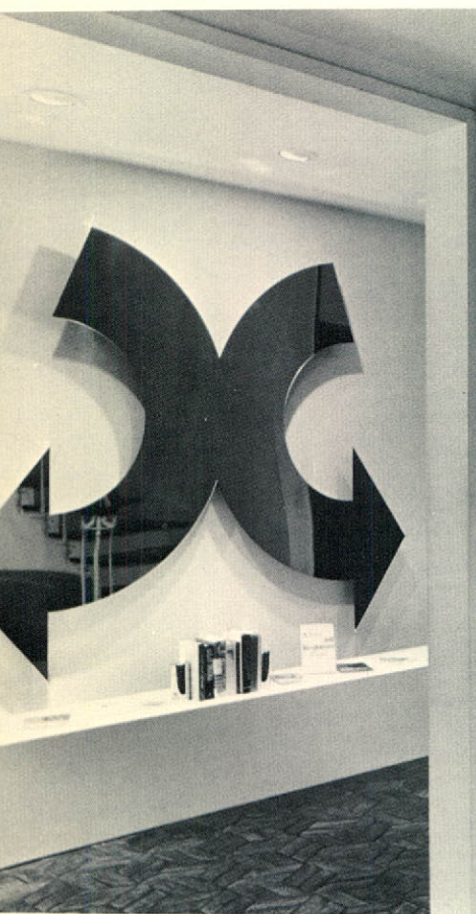


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THE TWENTIETH CENTURY FUND
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THE TWENTIETH CENTURY FUND

The Twentieth Century Fund Annual Report 1975

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

The Twentieth Century Fund
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New York, New York 10021

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Director's Report

Not very long ago, foundations felt threatened by the rapid expansion in governmental activities and the accompanying huge rise in government spending. Long accustomed to think of themselves as pioneers on social and intellectual frontiers, foundations found themselves trailing far behind the government's initiatives and dwarfed by its vastly greater resources. And when inflation on one hand and the debacle in the securities markets on the other brought a substantial shrinkage in their wealth, many foundations accepted with resignation the prospect of a reduced role for private philanthropy. Yet it is now evident that government does not have a monopoly on useful programs. Despite the diminution of their resources, private foundations can make a significant contribution, provided that they recognize and develop fresh approaches to changed conditions and new opportunities.

The trouble is that both government and foundations have been slow to appreciate the extent of change. Like the generals fighting the last war, policymakers frequently become the prisoners of their past programs. On the international front, the newfound power of the nations of the Organization of Petroleum Exporting Countries (OPEC) in setting the price of oil marked the end of the post World War II era and the beginning of an entirely new set of conditions. Domestically, we are experiencing the financial stresses and strains brought on by the economics of affluence that prevailed until recently. The problems are most acute, of course, for the city and state of New York but are hardly restricted to them. Many of the nation's older

states, with aging cities and economic structures, are facing difficulties in making ends meet. Accelerating inflation and deepening recession have not only raised the specter of financial insolvency; they also have revealed a bankruptcy in ideas and policies.

Clearly, the notion that money is the one solution for the pressing social and economic concerns of the cities is no longer tenable. Money, in fact, has frequently complicated the predicament of state and local governments. A major cause of New York City's plight was its excessive borrowing from private investors for public purposes. The record of foundations in this period was not very imposing. Most took the enhanced role of government for granted and made little attempt to use their independence. Indeed, the spirit of voluntarism was all but swamped by the emergence of government.

The Fund, whose resources support research on issues of public policy, has devoted considerable attention to urban affairs. In the past few years, it has issued a number of reports in this area; one looks at municipal trade unions, another discusses municipal credit ratings, and still another considers the problems of persistently high unemployment among urban youth. Although most Fund projects are designed to address national problems, we brought together an independent Fund Task Force over two years ago to focus on the special predicament facing the new mayor of New York City. Unfortunately, most of the recommendations made in its Report were ignored, but of the ten members making up the Task Force, one was subsequently elected District Attorney of New York County; another was instrumental in untangling the troubled affairs of the state's Urban Development Corporation, of which he was subsequently named chairman, and three were appointed members of the state's Municipal Assistance Corporation, which was established to raise funds on behalf of the city. All of the remainder, I must add, became intimately involved in efforts, official and unofficial, to rescue New York City.

Still more studies and reports dealing with the critical problems of cities and states are scheduled for publication in 1976. Among them are a comprehensive analysis of public employee pension funds, which are a growing burden on taxpayers; an examination of federal-state budgetary relations, which is centered on health,

education, and welfare in California but has significant implications for all other states; a study of public authorities, which have been used extensively—and perhaps excessively—in the recent past as a device for the private financing of the construction and operation of public facilities; and an examination of the office of the mayor in our big cities.

I do not mean to suggest that the Fund has done its part in the area. We have made a contribution, but much more needs to be done if we are to arrive at realistic and workable solutions to the many problems of states and cities. There is a need for research, for example, on whether it is appropriate for the federal government to consider contracyclical assistance to states and cities in trouble. The latter do not presently possess effective means to combat inflation, or recession combined with inflation, a phenomenon that has diminished revenues and increased outflows from city and state treasuries. Raising taxes may serve only to shrink the tax base and inhibit the prospects for recovery of local industry. But reducing expenditures may result in the neglect of important social needs. This dilemma is present in its most acute form in areas where unemployment is more serious and where large numbers of people are receiving welfare. In many sections of the nation, these conditions do not apply. But some of the nation's biggest cities and most populous states are among the "have nots" that may require special assistance from the federal government during periods of recession.

The Fund's work in the field of municipal finance indicates that further study on the structure of the tax-exempt municipal market also may be rewarding. Demands for credit on the part of local and state borrowing entities continue to increase, but the capacity of the market to absorb these offerings at reasonable cost may not be infinite. Commercial banks can no longer be counted on to perform their traditional function as the major institutional source of credit. If other institutional pools of capital do not replace them, it may become apparent that tax exemption is not the most effective possible means of helping finance the costs of local governments.

Similarly, it may be useful to consider the economic costs and political risks of federal support for states and cities whose expenses exceed their revenues. New York's problems have

given rise to a number of proposals for emergency aid of one sort or another. Very few such proposals have been subject to thorough and objective analysis; yet some assessment is essential if the mistakes of the past decade are not to be compounded. The proposals for a taxable bond option for local government borrowers or for a mechanism that would make the federal government a lender of last resort to state and local entities in much the same way that the Federal Reserve performs that function for banks may have merit. But they also may present considerable risks, particularly for the democratic process or for needs that must go unmet. If informed debate is to take place and action be constructive, it is vital to ask the hard questions now rather than later. Indeed, among the lessons we should have learned from the indulgent era when the economics of affluence held sway is that we cannot afford to do everything at once and that hasty responses made under crisis conditions may lead to much more costly and serious problems.

Policies must adapt to change in other areas. For example, higher education, which enjoyed unprecedented growth in the last decade, is now coping with a substantial slowdown accompanied by inflation in operating costs. These new conditions, which do not appear transitory in view of both demographic and economic factors, have major impacts, qualitative and quantitative, on educational institutions. Aware that many groups with more experience and competence are already engaged in this area, the Fund has placed its emphasis on the specific field where it could make a contribution, namely, the issue of endowment policy.

Like many other institutions, colleges and universities had joined the cult of equities in the go-go years of the last decade, only to discover that the pursuit of capital appreciation involved risks as well as rewards. When the markets went

into their decline, causing substantial losses for many institutions, some fled to the safety of fixed-income securities. But an overly conservative stand may be just as dangerous as an overly aggressive one, as the distinguished Task Force assembled by the Fund to deliberate and report on endowment policy pointed out. In its recommendations, this Task Force emphasized that institutions must be prepared to recognize and take risks, including the risks of investing in equities, in order to produce an endowment portfolio that provides for both growth and protection against inflation. The recommendations of the Task Force should be of value to all colleges and universities concerned about strengthening their prospects in the years ahead.

Many of these recommendations have long been followed by the Fund. There are differences between the endowment of an educational institution and that of a research foundation, but there also are important similarities. The Fund's Trustees decided over a year ago to maintain or increase spending, if the Fund succeeded in finding research projects worthy of support, and not to cut back simply because of the decline in the securities markets. The Fund's income subsequently proved to be considerably less than its expenditures, and it ran—as it usually does—at a deficit. But the market value of its portfolio increased, thanks in part to the recovery in the market and in part to the advice and policies of its Investment Advisory Group. At the same time, the pressure of inflation led us to consider and implement various ways to cut costs; as a result, we are better able to survive in today's uncertain, changing, and frequently hostile climate.

A period like the present generates nostalgia. But it is impossible to turn back the clock. We can surmount the difficulties that we are now encountering—many of them the legacy of mistakes made in the past—only if individuals and institutions recognize that they cannot make do with outmoded or overly rigid policies. Foundations can play a critical part in this process. But just as financial investment involves risk, so do programs. If foundations are to demonstrate their true value to society, some deliberate and responsible risk taking is now in order.

M. J. Rossant

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



Introduction

The research activity of the Fund is largely concentrated in four major policy areas: economic institutions and issues, political and social institutions, international relations and development, and communications. Many projects do not fit neatly into one or another of these descriptive categories but overlap among them. The Fund also supports policy-oriented research in other critical areas when such research appears timely and appropriate.

During the fiscal year, a total of forty-eight projects either were under way or had been completed or terminated. The greatest activity continued to be in research on political and social institutions.

Eight new research projects were approved by the Fund, and six studies reached completion with the editing and publication of manuscripts. The new projects include two companion studies, one examining art museums in the United States and the other analyzing and assessing the growth of large-scale public support of the arts. Both projects share links with the Fund's earlier research on the economics of the performing arts and its Task Force Report on performing arts centers. Two other new projects are concerned with the criminal justice system: a Task Force on criminal sentencing and a series of conferences on the qualities of judges. In addition, there are new projects on the politics of land use reform, national biomedical research and technology policy, and the socioeconomic condition of the black middle class.

Three of the completed projects were reports and background papers by independent Task Forces and were published during the year. *Easy Money*, a Report on legalized gambling, and *Those Who Served*, a Report on government policies toward veterans, attracted wide attention in the press; because of heavy public demand, both reports had to be reprinted. *Exploitation from 9 to 5*, a Task Force Report on employment discrimination against women, also went into a second printing. Among the book-length studies published were *Jails: The Ultimate Ghetto of the Criminal Justice System* by Ronald Goldfarb and *The New Yorkers: A Profile of an American Metropolis* by Andrew Hacker. A paperback edition of *Energy: The New Era* by S. David Freeman, a project completed in the previous fiscal year, was also issued during the year.

The Fund approved two new projects and published three reports dealing with economic institutions and issues. The first three in a series of reports on conflicts of interest in the securities market dealt with commercial bank trust departments, corporate pension fund asset management, and broker-dealer firms. New projects approved during the year were a Task Force on college and university endowment policy and a book-length study of financial and economic policy.

In the area of international relations and development, the Fund approved four new projects. A Task Force was established to study and report on the financial aspects of the international energy crisis. Two of the new projects were book-length studies, one dealing with nationalization of United States enterprises in Latin America and the other with the role of Taiwan in United States relations with China and Japan. The Fund also commissioned a monograph on United States trade policy and the forthcoming Tokyo round of trade negotiations.

In the area of communications and media studies, the Fund commissioned three new research projects and published *Openly Arrived At*, a Task Force Report on broadcasting and the legislature. Research began during the year on the major wire services and on the economics of the daily press in the United States. The third project was a Task Force that is deliberating over the free press/fair trial conflict, a subject previously explored by the Fund.

Completed and Continuing Studies

Economic Institutions and Issues

The Changing Role of the Individual Investor

The increasing institutionalization of the securities market and the decline in equity values—the most drastic since the 1930s—have driven many individuals away from investment in common stocks. Professors Irwin Friend and Marshall E. Blume of the Wharton School at the University of Pennsylvania are investigating the changing attitudes of individual investors. They hope to determine whether the departure of the individual investor has reduced the market's liquidity and what changes in tax laws, commission rates, or trading rules might encourage renewed participation by individuals in the market. Their study will be completed in 1976.

College and University Endowment Policy

Fluctuations in the securities markets have created serious difficulties for private colleges and universities that depend upon endowment funds to meet a significant portion of their operating costs. An independent Task Force of leading university administrators and investment professionals, chaired by John Gilligan, former governor of Ohio, has been deliberating over the financial problems confronting institutions of higher learning. J. Peter Williamson of the Amos Tuck Graduate School of Business Administration at Dartmouth College is preparing a factual background paper to accompany the Report that will present the recommendations of the Task Force.

Financial Instability and the Strategy of Economic Policy

Hyman P. Minsky, professor of economics at Washington University, St. Louis, Missouri, is engaged in a critical analysis of conventional economic theory and policies regarding growth, business cycles, and income distribution. Minsky's theoretical analysis emphasizes the role of speculative financial processes in creating instability. Minsky intends to provide an

alternative strategy, free of the inconsistencies that he believes are present in the current policy mix. The policy alternatives he is exploring include structural changes in the banking system, reducing the importance of a high Gross National Product (GNP) growth rate, and abandoning special emphasis on housing. The project is scheduled for completion in early 1976.

Inequality in an Affluent Society

The complexities and ambiguities of the concept of economic growth are being examined by Fred Hirsch, a British economist now at the University of Warwick. He suggests that the traditional analytic framework of economics, which has been developed and refined over the past two centuries, may be more of a hindrance than a help in understanding the contemporary problems of the affluent society, particularly the disparities that result from trying to satisfy both individual and collective demands for food and services. He believes that modern economists have lost sight of something taken for granted by Adam Smith: namely that self-interest can operate effectively only in tandem with some supporting social principle. Hirsch is now revising the completed first draft, and the staff expects his manuscript to be published in 1976.

Postwar International Monetary Experience

The political nature of postwar monetary developments is being analyzed by Milton Gilbert, economic adviser to the Bank of International Settlements, who is focusing on the key role played by the dollar from Bretton Woods onward. Tracing the history of the period from dollar shortage to dollar glut and from fixed to flexible rates of exchange, he will suggest the lessons that have been learned and make recommendations for the future of monetary relations.

Securities Markets

The first three in a series of reports on conflicts of interest in the securities markets were published in mid-1975. *Conflicts of Interest: Commercial*

Bank Trust Departments by Edward S. Herman focused mainly on conflicts between the lending operations of a bank and the obligations of its trust department. *Conflicts of Interest: Corporate Pension Fund Asset Management* by John Brooks dealt with the potential conflicts confronted by the managers of pension funds between their duties to their corporate employers and those to the employees who are the beneficiaries of the fund. *Conflicts of Interest: Broker-Dealer Firms* by Martin Mayer explores the conflict implicit in the broker-dealer's two roles. The series also includes reports on municipal and state pension funds, by Louis Kohlmeier; on investment banking, by Nicholas Wolfson; and on real estate investment trusts, by Morgan Shipman. All of the reports, accompanied by a concluding chapter that will present the policy recommendations of the steering committee supervising the project, will be published eventually in a single hardcover volume. Chaired by Roy A. Schotland, the steering committee includes William L. Cary, Benjamin V. Cohen, Roger F. Murray, William Stott, and M. J. Rossant, the Fund director.



Political and Social Institutions

The American Art Museum: A Troubled Cloister

Traditionally, the American art museum has been an essentially private institution, largely unaccountable to and independent of the public. But in the last few years, many leading art museums have become embroiled in widely publicized legal and labor disputes and, at the same time, have become increasingly dependent on direct public subsidy. Karl E. Meyer, a former political reporter and author of two books on archaeology, is examining the current condition and problems of the nation's art museums in an effort to arrive at recommendations for public policy. His study is scheduled for completion in the early fall of 1976.

Big City Mayors

Extensive efforts to stave off New York City's financial collapse have reduced its chief executive to a petitioner seeking aid from any quarter and ceding in exchange much of his fiscal and managerial authority. Russell D. Murphy of Wesleyan University, in the process of



completing final revisions on his study of big city mayors, has analyzed the decline of mayoral authority as cities have become increasingly dependent on state and federal financial aid. Ever since the 1930s, when the Great Depression overwhelmed the relief efforts of city governments, mayors have been the chief advocates of federal aid to urban areas and, in a sense, the chief victims of such aid. Although he recognizes the fiscal and jurisdictional limits on the mayor's authority, Murphy defends the office as the indispensable focal point of local democracy. The study is now due for completion by the end of 1975.

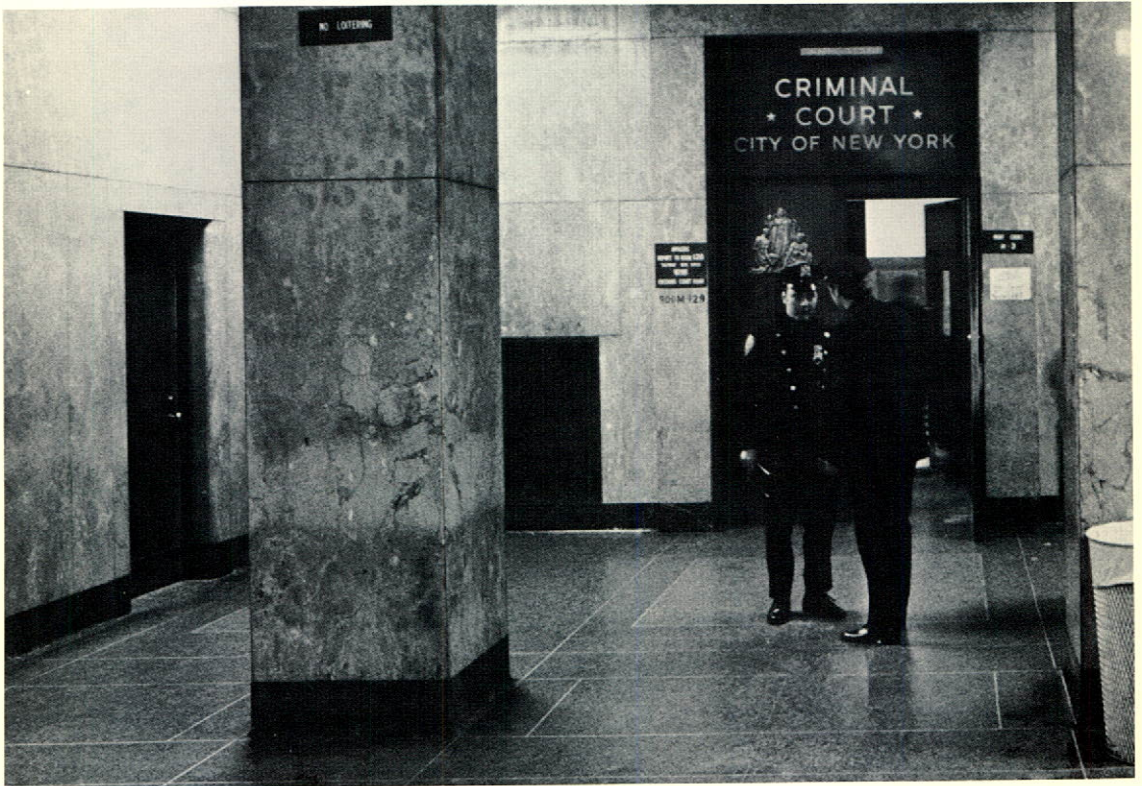
Criminal Sentencing

In recent years, public controversy has arisen about criminal sentencing, the specific terms in which justice is dispensed to convicted defendants. Particular criticism has focused upon the disparities arising from indeterminate sentences and the largely unmonitored practices of parole boards, as a result of which offenders receive grossly different sentences for essentially equivalent crimes. The Fund has convened an

independent Task Force composed of distinguished citizens and chaired by former Governor Edmund G. Brown, Sr., of California, to make recommendations for public policy regarding criminal sentencing. Alan Dershowitz of the Harvard Law School is writing a factual background paper that will be published along with the Report of the Task Force. Its work will be completed in 1975.

Demography of American Juries

Jon M. Van Dyke of the Hastings College of Law of the University of California has completed his critical investigation of the nation's jury system. Finding many weaknesses in the present method of selecting jurors, he proposes strict random selection of jurors based on universal eligibility for jury service. His manuscript, which provides historical background and explores many aspects of jury selection, requires heavy editing and restructuring. The book that results should be ready for publication in 1976.





Desegregation and Integration of the Public Schools

Robert B. McKay, former dean of the New York University Law School and now director of the Aspen Institute Program on Justice, Society, and the Individual, is carrying out a comprehensive review of the progress made toward integration of the nation's public schools since the Supreme Court's 1954 ruling in *Brown v. Board of Education*. The expectations raised by that decision, which overturned school segregation, have largely been frustrated; the obstacles to integration have proven more complex and deeply rooted than many had believed. McKay is examining the sociological as well as the legal aspects of the problem in order to identify those factors that have hindered the successful implementation of integration programs. His study is scheduled for completion in 1976.

Discrimination in the Education and Labor Markets

The contrast between the gap in black and white income levels that persisted from Reconstruction through the 1950s and the dramatic income gains achieved by blacks during the 1960s raises basic questions about economic discrimination in the

United States. Richard Freeman of Harvard University is seeking to establish whether governmental discrimination, rather than discriminatory behavior in the competitive market, is the chief factor behind stability or change in economic discrimination. Because heavy additional academic commitments have prevented Freeman from devoting full time to the project this year, completion is now scheduled for 1977.

Federal Power and State Priorities

Peter Passell, an economist at Columbia University, and Leonard Ross, recently appointed head of the Public Utilities Commission in the state of California, have been analyzing the interaction between federal funding priorities and California's budget. They have chosen to focus on social service programs in the areas of welfare, health, higher education, and elementary and secondary education, where they are examining the constraints that federal programs place on state budgeting. Their study will conclude with an evaluation of alternative strategies for financing state programs within the federal system. The project is scheduled for completion in 1975.

Large-Scale Public Support of the Arts in the United States

Faced with chronic financial crises, the arts have increasingly sought public support. In addition to indirect assistance in the form of the tax deduction for private contributions, art institutions are receiving a growing amount of direct public subsidy. Yet the public policy objectives of this direct assistance have not been fully examined. Dick Netzer, dean of New York University's Graduate School of Public Administration, has undertaken an appraisal of this form of public expenditure. In his investigation of the policy issues and possible hazards involved in direct subsidy of the arts, he is considering the extent to which current programs result in net increases of financial support, whether they are likely to produce more and better works of art, and whether present standards of public accountability are adequate. The study is due for completion at the end of 1975.

Legal Representation Afforded to Indigent Criminal Defendants

The expanded right to counsel elaborated in the Supreme Court's Gideon decision has led to a rapid growth in the size and number of assigned counsel systems; today, virtually everyone accused of a serious criminal offense who cannot afford an attorney is defended at state expense. Yet the performance of public defenders has not been the subject of intensive research. Robert Hermann, director of the Public Interest Law Clinic at New York University Law School, and Eric Single, former senior research scientist at the New York State Department of Mental Hygiene, are examining the adequacy of assigned legal counsel in criminal cases. (S. Stephen Rosenfeld, who had been a co-director of the project, has resigned to become an assistant attorney general in Massachusetts.) Employing statistical and other data gathered from the Los Angeles public defender system, New York's semipublic Legal Aid system, and Washington's mixture of public defenders and court-appointed private attorneys, Hermann and Single plan to produce recommendations to improve the legal representation of the poor. The project is scheduled for completion in mid-1976.

Open Spaces in the Inner City

The open spaces of a city help to define its character and the quality of its life. Much of what is innovative in American cities today is to be found in the way they utilize parks, plazas, and

sequestered areas in downtown and residential areas; in education, government, and cultural centers; and on river fronts and parkways. These open spaces in the nation's cities are the focus of a work by August Heckscher, former commissioner of parks and administrator of recreation and cultural affairs in New York City. Heckscher is examining a large number of cities across the United States, tracing the development of park systems and other open areas, and evaluating the new forms of open spaces. He is planning to design a series of maps illustrating various schemes of open spaces and their implications. This project is scheduled for completion in early 1976.

The Planning and Politics of Low-Income Housing

The effect of federal housing policies on metropolitan housing patterns is being examined by Alexander Polikoff, a Chicago lawyer who participated in the celebrated Gautreaux suit, alleging that the Chicago Housing Authority had engaged in discriminatory housing practices. Polikoff is analyzing federal housing policy since World War II, with particular attention to the role that public housing programs have played in promoting racial segregation. His work will recommend policy reforms to encourage dispersal of public housing in metropolitan areas. The study is scheduled for completion in 1975.

Political Participation and Polarization

This study describes changes in American political attitudes during the period 1956-72 and is expected to have special significance for the 1976 elections. Its authors are Sidney Verba, professor of government at Harvard University; Norman Nie, associate professor of political science at the University of Chicago; and John Petrocik, who recently received his doctorate from the University of Chicago. Harvard University Press will publish the book early in 1976.

Political Surveillance in the United States

A wealth of information about the extent and quality of political surveillance conducted in the United States by government agencies has recently come to light. The task of research on this subject is now to analyze and extract what is significant from these masses of data. Richard E. Morgan of Bowdoin College will begin his survey of the practices of government intelligence agencies in the fall of 1975. He expects to finish the study, which will contain his recommendations, by the middle of 1977.



The Politics of Land Use Reform

Government at both federal and state levels is increasingly involved in land use regulation. This marked trend has received little critical analysis, but Frank Popper, a political scientist with a special interest in environmental issues, plans to rectify the oversight. He will examine the economic, environmental, and political effects of government's role in several state and regional land use programs. He also will assess the potential of land use regulation for balancing the influence of large private interests with public accountability and participation. The study is scheduled for completion in 1977.

The Presidential Elite

Based on a careful survey of delegates to the 1972 national conventions, this study of the presidential elite, jointly sponsored by the Russell Sage Foundation and the Fund, promises to be a major work on this critical political group. In her manuscript, Jeane Kirkpatrick of Georgetown University pays particular attention to the emergence of women as part of the elite responsible for nominating presidential candidates and demonstrates that they behave in this role much as their male counterparts do. The manuscript is scheduled for publication in 1976.

The Presidential Nominating Process

Kenneth Bode and David Abbott have completed an examination of the reforms adopted by the Democratic party and their effect on the 1972 election. When it was determined that the work could not be designated a Twentieth Century Fund Study, the manuscript was released to the authors, who are making their own publication arrangements.

Private Charity in the United States

Walter Shapiro, an editor of *Washington Monthly*, is completing the research phase of his examination of private charity in the United States. Unlike other studies, which have focused largely on questionable fund-raising practices or technical tax questions, his is an assessment of the performance and accountability of private charitable organizations, most of which have become increasingly dependent on public rather than private funds in the last decade. Although he is including data developed by the Filer Commission on Private Philanthropy and Public Needs, his analysis is based in large part on his own intensive examination of a number of private charitable organizations supplying social welfare, international, and health services. The study is scheduled for completion in 1976.



Public Authorities

Public authorities, allegedly nonpartisan, businesslike, and self-liquidating, have been proliferating over the postwar period. Although many have lived up to their promise, others have run into trouble, raising questions about their accountability and effectiveness. Annemarie Walsh of the Institute of Public Administration has been investigating public authorities, examining their financing methods, their independence from government control, the role of banks and other institutional leaders in their decision-making, and the efficiency of their operations. The study is scheduled for completion in 1975.

Public Employee Retirement Systems

Robert Tilove's analysis of major public employee pension systems comes at a time when the budget impact of pension contributions is a source of increasing concern to fiscal experts in cities and states across the nation. A well-known authority in this field, Tilove has examined the provisions of a number of the major pension systems and the implications of their growth. The Report is scheduled for publication by Columbia University Press in early 1976.

Public Financing of American Elections

Major questions about the issues involved in public financing of elections continue to be raised, especially as the Federal Elections Commission takes its first tentative steps in enforcing the new laws. As a contribution to this debate, David Adamany and George Agree have written *Political Money: A Strategy for Campaign Financing in America*, published by Johns Hopkins University Press in September 1975. Their book analyzes the problems of the use of private funds and suggests alternative methods for public financing of campaign costs.

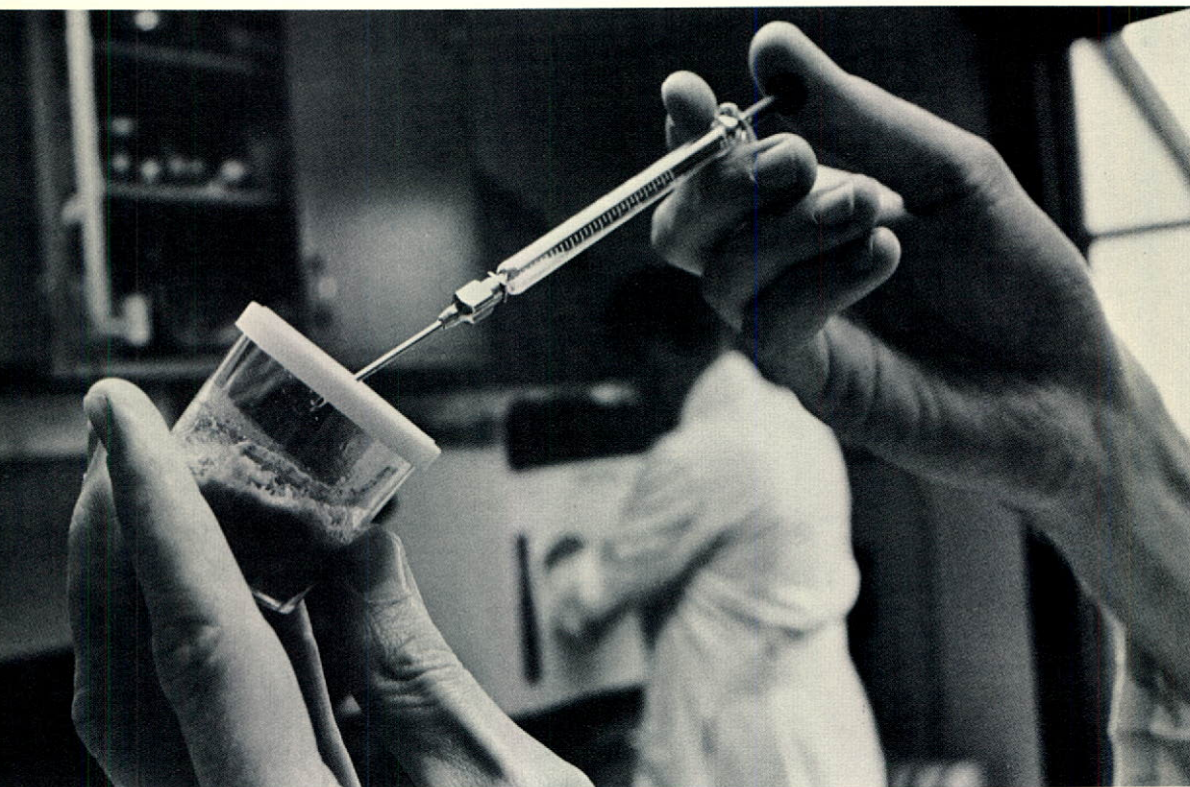
The Socioeconomic Condition of the Black Middle Class

L. Bartholomew Landry, a sociologist at the University of Maryland, is examining the socioeconomic condition of the black middle class. Contending that black middle-class families are relatively less well off than white middle-class families at the same level of income, Landry will be analyzing Census Bureau data and conducting his own survey to identify differences in conditions and status between black and white middle-class families. He hypothesizes that even middle-class blacks who have the same incomes as whites are not as secure in their middle-class

status. To test this hypothesis, Landry will investigate the factors that determine the adequacy or inadequacy of a middle-class income for maintaining middle-class status. His study is scheduled for completion in 1977.

U.S. Biomedical Research and Technology Policy

Considerable quantities of public funds have gone to support the government's biomedical research effort, centered in the National Institutes of Health (NIH), which, in recent years, has become the focus of intense bureaucratic, political, and scientific controversy. Stephen Strickland, director of the Washington Study Group of the University of California's Health Policy Program, is undertaking a comprehensive analysis of federal policy in this area. He plans to formulate recommendations for establishing more rational priorities and more effective procedures for government-sponsored biomedical research and technology. His study is scheduled for completion in the spring of 1977.



International Relations and Development

Formulation of American Policy Toward the Arab-Israeli Dispute

Since the so-called Yom Kippur war in 1973, the growing oil-fueled influence of the Arab states and the increasing international isolation of Israel have further complicated the already uneasy relations of the United States with the major antagonists in the Arab-Israeli conflict. Steven L. Spiegel of the University of California at Los Angeles is studying the formulation of policy toward the Arab-Israeli dispute, a subject that, over the past thirty years, has aroused unusually intense political interest in Washington. Spiegel has concluded that each of the five presidents from Truman to Nixon has been the major architect of his administration's Arab-Israeli policy. The study is scheduled for completion in late 1975.

Indian Development

John Mellor's study of India's potential for economic development has been completed and will be published in 1976. The author, who is a

member of the Cornell University faculty, favors an agriculturally based, labor-intensive development strategy, which, he maintains, offers the best opportunity for India's poor to participate in their nation's future growth.

The International Oil Crisis

Since 1973, as a result of collective action by members of the Organization of Petroleum Exporting Countries (OPEC), the price of oil has more than quadrupled, causing grave concern about the future of the international financial system. Policies proposed in response to OPEC's actions have ranged from the use of force to break up the oil cartel to the establishment of a new economic order. In the light of continuing uncertainty about the effects of the oil price rise, the Fund convened an independent Task Force of financial and energy experts to consider policies for the United States on the price of oil, OPEC investment in the United States, the problem of financing oil deficits, and the plight of poor countries. The Task Force, chaired by Chauncey E. Schmidt, president of the First National Bank of Chicago, has completed its deliberations. Its



Report, with a background paper by Sidney S. Alexander, professor of economics at M.I.T., will be published in 1975.

Japan and the World Economy

Japan's evolution as a world economic power in the postwar period is being assessed by economists Hugh T. Patrick of Yale University and Gary Saxonhouse of the University of Michigan. They expect their analysis to provide a basis for predictions about future problems that may arise in Japan's economic relationships with the United States and other countries, and conclusions as to the most effective ways of resolving such potential conflicts. During the time the project has been under way, the world economy has experienced major transformations which are being incorporated into the analysis. The study, which has encountered major delays, is now scheduled for completion in 1976.

Politics and Economics of the U. S. Forces in Germany

Gregory Treverton of the Institute of Politics at Harvard University is near the completion of his study of the political and economic issues raised by the presence of American forces in Germany. Treverton has focused on the bureaucratic responses to the offset crisis of 1966-67 in both the United States and West Germany, and draws lessons from this episode that may be useful to the United States in maintaining good relations with its allies. The study is scheduled for completion in 1975.

Soviet-American Economic Relations

Franklyn D. Holzman, professor of economics at Tufts University, is analyzing the implications of the widely heralded strengthening of economic ties between the Soviet Union and the United States. Although his study will focus mainly on economic issues, it will also place these issues in the perspective of present political considerations: détente, relationships with other trading nations, and domestic political conditions in the United States. The study will be completed by 1977.

United States Policy Toward the Caribbean

The Caribbean area has been relatively neglected by policymakers in the United States. Yet developments in the region, particularly the willingness of many small states to turn away from the traditional influence and leadership exerted by Washington, suggest the need for a

reexamination of the U. S. role in the Caribbean. John Bartlow Martin, professor of journalism of Northwestern University and former ambassador to the Dominican Republic, is appraising U. S. policy toward the Caribbean since the end of the Eisenhower administration. He is examining economic issues, including the attempt to reach new agreements on commodities, such as sugar and coffee; social issues, such as immigration; and strategic issues, such as the controversial occupation of the Canal Zone. The project is scheduled for completion in June 1976.

Nationalization of U.S. Enterprises in Latin America

In order to derive a larger share of the benefits from enterprises owned or controlled by U. S. citizens and companies, the nations of Latin America have, on numerous occasions, resorted to nationalization. Paul E. Sigmund, a political scientist at Princeton University, is undertaking a study of the whole range of issues posed by such takeovers. He will be investigating problems ranging from the reasons for the decision to nationalize to compensation plans. He also will suggest alternative means of achieving the ends sought through nationalization. The study is scheduled for completion by the fall of 1977.

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

Especially since the improvement of relations between Washington and Peking, Taiwan has received little attention from U.S. policymakers. But the Taiwan issue cannot be easily resolved, because it is closely intertwined with U.S. policy toward Japan as well as toward Peking. Ralph Clough, who has recently been a senior fellow at the Brookings Institution after long experience as a Foreign Service officer in East Asia, will examine the policy options available in dealing with Taiwan during the decade ahead. The study is scheduled to be completed in the fall of 1977.

Trade Policy: A New Round

The Trade Act of 1974 and the Tokyo round of multilateral trade negotiations to which the Act is addressed are likely to have significant international and domestic consequences. Gordon L. Weil, a former member of the Fund staff who, in that capacity, wrote a monograph on trade policy, is examining the current negotiations in the light of the new legislation and recent developments in world trade. He takes the view that dealing with non-tariff barriers and



distortions to trade, the areas of primary emphasis in the new negotiating round, is far more complex than negotiating on tariffs. He will look at a number of critical issues, including the challenge posed by OPEC on oil, in analyzing the positions of the United States, the Common Market, and the developing countries on the major trade issues; he also will offer his own policy recommendations. This paper will be published in the fall of 1975.

Communications

Application of First Amendment Principles to Broadcast Licensing

The conflict between government regulation of the content of broadcasting programs through the fairness doctrine, equal time provisions, and ascertainment of community interests and needs and the constitutionally guaranteed freedoms has disturbed many observers of the broadcast media. Although, given the physical limits of the radio frequency spectrum, some sort of impartial allocation is necessary if the public is to derive any benefit from use of the airwaves, critics contend that government regulation is inappropriate in an area protected by the First Amendment. Albert H. Kramer, who founded the Citizens Communication Center, a public interest communications law firm, has been examining this issue with the intention of proposing alternatives to the present regulatory system. His monograph is expected to be completed late in 1975.

Computers, Information Processing, and Privacy

Developments in computer technology have already affected the manner in which various organizations collect personal data, store it, and make it available to other organizations. With increasing sophistication and ease of storage and retrieval, computers appear bound to pose even more problems for privacy than those now apparent. Although his study is long overdue, Howard Latin, a research associate with the Earl Warren Legal Institute of the University of California at Berkeley, is revising his manuscript extensively; he hopes to bring it into publishable form by the end of 1975.

Economics and Financial Problems of the Cable TV Industry

The disparity between promise and performance in the cable television industry has aroused the concern of regulators, financial experts, broadcasters, and investors. For a variety of reasons, the industry has not made the "wired nation" concept a reality and shows little promise of ever doing so. Perceiving this failure, the Fund called a working conference of cable experts and commissioned a monograph on the subject; unfortunately, the draft of the monograph has been subject to many delays.

The Economics of the Daily Press in the United States

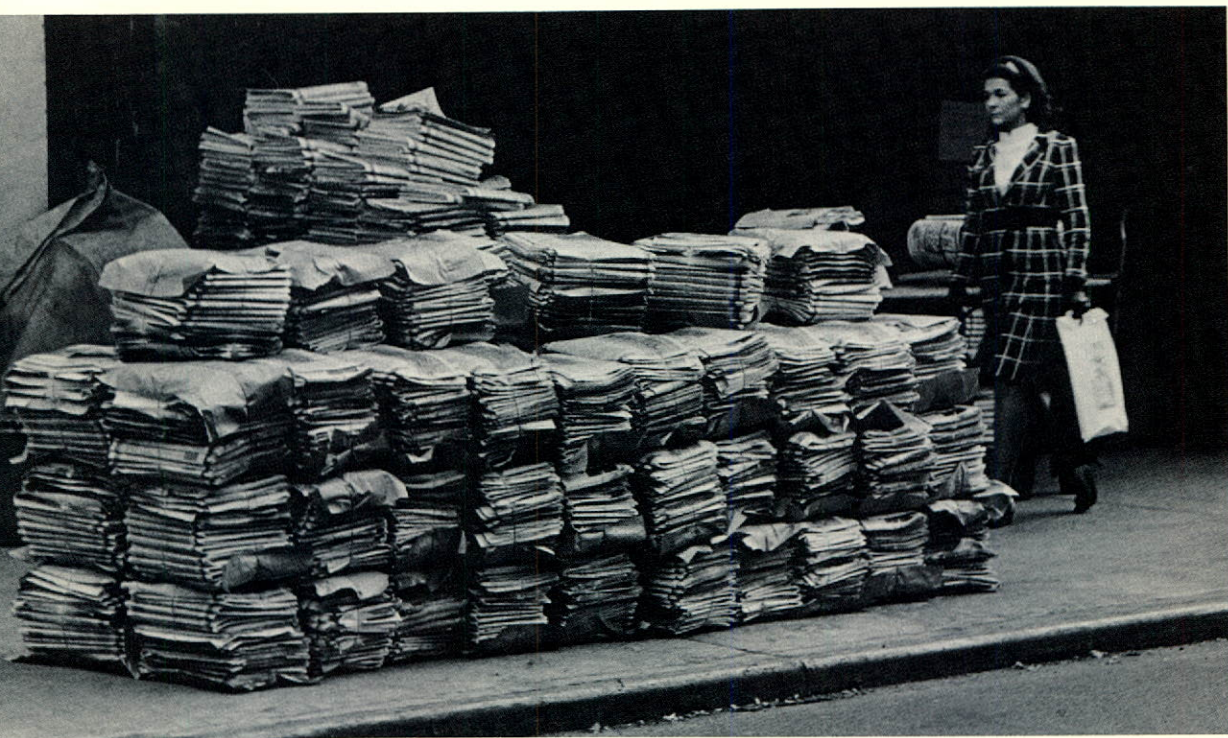
There has been a steady decline in the number of cities—now just 3 percent—in the United States served by competing newspaper firms. Yet newspapers remain the primary source of national and international news for most Americans and are virtually the only source of local news in all but the largest cities. James N. Rosse of Stanford University is studying the market factors, particularly the economies of scale, that have determined the increasing concentration in the newspaper industry. His aim is to evaluate whether possible policy changes, in the light of emerging new technology, can produce an economic environment conducive to competition. The study is scheduled for completion late in 1976.

Information, National Security, and Constitutional Procedures

In the aftermath of the abuses of Watergate and Vietnam, the Executive branch has sought legislative and judicial support for its control of national security information, and its opponents have taken the offensive against the secrecy system. In his study of information, national security, and constitutional procedures, Morton H. Halperin argues that these circumstances make reform of the secrecy system both necessary and, for the first time, politically feasible. His study will trace the development of the secrecy system since World War II and present a proposal for reform of the classification system to permit informed congressional and public participation in the formulation of U. S. foreign policy. The study, which has been delayed, is now due for completion by the end of 1975.

Justice, Publicity, and the First Amendment

With increasing frequency, the press has been challenging the powers of trial judges to take the steps they believe will preserve a fair trial for criminal defendants. This conflict between the courts and the press is not new; in fact, the Fund has supported several earlier projects in this area. But recently, judges have placed broader restrictions on the information about a trial that can be made available to the press and public, leading the press to challenge such orders as violations of the First Amendment. Despite efforts at cooperation through voluntary codes of fair practices, reporters are still being jailed, and



defendants continue to claim that publicity made it impossible for them to get a fair trial. The continuing controversy led the Fund to establish an independent Task Force, chaired by Abraham Goldstein, formerly dean of the Yale Law School, to examine the issues involved in balancing First and Sixth Amendment rights. Alan Barth, a former editorial writer for the *Washington Post* and student of the First Amendment, is preparing a factual background paper. The Task Force Report is expected to be published late in 1975.

National News Council

The National News Council's second year of operation was marked by heightened recognition of the Council's role in hearing complaints about press accuracy and fairness as well as by the increasingly difficult issues with which it had to deal. Although a few major news organizations still refused to cooperate with the Council, its decisions were being distributed nationally by the national wire services and were widely published.

In some cases, of course, the controversial nature of the issue raised before the Council guaranteed publicity for its decision. When the Council

found that nationally syndicated columnist Jack Anderson had misrepresented material in a column about a State Department school for foreign policemen, the resulting dispute between Anderson and the individual who had filed the complaint ended in a congressional hearing. Similarly, the Council was widely credited with being instrumental in bringing the American Jewish Congress and CBS together to discuss a complaint that the network had engaged in distorted reporting in a program on Syria.

In addition to assessing complaints about the press, the Council also examines issues affecting the freedom of the press and restrictions on information. Thus, in cooperation with the Aspen Program on Communications and Society, the Council arranged for publication of a study entitled *Freedom of the Press Versus Public Access*, by Benno C. Schmidt, Jr., a Columbia Law School professor, which it had commissioned. It also publicized a series of statements on press ethics, including a recommendation that news media engaging in "checkbook journalism" should disclose fully in any broadcast or publication the details of the arrangements made to pay the news source.

The Council itself has been the subject of several analyses. A major study, funded by the American Bar Association and the Ford Foundation and published in the *Duke Law Journal*, concluded that ". . . the press should find no fault with the Council from its first year's performance; the public should find cause to applaud a mechanism which is finally defining press responsibility in hard specifics rather than easy generalities." An extended study of the Council by an Ethics Committee subcommittee of the American Society of Newspaper Editors (ASNE) agreed that ". . . the National News Council should be taken seriously on a continuing basis by the nation's editors." During the coming year, the ASNE will determine whether or not it wants to endorse the Council.

The consortium of foundations that originally established the Council had agreed at that time that, after three years, an independent committee should be organized to evaluate its performance. That committee, headed by Federal Judge George Edwards of Cincinnati, was set up by the John and Mary R. Markle Foundation and the Fund. Other committee members are Dean Burch, former chairman of the Federal Communications Commission; Harrison Salisbury, public broadcasting press critic and former correspondent and editor of *The New York Times*; and Lloyd Morrisett and William L. Bondurant of the Markle and Babcock foundations, representing the funding consortium. Their report is expected late in 1975.

Fund trustees approved direct support for the three-year Council experiment and also authorized staff assistance in legal and administrative areas. The Fund also assisted in administration of the Matthew H. Fox Fellowship program, under which graduate journalism and law students compete for summer internships with the Council. Approximately two hundred students from nearly every state applied for the two internship positions made available in 1975 by funds given as a memorial to Matthew H. Fox, a Fund staff member who was closely associated with the Council in its formative days.

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

Most of the national news read and heard by Americans comes from the major wire services. The organization and operation of these services and their effects on the selection, structure, and

content of the news are the subject of a study by Edward Jay Epstein, a political scientist and author of *News from Nowhere*, a study of television news. Using documentary research and interviews with wire service personnel and subscribers around the country, he is proceeding on the assumption that the product of the wire services is not solely the result of newsworthy events but of a fairly stable set of organizational procedures for routinely reducing information about the world to manageable proportions. The project is scheduled for completion early in 1977.



Publishing and Public Information

Motivated in part by the desire to disseminate the results of its research projects and in part by its sense of responsibility as a quasi-public foundation, the Fund follows a policy of full disclosure about its activities. When the Board of Trustees approves project proposals, the Fund sends news releases to the print press, radio, and television. During the research phase of a project, the Fund encourages research directors to meet with scholarly or professional groups. Once the manuscript is received and edited, the Fund arranges for publication and dissemination of research findings, making use of releases, press conferences, and individual interviews.

Public Information

The Fund issued nineteen national press releases during the fiscal year. They covered project approvals, press conferences, and other Fund activities. In addition, a number of local releases on individuals serving on the Fund's independent Task Force were sent to their respective communities. The Fund held three press conferences—two in New York and one in Washington—to announce publication of Task Force reports.

All of the Fund's activities enjoyed a good reception, but the publication that got the most attention was the Report of the Fund's independent Task Force on Legalized Gambling. The press conference held at Fund headquarters in New York to announce publication of the Report resulted in extensive newspaper, television, and radio coverage. The Report was the subject of considerable editorial comment.

Excerpts from the Report, which urged careful examination of proposals to legalize gambling, appeared in a number of publications across the nation. Many months later, the Report is still being cited, as cities and states across the country bring up for consideration the issues of legalizing gambling activities.

The Task Force Report on Policies Toward Veterans also drew wide attention. It was released at a heavily attended Washington press conference the same day that the Congress overrode a presidential veto of a bill increasing veterans benefits, and news of the Task Force Report was included in nationwide coverage of the congressional action.

Four issues of the Fund's Newsletter were published during the year; each issue was distributed to approximately 12,500 individuals and organizations. The Newsletters carried announcements of new projects, completed reports, elections to the Board of Trustees, and other Fund activities.

A listing of the publications that are available from the Fund and those that can be obtained from bookstores or other sources is available to the public and is updated several times each year.

During the year, Fund publications were displayed in twenty-one exhibits ranging from the American Library Association convention in New York to the National Conference on Social Welfare convention in San Francisco.

The Fund's popular Gross National Product Flow Chart, which is regularly updated and made available free of charge to schools and universities, was published with 1974 data. Approximately 9000 copies were distributed within a few months. The 25,000 press run is expected to meet the demand until a new edition is prepared next year. The current issue marks the tenth year in which the graphic explanation of the flow of the nation's goods and services, income, and expenditures has been made available to the education community.

Schools continued their rentals of a color motion picture film prepared by the Fund to explain the concept of Gross National Product. It employs some of the same graphic techniques represented in the flow chart. The film is distributed by McGraw-Hill Films; it had seventy-five showings during the year.

Publishing

Since the research projects supported by the Fund's resources and supervised by its staff are intended from the outset to produce publishable manuscripts, editing and publishing are an integral part of the Fund's program. The Fund places major studies and reports with commercial publishers and university presses in order to achieve the widest possible distribution and exposure. In some cases, these works also are issued in low-priced paperback editions; the Fund stresses both hardcover and paperback publication in negotiating contracts with outside publishers.

The Fund has traditionally functioned as publisher for its Task Force reports and staff research papers. During the past year, it broadened its publishing program by sponsoring a number of projects that will result in monographs. In addition, the Fund has a working arrangement with Kraus Reprint Company for publishing books and reports that have gone out of print.

Full-length books published during the year included *Jails: The Ultimate Ghetto of the Criminal Justice System* by Ronald Goldfarb (Doubleday) and *The New Yorkers: A Profile of an American Metropolis* by Andrew Hacker (Mason/Charter). A paperback edition of *Energy: The New Era* by S. David Freeman, originally issued in hardcover by Walker and Company, was brought out by Vintage Books. *Strategies for Change in the South* by Thomas H. Naylor and James Clotfelter, which was supported in part by the Fund, was published by the University of North Carolina Press. Contracts were signed during the year with Columbia University Press, for *Public Employee Pension Funds* by Robert Tilove, and with Johns Hopkins University Press, for the publication of *Political Money: A Strategy for Campaign Financing in America* by David W. Adamany and George E. Agree.

The first monographs in a series on conflicts of interest in the securities markets were published starting in June 1975. Under the series title, *Conflicts of Interest*, three reports—*Commercial Bank Trust Departments* by Edward S. Herman, *Corporate Pension Fund Asset Management* by John Brooks, and *Broker-Dealer Firms* by Martin Mayer—have been issued. Publication of three more reports in this series is planned for the fall and winter of 1975.

The Fund itself issued three Task Force reports: *Openly Arrived At: Report of the Twentieth Century Fund Task Force on Broadcasting and the Legislature*, with a background paper by Lee M. Mitchell; *Easy Money: Report of the Task Force on Legalized Gambling* sponsored by the Fund for the City of New York and the Twentieth Century Fund, with a background paper by David Beale and Clifford Goldman; and *Those Who Served: Report of the Twentieth Century Fund Task Force on Policies Toward Veterans*, with a background paper by Michael K. Taussig. Another Fund Task Force Report, *Exploitation from 9 to 5: Report of the Twentieth Century*

Fund Task Force on Women and Employment, with a background paper by Adele Simmons, Ann Freedman, Margaret Dunkle, and Francine Blau, was published by Lexington Books. In addition, continuing demand led Kraus Reprint Company to reissue four earlier, out-of-print Task Force reports: *Communicating by Satellite: Report of the Twentieth Century Fund Task Force on International Satellite Communications*, with a background paper by Paul L. Laskin, which the Fund had originally published in 1969; *New Towns: Laboratories for Democracy: Report of the Twentieth Century Fund Task Force on Governance of New Towns*, with a background paper by Royce Hanson, originally issued in 1971; *CDC's: New Hope for the Inner City: Report of the Twentieth Century Fund Task Force on Community Development Corporations*, with a background paper by Geoffrey Faux, published in 1971; and *A Free and Responsive Press: Report of the Twentieth Century Fund Task Force for a National News Council*, with a background paper by Alfred Balk, published in 1973. The demand for two Task Force reports published this year by the Fund—*Those Who Served* and *Easy Money*—was so great that they quickly went out of print and also were reissued by Kraus.

In addition, Kraus has reprinted a number of works from the Fund's back list. These include: *Classified Files: The Yellowing Pages: A Report on Scholars' Access to Government Documents* by Carol M. Barker and Matthew H. Fox, a Fund staff paper (1972); *Strategy and Arms Control* by Thomas C. Shelling and Morton Halperin (1961); *A Memorandum on the Problem of Big Business* issued by the Corporation Survey Committee of the Twentieth Century Fund and submitted to the Temporary National Economic Committee (1939); *Renewing Our Cities* by Miles L. Colean (1953); *Labor and the Government: An Investigation of the Role of the Government in Labor Relations* by the Committee on the Government and Labor, originally published for the Fund by McGraw-Hill (1935); *Trends in Collective Bargaining: A Summary of Recent Experience* by S. T. Williamson and Herbert Harris, with a report and recommendations by the Labor Committee (1945); *Cartels in Action: Case Studies in International Business Diplomacy* by George W. Stocking and Myron W. Watkins (1946); *Economic Needs of Older People* by John J. Corson and John W. McConnell, with Policy Recommendations of the Committee on Economic Needs of Older People (1956); *Crime*

and Publicity: The Impact of News on the Administration of Justice by Alfred Friendly and Ronald L. Goldfarb (1967); *Farm Policies of the United States, 1790–1950: A Study of Their Origins and Development* by Murray R. Benedict (previously reprinted by Octagon Books in 1966) (1953); and *Antitrust Policies: American Experience in Twenty Industries* by Simon N. Whitney, Vol. 1 (Vol. 2 is still in print and being sold for us by Kraus) (1958).

A Spanish edition of the approved Fund condensation by Seth S. King of Gunnar Myrdal's three-volume Fund Study, *Asian Drama*, was published by Editorial Ariel. The one-volume condensation is available in French, German, Italian, Japanese, and Spanish; the original three-volume study has been translated into Italian.

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

The Patient as Consumer: Health Care Financing in the United States by John Krizay and Andrew Wilson. This comprehensive, analytical Report on 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. Publisher: Lexington Books/D.C. Heath & Company.

Presidential Television by Newton N. Minow, John Bartlow Martin, and Lee M. Mitchell. This Report deals with the dangers that presidential access to television poses for the nation's traditional system of checks and balances. Mr. 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. This Study is the first detailed examination of the nation's thirty-three largest foundations (each with assets of over \$100 million). Although it defends the idea of foundations, it 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. 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. 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. 464 pages, January 1972, \$10 (paper, \$2.45). Publisher: Pantheon. Available in French, German, Italian, Japanese, Persian, and Spanish translations.

The Alliance That Lost Its Way: A Critical Report on the Alliance for Progress by Jerome Levinson and Juan de Onis. 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.

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

Current Fund Paperbacks in Print

The Rating Game. This Task Force Report recommends 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, single copies free.

. . . *A Nice Place To Live*. A Task Force Report examining the problems facing the mayor of New York City, along with recommendations for

dealing with them. 72 pages, December 1973, single copies free.

Conflicts of Interest: Broker-Dealer Firms by Martin Mayer. This Report is a careful examination of the conflicts between the self-interest of broker-dealer firms and their legal duty to protect the interests of their customers. Mr. Mayer recommends actions that can be taken to minimize the risks of conflict present in the securities market. 76 pages, August 1975, single copies free.

Conflicts of Interest: Commercial Bank Trust Departments by Edward S. Herman. This Report examines bank trust departments, focusing on the conflicts between the trust and lending operations of commercial banks. It urges such reforms as easing entry of non-banks into the trust business, placing ceilings on the holdings of any one security by a trust department, restricting mergers between large trust organizations, and facilitating class action lawsuits against bank trustees. 166 pages, June 1975, single copies free.

Conflicts of Interest: Corporate Pension Fund Asset Management by John Brooks. This Report analyzes conflicts in corporate pension funds, examining the role of actuaries in determining funding requirements, the selection of investment managers, the practice of investing pension fund assets in the sponsoring corporation's stock, and the pressure on pension funds to reach for above-average returns. 61 pages, June 1975, single copies free.

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. 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. Publisher: Kraus Reprint Company.

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

A Free and Responsive Press. This Task Force Report urges establishment of an independent National News Council to hear complaints from the press and the public on questions of accuracy, fairness, access, and government interference, as well as to study and report on issues involving freedom of the press. 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. 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, single copies free.

Other Books

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. 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. 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.

A Constant Quantity of Tears: Planning and Budgeting in Poor Countries by Naomi Caiden and Aaron Wildavsky. 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.

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

The Leaning Ivory Tower by Warren Bennis. As participant-observer, the author comments about the search for a new president of the State University of New York at Buffalo and provides an account of the inauguration and failure of a new plan of higher education. 154 pages, January 1973, \$7.95. Publisher: Jossey-Bass.

Grants

As a private operating foundation under the Tax Reform Act of 1969, the Twentieth Century Fund is limited in its grant-making activity. The Fund's Board of Trustees approves grants only rarely and then generally in connection with a major research activity of the Fund or in recognition of its broader responsibilities. Only two such grants were approved this year.

National News Council

Responding to the unanimous recommendation of its independent Task Force, the Fund pledged \$300,000 over a three-year period to establish the National News Council. The Council is entering its third year with a steadily growing record of careful examination of public complaints about press fairness and accuracy. The Fund's Board of Trustees approved the \$100,000 grant to support the Council during the final year of this initial three-year experiment.

New York City

Since 1967, the Fund has made an annual grant to the city of New York in recognition of the municipal services rendered it free of charge as a tax-exempt property owner. This year, the amount of the grant approved by the Board of Trustees increased to \$15,000, 50 percent larger than the first such payment the Fund made, bringing the total amount that the city has received from the Fund to \$96,500. The Fund was the first foundation in the city to make such grants; it has continued to urge other property-owning, tax-exempt foundations in New York to recognize their obligation to the city.

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John E. Booth, Associate Director
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Theodore Draper
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Task Force Members

Task Force on Broadcasting and the Legislature (1971)

Frederick Ford, chairman
Partner, Pittman, Lovett, Ford,
Hennessy and White

Julian Bond
Member, Georgia House of
Representatives

Douglass Cater
Director, Communications and Society,
Aspen Institute for Humanistic Studies

Frances "Sissy" Farenthold
Lawyer, Former Member, Texas State
Legislature

Jay Iselin
President, WNET

William F. May
Chairman of the Board, American Can
Company

Robert Northshield
Executive Producer, NBC News

W. Theodore Pierson, Sr.
Partner, Pierson, Ball & Dowd

William Rusher
Publisher, *The National Review*

Rapporteur:
Lee M. Mitchell
Lawyer, Sidley & Austin

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

Paul Ylvisaker, chairman
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Jerome Cavanagh
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Millicent H. Fenwick
Former Director of Consumer Affairs,
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Julius Margolis
Director, Fels Center of Government

Henry Rowen
Professor, Graduate School of Business,
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Percy Sutton
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Rapporteurs:
Clifford Goldman
Deputy Treasurer, State of New Jersey

David Beale
Executive Director, Treasury
Department, State of New Jersey

Consultant:
Jess Marcum
Santa Monica, California

Task Force on Policies Toward Veterans (1973)

Robert Finch, chairman
Former Secretary of Health, Education and Welfare

Robert Ball
Former Social Security Commissioner

Robert E. Deluhery
Former Executive Officer of the Illinois Veterans Commission

William Driver
Former Administrator of the Veterans Administration

Gloria Emerson
Author and former *New York Times* Correspondent

Michael S. March
Former Senior Staff Member of the Bureau of the Budget; Professor of Public Affairs, University of Colorado

William A. Enemark,
Major-General (USA-Ret.); Former Inspector General of the U.S. Army

Nathaniel Jones
General Counsel, National Association for the Advancement of Colored People

Carl M. A. McCarden
Former Commissioner of the Mayor's Office for Veteran Action of New York City

Harry C. McPherson, Jr.
Former Special Counsel to President Lyndon B. Johnson

Alberta Parker
Clinical Professor of Community Health at the University of California School of Public Health

Rapporteur:
Michael K. Taussig
Professor of Economics, Rutgers University

Task Force on College and University Endowment Policy (1974)

John Gilligan, chairman
Former Governor of Ohio

Sanford S. Atwood
President, Emory University

Robert R. Augsburger
Vice-President for Business and Finance, Stanford University

J. Eugene Banks
Partner, Brown Brothers Harriman & Company

Walter M. Cabot
President, Harvard Management Company

J. Richardson Dilworth
Rockefeller Family and Associates

David P. Eastburn
President, Federal Reserve Bank of Philadelphia

Luther H. Foster
President, Tuskegee Institute

Hans H. Jenny
Vice-President for Finance and Business, The College of Wooster

Reverend Edmund P. Joyce, C.S.C.
Executive Vice-President, University of Notre Dame

Roger F. Murray
S. Sloan Colt Professor of Banking and Finance, Columbia University

Henry H. Porter, Jr.
Vice-President—Finance and Treasurer, General Mills, Inc.

George Putnam
Chairman, Putnam Management Company; Treasurer, Harvard University

Rapporteur:
J. Peter Williamson,
Professor, Amos Tuck School of Business Administration, Dartmouth College

Task Force on the International Oil Crisis (1974)

Chauncey E. Schmidt, chairman
President, The First National Bank of Chicago

M.A. Adelman
Professor of Economics, Massachusetts Institute of Technology

Robert O. Anderson
Chairman of the Board, Atlantic Richfield Company

Edward M. Bernstein
President, EMB Limited

Benjamin V. Cohen
Lawyer, former Counselor to the Department of State

Peter M. Flanigan
Managing Director, Dillon Read & Co., Inc.

Charles J. Hitch
President, Resources for the Future, Inc.

Peter B. Kenen
Walker Professor of Economics and International Finance, Princeton University, Princeton, New Jersey

Walter J. Levy
Consultant, W. J. Levy Consultants Corp.

John R. Meyer
1907 Professor in Transportation, Logistics, and Distribution, Harvard Business School

Leslie C. Peacock
Vice-Chairman of the Board, Texas Commerce Bankshares, Inc.

John S. Samuels III
Chairman of the Board, Carbomin International Corporation

Nathaniel Samuels
Chairman of the Board, Louis Dreyfus Corporation, New York, New York

Allan Sproul
Former President, Federal Reserve Bank of New York; Consultant, Wells Fargo Bank, N.A.

Herbert Stein
A. Willis Robertson Professor of Economics, University of Virginia

Richard J. Whalen
Author, Fort Sumner, Maryland

Rapporteur:
Sidney S. Alexander
Professor of Economics, Massachusetts Institute of Technology

**Task Force on Justice,
Publicity, and the First
Amendment (1974)**

Abraham S. Goldstein, chairman
Dean, Yale Law School

Stephen Barnett
Professor of Law,
University of California

John R. Bartels
Judge, U.S. District Court
New York

Joseph A. Califano, Jr.
Attorney, Williams, Connolly &
Califano

Lenora Carter
Editor and Publisher,
Forward Times

Stanley H. Fuld
Former Chief Judge,
Court of Appeals of the
State of New York

Stephen Hess
Senior Fellow,
The Brookings Institution

Nathan Lewin
Visiting Professor, Harvard
Law School

C.K. McClatchy
Editor, *The Sacramento Bee*

Michael J. O'Neill
Executive Editor, New York
Daily News

Abraham D. Sofaer
Professor of Law, Columbia
University Law School

Carl Stern,
Washington Correspondent,
NBC News

Tom Wicker
Associate Editor,
The New York Times

Rapporteur:

Alan Barth
Author, Former Editorial Writer,
The Washington Post

**Task Force on Criminal
Sentencing (1975)**

Edmund G. Brown, Sr., chairman
Former Governor of California; Lawyer,
Ball, Hunt, Hart, Brown and Baerwitz

Barbara Babcock
Professor, Stanford Law School

Horace W. Gilmore
Judge, Wayne County Circuit Court
Detroit, Michigan

James J. Leff
Justice, New York State Supreme Court

George N. Leighton
Justice, Appellate Court of Illinois

Joseph D. McNamara
Chief of Police,
Kansas City, Missouri

George H. Revelle
Judge, King County Superior
Court, Seattle, Washington

Charles E. Silberman
Director, Ford Foundation Study of Law
and Justice

Bernard J. Vogelgesang
Director, Department of Court Services,
State of Iowa

Andrew von Hirsch
Visiting Professor, School of Criminal
Justice, State University of New York
at Albany

Osgood Williams
Judge, Fulton Superior Court, Atlanta
Judicial Circuit

Theartrice T. Williams,
Ombudsman for Corrections,
State of Minnesota

Rapporteur:

Alan M. Dershowitz
Professor, Harvard Law School

Auditors' Report

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

We have examined the balance sheets of Twentieth Century Fund, Inc. (a Massachusetts nonprofit corporation) as of June 30, 1975 and 1974, and the related statements of income, expenses and changes in fund balances for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements referred to above present fairly the financial position of Twentieth Century Fund, Inc. as of June 30, 1975 and 1974, and its income, expenses and changes in fund balances for the years then ended, in conformity with generally accepted accounting principles consistently applied during the periods.

Arthur Andersen & Co.

New York, New York,
September 12, 1975.

Finances

Twentieth Century Fund, Inc.

Balance Sheets

June 30, 1975 and 1974

Assets

	1975	1974
Cash	\$ 77,887	\$ 63,192
Accrued Interest and Dividends Receivable	188,058	184,240
Accounts Receivable and Prepaid Expenses	24,973	11,622
Investments, at cost (quoted market, \$26,295,273 in 1975 and \$23,276,355 in 1974) (Schedule 3)	21,331,874	21,409,334
Fixed Assets, at cost, net of accumulated depreciation of \$189,063 in 1975 and \$172,462 in 1974 (Note 1)	358,970	375,571
<i>Total Assets</i>	\$ 21,981,762	\$ 22,043,959

Liabilities and Fund Balances

Liabilities:

Accounts Payable and Accrued Liabilities	\$ 52,701	\$ 50,695
Federal Excise Tax Payable (Note 2)	55,569	55,290
<i>Total Liabilities</i>	\$ 108,270	\$ 105,985

Fund Balances (Note 1):

General Fund—

Appropriated for research projects (Schedule 2)	\$ 1,563,681	\$ 1,694,466
Appropriated for special projects (Schedule 2)	100,000	200,000
Net investment in fixed assets	358,970	375,571
Available for investment and future projects	18,075,089	17,892,185
<i>Total General Fund</i>	\$ 20,097,740	\$ 20,162,222
1922 Endowment Fund	1,775,752	1,775,752
<i>Total Fund Balances</i>	\$ 21,873,492	\$ 21,937,974
<i>Total Liabilities and Fund Balances</i>	\$ 21,981,762	\$ 22,043,959

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

Twentieth Century Fund, Inc.
Statements of Income, Expenses and Changes in Fund Balances
 For the years ended June 30, 1975 and 1974

General Fund

	1975	1974
<i>Income Available for Operations:</i>		
Interest	\$ 666,876	\$ 587,708
Dividends	655,452	744,265
Royalties on sale of publications	19,265	21,839
Other, net	4,419	—
<i>Total Income</i>	\$ 1,346,012	\$ 1,353,812
<i>Expenses:</i>		
Operations (Schedule 1)—		
Research projects	\$ 1,063,659	\$ 984,637
Special projects	100,000	100,000
Publications	265,203	239,733
Management and general	215,845	222,250
<i>Total Operations</i>	\$ 1,644,707	\$ 1,546,620
Governmental payments—		
Federal excise tax (Note 2)	49,970	53,679
Payment to New York City in recognition of municipal services	15,000	13,500
<i>Total Expenses</i>	\$ 1,709,677	\$ 1,613,799
Excess of expenses over income available for operations	(363,665)	(259,987)
Realized net gain on investment transactions	299,183	99,967
Increase (decrease) in Fund Balance	(64,482)	(160,020)
Fund Balance, beginning of year	20,162,222	20,322,242
<i>Fund Balance, end of year</i>	\$ 20,097,740	\$ 20,162,222
1922 Endowment Fund (Note 1)		
Fund Balance, beginning of year	\$ 1,775,752	\$ 1,773,502
Realized net gain (loss) on investment transactions (Note 1) ..	—	2,250
<i>Fund Balance, end of year</i>	\$ 1,775,752	\$ 1,775,752

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

Twentieth Century Fund, Inc.
Notes to Financial Statements
 June 30, 1975 and 1974

(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, 1975 are summarized as follows:

	Cost	Accumulated Straight-Line Depreciation	Estimated Useful Lives
Land	\$125,000	\$ —	—
Building	175,000	80,937	40 years
Building Improvements	223,918	90,039	40 years
Accounting Machine	24,115	18,087	4 years
<i>Total Cost and Depreciation</i>	\$548,033	\$189,063	

Employee benefits—

Retirement benefits for substantially all employees are provided through defined contributions by the Fund for the purchase of individual annuity contracts with Teachers Insurance and Annuity Association and College Retirement Equities Fund. The cost of the plan, which is funded currently, approximated \$33,000 and \$29,000 for the years ended June 30, 1975 and 1974, respectively. There is no unfunded prior service cost as of June 30, 1975.

The Pension Reform Act of 1974 requires the Fund to amend its pension plan to conform with certain provisions of the Act, which will become effective in 1976. The Fund believes that the effect on annual pension costs and the funding of such costs for 1976 and subsequent years resulting from this amendment will not be significant.

Endowment interest and dividend income—

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

(2) Tax status:

The Twentieth Century Fund is a research foundation engaged in the study of cultural, economic and social issues and institutions. The Fund is exempt from income tax under Section 501(c) (3) of the U.S. Internal Revenue Code and has been classified as a private operating foundation.

Twentieth Century Fund, Inc.
Statement of Operating Expenses by Function
 For the year ended June 30, 1975 with
 Comparative Totals for 1974

Schedule 1

Expenses	1975				1974	
	Research Projects	Special Projects	Publica- tions	Manage- ment and General	Total	Total
<i>Direct Expenses:</i>						
Salaries, consultant fees, travel, etc. (Schedule 2)	\$ 754,245	\$ -	\$ -	\$ -	\$ 754,245	\$ 655,082
Grants to other organizations (Schedule 2)	-	100,000	-	-	100,000	100,000
Publications-printing, storage, etc.	-	-	59,683	-	59,683	31,056
Public information-annual report,	-	-	-	-	-	-
newsletter, press conferences, etc.	-	-	-	25,710	25,710	33,015
<i>Headquarters' Expenses:</i>						
Salaries, wages and related costs (Note 1)	233,878	-	161,191	120,894	515,963	491,420
Office equipment and supplies	14,503	-	10,548	7,911	32,962	48,519
Maintenance and repair of building	16,013	-	11,645	8,734	36,392	45,088
Professional fees	-	-	-	35,996	35,996	49,422
Meetings and conferences	22,833	-	5,999	4,499	33,331	36,232
Telephone and telegraph	11,639	-	8,465	6,348	26,452	27,354
Depreciation (Note 1)	7,304	-	5,313	3,984	16,601	15,987
Other	3,244	-	2,359	1,769	7,372	13,445
<i>Total Operating Expenses</i>	\$1,063,659	\$100,000	\$265,203	\$215,845	\$1,644,707	\$1,546,620

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

Twentieth Century Fund, Inc.
Statement of Project Appropriations
 For the year ended June 30, 1975

Schedule 2

Title of Project and Project Director	Total Project	Appropriated	Activity for the Year		Appropriated
	Appropriation June 30, 1975	Balance June 30, 1974	Net Appropriations	Expenses	Balance June 30, 1975
<i>Research Projects:</i>					
American Art Museums: A Troubled Cloister, K. E. Meyer	\$ 69,750	\$ -	\$ 69,750	\$ 24,391	\$ 45,359
Application of 1st Amendment Principles to Broadcast Licensing, A. Kramer	29,250	18,296	-	12,927	5,369
Big City Mayors, R. Murphy	41,450	16,789	-	-	16,789
Black Middle Class, L. B. Landry	85,640	-	85,640	3,595	82,045
Capitalism & Underdevelopment in India & Pakistan, T. Weisskopf	57,300	12,763	(12,763)	-	-
Changing Role of the Individual Investor, M. Blume, I. Friend	151,862	143,646	-	39,114	104,532
Changing Role of Women in Politics, J. Kirkpatrick, W. Miller	140,405	47,271	-	16,179	31,092
College & University Endowment Policy, Task Force	27,750	-	27,750	25,742	2,008
Computers, Information Processing & Privacy, H. Latin	8,300	1,100	-	800	300
Conference on the Cable TV Industry	7,500	4,057	-	1,086	2,971
Conflicts of Interest, Steering Committee	110,000	33,729	-	5,589	28,140
Criminal Sentencing, Task Force	27,500	-	27,500	8,913	18,587
Desegregation & Integration of Public Schools, R. McKay	49,850	48,633	-	9,336	39,297
Domestic Intelligence & Internal Securities Practices of the U.S. Government, L. M. Baskir	154,800	154,800	(154,800)	-	-
Economics of Criminal Justice, R. Richardson	148,550	87,081	(73,849)	13,232	-
Economics of the Daily Press in the U.S., J. M. Rosse	66,100	-	66,100	-	66,100
Economic Policies of the Federal Government, H. Segal	86,250	45,509	(55,509)	(10,000)	-
Education & Labor Market Discrimination, R. Freeman	64,600	29,932	-	3,411	26,521
Federal Power & State Priorities, P. Passell, L. Ross	87,700	34,339	-	19,368	14,971
Financial Instability & the Strategy of Economic Policy, H. Minsky	41,400	-	41,400	12,731	28,669
Formulation of American Policy Toward the Arab-Israeli Dispute, S. Spiegel	67,600	54,439	-	40,081	14,358
Higher Education, Task Force	10,000	-	10,000	-	10,000
Inequality in the Affluent Society, F. Hirsch	93,500	29,817	-	9,591	20,226
Information, National Security & Constitutional Procedures, M. Halperin	99,650	65,086	-	63,384	1,702

(Continued on following page)

Twentieth Century Fund, Inc.
Statement of Project Appropriations, continued

Schedule 2

Title of Project and Project Director	Total Project	Appropriated	Activity for the Year		Appropriated
	Appropriation June 30, 1975	Balance June 30, 1974	Net Appropriations	Expenses	Balance June 30, 1975
International Oil Crisis: Financing, Prices & Supply, Task Force	\$ 28,550	\$ -	\$ 28,550	\$ 11,597	\$ 16,953
Japan & the World Economy, H. Patrick, G. Saxonhouse	101,750	28,900	-	3,289	25,611
Judicial Conference	10,000	-	10,000	1,293	8,707
Jury Selection Procedure in the U.S., J. Van Dyke	35,000	8,361	-	3,622	4,739
Justice, Publicity & the 1st Amendment, Task Force	28,500	-	28,500	19,467	9,033
Large Scale Public Support of the Arts in the U.S., D. Netzer	32,900	-	32,900	11,678	21,222
Legalized Gambling, Task Force	25,000	9,727	(9,527)	200	-
Legal Representation of the Indigent Criminal, R. Hermann, S. Rosenfeld, E. Single	138,500	138,500	-	60,421	78,079
National Energy Policy, S. D. Freeman	58,050	1,017	(1,017)	-	-
Nationalization of U.S. Enterprises in Latin America, P. E. Sigmund	64,215	-	64,215	-	64,215
Open Spaces in the Inner City, A. Heckscher	199,920	126,722	20,000	80,757	65,965
Planning & Politics of Low-Income Housing, A. Polikoff	36,300	14,600	-	12,170	2,430
Policies Toward Veterans, Task Force	31,113	2,966	5,763	8,729	-
Politics & Economics of U.S. Forces in Germany, G. Treverton	8,350	1,098	-	891	207
Politics of Land Use Reform, F. J. Popper	70,200	-	70,200	172	70,028
Political Polarization & Participation, A. Greeley, N. Nie, S. Verba	158,176	29,112	-	20,408	8,704
Political Surveillance in the U.S., R. E. Morgan	49,500	-	49,500	-	49,500
Postwar International Monetary Experience, M. Gilbert, R. Oppenheimer	146,500	146,500	-	-	146,500

Statement of Project Appropriations, continued

Title of Project and Project Director	Total Project	Appropriated	Activity for the Year		Appropriated
	Appropriation June 30, 1975	Balance June 30, 1974	Net Appropriations	Expenses	Balance June 30, 1975
Presidential Nominating Process, D. Abbott, K. Bode	\$ 126,133	\$ 3,403	\$ 2,559	\$ 5,962	\$ -
Press Councils, Task Force	25,000	22,428	-	22,428	-
Private Charities in the U.S., W. Shapiro	72,350	70,186	-	36,899	33,287
Public Affairs Broadcasting, Task Force	25,000	5,681	(520)	5,161	-
Public Authorities, A. Walsh	135,100	10,461	15,000	25,558	(97)
Public Employee Retirement Systems, R. Tilove	93,950	9,615	(9,615)	-	-
Public Financing of Elections, D. Adamany, G. Agree	115,087	18,999	(13,817)	5,182	-
Securities Market, Task Force	50,000	28,450	-	-	28,450
Soviet American Economic Relations, F. Holzman	77,100	77,100	-	34,186	42,914
Taiwan Issue in U.S. Relations with China & Japan, R. Clough	79,700	-	79,700	-	79,700
Trade Policy: A New Round, G. Weil	6,000	-	6,000	2,500	3,500
U.S. Biomedical Research Strategy, S. P. Strickland	86,150	-	86,150	6,480	79,670
U.S. Policy Toward the Caribbean, J. Martin	117,000	113,353	-	52,796	60,557
Wholesale News: How the Wire Services Select, Shape and Distribute Information, E. Epstein	127,700	-	127,700	22,929	104,771
<i>Total Research Projects</i>	\$4,085,501	\$1,694,466	\$623,460	\$754,245	\$1,563,681
<i>Special Projects:</i>					
National News Council	300,000	200,000	-	100,000	100,000
<i>Total Research and Special Projects</i>	\$4,385,501	\$1,894,466	\$623,460	\$854,245	\$1,663,681

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

Twentieth Century Fund, Inc.
Statement of Investments
 Summary, June 30, 1975

Summary**Schedule 3**

Description	Cost			Quoted Market
	1922 Endowment Fund	General Fund	Total	
Commercial Paper	\$ —	\$ 3,200,000	\$ 3,200,000	\$ 3,200,000
Notes	650,625	1,357,738	2,008,363	1,966,250
Bonds	1,041,467	2,570,268	3,611,735	3,195,157
Common Stocks	75,896	12,435,880	12,511,776	17,933,866
<i>Total Investments</i>	\$1,767,988	\$19,563,886	\$21,331,874	\$26,295,273

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

Twentieth Century Fund, Inc.
Statement of Investments, continued

Schedule 3

Description	Principal Amount	Cost	Quoted Market
<i>Commercial Paper:</i>			
Morgan Guaranty Trust Co. 5.5% 7/23/75	\$ 500,000	\$ 500,000	\$ 500,000
Morgan Guaranty Trust Co. 6% 7/28/75	500,000	500,000	500,000
American Express Credit Corp. 5.147% 7/2/75 .	550,000	550,000	550,000
International Harvester Credit Corp. 5.125% 7/7/75	300,000	300,000	300,000
C.I.T. Financial Corp. 5.9% 7/7/75	500,000	500,000	500,000
Sears Roebuck Acceptance Corp. 5.5% 7/15/75 .	500,000	500,000	500,000
International Harvester Credit Corp. 6.25% 7/29/75	350,000	350,000	350,000
Total Commercial Paper	\$3,200,000	\$3,200,000	\$3,200,000
<i>Notes:</i>			
American Express Credit Corp. 6.5% 1977	\$ 100,000	\$ 100,000	\$ 96,375
BankAmerica Corp. 6.625% 1980	200,000	199,120	189,250
Chemical N.Y. Corp. 6.625% 1980	100,000	99,430	92,250
Citicorp 9.7% (a) 1989	500,000	496,875	496,250
First Chicago Corp. 6.75% 1980	100,000	99,250	93,250
National Bank of Detroit 6.875% 1979	100,000	100,000	93,875
New England Telephone & Telegraph Co. 6.5% 1979	100,000	100,000	94,750
New York Bank for Savings 10% (a) 1981	200,000	209,000	203,750
Standard Oil Co. (Indiana) 9.2% 2004	250,000	254,063	260,625
Standard Oil Co. (Indiana) 9.7% (a) 1989	250,000	250,625	249,375
United States Leasing Corp. 7.65% 1977	100,000	100,000	96,500
Total Notes	\$2,000,000	\$2,008,363	\$1,966,250

(a) Floating interest rate is based upon U.S. Treasury Bill rate; rate indicated is the minimum guaranteed rate.

Twentieth Century Fund, Inc.
Statement of Investments, continued

Schedule 3

Description	Par Value	Cost	Quoted Market
<i>Bonds:</i>			
Bendix Corp. 6.625% 1992	\$ 300,000	\$ 279,750	\$ 251,250
Continental Oil Co. 7.5% 1999	100,000	99,750	87,000
Detroit Edison Co. 9% 1999	100,000	99,750	84,000
Dow Chemical Co. 7.75% 1999	125,000	125,000	114,219
Florida Power & Light Co. 8% 1999	100,000	101,141	82,500
General Telephone Company			
(California) 7.625% 2001	150,000	150,750	119,063
Hawaiian Telephone Co. 8% 1994	150,000	152,448	117,750
Illinois Bell Telephone Co. 8% 2005	100,000	102,000	93,375
Illinois Power Co. 8.35% 1999	100,000	100,000	91,000
Iowa Public Service Co. 8% 2001	100,000	99,437	82,500
Marine Midland Banks, Inc. 8.125% 1994	100,000	99,500	85,000
National Cash Register Co. 7.7% 1994	100,000	100,000	83,750
Northern States Power Co. 8% 1999	100,000	96,168	88,875
Ohio Edison Co. 8.25% 1999	100,000	102,000	91,250
Pacific Gas & Electric Co.—			
7.5% 2001	100,000	100,612	84,000
8.875% 2002	200,000	201,587	195,000
Philadelphia Electric Co. 9% 1995	100,000	102,250	95,875
Province of Ontario 9.25% 2000	100,000	99,000	100,500
Province of Quebec 7.875% 1999	200,000	197,172	164,000
R. J. Reynolds Tobacco Co. 7.875% 1994	100,000	99,750	92,000
South Central Bell Telephone Co. 8.5% 2001 ..	200,000	198,799	194,750
Standard Oil Co. (Ohio)—			
7.6% 1999	100,000	100,000	87,875
8.5% 2000	100,000	99,750	96,500
Texas Electric Service Co. 7.625% 1999	100,000	102,090	87,875
Union Electric Co. 8.25% 1999	100,000	101,500	83,750
Virginia Electric & Power Co. 7.75% 1999	200,000	200,000	161,250
Weyerhaeuser Co. 7.65% 1994	200,000	200,000	185,750
Wisconsin Natural Gas Co. 8.75% 1994	100,000	101,531	94,500
<i>Total Bonds</i>	\$3,625,000	\$3,611,735	\$3,195,157

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	\$ 560,846
Baxter Laboratories, Inc.	5,000	162,584	231,875
Bundy Corp.	20,000	603,444	220,000
Burlington Northern Inc.	10,000	352,229	381,250
Christiana Securities Co.	2,000	282,797	245,000
Continental Oil Co.	10,000	433,639	672,500
Deere & Co.	5,000	189,660	210,625
Dresser Industries, Inc.	10,000	480,836	636,250
Federated Department Stores, Inc.	80,000	1,687,453	3,990,000
First National Boston Corp.	6,000	115,857	183,750
General Electric Co.	12,000	512,236	631,500
General Motors Corp.	10,000	599,510	487,500
Harris Bankcorp, Inc.	10,000	544,139	585,000
Hercules, Inc.	20,000	537,544	640,000
International Paper Co.	10,000	507,464	510,000
Jefferson Pilot Corp.	10,000	361,723	366,250
Manufacturers Hanover Corp.	10,000	346,302	382,500
Mobil Oil Corp.	10,000	315,080	475,000
Perkin-Elmer Corp.	15,000	235,188	446,250
Philadelphia Life Insurance Co.	11,576	273,018	164,958
Phillips Petroleum Co.	25,000	667,301	1,487,500
Pittway Corp.	4,867	171,144	171,562
Roper Corp.	15,000	399,617	217,500
St. Regis Paper Co.	15,000	408,287	423,750
Santa Fe Industries, Inc.	10,000	250,390	281,250
Standard Oil Co. (Indiana)	20,000	244,167	987,500
Storer Broadcasting Co.	10,000	178,092	197,500
Union Carbide Corp.	12,000	534,512	742,500
Union Pacific Corp.	10,000	398,386	777,500
Weyerhaeuser Co.	15,000	415,525	626,250
<i>Total Common Stocks</i>		\$12,511,776	\$17,933,866

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