all foundations.

It should be obvious that foundations are not monolithic. As the Twentieth Century Fund sees it, there is need to take action on the useful reforms of foundation finances proposed by the Treasury Department. By and large, its measures, which are designed to prevent financial abuses, especially by closely controlled family corporate foundations, are in fact overdue. It goes without saying that well-run, responsible foundations must be prepared to make their operations public to avoid any taint of nepotism, cronyism or questionable dealing. But foundations, big and small, will oppose efforts to tax their principal or their incomes.

Because the Twentieth Century Fund has made two annual payments to New York City for services rendered to it by the city, one might think it has no objection to paying taxes. This is not the case. The Fund, as a property-owning resident, believes it has a responsibility to pay for local services—

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water, garbage collection, police and fire protection—that its tax exemption entitles it to receive free of charge. But because its work is in the public interest—and is open to public inspection—it also believes that tax exemption is fully justified for it and other, similar foundations. Independent foundations would face an inevitable and perhaps irretrievable diminution in the extent of their activity for the public good if they were subject to taxation.

In assessing the amount of revenues that could be derived from foundations against the benefits that foundations provide, it is doubtful that Congress will decide that taxation is in the best interest of the nation. In the first place, the funds that could be raised from taxation are not all that great unless foundations were taxed out of existence (a move which would, in any case, provide only a one-shot windfall). Even more important, the loss of funds would result in a definite curtailment of private initiatives in the public sector, where independent foundations largely operate. It can be argued that centralizing the social programs that government and foundations underwrite would permit economies of scale, making them cheaper for all taxpayers, but it should also be obvious that such a course would not merely lessen the options available in our society but would also solidify and expand governmental institutions, whose size and power are already matters of concern to many citizens worried about the sensitivity and responsiveness of large, faceless, computerized bureaucracies.

Even if not restricted by taxation, foundations could be harmed by regulations—informal or formal—limiting their operations. The notion of some sort of circumscribing of foundation activity has been proposed as an alternative to taxation, but reflection suggests that it would be even more harmful if foundations were unable to take creative and positive action in critical areas and exercise their leverage at critical pressure points.

Unfortunately it is necessary to speak in terms of promise rather than performance because foundations have all too frequently played it safe. Their concentration on good works in noncontroversial fields has been the main reason they have enjoyed, until now, almost universal esteem. Foundations are a diverse group—in size, structure and activity. They have not and may not come up with realistic methods for coping with today's pressing problems,



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but placing limitations on the ways or areas in which they can operate will surely harm problem solving. No foundation engages in controversial efforts for controversy's sake. But if all foundations are to play a really useful role in the public sector, they must be encouraged to make use of their funds and their independence more freely by engaging in experimentation and innovation in high-risk areas that politicians are inhibited from entering.

This is the challenge facing independent foundations operating in social areas—in education, civil rights, the war on poverty, urban renewal, culture. If they meet it, they will attract more scrutiny, controversy and criticism, not less. It would be tragic if foundations were prohibited from attempting to contribute to the resolution of problems afflicting the nation by official stricture or the threat of stricture. If confined to accepted fields, foundations may make fewer mistakes, but they will not be achieving all they are capable of achieving. Mistakes are part of the price of risk taking, but mistakes can be guarded against by imaginative, effective decision-making, which in turn requires more competent and sophisticated professional management in foundations. There is no way in which outsiders, however, can provide useful assistance in the management of foundations, since foundations are so different from one another. The problems of a grant-making institution in no way resemble the problems of a foundation involved in action programs or the problems of the Fund, which is devoted to research. Similarly, a foundation engaged in furthering civil rights may not have much in common with a foundation promoting the arts or combatting polluted air in our cities. The task of appraising foundation objectives and performance, then, can be done only by trustees, who have a definite obligation to exercise continuing and conscientious guidance.

Spurred by Congress and by more penetrating press coverage, foundations are beginning to evaluate themselves more critically and systematically. Consideration is being given in the fraternity to a code of ethics; Alan Pifer, president of the Carnegie Corporation, has proposed the establishment of an independent commission to review foundations and consider how they can be made more effective in serving the public interest. These are useful suggestions. In addition, it might be well to elect trustees from a broader and more

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representative constituency, to set up rigorous financial controls and to invite regular criticism from Congress and other bodies, for if legislation is needed, it should be intelligent legislation; so it is vital to see to it that Congress is better informed and more understanding about foundations. But the greatest need, one that only foundations can fulfill, is for able and dedicated staffs and wise and responsible trustees, willing to take risks and recognize that risk taking involves losses as well as rewards.

The Fund, which in 1969 is celebrating its fiftieth year as an independent research foundation, is well aware of the need for self-examination. It is proud of its studies, many of them landmarks in their fields. But it is not unmindful that it has also had its share of failures. It has sought, in the past year, to learn from both failures and successes. In looking ahead, the Fund is determined to continue taking intellectual risks that only an independent foundation can take. If it does not always succeed, it will not be for want of trying.

M. J. Rossant

March 1969

## **Research and Programs**



In 1968, the Twentieth Century Fund embarked on a new program concentrating a major part of its resources in the study of economic, social and political institutions. Although this new orientation was not limited to the United States, the Fund inaugurated it with a number of studies of American institutions. The studies are intended to be both objective and critical.

### Politics and Social Issues

*The High Cost of Political Campaigning in the Electronic Era.* The Fund established an independent commission to investigate the effect of the rising cost of television and other media on political campaigns. The commission, headed by Newton N. Minow, former chairman of the Federal Communications Commission, made use of the 1968 presidential campaign for research.

Serving on the commission with Mr. Minow are Dean Burch, former chairman of the Republican National Committee; Thomas G. Corcoran, a Washington lawyer and leading member of the New Deal administration of Franklin D. Roosevelt; Alexander Heard, chancellor of Vanderbilt University and former chairman of the President's Commission on Campaign Costs; and Robert Price, a former deputy mayor of New York City under John V. Lindsay. Richard D. Heffner, university professor of communications and public policy at Rutgers University, is the commission's staff director.

After collecting and examining data on the 1968 election and meeting with media representatives and politicians, the commission will issue a report on campaign costs along with recommendations designed to improve the techniques of political campaigning and to insure that they are used fairly. The report and recommendations are to be issued by the Fund in 1969.

*The Military Establishment and American Life.* A Fund research team under the direction of Professor Adam Yarmolinsky of Harvard University is carrying out an extensive investigation of the impact of the military establishment on many aspects of American life.

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Beyond its obvious importance for national policy and its effect on the economy, the military establishment and the industrial framework built around it have come to permeate society in fields ranging from education to race relations. The purpose of the Fund study is to provide a critical examination of the military establishment's direct role in military strategy, the economy, foreign and domestic policy and of its manner of operation in specific areas such as military justice and the maintenance of domestic tranquillity by the armed forces.

This project, begun in 1967, is designed to yield manuscripts for a book and a series of pamphlets on specific issues in 1969-70.

***Public Opinion and Public Policy.*** How well informed is the public about major economic, political and social issues? What role does public opinion play in influencing policy? What can be done to improve the institutions that shape public opinion?

In search of answers to these questions the Fund is sponsoring a study of public opinion and public policy by Lester Markel, formerly associate editor of *The New York Times*. Drawing on his many years of journalistic experience, Mr. Markel will examine public opinion on policy questions and prepare recommendations for improving the flow of information in both directions between policy-makers and the public.

The study, authorized in 1968, will involve extensive interviewing of opinion-makers and the use of a group of eminent newsmen and editors as advisers. It will be in manuscript in early 1970.

***Think Tanks.*** Private problem-solving organizations, known as "think tanks," have gained considerable influence in the United States. The Fund has undertaken a study of their methods of operation and their effects.

Despite their reputation for "thinking the unthinkable," these organizations have remained unknown to the public. They undoubtedly play an important role in military planning, but they have extended their operations to such diverse topics as the stock market and the study of violence. They are reputed to develop and use the most advanced analytical tools.

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Herbert Klein, a former associate editor of *Science and Technology*, is directing the Fund study. Authorized in 1968, it is scheduled to be in manuscript at the end of 1969.

***Geography of the United States.*** An analysis of the relationships between man and his physical location, this study was under the direction of George H. T. Kimble, formerly professor of geography at Indiana University. The study ended in 1968 with completion of a manuscript by Dr. Kimble. The Fund is investigating ways in which his findings as well as an atlas prepared to accompany the study may be given wide distribution.

***Press Coverage of the Arts.*** Professor Mitchell V. Charnley and George S. Hage of the University of Minnesota School of Journalism prepared a study of reviewers at work in the nation's press. It was completed in 1968 without publication of the results by the Fund.

***Black Academy of Arts and Letters.*** In 1968, the Fund explored the prospects for establishing a permanent institution devoted to the recognition and promotion of excellence in arts and letters in the black community. The results of this investigation led to a decision to finance the creation and initial operations of a Black Academy of Arts and Letters, beginning in 1969. Creation of the Black Academy was viewed by the Fund as a significant way to mark its fiftieth anniversary. At the same time, the Fund hopes it will be a major step toward full recognition of the black contribution to American life.

Although the initiative came from the Fund, the planning itself was carried out by black artists and writers. Two private conferences were held in 1968, the first under the chairmanship of Chuck Stone, a writer and a leader of the Black Power Conference in 1967 and 1968, and the second under the chairmanship of C. Eric Lincoln, professor of sociology and religion at Union Theological Seminary. Participants at these conferences, and other black artists and writers consulted, agreed that an academy of the kind proposed should be created and that it could serve a useful and constructive purpose for both the black community and the nation. The conference

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members selected a steering committee, of which Dr. Lincoln was designated chairman, to establish the Black Academy of Arts and Letters and to acquire a charter for it.

The Academy's program will be drawn up in detail following its establishment in 1969. This new institution will be completely independent of the Twentieth Century Fund or any other institution. Through awards, scholarships, grants and publications it will seek out excellence among black writers, artists and scholars and will attempt to encourage it. The Board of the Academy will be composed of leaders who have already gained renown in its fields of interest—the performing and plastic arts, writing and scholarship.

## The Economy

***Financial Institutions.*** From its foundation in 1919, the Fund has focused on the study of the nation's economy. In 1968, it decided to combine this traditional interest with its new emphasis on critical investigations of institutions. As a result, a major project on the impact of financial institutions on the economy and the financial markets was begun.

Financial institutions serve as channels between investors and seekers of capital. Their activities, which have expanded enormously in recent years, greatly influence the economic health of the United States.

In 1968, the Fund held a series of conferences wherein government officials, representatives of major financial institutions, scholars and leading members of brokerage firms discussed these institutions and the need for a full study of them. They agreed that a thorough and objective investigation should be undertaken of the activities of pension funds, mutual funds, banks, insurance companies and other institutional pools of capital and of their impact on the nation's financial markets.

Deciding to proceed to a second stage of investigation on the basis of this agreement, the Fund asked Professors Eli Shapiro and William L. White of the Harvard University Graduate School of Business Administration to prepare a "road map" for research in the field. Their study, which is due to be



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completed in 1969, will serve both as a guide to the Fund concerning specific studies it might undertake and as an aid to practitioners and scholars.

Following the Shapiro-White study, the Fund will be able to extend its interest in financial institutions by setting up research projects in a variety of areas suggested by their report. The Fund expects an important series of publications to result.

***The Economic Impact of Mutual Funds.*** Because of its timeliness, one project in the field of financial institutions is already under way. In 1968, work was begun on an investigation of the effect of mutual funds on the stock market and on the economy as a whole.

Professor Irwin Friend of the University of Pennsylvania's Wharton School of Finance and Commerce is the research director of this study. He was one of the authors of the 1962 examination of mutual funds for the Securities and Exchange Commission, published by the Committee of Interstate and Foreign Commerce of the House of Representatives.

In the Fund study, Professor Friend is extending the scope of his inquiry far beyond that of the 1962 report. He will review changes in the composition of institutional investors in the market and changes in their portfolios. He also will investigate the implications of these institutional changes on the operational structure of the stock market and other sectors of the economy, focusing on the effect on allocational efficiency of investment. Specific attention will be paid the influence of mutual funds on long-term allocational efficiency and on intermediate fluctuations in the stock market. Professor Friend is using hitherto unavailable data for his study.

The study of mutual funds is intended to provide an objective view of these important institutions. It is scheduled for completion in manuscript before the end of 1969.

## Urban Affairs

***Municipal Labor Relations.*** Strikes and unrest in New York and other major cities during 1968 highlighted the problems of relations between municipal

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employers and their police, firemen, teachers and other workers. A timely Fund study of these labor relations, begun in 1967, moved toward completion in 1968 with publication scheduled for 1969.

Professors Sterling D. Spero and John M. Capozzola of New York University have directed the research. They have made a comprehensive survey of factors in municipal labor relations, providing information that will be useful to politicians, administrators and union officials. Professor Spero has also studied the ways in which municipal employees, unions can influence policy decisions, thus raising new political and constitutional issues.

To the factual data developed by Professors Spero and Capozzola, the Fund plans to add a commentary situating their study in the framework of the broader and pressing problems raised by friction between municipal employers and employees.

*Universities and the Cities.* One of the major causes of unrest on the campuses of the nation's urban universities is strained relations between the educational institutions and their communities. These conflicts have become common as universities, expanding to accommodate increased student enrollment and new research programs, encounter the hostility of their poor urban neighbors.

Because of the growing concern about university-community relations, the Fund in 1968 began a project on this subject. George Nash of Columbia University's Bureau of Applied Social Research is directing the project, which is designed to suggest new policies for more constructive and stable relationships.

Mr. Nash is examining the responsibilities of the university to the city. It undoubtedly is a big business and contributes to the cultural and intellectual life of the city, but Mr. Nash is studying ways in which it could make a more tangible contribution, including services it might provide directly. He will also examine the employment practices of universities and the extent to which they provide education for children of poor families. Then he will discuss ways in which city administration can be improved to take advantage of what the university offers.

This study is scheduled to be in manuscript by the end of 1969.

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**Public Authorities.** These institutions have come to represent a characteristic institutional approach to dealing with problems of metropolitan areas. They have acquired considerable power and often appear not to be held accountable to traditional political authorities. While regional authorities, such as the TVA, have been studied, the political power and effectiveness of metropolitan public authorities remain to be explored.

A Fund project begun in 1968 will focus on public authorities in the New York metropolitan area and will include the New York Port Authority, the nation's oldest, and the more recent, and controversial, Metropolitan Transportation Authority. Jerome Zukosky, formerly staff director of the New York Joint Legislative Committee study on Metropolitan and Regional Areas, is the research director.

Mr. Zukosky is attempting to measure the cost, value and efficiency of public authorities and to determine if they are capable of meeting new urban problems. He will go on to explore ways in which they can be made more responsive to the public will. He also plans to establish objective criteria for evaluating their efficiency.

The study will be completed in 1970.

**City Planning.** Professor John W. Dyckman of the University of California is reviewing the history of city planning in order to define the principles and practices that might be applied to insure the relevance of this discipline to modern needs. Unfortunately, Professor Dyckman was unable to meet the 1968 deadline for completion of the study.

**Planning Places.** This Fund study was an attempt to evaluate the philosophical and social ideas embodied in the structure of American cities and was under the direction of Professor Serge Chermayeff of Yale University. The project was terminated in 1968 without publication of the results by the Fund.

***Diploma: International Schools and University Entrance.*** With more than one million people, excluding the armed forces, living abroad, some four hundred international schools have been created for the children of these temporary expatriates. Such schools are faced with manifold problems: rising enrollment and costs, the need to develop a sound scholastic program and the creation of a standard of achievement which will assure university admission to qualified graduates, even if they move to another country.

As part of its effort to cope with these problems, the Fund sponsored a study of international secondary schools. Martin Mayer, a well-known writer and student of educational problems, was the research director. His study was published by the Fund in 1968.

Mr. Mayer sketched the issues involved in educating students abroad in their own language and helping them gain access to their national universities. In addition, he examined a number of the international schools, including the International School of Geneva, the United Nations International School, Atlantic College, the schools sponsored by the European Common Market, French overseas lycées and American overseas schools. Finally, he explored the need for a common passport to higher learning, perhaps in the form of an international baccalaureate.

***Italian Political Participation.*** The Italian political scene since 1945 has been the laboratory for a study conducted by a group of Italian scholars under the sponsorship of the Twentieth Century Fund and the Carlo Cattaneo Research Institute in Bologna.

The study is an attempt to apply modern social science research methods in analyzing the search for political stability in Italy. Completed in 1968, the work constitutes an extensive review of elections, grass roots politics and the internal organization of the Christian Democratic and Communist parties, the two largest political groups. The interrelation of these two parties was also examined.

The results of the research are being published in full in Italy. The Fund plans to arrange for publication of a summary volume in English by an American university press.

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***The Politics of European and Atlantic Relations.*** Known as the Tocqueville Series, this project was begun in 1965 with the objective of producing papers and books on forms and methods of cooperation among the European countries and between them and the United States. So far as possible, resulting publications are made available in several countries and languages.

In 1968, two papers were prepared. Leonard Beaton, a British-Canadian journalist and consultant to the Institute for Strategic Studies, wrote a commentary on arms control and Georges Lavau, former General Secretary of the Club Jean Moulin and now at the Foundation Nationale des Sciences Politiques, contributed an essay on the French left with special attention to the evolving role of the Communists. Two further studies of the French political situation are scheduled for completion in 1969, one by John Newhouse, author of earlier works in the series and a former member of the Senate Foreign Relations Committee staff, and the other by Nicholas Wahl of Princeton University. A study of the so-called technological gap between the United States and Europe is also in preparation. It will draw on the work of an international conference held in the framework of the project.

Though the Fund's support of the project ended in 1968, an independent Tocqueville Center has been created to carry out research similar to work conducted for the Fund under the direction of Ben T. Moore.

***Alliance for Progress.*** An assessment and audit of the major U.S. aid program for Latin America appeared timely with the change of administration in Washington. In 1968, the Fund decided to initiate such a study, which was designed to place the Alliance in the context of specific Latin American development problems.

The research directors are Jerome Levinson, formerly of the Agency for International Development, and Juan de Onis, award-winning *New York Times* correspondent in Latin America. They are investigating the economic and political assumptions underlying the Alliance, and will provide an appraisal of the gap between the Alliance's publicized goals and actual performance. In doing so, they are examining the adequacy of patterns of trade and international financial transfers to aid in economic development

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and the possibilities for mobilizing domestic resources to implement the Alliance's objectives, particularly in the social area. Political aspects of the Alliance under study are the effects of the continuing phenomenon of mass aspirations and minority rule in the Latin American countries and of sentiment in the U.S. Congress for less foreign aid.

The research directors plan to make specific policy recommendations aimed at restructuring and refurbishing the Alliance.

The study is scheduled to be in final manuscript in 1969.

**Haiti.** Little current information is available on the political development of Haiti. The Fund decided in 1968 to undertake an independent survey of this Caribbean nation, one of the world's poorest and most isolated mini-states.

Research on the Haitian situation was expected to be difficult, in part because of the lack of available statistics on the country's economy and the relatively limited access afforded political observers. But it has proved possible for Robert I. Rotberg, the research director, to make several trips to Haiti, carry out interviews there and acquire a great deal of fresh material.

Dr. Rotberg, a historian and political scientist, has been on the faculty of MIT and was for several years associated with the Center for International Affairs at Harvard University. He has worked as a journalist and has published four books on Africa.

The study of Haiti is to be completed in manuscript form in 1969.

**American Involvement in Southeast Asia.** Under the direction of Professor Russell Fifield, a diplomatic historian now on the faculty of the University of Michigan, this Fund project is designed to explore the causes of increasing American involvement in Southeast Asia. Mr. Fifield is tracing American relations with countries of the area since the end of the Second World War. He is paying particular attention to major turning points such as the Korean War, the formation of the Southeast Asia Treaty Organization and the Vietnam conflict.

Mr. Fifield's analysis is intended to provide an objective portrayal of the situation. It is scheduled to be in manuscript in 1969.

# A

s the Twentieth Century Fund celebrates its fiftieth year of operation in 1969, it is well to remember its beginnings. It all started with Edward Albert Filene, that remarkable merchant who provided the entire capital and served on the board of trustees of the Fund from its inception as the Cooperative League in 1919 to his death in 1937.

A restless, imaginative and assertive businessman, Filene was involved in many different activities and causes during his lifetime. He helped to found the Credit Union National Association and the Consumer Distribution Corporation; he was a prime mover in the creation of the United States Chamber of Commerce and the International Chamber of Commerce; he gave strong support to the League to Enforce Peace and to Harvard University's School of Business Administration; he was a spirited civic reformer in Boston and a vigorous citizen of the world; and he endowed the Good Will Fund, as well as the Twentieth Century Fund, to further the welfare of mankind.

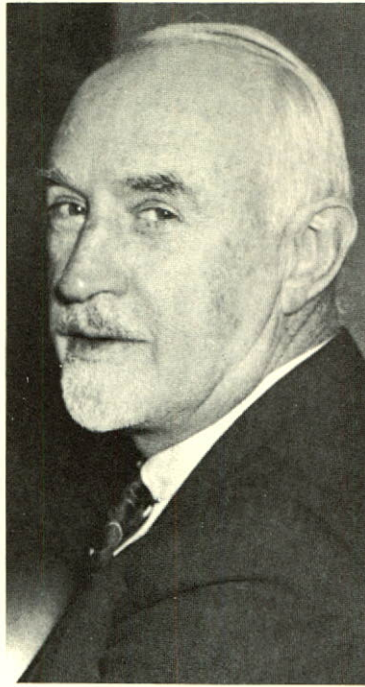
As Filene saw it, these varied interests were not distractions but made him a better merchant; he believed that intelligent self-interest demanded liberal but unsentimental public service. He was also a vain and lonely man, but apart from the celebrated department store named for his father and the even more celebrated bargain basement that was his own innovation, very few of the projects and institutions with which he was associated bear the Filene name.

*Edward A. Filene*

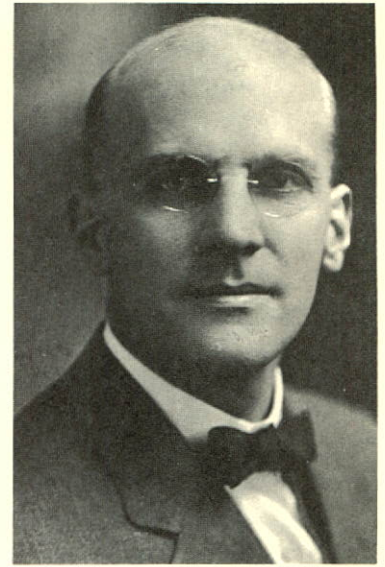




*John H. Fahey*



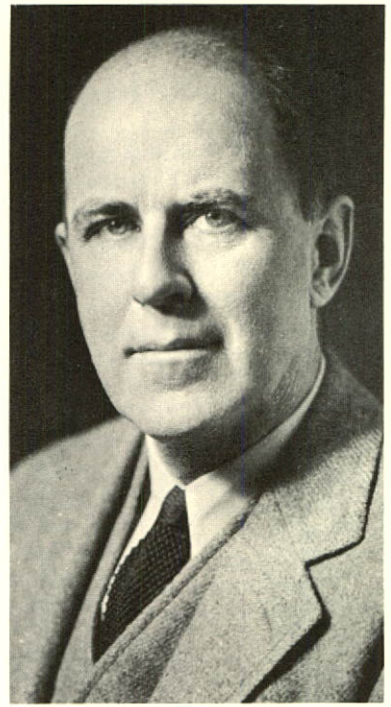
*Henry S. Dennison*



So it is with the Fund. The most tangible evidence of its link to Filene is the Fund's portfolio, which still contains shares in Federated Department Stores that were derived from the original gift of shares in Wm. Filene's Sons Company, now a Federated subsidiary. But there are no members of the Filene family or executives of Federated on the Fund's board. Indeed, although Filene gave the Fund its resources and acted as its first president, his ceaselessly inventive mind had found other outlets before his death.

But Filene has left an indelible imprint on the Fund. In setting it up, he sought out men of independence and distinction to serve as its trustees, a tradition that remains in force today. He also insisted on a democratic board, and the "one man, one vote" policy that Filene abided by is still a fundamental practice. Furthermore, his guiding doctrine of searching for "ideas that are practically applicable to the next steps forward in the right direction" continues to motivate the Fund.

According to his contemporaries, Filene, a lifelong bachelor, was not a man who made friends easily or kept those he made. Nevertheless, he was fortunate in the two friends he chose to help him run the affairs of the fledgling Fund. One was John H. Fahey, a newspaper publisher, and the other, Henry S. Dennison, a paper manufacturer. As Adolf A. Berle, the present chairman of the Fund, has pointed out, it was a fortuitous association because "by mere

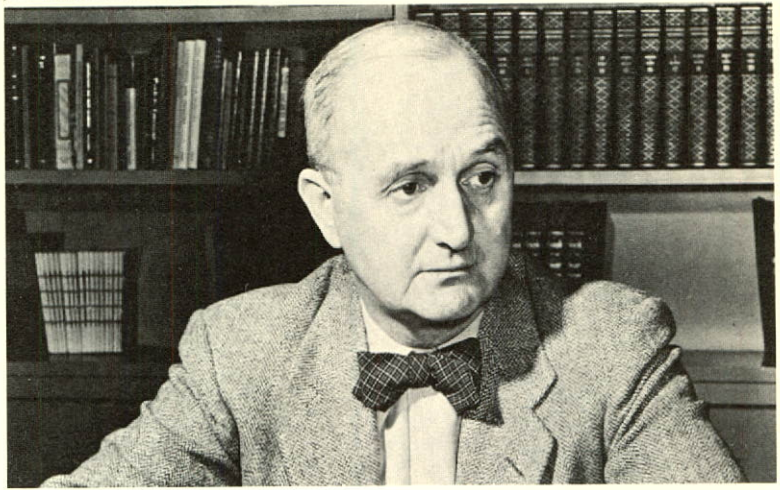


accident, Filene was a Jew, Fahey a Catholic, Dennison a Protestant.”

This ecumenical trio was joined by Newton D. Baker, a Cleveland lawyer who had been Secretary of War in Woodrow Wilson’s cabinet. Then Bruce Bliven of *The New Republic*, James G. McDonald of the Foreign Policy Association and Roscoe Pound of Harvard Law School were elected to the board, which was broadened further by the election of Max Lowenthal, a New York attorney, Owen D. Young, who was head of General Electric, and Henry Bruère, chairman of the Bowery Savings Bank.

In its early days the Fund was run exclusively by its trustees and was primarily a grant-making institution, concentrating its gifts on the credit union movement, sparked by Filene, and other groups—the League of Women Voters, Bryn Mawr College, the International Management Institute—involvement in “the improvement of economic, industrial, civic and educational conditions.” In 1928, however, the Fund acquired a full-time director in Evans Clark, who won the board’s approval for a program of research studies in the field of economics.

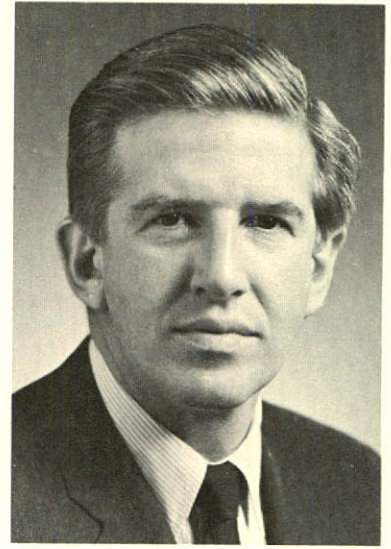
This decision was in keeping with Filene’s own deep-seated belief in the power of knowledge and the importance of research. A self-educated man whose dream of attending Harvard had been thwarted because just after he had passed the entrance examinations his father became ill, he once described



his career in business as a “daily post-graduate course covering a wider range of human interests than any course leading to a doctor’s degree.” He favored “sounder, more rational” methods for bettering society, was convinced that techniques could be found for eliminating poverty and spreading wealth, and had searched for a program for the Fund that “belongs peculiarly to it.” Research, first in economics, then in social and cultural areas, was the fruit of Filene’s quest for a new way to take the next steps forward.

The Fund, whose board was now headed by Fahey and had been bolstered by new trustees, including Berle and Robert S. Lynd, Harrison Tweed and Charles P. Taft, Francis Biddle and William A. White, embarked on a series of research projects on consumer credit, economic sanctions, medicine, the public debt. Beginning in 1935, it began to publish its own studies, starting with *The Security Markets*, a comprehensive report on the operation of the financial community. Other pioneering research projects—on taxes, the distribution of retail trade, collective bargaining—followed. All were conceived as contributing to the next steps forward; not all were successful but, as Filene himself had put it, success depended on “the courage to experiment and the ability to learn from mistakes.”

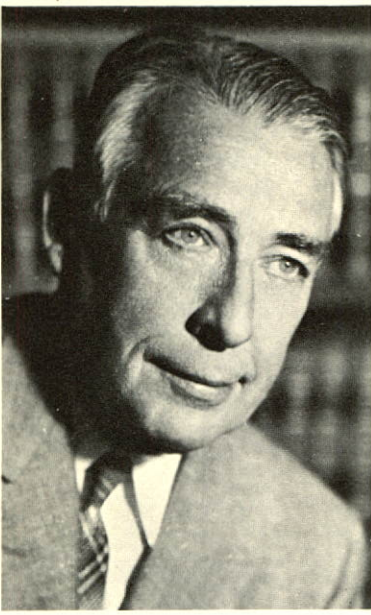
The tradition of intellectual pioneering gathered strength as the Fund grew. Over the years its trustees, drawn from the ranks of scholars, statesmen and



businessmen, stimulated its staff to undertake significant new ventures. The staff, which was led by Evans Clark for twenty-five years, became increasingly adept not only in producing studies but in publicizing them. Clark was succeeded by J. Frederic Dewhurst, who had been responsible for the Fund's landmark study, *America's Needs and Resources*, a postwar audit of the United States economy; but Dewhurst, who did not like administrative detail, resigned to supervise *Europe's Needs and Resources*, and was followed by August Heckscher in 1956. Heckscher maintained the Fund's interest in economic research but also broadened its horizons to embrace social and cultural explorations. In 1967 he resigned and was succeeded by M. J. Rossant, the present director.

Although the Fund after fifty years is wholly independent, it never forgot its origins. In 1953 it departed from its research activities to join forces with a group of other foundations to provide a grant for the construction of an educational television station in Boston as a memorial to E. A. Filene and his brother, Lincoln Filene. In 1964, it made another grant to Station WGBH-TV in order to reconstruct its facilities, which had been destroyed in a fire.

For his part, E. A. Filene gave less attention to the Fund once it had firmly chosen research as the program that belonged "peculiarly to it." Gerald A. Johnson, his biographer, has speculated that the Fund "began to bore him,"



not because it was a failure but because it had become a success. "Nothing in his life," Johnson wrote, "is plainer than that Filene never was much interested in a going concern as such."

If Filene's interest in the Fund faded, he saw to it that after his death it had the resources to continue its activities as an independent foundation devoted to research. And if the Fund has not embraced all of Filene's many interests, ranging from social justice to social progress, from industrial democracy to world peace, from cooperative societies to general welfare, it has pursued the kind of intellectual investigation and experimentation that he considered so vital to progress. It is impossible to know whether E. A. Filene would have approved all that the Fund has done. But it is safe to say that he would have been proud of its continued determination to take "the next steps forward in the right direction."

## *Trustees 1919-1969*

*Edward A. Filene*

*John H. Fahey*

*Henry S. Dennison*

*Newton D. Baker*

*Bruce Bliven*

*James G. McDonald*

*Roscoe Pound*

*Max Lowenthal*

*Owen D. Young*

*Henry Bruère*

*Adolf A. Berle*

*Oswald W. Knauth*

*Morris E. Leeds*

*Percy S. Brown*

*Robert H. Jackson*

*Harrison Tweed*

*Robert S. Lynd*

*Charles P. Taft*

*Francis Biddle*

*William A. White*

*William I. Myers*

*W. W. Waymack*

*Robert M. La Follette, Jr.*

*Chester Bowles*

*Paul G. Hoffman*

*H. Chr. Sonne*

*Benjamin V. Cohen*

*Paul H. Douglas*

*David E. Lilienthal*

*Robert Oppenheimer*

*Herman W. Steinkraus*

*Erwin D. Canham*

*Wallace K. Harrison*

*August Heckscher*

*Edmund Orgill*

*James Rowe*

*Evans Clark*

*Arthur F. Burns*

*Morris Abram*

*Arthur Schlesinger, Jr.*

*J. Frederic Dewhurst*

*John Kenneth Galbraith*

*James P. Mitchell*

*Georges-Henri Martin*

*Lawrence K. Miller*

*Jonathan B. Bingham*

*Don K. Price, Jr.*

*Luis Muñoz Marín*

*David B. Truman*

*Asian Drama: An Inquiry Into the Poverty of Nations.* Publication of this major three-volume work by Gunnar Myrdal was the principal Fund activity in 1968 in the field of development economics. Both because of its author's fame and the scope of his inquiry, the study attracted widespread attention.

In the project, which required ten years to complete, Dr. Myrdal examined attitudes and practices influencing development in India, Pakistan, Ceylon, Burma, Thailand, Malaysia, Indonesia, the Philippines, Laos, Cambodia and South Vietnam. His study revealed the weaknesses in Western thinking about the problems of underdeveloped countries in Asia. He concluded that institutional reforms both within and outside these countries will be required before a new and sounder approach to development in Asia can be achieved.

*Economic Development and Economic Policy.* A wide-ranging review of economic policies adopted in more than a score of developing countries and their effect on development, this study neared completion in 1968.

The project has been directed by Angus Maddison, formerly of the Organization for Economic Cooperation and Development. He has chosen a sample of developing countries for which adequate data are available and has sought to gauge the impact of domestic policy, in comparison with other factors, on their economic growth.

Measurement of economic growth in developing countries and accurate assessment of the effects of various actions designed to stimulate that growth have proved difficult. Yet Mr. Maddison's research suggests that results have been more favorable than could have been expected. His study, which is intended to provide a preliminary evaluation as a guide to non-experts in development policy, will be in final manuscript by mid-1969.

*The Caribbean Community.* This study of the small nations of the Caribbean area is under the direction of Ben S. Stephansky, former U.S. Ambassador to Bolivia. He is exploring the development problems of the nations of the area and preparing recommendations on policies to be adopted by these countries and their neighbors. The Caribbean area has not until now been the subject of so searching a study.

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The territory included in the study comprises all the Caribbean islands and the states surrounding them: the Guyanas, Panama, the Central American nations and British Honduras.

Mr. Stephansky is examining the American interest in promoting the development of the Caribbean nations. He is also studying the desirable policies for the economic development of small nations. Finally, he plans to make recommendations on the possible structure of economic cooperation among these nations and between them and their larger neighbors.

This study of one of the most extensive communities of small states in the world is scheduled to be in manuscript in 1969.

***Agricultural Development.*** Because agriculture remains the chief economic activity in most developing nations, the Fund initiated a project to encourage policies and practices which would allow this sector to contribute more effectively to greater economic growth.

The project is under the supervision of Raanan Weitz, an Israeli economist and farm expert. Dr. Weitz can draw on the experience of his own country in increasing agricultural output and productivity and will also use relevant data from other countries.

Dr. Weitz is attempting to show that increased agricultural production, coupled with the location of simple labor-intensive industrial enterprises in farming areas, is the key to development in countries whose manpower is predominantly rural and unskilled. His study is expected to make a useful contribution to development literature by demonstrating that such countries need not devote most of their development efforts to increasing industrialization, but can make considerable progress through programs designed to take advantage of their current economic situation.

The study is scheduled to be in manuscript in 1969.

***The Kibbutz Economy.*** The kibbutz, a cooperative settlement, often engaged in agricultural production, is one of the most unusual and efficient economic units. It has been used extensively in Israel to promote the development of outlying regions and provide for their defense.



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A study under the auspices of the Fund and of the Maurice Falk Institute for Economic Research in Israel is expected to indicate how these cooperatives have fared economically and socially. It is under the direction of Haim Barkai, an Israeli scholar who has lived in kibbutz units.

Dr. Barkai's study will provide the first systematic analysis of the economic role of the kibbutz. It will trace the development and diversification from purely agricultural to manufacturing operations.

Dr. Barkai's manuscript is due in 1969.

***Power, Ownership and Property.*** Under the direction of Paul P. Harbrecht, author of the earlier Fund publication *Pension Funds and Economic Power*, this study is to examine the forms of control of productive property in an effort to understand the distribution of wealth and the sources of economic power in the United States. The study was suspended in 1965. Dr. Harbrecht, now at the National Institute of Public Affairs, resumed work on it during 1968.



***New York City.*** For the second consecutive year, the Twentieth Century Fund made a voluntary payment of \$10,000 to New York City in recognition of municipal services the Fund receives as a resident tax-exempt institution. The Fund stressed that it was not departing from the belief that tax exemption is fully justified to aid philanthropic organizations in functioning effectively. The Fund's payments have been hailed by Mayor John V. Lindsay and members of Congress and have set an example followed by at least one other New York-based foundation.

***Theatre Development Fund.*** The Fund made a grant of \$50,000 in 1968 to the Theatre Development Fund, which assisted five theatrical productions during the autumn and winter, its first season of operation. TDF now gives support to producers on the understanding that they will reimburse it if their production becomes profitable. TDF also seeks to enlarge the potential audience for the theatre by making tickets available to students, teachers and union members at little or no cost. The Fund has committed itself to grant \$100,000 more to TDF provided the latter receives pledges of support from other sources for a requisite amount in each of the next two years. John Booth, Associate Director of the Fund, was active in establishing TDF and is its President.

***Civil Rights.*** The Fund made grants in 1968 to two organizations dedicated to legal action on civil rights: the Lawyers' Committee for Civil Rights Under Law and the Lawyers Constitutional Defense Committee.

***International Baccalaureate Office.*** The Fund decided in 1967 to make a series of grants to assist this agency in testing its international curriculum in operation. The grants, growing out of the Fund's interest in the subject as manifest in the study *Diploma*, published in 1968, are to be made over a three-year period, contingent on the availability of funds from other sources. Payments are unlikely to begin before 1970.

***Arena Stage.*** A grant was made in 1968 to this Washington theatre group to

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help it obtain additional facilities for expansion of its programs, including the training of Negro actors.

*Gilbert Seldes.* Funds were provided to Mr. Seldes for the completion of an autobiographical study of American culture in his lifetime.

In 1968, the Fund expanded its efforts to provide—quickly, readably and—to a wide audience information on its activities and plans.

***Press relations.*** The system for processing press releases and background notes for the press was streamlined in 1968, partly in recognition of increased press coverage of foundations. Publication of Gunnar Myrdal's study *Asian Drama* had the greatest impact of any Fund activity during the year.

***Newsletter and other publications.*** A new typography and layout for the Newsletter, and a more expeditious method of production, were adopted in 1968. According to plans adopted during the year, the Newsletter, available free of charge, will be distributed oftener than the traditional three times a year. The descriptive folder "The Work of the Twentieth Century Fund," the Standing Order Plan folder and the publications catalog were all redesigned and re-edited. The Fund's "XX" logotype was redesigned by Edward Deniega.

***The Flow of Income and Expenditures in the United States.*** The printed flow chart originally prepared for *America's Needs and Resources* was brought up to date and redesigned in 1968. The new version, to be published in 1969, will include a fuller explanatory text and an improved rendition of the flow chart itself. This chart has been widely distributed since it was first prepared, under the direction of the late J. Frederic Dewhurst, in 1947. A short film based on the flow chart reached final planning stages in 1968. It is scheduled to be completed by the Cambridge Design Group in time for distribution to schools and colleges in the fall of 1969.

The Twentieth Century Fund publishes and distributes many of the studies growing out of its research projects. The goal of this operation is to insure the widest possible dissemination of the results of Fund projects.

***Asian Drama: An Inquiry Into the Poverty of Nations.*** A three-volume hard-cover edition of Gunnar Myrdal's study was published in March 1968 and almost the entire edition was sold by the end of the year. By arrangement with the Fund, paperback editions were published by Pantheon Books in the United States and Penguin Books Ltd. in the Commonwealth. A hard-cover edition was also published in the Commonwealth by Allen Lane The Penguin Press. More than 40,000 copies of the book were sold during the year. It was widely reviewed both in the press and in scholarly publications. Comments were almost all extremely laudatory. Work was begun on a one-volume version of the study.

***Diploma: International Schools and University Entrance.*** Martin Mayer's study was published in a paperback edition in May 1968. This book covering a specialized subject received limited, though favorable, critical comment. It attracted attention abroad as well as in the United States.

***Cooperation with other publishers.*** The Fund concludes special arrangements with commercial and other publishers in order to extend the dissemination of its studies. In addition to agreements concerning *Asian Drama*, the Fund negotiated an agreement with MIT Press in 1968 for publication of a paperback edition of *Performing Arts—The Economic Dilemma*. Talks were held with a university press concerning publication of the Italian Political Participation study. An arrangement was made with W. W. Norton & Company and with Allen & Unwin for publication of *Economic Growth in Japan and the USSR*, a study made for the Fund by Angus Maddison. Several earlier Fund works were reprinted during 1968 by Greenwood Press. The Fund is studying the feasibility of issuing its own reprints of such works.

***Translations.*** The staff carried on negotiations in 1968 with foreign publishers

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for editions of *Asian Drama* in French, German, Spanish, Japanese, Hungarian and Portuguese. Agreements were reached for foreign editions of *Approaches to Economic Development* (in India in English), *Megalopolis* (Italian), *The New Europe and Its Economic Future* (Swedish), *Shaping the World Economy* (Czech), and *U.S.A. and Its Economic Future* (Swedish).

**Promotion.** During 1968 the Fund participated in several book exhibits at meetings of educational, scholarly and public service groups, both in the United States and abroad. In addition, preparations were made for a mail campaign for new Standing Order Plan members. The plan makes Fund books available to members automatically and at reduced prices. Direct-mail promotion campaigns were also used when *Asian Drama* and *Diploma* were published.

## Sales of Publications

	Year Published	1968 Sales	Total Sales to end of 1968
Financing American Prosperity	1945	1	7,109
For This We Fought	1946	5*	19,669
Electric Power and Government Policy	1948	2*	1,746
Report on the Greeks	1948	4	4,943
Partners in Production	1949	2	10,092
Defense Without Inflation	1951	6	7,402
Financing Defense	1951	3	4,451
Defense and the Dollar	1953	4	3,857
Economic Controls and Defense	1953	3	4,065
Approaches to Economic Development	1955	48	12,100
America's Needs and Resources: A New Survey	1955	214	11,583
American Imports	1955	8	3,058
Can We Solve the Farm Problem?	1955	35	3,897
World Commerce and Governments	1955	38	4,348
Economic Needs of Older People	1956	17*	5,556
The Agricultural Commodity Programs	1956	32	2,101
Antitrust Policies (2 Volume Set)	1958	65	3,868
Antitrust Policies (Volume I only)	1958	7	212
Antitrust Policies (Volume II only)	1958	15	101
Arms and the State	1958	140	7,568
The Economy, Liberty and the State	1959	87	7,062
Pension Funds and Economic Power	1959	69	5,466
Europe's Coal and Steel Community	1960	49*	2,493
Tropical Africa (Volume II) <sup>a</sup>	1960	20	405
Strategy and Arms Control (paperback)	1961	900	10,861
Arms Reduction	1961	30	4,880
Latin American Issues	1961	1,552	20,693
Europe's Needs and Resources	1961	245	6,844
Megalopolis	1961	378*	8,309
Yugoslavia and the New Communism	1962	312*	4,252
Economic Development in Burma, 1951-1960	1962	53	2,216

a. Volume I is out of print. \*Now out of print.



	Year Published	1968 Sales	Total Sales to end of 1968
Shaping the World Economy (paperback)	1962	58	12,441
Civilian Nuclear Power	1963	61	2,329
Journeys Toward Progress	1963	2*	6,923
Farms and Farmers in an Urban Age (paperback)	1963	2,214	17,065
North Atlantic Policy—The Agricultural Gap	1963	57	1,765
De Gaulle and the French Army	1964	137	2,719
U.S.A. and Its Economic Future	1964	15	2,809
The Challenge of Megalopolis (paperback)	1964	68	2,687
Economic Growth in the West	1964	142	4,236
The New Europe and Its Economic Future	1964	21	2,584
Pensions and Employee Mobility in the Public Service	1965	49	965
A Statistical Handbook of the North Atlantic Area	1965	68	2,473
Canada: An Appraisal of Its Needs and Resources	1965	58	2,053
Reapportionment: The Law and Politics of Equal Representation	1965	163	4,048
Poverty Amid Affluence	1966	610	4,627
Legal Restraints on Racial Discrimination in Employment	1966	252	2,503
Performing Arts—The Economic Dilemma	1966	399	6,168
Crime and Publicity	1967	1,218	5,059
The Advancing South	1967	773	2,874
Israel and the Developing Countries (cloth)	1967	739	1,600
Israel and the Developing Countries (paperback)	1967	1,137	1,213
Asian Drama (cloth)	1968	3,497	3,497
Asian Drama (paperback)	1968	304	304
Diploma: International Schools and University Entrance	1968	1,387	1,387
<i>Total</i>		<u>17,773</u>	

\*Now out of print.



## **Administration**



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DIRECTOR

John E. Booth  
ASSOCIATE DIRECTOR

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Helen M. Doyle  
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Susan Spinelli  
Adella M. Wade

Thomas R. Carskadon  
CONSULTANT

Isador Lubin  
CONSULTANT

## Statement of Assets Resulting from Cash Transactions

December 31, 1968 with comparative figures at December 31, 1967

	1968	1967
Cash .....	\$ 1,075,811	1,060,244
<u>Investments, at quoted market prices:</u>		
U. S. Treasury bonds .....	234,466	252,660
Banker's acceptances .....	5,289,774	5,979,618
Railroad bonds .....	37,658	40,783
Industrial bonds .....	800,875	560,625
Public utility bonds .....	1,642,201	1,002,088
Preferred stocks .....	438,199	430,390
Common stocks .....	18,708,927	17,263,603
<i>Total investments</i>	<u>27,152,100</u>	<u>25,529,767</u>
<u>Headquarters property, at cost</u> .....	495,000	495,000
<i>Total assets</i>	<u>\$ 28,722,911</u>	<u>27,085,011</u>

## Statement of Changes in Assets Resulting from Cash Transactions

Year ended December 31, 1968 with comparative figures for 1967

### Operating account receipts and disbursements:

#### Receipts:

Interest and dividends on investments .....	\$ 1,180,127	1,092,593
Interest on savings account .....	28,406	23,058
Sales of publications .....	100,424	74,639
Other .....	12,910	14,552
<i>Total receipts</i>	<u>1,321,867</u>	<u>1,204,842</u>

Disbursements .....	<u>1,280,625</u>	<u>1,036,221</u>
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*Excess of operating account receipts  
over disbursements*

41,242                      168,621

### Changes in investment holdings:

Increase in quoted market prices of investments held throughout the year .....	1,256,914	1,340,522
Increase (decrease) in quoted market prices over purchase cost of investments purchased during the year .....	38,140	(11,137)
Gain on investments sold or redeemed during the year based on quoted market prices at beginning of year or purchase price during year .....	<u>301,604</u>	<u>252,648</u>
<i>Increase in assets resulting from changes in investment holdings</i>	<u>1,596,658</u>	<u>1,582,033</u>
<i>Net increase in assets</i>	<u>1,637,900</u>	<u>1,750,654</u>

### Balance of assets:

Beginning of year .....	27,085,011	25,334,357
End of year .....	<u>\$ 28,722,911</u>	<u>27,085,011</u>

The Board of Trustees  
Twentieth Century Fund, Inc.:

We have examined the statement of assets resulting from cash transactions of Twentieth Century Fund, Inc. as of December 31, 1968 and the related statement of changes in assets resulting from cash transactions for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accounts of Twentieth Century Fund, Inc. are generally maintained on a cash basis except for securities which are reported at quoted market prices.

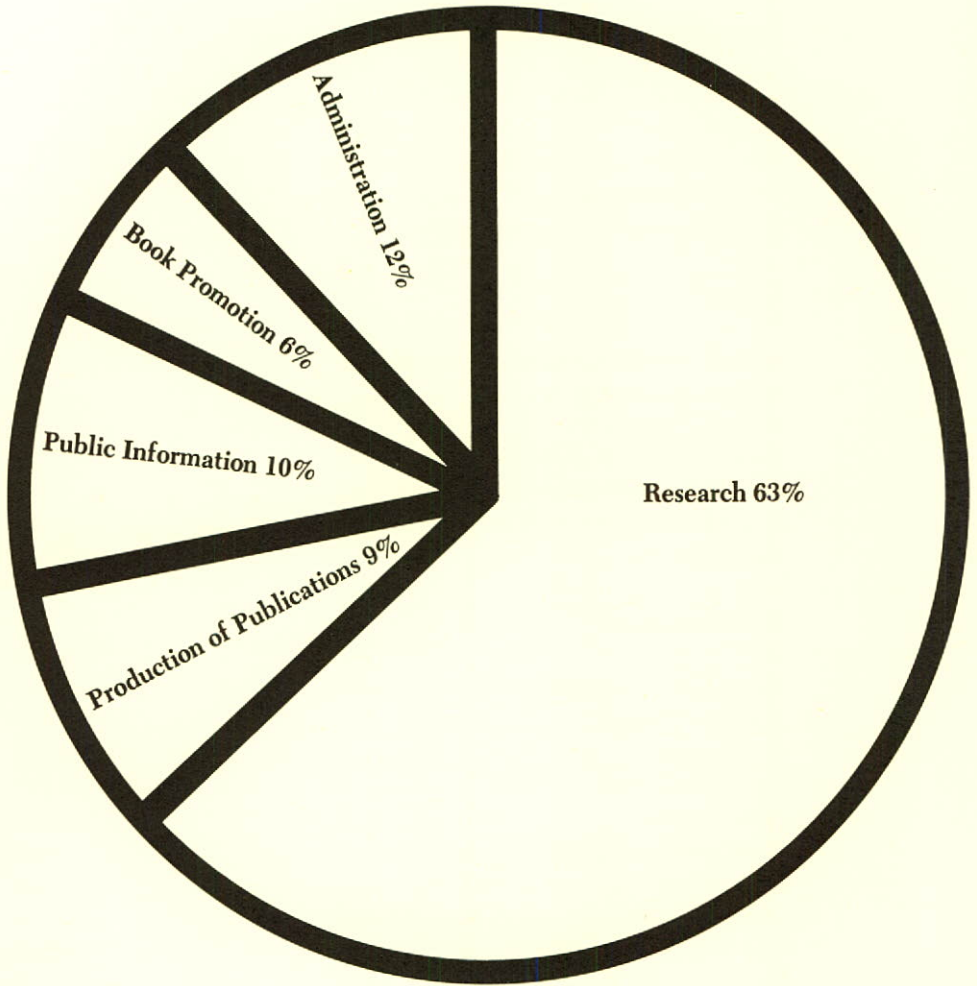
In our opinion, the accompanying financial statements present fairly the assets resulting from cash transactions of Twentieth Century Fund, Inc. at December 31, 1968 and the changes in assets resulting from cash transactions during the year then ended, on the bases indicated in the preceding paragraph which are consistent with those of the preceding year.

Peat, Marwick, Mitchell & Co.

January 22, 1969

# Total Operating Expenditures

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Total Operating Expenditures For 1968:  
(Estimated Distribution) \$1,280,625



### Summary

Cash Balance January 1, 1968 .....	\$ 1,060,244
Total Receipts .....	<u>16,796,878</u>
Total Receipts and Cash Balance .....	\$17,857,122
Total Disbursements .....	<u>16,781,311</u>
Cash Balance December 31, 1968 .....	<u>\$ 1,075,811</u>

### Receipts

Interest and Dividends from Investments .....	\$ 1,180,127
Interest on Savings Account .....	28,406
Sales of Publications .....	100,424
Sales and Rentals of Films .....	3,888
Royalties on Subsidiary Publications .....	9,022
Proceeds from Sale of Investments .....	<u>15,475,011</u>
Total Receipts .....	<u>\$16,796,878</u>

### Disbursements

<u>Headquarters Activities</u> .....	\$ 466,226
<u>Research Projects</u> .....	486,174
Explorations .....	\$ 26,544
Terminal Account .....	5,592
Asian Drama .....	7,325
Power, Ownership and Property .....	1,694
Industrialized Urban Environment .....	209
Politics of European and Atlantic Relations .....	49,220
Planning Places .....	1,552
Economic Development and Policy .....	35,422
City Planning .....	42
Agricultural Development .....	20,409
Press Coverage of the Arts .....	5,510
Municipal Labor Relations .....	41,464
Southeast Asia .....	20,067
Kibbutz Economy .....	9,375
Reapportionment Paper .....	268
Caribbean Community .....	53,395
Impact of the Military on American Life .....	52,226
Haiti .....	21,568
High Cost of Campaigning in the Electronic Era .....	80,043
Mutual Funds .....	3,458
Public Authorities .....	22,871
Alliance for Progress .....	22,534

Universities and the cities .....	3,189	
Think Tanks .....	2,197	
<u>Special Projects</u> .....		136,775
Lawyers' Committee for Civil Rights Under Law .....	\$ 25,000	
Lawyers Constitutional Defense Committee .....	25,000	
Theater Development Fund .....	50,000	
Arena Stage .....	25,000	
Gilbert Seldes .....	1,775	
New York City, Recognition for Services Rendered .....	10,000	
<u>Printing and Book Promotion</u> .....		184,734
Books .....	\$151,267	
Institutional Literature .....	20,671	
Working Papers .....	10,796	
Subsidiary Publications—Translations .....	2,000	
<u>Dissemination</u> .....		6,716
General .....	\$ 4,409	
Flow Chart Film .....	1,000	
Clipping Services .....	1,307	
<u>Total Operating Expenses</u> .....		\$ 1,280,625
<u>Purchase of Investments</u> .....		15,500,686
<u>Total Disbursements</u> .....		<u>\$16,781,311</u>

# Detailed Statement of Assets

Bonds	As of December 31, 1968		As of December 31, 1967	
	<i>par value</i>	<i>market value</i>	<i>par value</i>	<i>market value</i>
<u>United States Government:</u>				
Treasury Bonds				
3% May 15, 1968 .....			\$ 100,000	\$ 99,344
4% Oct. 1, 1969 .....	\$ 55,000	\$ 54,566	55,000	53,316
2% Series B, April 1, 1980-1975 .....	100,000	80,000	100,000	100,000
6% May 15, 1975 .....	100,000	99,900		
<i>Total Treasury Bonds</i>		<u>\$ 234,466</u>		<u>\$ 252,660</u>
		0.8%		0.9%
<u>Corporate:</u>				
Industrials				
General Electric				
3½% deb. May 1, 1976 .....	\$ 150,000	\$ 123,187	\$ 150,000	\$ 122,625
General Motors Acceptance				
3½% March 15, 1972 .....	150,000	134,438	—	—
3% deb. Sept. 1, 1975 .....	300,000	243,000	150,000	123,000
Liggett & Myers Tobacco				
6% deb. May 1, 1992 .....	300,000	261,750	300,000	276,000
Youngstown Sheet & Tube				
first 4½% Oct. 1, 1990 .....	50,000	38,500	50,000	39,000
<i>Total Industrials</i>		<u>\$ 800,875</u>		<u>\$ 560,625</u>
		2.9%		2.2%
Railroads				
Virginia Railway				
6% deb. Aug. 1, 2008 .....	\$ 43,100	\$ 37,658	\$ 43,100	\$ 40,783
		0.1%		0.1%
Utilities				
American Telephone & Telegraph				
2% deb. Feb. 1, 1971 .....	\$ 200,000	\$ 186,500	\$ 50,000	\$ 44,938
3% deb. Dec. 1, 1973 .....	50,000	43,000	50,000	42,250
2% deb. Oct. 1, 1975 .....	150,000	118,125	—	—
5% deb. Aug. 1995 .....	200,000	170,500	200,000	179,000
5½% deb. Jan. 1, 1997 .....	300,000	249,000	300,000	264,000
Cleveland Electric Illuminating				
1st mtge. 3% July 1, 1970 .....	99,000	93,431		
Commonwealth Edison				
3% Feb. 1, 1977 .....	150,000	114,000		
Consolidated Edison of New York				
Series D, 3% Nov. 1, 1972 .....	150,000	130,500		
Series F, 3% Feb. 1, 1981 .....	112,000	73,920		
Detroit Edison				
2% March 15, 1984 .....	13,000	8,125		
6% deb. Dec. 1, 1996 .....	300,000	270,375	300,000	288,000

Utilities— <i>continued</i>	As of December 31, 1968		As of December 31, 1967	
	<i>par value</i>	<i>market value</i>	<i>par value</i>	<i>market value</i>
El Paso Natural Gas				
5¼% cv. deb. Sept. 1, 1977	\$ 115,000	\$ 99,475	\$ 115,000	\$ 96,025
Louisville Gas & Electric				
4% first mtge. Sept. 1, 1987	50,000	40,750	50,000	39,875
Northwestern Bell Telephone				
6% deb. Sept. 1, 2001	50,000	44,500	50,000	48,000
<i>Total Utilities</i>		<u>\$ 1,642,201</u>		<u>\$ 1,002,088</u>
		5.9%		3.8%

Bankers' Acceptances:

4% Jan. 5, 1968			\$ 300,000	\$ 295,450
5% Jan. 17, 1968			109,000	107,547
5% Jan. 19, 1968			1,500,000	1,476,125
5% Feb. 5, 1968			117,789	115,858
5% Feb. 28, 1968			1,000,000	985,694
5¼% Mar. 5, 1968			300,000	295,537
5¼% Mar. 22, 1968			200,000	196,675
5½% Apr. 5, 1968			600,000	589,367
5% Apr. 29, 1968			29,844	29,210
5% Apr. 30, 1968			38,011	37,198
5% May 15, 1968			500,000	487,891
5½% May 20, 1968			1,000,000	974,486
5¼% June 17, 1968			100,000	97,157
5¼% June 18, 1968			300,000	291,423
5¼% Jan. 13, 1969	\$ 200,000	\$ 194,537		
6% Jan. 17, 1969	250,000	248,375		
6¼% Jan. 30, 1969	400,000	397,686		
5% Feb. 7, 1969	200,000	196,508		
5% Feb. 10, 1969	500,000	489,062		
5% Feb. 11, 1969	500,000	491,106		
5% Feb. 13, 1969	59,598	58,480		
5% Feb. 13, 1969	510,067	500,494		
5% Feb. 14, 1969	250,000	245,349		
5% Feb. 17, 1969	400,000	392,232		
5% Feb. 24, 1969	600,000	588,348		
5% Mar. 3, 1969	300,000	291,891		
5¼% Mar. 31, 1969	1,000,000	973,167		
5% Mar. 31, 1969	100,000	97,297		
6% Apr. 2, 1969	77,000	75,537		
6% May 7, 1969	51,207	49,705		
<i>Total Bankers' Acceptance</i>		<u>\$ 5,289,774</u>		<u>\$ 5,979,618</u>
		19.2%		23%

Preferred Stocks	As of December 31, 1968		As of December 31, 1967	
	shares	market value	shares	market value
Central Maine Power 3.50% . . . . .	1,000	\$ 54,000	1,000	\$ 53,000
Empire District Electric 5% . . . . .	500	37,125	500	37,125
Jersey Central Power & Light 4% . . . . .	630	40,793	630	40,635
Jim Walter 5% . . . . .	1,300	20,150	1,300	19,013
Monongahela Power 4.40% . . . . .	500	33,125	500	33,000
South Carolina Electric & Gas 5% . . . . .	1,000	38,000	1,000	39,376
Tenneco 5.25% . . . . .	875	68,250	875	68,250
Tenneco 4.90% . . . . .	1,200	86,400	1,200	81,600
Toledo Edison 4.25% . . . . .	925	60,356	925	58,391
<i>Total Preferred Stocks</i>		<u>\$ 438,199</u>		<u>\$ 430,390</u>
		1.6%		1.8%

### Common Stocks

American Can . . . . .	5,000	\$ 286,250	5,000	\$ 257,500
American Telephone & Telegraph . . . . .	11,024	584,272	11,024	555,334
Armco Steel . . . . .	2,000	115,000	2,000	97,000
Atchison, Topeka & Santa Fe Railway . . . . .	10,000	332,500	10,000	282,500
Bank of New York . . . . .	1,666	192,423	1,666	120,785
Boston Edison . . . . .	11,000	511,500	11,000	429,000
Brooklyn Union Gas . . . . .	6,000	192,000	6,000	177,000
Central Illinois Light . . . . .	8,976	224,400	8,976	210,936
Chemical Bank New York Trust . . . . .	1,125	81,562	1,125	57,094
Christiana Securities . . . . .	2,000	310,000	1,000	151,000
Consolidated Edison of New York . . . . .	15,000	498,750	15,000	470,625
Consolidated Natural Gas . . . . .	14,000	456,750	14,000	404,250
Consumers Power . . . . .	8,537	385,233	8,537	368,159
Equitable Gas . . . . .	6,000	233,250	6,000	204,750
Federated Department Stores . . . . .	119,000	4,194,750	59,500	4,462,500
First National Bank of Boston . . . . .	3,000	244,500	3,000	165,000
Ford Motor . . . . .	3,000	159,000	3,000	160,500
General Electric . . . . .	1,500	140,813	1,500	144,000
General Motors . . . . .	10,000	791,250	10,000	820,000
Great American Holding . . . . .			5,000	298,750
Inland Steel . . . . .	3,000	115,125	3,000	101,250
International Harvester . . . . .	5,000	186,250	5,000	177,500
Iowa-Illinois Gas & Electric . . . . .	2,100	56,963	2,100	54,075
Manufacturers Hanover Trust . . . . .	2,387	158,735	2,387	107,713
Mobil Oil . . . . .	10,000	587,500	6,000	255,750
Montana Power . . . . .	3,000	97,500	3,000	87,000
National Biscuit . . . . .	3,000	151,875	3,000	129,750
Niagara Mohawk Power . . . . .	15,000	335,625	15,000	296,250
Northern Natural Gas . . . . .	10,000	590,000	10,000	491,250

	As of December 31, 1968		As of December 31, 1967	
	<i>shares</i>	<i>market value</i>	<i>shares</i>	<i>market value</i>
<i>Common Stocks—continued</i>				
Ohio Edison . . . . .	14,524	424,827	14,524	366,731
Philadelphia National Bank . . . . .	2,000	158,000	2,000	101,500
Phillips Petroleum . . . . .	11,000	827,750	10,000	710,200
Public Service Electric & Gas . . . . .	6,000	210,750	6,000	197,250
Puget Sound Power & Light . . . . .	5,000	\$ 180,625	5,000	\$ 157,500
Southern Pacific . . . . .	6,000	264,750	6,000	177,750
Southern Railway . . . . .	2,500	156,250	2,500	116,875
Standard Oil of California . . . . .	10,000	721,250	10,000	627,500
Standard Oil of Indiana . . . . .	10,000	613,750	10,000	541,250
Standard Oil of New Jersey . . . . .	5,000	393,125	5,000	337,500
Standard Oil of Ohio . . . . .	11,000	794,750	10,000	783,751
Texaco . . . . .	6,300	524,474	6,300	522,900
Union Carbide . . . . .	5,000	226,250	5,000	245,000
Union Electric . . . . .	13,200	295,350	13,200	292,050
Union Pacific Railroad . . . . .	5,000	262,500	5,000	190,000
Wrigley (Wm.) Jr. . . . .	2,000	231,500	2,000	218,000
Youngstown Sheet & Tube . . . . .	4,500	209,250	4,500	140,625
<i>Total Common Stocks</i>		<u>\$18,708,927</u>		<u>\$17,263,603</u>
		67.7%		66.3%
<u>Headquarters property, at cost . . . . .</u>		495,000		495,000
		1.8%		1.9%
<u>Total of all investments . . . . .</u>		<u>\$27,647,100</u>		<u>\$26,024,767</u>
		100%		100%
<u>Cash . . . . .</u>		<u>1,075,811</u>		<u>1,060,244</u>
<u>Grand total of assets . . . . .</u>		<u>\$28,722,911</u>		<u>\$27,085,011</u>













