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THE TWENTIETH CENTURY FUND 1966

REPORT REPORT REPORT

1966
ANNUAL REPORT
THE TWENTIETH CENTURY FUND

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THE TWENTIETH CENTURY FUND

The Twentieth Century Fund is a nonprofit foundation specializing in research and public education on the vital issues of the day, with an emphasis on economic and social questions and international affairs.

Nonpartisan and objective in its approach, the Fund publishes the results of its researches in book form and further disseminates the research findings through a wide variety of public education activities. On occasion the Fund holds conferences to obtain the advice of experts in particular fields on new lines of research or on research already under way.

The Fund was founded in 1919 by Edward A. Filene, Boston merchant and civic leader, who made a series of gifts that now constitute the Fund's capital assets. Income from this endowment is used almost entirely to support the activities of the Twentieth Century Fund.

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Trustees and Officers FEBRUARY · 1967

Preface by the Director

MAN ABOVE NATURE — AN ESSENTIAL INQUIRY

In writing the last of my introductions* for the Annual Report of the Twentieth Century Fund I am tempted to look forward rather than back. The important matter is not so much where we have been or what we have done, but what we may do next.

I am thinking, of course, not only about the Fund (which will have a modest role at best) but about all those institutions of our society which help to develop values and insights — to conduct the research and to formulate the plans — with the aid of which we move forward into the diminishing years of the twentieth century.

*

Let me define the issue which seems to me paramount by saying that until now the task before each generation has been that of ordering, manipulating and changing the world of which it is a part. Much has been plainly wrong and needed righting; much has obviously been askew, unequal or unjust.

In the contemporary situation the economic system has at best worked imperfectly; aspects of the social order have affronted both decency and good sense; the structure of the international society, with its national rivalries among supposedly sovereign states, has seemed to bear little relationship to the shape of actual things. Wherever one looked there was something needing to be done, and usually to be done quickly.

* On March 15, 1967, Mr. Heckscher resigned as Director of the Fund to become Administrator of Recreation and Cultural Affairs and Commissioner of Parks for New York City.

Thus change was urged upon us both by necessity and moral conviction. In addition, a strong temptation has made itself felt. Modern man has mastered so many techniques and amassed such great powers that he has felt restless if not making use of them. Whatever *could* be done it seemed impossible not to do — whether this meant traveling faster than sound or reaching and settling the moon.

One result has been the literal making over of the physical environment. Indeed, it has become commonplace to say that we live in a man-made world. The most ordinary aspects of the life around us bear the marks of man's shaping and control. The water that enters our houses was until recently thought of as a natural resource; today it is processed so that it is almost a manufactured product. The objects we touch, walk upon, sit in or wear are increasingly becoming synthetic. The same will be true before long of what we eat. Having learned to make artificial leather, we shall not rest until we have also made artificial beef.

The landscape most dramatically and visibly represents nature to man: the thing given, the objective circumstances with which he begins. But the landscape today is increasingly man's, not nature's. It has been remade by him, and even where the ancient and the unspoilt remains, it is by sufferance, and usually with the expectation that it will not remain thus very long. The cities will cover more and more of the earth. The mountains will be brought low.

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To the idea that we live in a man-made world there has been added the idea that this new world must be lived in by man-made men.*

Man, no more than water, can be treated any longer as an undoctored natural resource. He too must be processed and treated, made fit to withstand the pressures of such an environment as he creates and able to manage and control its complexities.

* This phrase is used by Professor Higbee in his forthcoming Fund study of the public environment, but without the pejorative overtone given to it here.

The process of man-making begins with forcible yet largely undiscerned adaptations to an environment of continuous sensation, startling noisiness and constant assaults on the nervous system. It continues with prolonged education, much of it designed to make the individual at home in a society composed of omnipresent groups and massive organizations. The advertisers and the mass media take up the process where formal education leaves off. The man who emerges is quite different from the natural man, dear to the heart of philosophers. He is a product of machine civilization, as surely as are the goods and gadgets which he consumes.

The matter, however, does not stop there. We are at the threshold of a period when man will quite literally be made over by man — his genetic system rearranged, his psyche conditioned and his bodily organs traded about. Then there will indeed be a man-made environment inhabited by man-made men.

*

It is at this point that an enormous doubt arises, and that the task of the value-makers of our society begins to be apparent. For something is obviously wrong with this picture. At some point contemporary man must pick up the thread of a different path, leading in a different direction.

Perhaps the best place to begin this reappraisal is with the shaping of the natural environment. The great works of man are bound to go forward — the building of the cities, the damming of the rivers, the leveling of the high places. But somehow in the midst of all this a changed attitude must begin to manifest itself — a feeling, akin to that of awe, that something beyond man has the last word and finally sets limits to what he can do with impunity.

Until very recently in man's history this feeling of awe was unescapable and instinctive. Nature's power was plain, and her last word was spoken audibly in fire and storm, in flood and plague and drought. Man moved within the mysterious web of nature; he lived as part of an order more subtle than he could comprehend and under a power beyond his control. In modern conditions such awe must be imaginatively sensed. And where it is not, man proceeds to poison the airs and waters around him, to extinguish species of plant and animal life, and finally to dehumanize his own nature.

A basic awareness that man is placed within nature, not above or outside it; action which recognizes the consequences of a man's act—and the consequences of those consequences: this is the beginning of an approach to the environment which will allow the changes we make to be kindly and beneficial.

In the same spirit we must begin to think about the changes we make in man himself. Education can be carried out in a way that releases and fulfills man's nature, or in a spirit that oppresses and distorts it. At the Twentieth Century Fund we have been making an informal inquiry into some of the research now being done with the aim of enhancing the capacities of man—enlarging his potential for effective living. And the conclusion is plain that there are methods to this end which involve conditioning and manipulating the human being, and there are methods which liberate him from within.

Thus with man as with nature we can work with a humility that has regard for inherent tendencies and limitations—or we can work with an arrogance that places man in the position of a would-be god. We shall, if we are wise, see ourselves as one species of life among others, all with some right to coexistence; we shall see the individual as being one with his fellows, all of them with a divine dignity and worth. The order we create will then be the natural order, though modified by human intelligence.

*

I have been stating the issue in moral and philosophical terms. But it can easily be translated into terms which lend themselves to research and study. The key is the relation of man to the environment, and the interrelationship between the two. We get off the track just as soon as we assume that man can do whatever he wills to the environment and pay no price. Or when we think we can avoid the price by making man over so as to fit him for the new conditions. We get back on the track when we begin to test and analyze and measure — and when finally we heed — the interrelated effects of what man does to the environment and what the environment does to him.

Disturbingly little is actually known about the residues and after-effects of even such commonplace, everyday things as insecticides and detergents. Even less is known about the effect on the harmonious balance of nature created by the loss of various forms of plant and animal life. And when we come to trying to preserve species whose existence is threatened, we are pathetically helpless.

The catalogue of the unknown in this field could be indefinitely extended, proceeding into the effects of crowding and numbers on our cities, the strain on the nervous system of so much noise and on health of so much pollution. It is not only that specific programs of research can be built around such questions, but that research of all kinds must be influenced when we seriously and persistently concern ourselves about man's place within the physical world.

*

Man and the environment: together they form an ancient riddle. A recent issue of the *New Yorker* magazine brings the cranky and conservative wisdom of their old friend Alotrios to bear upon the issue. He is commenting on some of the odd manias which today afflict our technologists. He deplores the whole tendency to manipulate and change things; he minimizes the role of a better environment.

"One difference between civilized people and barbarians," says the commentator, "is that civilized man acts on the assumption that to improve himself he must mold and transform his ways of thinking, whereas the barbarian acts on the assumption that what he must mold and transform to improve himself is the world of dead things."

Perhaps. But again, *perhaps* the world of things is not wholly dead;

the outward forms, it may be, do speak to us and affect our inner being. If I may end with a personal word, I have myself always believed that they do so affect us and that we move through harmonious scenes of nature and through cities made beautiful by man's love and care toward fullness of life and a greater joy. Conversely, what is ugly and deformed without, works its evil spell and ultimately colors the soul itself.

This belief can be explored in the works of scholars and social scientists. It can be tested in action. In one way or another we must test it. For otherwise we fall into the opposing belief of those who think there is no vital connection between man and his environment, and from that proceed to the diabolic heresy that puts man outside of nature and apart from it.

A good deal of debate in the years ahead will be spun around these two contrasting beliefs. The quality of the life that ensues will be proof of which has won out.

AUGUST HECKSCHER

March 1967

Studies Published in 1966

LEGAL RESTRAINTS ON RACIAL
DISCRIMINATION IN EMPLOYMENT

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DILEMMA

POVERTY AMID AFFLUENCE

LEGAL RESTRAINTS ON RACIAL DISCRIMINATION IN EMPLOYMENT

Author: **MICHAEL I. SOVERN**
Professor of Law, Columbia University

IN *Legal Restraints on Racial Discrimination in Employment* Michael I. Sovern, Professor of Law at Columbia University, provides a comprehensive guide to an area of the law that has undergone considerable change in the past few years. When Professor Sovern began this study for the Twentieth Century Fund in 1961, many of the legal remedies it analyzes had not yet been enacted. In his up-to-date survey, he considers the formulas applied by state and federal commissions to eradicate employment discrimination, and evaluates their progress toward this goal, searching out the causes of their success and their shortcomings.

Despite new legislation, Professor Sovern believes the legal restraints themselves and their administration could be improved. He maintains that federal and state antidiscrimination commissions must have broader enforcement powers, tougher administration and bigger budgets if they are to fight employment discrimination effectively. Inadequate financial support and lame application of available procedures are, in his opinion, primarily responsible for deficiencies in the performance of state antidiscrimination agencies. Weak settlements, which are commonly accepted, further undermine antidiscrimination efforts.

Lack of self-starting powers also hampers the work of the state agencies. Professor Sovern maintains that state commissions should not have to wait for discrimination complaints to be brought before them. Instead, they should be empowered "to investigate without a complaint, much as, for example, bank examiners and internal revenue agents do; and when evidence of a violation is found, . . . to institute enforcement proceedings."

Criticizing the federal Equal Employment Opportunity Commission's lack of enforcement powers, Professor Sovern comments that in other instances, too, "the commission with power to conciliate but not to compel has been tried and regularly found wanting." However, he praises the federal program requiring equal opportunity pledges from companies that contract with the federal government. Pointing out that this program imposes obligations going beyond the minimal duty not to discriminate, he notes: "It enjoins contractors to 'affirmative action,' a requirement that embraces, among other things, genuine efforts to recruit Negroes and to insure that artificial barriers (like inappropriate testing procedures) do not block Negroes from initial employment and advancement."

PERFORMING ARTS – THE ECONOMIC DILEMMA

Authors:

WILLIAM J. BAUMOL
Professor of Economics, Princeton University; author of The Stock Market and Economic Efficiency

WILLIAM G. BOWEN
Professor of Economics, Princeton University; Director of the Graduate Program, Woodrow Wilson School of Public and International Affairs, Princeton University

REALISTIC PLANNING for arts establishments in the United States requires accurate projections of operating costs and revenues. While cultural centers recently have been sprouting across the nation, there has been no economic analysis of their financial prospects. A Twentieth Century Fund study published in 1966 reveals that if the performing arts are to flourish, the American public will have to be prepared to assume financial responsibility for the debts which the arts inevitably must incur.

The performing arts in the United States are not and cannot become self-supporting. The basic difficulties arise not from such traditionally identified sources as inflation, union demands or mismanagement, but rather from the economic structure of live theater, opera, music and dance in a technological age. These are the conclusions of the three-year study which was carried out by William J. Baumol and William G. Bowen and published by the Fund under the title *Performing Arts—The Economic Dilemma.*

A central thesis of the new Fund study is that the root of the financial difficulties which beset the performing arts is the nature of their technology. "For the economy as a whole," the authors point out, "productivity (output per man-hour) has risen at a remarkably steady rate of roughly 2½ per cent per year over the last half century, and there is every reason to expect that the discovery of new knowledge and the invention of new techniques of production and capital accumulation will yield comparable increases in production per man per hour in the future. But the technology of *live* performance leaves little room for labor-saving innovations since the end product is the labor of the performer. . . . Human ingenuity has devised ways to reduce the labor necessary to produce an automobile, but no one has yet succeeded in decreasing the human effort expended at a live performance of a 45 minute Schubert quartet."

In summary, the authors say of the rising cost of preserving the arts, "Fortunately, the very rise in productivity in other sectors of the economy which lies at the heart of the problem will also provide society with the wherewithal to pay the mounting bill if it is determined to do so. It is upon the strength of that determination that the future of the live performing arts depends." A graphic report of the book's main findings begins on p. 45.

POVERTY AMID AFFLUENCE

Author: **OSCAR ORNATI**
Professor of Economics, Graduate School of Business, New York University; formerly Professor of Economics, Graduate Faculty of the New School for Social Research

THE PROBLEMS caused by the persistence of poverty in the highly developed, expanding and affluent society of the United States became the focus of a study launched in 1961. The project was conducted by members of the graduate faculty of the New School for Social Research, with financing by the Twentieth Century Fund.

Professor Oscar Ornati, then at the New School, was associated with the project from the beginning and in time became its director.

Early in 1966 the Fund published a report on the project by Professor Ornati. This indicated the ground covered and summarized some of the central findings. It described who the poor are and set forth the concept of the "poverty band." It included an analysis of poverty-linked characteristics; a detailed examination of the conditions (frequently self-perpetuating) under which the poor live; a survey of possible remedies and an estimate of the total amount spent in efforts to combat the effects and eliminate the causes of poverty in this country. In preparing the report Professor Ornati had the editorial assistance of J. Stouder Sweet.

Poverty amid Affluence was published by the Fund in a 208-page paperbound book. A condensation of highlights from the report was later prepared by J. Stouder Sweet and published by the Public Affairs Committee in a pamphlet titled *Poverty in the U.S.A.*

Research Projects in Progress

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A GEOGRAPHY OF THE UNITED STATES

Charting the contemporary countenance of the United States . . . its political, social and economic characteristics

Research Director: **GEORGE H. T. KIMBLE**
Formerly Professor of Geography, Indiana University and Director, American Geographical Society

"TO 'UP AND GO' once in a while is good for any geographer, whether he is seeking the terrestrial Eden or the truth. After four years and more than a hundred thousand miles of close study, myopia could well be the worst of his occupational hazards."

So writes George H. T. Kimble, research director of the Twentieth Century Fund's American Geography project, from his new home in Corsica where he has gone after having crisscrossed the United States on trips to chart its contemporary countenance. "While our picture of the United States will be warmer in tone and temper than it would have been had we not stood well back from it in the finishing stages," Mr. Kimble observes, "nobody will mistake it for Eden."

For one thing, Americans have not yet learned to think in terms of the total environment. "To suppose that one can protect the unique ecology of the Indiana dunes by putting a mere twelve square miles of them behind barbed wire is to play Canute. Winds, like waves, recognize no man's fiat."

The geography that Mr. Kimble is preparing will record man's incursions on his physical environment. It will map as well the social and political life of the nation, the voting habits of its citizens, their migrations and their industry. Topics include the geological, climatic and ecological characteristics of the different regions; their major economic activities, including the use and abuse of the land; and trends in economic development. An atlas to accompany the geography is being prepared in collaboration with W. William-Olsson, a leading Swedish cartographer.

Although Mr. Kimble points out that Americans have not always manipulated their environment for the better, he believes that " the United States could still be a pretty good stand-in for Eden, perhaps the best of all possible half-Edens, for as we show in both the atlas and the text, it is, as a whole, still well supplied with grist for the mills of affluence."

Publication is scheduled for 1968.

AMERICA'S PUBLIC ENVIRONMENT

. . . towards a higher standard of values for our community life

Research Director: **EDWARD HIGBEE**
Professor of Geography and Land Utilization, University of Rhode Island; author of the Twentieth Century Fund study Farms and Farmers in an Urban Age *and of* The Squeeze: Cities Without Space

LOOKING BACKWARD to the nineteenth century and forward to the twenty-first, Henry Adams imagined a new kind of America. At the beginning of this century he wrote prophetically that Americans living in the year 2000 will control unlimited power and will think in complexities unimaginable to an earlier mind. Adams thought that to deal with the new magnitudes of technological and environmental changes, man "would require a new social mind."

Commenting on these observations, Edward Higbee in this study of the "man-made urban environment" says that the application of inanimate energy to useful purposes, together with the development of Adams' concept of a new social mind, are the two most important tasks of contemporary urban society. His study will focus attention particularly on the misuse and neglect of the American public environment—the problems of the urban community with its institutions, public buildings, parks, and transportation and communications lifelines—and will explore the alternatives and actions needed to provide a public habitat that will match in beauty, comfort and convenience the much higher development of the American private standard of living.

Publication of this study is scheduled for 1968.

CITY PLANNING

Crisis for the planners . . . can they shape the city's future?

Research Director: **JOHN W. DYCKMAN**
Professor of City and Regional Planning and Chairman, Center for Planning and Development Research, University of California, Berkeley; co-author with Reginald R. Isaacs of Capital Requirements for Urban Development and Renewal

DECAY OF THE CITY has become an urgent concern of federal and municipal governments, which must deal with the problem in all of its many ramifications—housing, education, health services and welfare. Both limited and massive remedies have been proposed, from rent subsidies to calls for a "Comsat for the slums" which would attack the problem in all its forms.

John W. Dyckman, Professor of City and Regional Planning at the University of California at Berkeley, has undertaken to study for the Twentieth Century Fund the role of the city planner in the revitalization of America's cities.

National government, national industries and national markets have impinged on the city's autonomy and removed from its control many decisions vitally affecting its growth. To find a program for local planning in the United States, and a way to coordinate planning within the pyramid of state and federal agencies, is a goal of this study.

National, state and local agencies with city planning responsibilities apply different criteria to the fields of their specialty. Planners and the politicians with whom they deal often have different goals and a different understanding of urban needs. All these factors make for conflict in the planning process. By studying the actual techniques and procedures of planners and the political context in which they operate, Professor Dyckman hopes to clarify the realm of urban policy decisions.

The ideology of the planning movement is relevant to any study of its goals, and the origins of this ideology will be examined by Professor Dyckman. Reform movements at the turn of the century helped to establish its early goals, but the impact of technology and bureaucratization has transformed city planning. Goals and methods need redefining to suit today's needs. This study will attempt to contribute toward that redefinition.

Publication is planned for 1968.

PLANNING PLACES

Public places must be designed for concourse . . .

Research Director: **SERGE CHERMAYEFF**
Professor of Architectural Design, Department of Architecture, Yale University; co-author, with Christopher Alexander, of Community and Privacy: Toward a New Architecture of Humanism; *formerly, Fellow, Royal Institute of British Architects and Fellow, Royal Society of Art*

A RADICAL RECONSIDERATION of what a city is meant to be guides the work of Serge Chermayeff, research director of the Twentieth Century Fund study "Planning Places." Asking what functions a city must serve, Professor Chermayeff seeks their correlate in principles of design which would express the technological realities of the present.

New territorial and technological realities must govern the administration of today's metropolises, which he believes must be redefined on a regional basis and in accordance with the location of energy sources, water supply and irrigation systems, as well as logical transportation patterns. Professor Chermayeff points to the Tennessee Valley Authority as an example of the administrative system of the future.

The cities of today function on the principle of mobility. The result, he contends, is a lack of focus in serving the city's needs as well as an inefficient organization. "Tranquility" instead should be a guiding principle. Public places must be designed for concourse, the image of a life of urbanity.

Working with the Master's Class of the Yale University School of Architecture, Professor Chermayeff intends to construct a "model" which will embody general principles for dealing with today's urban chaos. Rather than planning in terms of discrete problems such as housing, transportation and so forth, the project director conceives of his task as "environmental design" — design of the total framework within which modern man lives and works.

Collaborating with Professor Chermayeff is Alexander Tzonis, architect and stage designer, who has been appointed Teaching Fellow to the Master's Class. Mr. Tzonis is a native of Greece.

The Fund expects to publish the results of this study in 1968.

SOUTHERN ECONOMIC DEVELOPMENT AND MANPOWER

A changing economy . . . and its effects on people

Research Director: **JAMES G. MADDOX**
Professor of Agricultural Economics, North Carolina State University, Raleigh

TIDES OF CHANGE are sweeping through the South. The traditional rural-agrarian economy is shifting over to an urban-industrial emphasis. People continue to leave the farms and move to the cities — or out of the region altogether.

In this process of change, southern incomes are rising (although still below national averages). The balance in the industry-mix continues to shift from low-wage to high-wage industries. Rising new industries attract other industries as suppliers or buyers. Requirements for the work force expand — particularly for the trained, the skilled, the educated.

The ferment intensifies some of the enduring problems of the South. For generations the Negro minority has had less certain employment and lower pay than white southerners. New jobs are opening up, but countless southerners, both white and Negro, particularly those of rural background, lack the skills required to fill them.

What are the prospects for the South in the years ahead? A broad-scale study of current facts and recent trends, forming the basis for projections to 1975, was brought to completion by the Fund during 1966. It is scheduled for publication in 1967 under the title *The Advancing South: Manpower Prospects and Problems.*

Research director of the project and chief author is James G. Maddox, Professor of Economics in the School of Agriculture and Life Sciences at North Carolina State University, Raleigh. Working with him were E. E. Liebhafsky, Professor of Economics and Chairman of the Department of Economics and Finance at the University of Houston; Vivian W. Henderson, President of Clark College, Atlanta, and formerly Chairman of the Department of Economics, Fisk University; and Herbert M. Hamlin, research consultant at the School of Education, University of California at Berkeley.

SOUTHWEST U.S.A.

. . . economic opportunity and social need in Southwest U. S. A.

Research Director: **ROBERT B. CHOATE**
President, The Choate Foundation; Program Associate, National Institute of Public Affairs, Washington, D. C.; Consultant, Citizens' Crusade Against Poverty, Washington, D. C.

ECONOMIC DEVELOPMENT is often marked by the co-existence of great wealth and bitter poverty, for stages of growth seem rarely to reflect a uniformity of advancement. Patterns of development that have been found to characterize economic growth in most regions of the world would seem to hold true for the United States as well. A research project sponsored jointly by the Twentieth Century Fund and the Choate Foundation will analyze the development of the Southwest, focusing on a triangular area defined by San Diego, Denver and Houston.

Ethnically and economically, the Southwest is a region of great diversity. Indians live there, both on and off the reservations; Spanish surnames denote several million people of Mexican extraction; and "Anglos" and Negroes have migrated West attracted by the climate and economic opportunity. Cattle, copper and cotton are the foundations of great fortunes, but in Texas, New Mexico and Arizona one fourth of the population has a median family income of less than $3,000.

The new project will trace the economic growth of this area during the past twenty-five years, and attempt to present a picture of its resources, its needs, its prospects for growth. The study will also inventory the social needs and resources of the region, including, among other things, housing and health standards, educational programs for the disadvantaged, and the repercussions of employment of low-wage workers.

By examining the region's past growth and present needs, this study hopes to point to those areas which will be of critical concern, both economic and social, in the development plans of the next decade.

Publication is planned for 1968.

SOUTH ASIA

. . . a questioning of accepted economic theories on underdevelopment, development and planning for development

Research Director: **GUNNAR MYRDAL**
Professor of International Economics, University of Stockholm; Director of the Institute for International Economic Studies, Stockholm

THE HIGH RATE of population growth in South Asia is only one reason why the problems of economic development are especially complex in that area of the world. Gunnar Myrdal has spent the past decade analyzing development problems in that region for a Twentieth Century Fund study which is a major undertaking of his career. His research there has led him to re-evaluate current theories of development and scrutinize the particular economic, social and political conditions, and attitudes and institutions, that obtain in the underdeveloped countries.

Social scientists have fallen into the dangerous habit of emulating the methodology of the natural sciences, Professor Myrdal believes. The result is a failure to consider "that people live in a complex of institutions which manifest sharply differentiated combinations of changeability and rigidity. . . . The abstraction from attitudes and institutions, and also modes and levels of living, in the economic analysis of underdeveloped countries carried out in the simple aggregative terms of income, savings, employment, investment and output, which is the ordinary procedure, leads to grossly inadequate and seriously biased inferences."

The principal countries included in this study are India, Pakistan, Ceylon, Burma, Malaya, Thailand, Indonesia and the Philippines. The study will begin by considering political problems; successive topics will be economic realities; planning; labor utilization; population size; and population quality, this last including chapters on health and education.

The results of this study will be published in a three-volume edition in late 1967 or early 1968.

MUTUAL AID AMONG DEVELOPING NATIONS: THE CASE OF ISRAEL

The significance of new patterns of economic aid . . . developing nation giving aid to developing nation

Research Director: **LEOPOLD LAUFER**
Development Officer, U. S. Agency for International Development; formerly Policy Officer, U. S. Information Agency

THE LESSONS of one developing nation's experiences may be applicable in other underdeveloped countries. This is the import of a technical assistance program which the government of Israel has been conducting since 1958 and which has brought to Israel more than seven thousand men and women from ninety nations for training, study and observation in such fields as modern cooperative organization, water utilization and comprehenvise regional planning.

Leopold Laufer, on leave from the U. S. Agency for International Development, has conducted for the Twentieth Century Fund a study of Israel's program of assistance to the developing nations of Africa and Latin America. Under the auspices of this program some 1,500

Israelis have been sent abroad to work on technical assistance projects and to apply the insights of Western technology as modified by the Israelis' own experience to the needs of developing nations.

In this study Mr. Laufer evaluates the training programs in Israel and the operations abroad, analyzing the structure, successes and failures of both programs. Training programs and technical assistance projects have naturally sprung up in areas where Israel's own development is most marked—labor organization and enterprise, the role of the army in nation-building, and youth development and pioneering. Because the staffing of such projects is an essential factor in their success, this study includes a detailed analysis of the background and motivation of the personnel engaged.

Israel's experience may prove to be the first step in a broader program of mutual assistance among developing nations. The Israeli program has shown that first-hand knowledge of development problems is a valuable asset which developing nations could share to their mutual benefit.

Publication of this study is planned for 1967.

ECONOMIC DEVELOPMENT AND ECONOMIC POLICY

. . . the special opportunities of backwardness

Research Director: **ANGUS MADDISON**
Formerly Director in Development Department of the Organisation for Economic Cooperation and Development and Fellow of the OECD Development Centre

UNDERDEVELOPED NATIONS are frequently described as prisoners of their poverty. Trapped in a vicious circle of economic gains negated by population growth, their only escape is often seen to be through foreign aid or other solutions independent of their own policies. Yet the experience of some developing nations would seem to indicate that they are able to make substantial economic gains by themselves.

In a new study for the Twentieth Century Fund, Angus Maddison, a Fellow of the Organisation for Economic Cooperation and Development, will analyze the means by which developing countries can exploit their growth potential more fully. His study will concentrate on the strategic role of economic policy in the experiences of developing nations. Underdeveloped nations have special opportunities for growth, Mr. Maddison maintains. The exploitation of a low starting position and the economics of catching up will form a major theme of his work.

Tracing the experiences of individual developing countries — including Brazil, Mexico, India, Thailand and Israel — Mr. Maddison will seek to quantify their progress so as to permit a comparative analysis. He will also consider the instruments of policy: the leverage of fiscal and monetary policy, the use of financial institutions and development banks to mobilize and allocate savings, and the creation and diffusion of an appropriate technology.

Because political and social strains are often particularly acute in underdeveloped countries which have just assumed nationhood, Mr. Maddison will examine the different economic and administrative systems of these nations, and the special problems and advantages of each.

Mr. Maddison is the author of *Economic Growth in the West*, a Twentieth Century Fund study issued in 1964. The Fund expects to publish the results of the new study in 1970.

COMPREHENSIVE RURAL DEVELOPMENT

Rural development as the catalyst for economic growth . . .

Research Director: **RAANAN WEITZ**
Member, World Zionist Executive; Head, Rural Settlement Department of the Jewish Agency; Head, Settlement Study Centre, Rehovot, Israel; formerly Chairman, National and University Institute of Agriculture, Rehovot, Israel (1960–1966)

THE ECONOMIC GROWTH of underdeveloped nations has been explored from various points of view in several Twentieth Century Fund projects. The most recent study to deal with this subject is being conducted by Raanan Weitz, head of the Settlement Study Centre of the National and University Institute of Agriculture in Israel. The study will be based on the thesis that comprehensive rural development is the key to economic growth.

Mr. Weitz will draw upon his long experience with the Rural Settlement Department of the Jewish Agency to illuminate the concepts and principles of rural development. In his words, he will undertake "a cross-section analysis of all aspects of development — economy, society, settlement planning, organization of human resources and implementation — as reflected in all the spatial levels of settlement — farm, village, region, and country."

To supplement the conceptual framework of his inquiry with concrete cases of regional development, the research director will make a comparative study of five projects: the Lakhish Region in Israel, the Gal-Oya Basin in Ceylon, the Badajoz Plan in Spain, the North-East Polder in the Netherlands and the Laguna in Mexico.

Mr. Weitz will be guided in this project by three assumptions: that development projects should embrace all economic activities and not be limited to one sector or branch; that in selecting development regions priority should be given to rural areas; that planning and implementation should be regarded as one continuous process.

Publication of the study is planned for 1970.

POLITICS OF EUROPEAN AND ATLANTIC RELATIONS

. . . the evolving forms of political cooperation among nations

Research Director: **BEN T. MOORE**
Associate Director of the Twentieth Century Fund (on leave); formerly Director, Office of European Regional Affairs, State Department

THE ACHIEVEMENT of national goals in the international sphere is the purpose of foreign policy, yet today the accent must be on accommodating these goals within a peaceful international system. Most studies of foreign affairs have ignored the nationally self-centered character of the foreign policy process. A Twentieth Century Fund project under the direction of Ben T. Moore, associate director of the Fund on leave of absence, will focus on the problem of the evolving forms and methods of cooperation among European countries and the United States.

In several papers under the collective title The Tocqueville Series, scholars of France, Germany, Italy, Great Britain and the United States will examine the politics of European and Atlantic relations. *Diplomacy in the West: Out from Paradox,* the first work in this series, was published by the Fund in 1966. Its authors, Pierre Hassner and John Newhouse, consider the complicated and seemingly contradictory aim of Western policy and conclude that only by linking such issues as German reunification, arms control, defense, and the economic development and integration of Europe can policy-makers find their way out from the paradoxes these issues present. A French edition of the report has been published by the Fondation Nationale des Sciences Politiques, and excerpts in German have appeared in *Europa Archiv,* Vol. 21, No. 14, July 25, 1966.

A second paper by Mr. Newhouse, to be published in 1967, will analyze the crisis within the European Community caused by the withdrawal of French representatives from the talks on agricultural policy and the eventual establishment of a common agriculture market. Successive papers will consider the scientific and technical problems in the relations between Europe and the United States, France's nuclear program, and the politics of arms control.

European consultants to this project include Raymond Aron, Professor at the Sorbonne and political philosopher; Kurt Birrenbach, member of the German Bundestag; and Jean-Baptiste Duroselle, Director, Centre d'Etudes des Relations Internationales, Fondation Nationale des Sciences Politiques. Among the American consultants are Raymond Vernon, Acting Director, Center for International Affairs, Harvard University; Philip E. Mosely, Director, European Institute, Columbia University; and Richard E. Neustadt, Associate Dean, Harvard School of Public Administration.

ITALIAN POLITICAL PARTICIPATION

. . . the political forces that animate a recently created democracy

Research Directors:

GIORGIO GALLI
Director of Research,
Istituto di Studi e Ricerche Carlo Cattaneo

ALFONSO PRANDI
Member of research staff,
Istituto di Studi e Ricerche Carlo Cattaneo

WHEN ITALY voted in favor of becoming a republic after World War II and reconstituted the parliamentary system after twenty years of totalitarian rule, Italians, men and women alike, began for the first time to participate through democratic voting procedures in the political life of their country. The tensions and forces thereby set up offer a unique laboratory for a study of a people struggling to achieve a degree of stability in their government.

The Twentieth Century Fund and the Carlo Cattaneo Institute, an independent organization established in Bologna to conduct research in the social and political sciences, have collaborated in such a study. This effort represents the first attempt by a group of Italian scholars to apply the rigorous tests and methods of modern social science to an analysis of the postwar Italian political system.

The study spans four areas of research. The first part examines experience in the limited elections before the war, during the totalitarian era of the Fascists, and in the postwar elections under a system of universal suffrage. Part II is concerned with grassroots political activity and the organization of the two major Italian political parties: the majority Christian Democratic Party and the Communist Party, which in recent years has attracted almost a quarter of the total vote. The third part of the study is devoted to the interrelationships between these two parties and their supporting groups and associations, while a final section is concerned with the policies and activities of the Communist and Christian Democratic parties in local politics and in Parliament.

The research findings are to be published in an Italian monograph series by Il Mulino Publishing House in Bologna, and in an English summary volume by the Twentieth Century Fund.

By-products of the study so far published include a comprehensive bibliography of source materials used in the course of the study. These source materials have been placed in the library of the Carlo Cattaneo Institute. Vittorio Capecchi, one of the group's chief statistical analysts, has published a short volume illustrating various kinds of computerized analyses which can be applied to much of the information collected. Some of the research findings have been incorporated in *Il Bipartitismo Imperfetto: Communisti e Democristiani in Italia,* a book by Giorgio Galli published by Il Mulino in 1966.

The English version of the study is scheduled for publication by the Fund in 1968.

INTERNATIONAL SECONDARY EDUCATION

. . . towards an international matriculation examination as a passport for students to universities around the world

Research Director: **MARTIN MAYER**
Formerly Consultant, American Council of Learned Societies and Member, President's Panel on Educational Research and Development; Author of The Schools; Where, When and Why, Social Studies in American Schools; *and* Wall Street: Men and Money

FOR A GROWING NUMBER of secondary school students from all nations, education abroad is a common experience. As children of businessmen, technicians, diplomats and civil servants, they receive their early education away from their native country, in international or foreign schools.

Special problems arise when these students apply for admission to universities in their homeland. A diversity of requirements among the different nations often makes it difficult, if not impossible, for them to gain admission. The International Schools Examination Syndicate is working to resolve this problem by developing an international curriculum and matriculation examination which would be widely accepted in universities of different lands. The Twentieth Century Fund has provided some financial support for this group's work in its early stages.

In addition the Fund has undertaken to study the possibilities and the progress of such an international examination. The study is being conducted by Martin Mayer. Working closely with international schools in many nations, he has studied their curriculum, staffing and standards, and the special problems an international curriculum poses.

Mr. Mayer's report will concern itself as well with the nature and purposes of international schools as they are presently constituted, and with secondary education and national examination systems in Europe and other continents. He has recently visited schools in Europe, South America and Africa.

The Fund expects to publish his report in 1968.

THE PRESS AND THE ARTS

A profile of cultural reporting in America's daily press . . .

Research Directors:

MITCHELL V. CHARNLEY
Professor, School of Journalism and Mass Communication, University of Minnesota; formerly President, Association for Education in Journalism, 1959

GEORGE S. HAGE
Professor of Journalism, School of Journalism and Mass Communication, University of Minnesota; formerly music critic and assistant theater critic, The Columbus (Ohio) Citizen

AN INTEREST in the performing arts and a concern with the responsibilities of the press are two areas of Fund activity that converge in a survey now under way to examine reporting on the arts in the daily press. Approximately one hundred daily newspapers, large and small, from every region of the country, will be reviewed in this survey. It will be conducted by the School of Journalism of the University of Minnesota under the direction of Mitchell V. Charnley and George S. Hage, Professors of Journalism. Robert L. Jones, Director of the School of Journalism, is an adviser to the project.

The survey will seek to determine whether cultural news is presented at all in the selected newspapers, and if so, whether as straight news, as feature material or in some other form. It will also attempt to indicate the extent of coverage, and whether coverage is limited to local affairs, to regional events, or encompasses activities of national significance.

In a smaller, more intensive survey of thirty-five daily newspapers, all of which have designated drama and music critics and are published in metropolitan centers where the arts flourish, reviews and critical commentary will be analyzed.

A secondary aspect of the project will be a series of interviews with outstanding critics and reporters of the arts to ascertain what they feel is the critic's appropriate role and function. Information obtained through these interviews will be related to the findings concerning newspaper patterns of coverage.

The Fund expects to publish the results of this study in 1967.

THE PRESS AND THE COURTS

Newspaper coverage of court trials . . . what are the requisite freedoms for effective reporting?

Research Directors:

ALFRED FRIENDLY
Associate Editor, the Washington Post *(now on roving European assignment); formerly Chairman, Press-Bar Committee, American Society of Newspaper Editors, 1964–65*

RONALD L. GOLDFARB
Attorney, author of Ransom: A Critique of the American Bail System *(1965) and of* The Contempt Power *(1963); Director, The Brookings Institution Study of Courts and the Administration of Justice; formerly Special Assistant to Attorney General Robert F. Kennedy, Organized Crime and Racketeering Section of Justice Department (1961–1964)*

THE SUPREME COURT of the United States, committees of the American Bar Association and the American Newspaper Publishers Association have all recently addressed themselves to the potential conflict between free and unfettered coverage of crime news by the press and the dangers this coverage may present to a defendant's right to a fair trial.

Alfred Friendly, Associate Editor of the *Washington Post*, and Ronald L. Goldfarb, Washington attorney, are at work on a study for the Twentieth Century Fund which will analyze the element of prejudicial publicity in criminal cases, seek to determine the frequency with which it arises, and suggest the solutions most appropriate to the problem.

A "newspaper casebook," taking actual examples of both typical and sensational coverage of crime news, is being assembled as part of the study to show the extent to which prejudicial factors entered individual cases and how any such factors might have been eliminated. The practicability of the various codes of press behavior recently proposed is a subject that much concerns the research directors, but they are also interested in the degree to which devices already available to the courts could be more effectively used to guarantee impartial juries.

To help determine the extent of the prejudicial publicity problem, the research directors have conducted a survey of district attorneys and state attorneys general, asking how often the issue of prejudicial publicity is raised at trials or on appeal. To gather further evidence they have undertaken an extensive review of crime reporting in the Washington press, to find out what percentage of all cases are reported, at what stage they receive press coverage, and how extensively they are covered.

Television reporting of crime news, a subject which has received little attention from commentators on the free press–fair trial issue, will also be evaluated in this study.

Publication of the report is planned for May 1967.

Performing Arts – Who Pays the Piper?

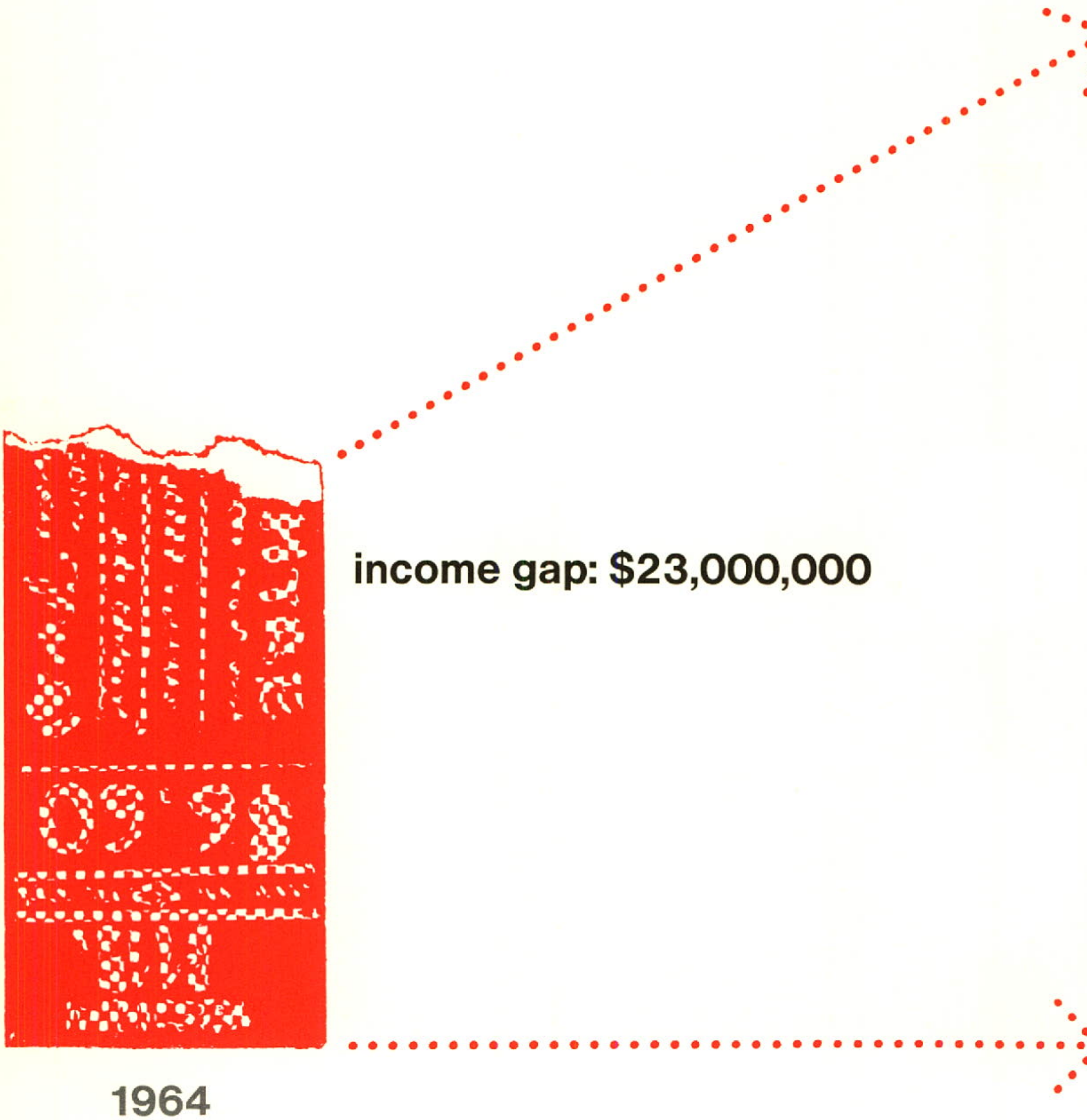
A deepening dilemma for the cultural life of the United States has been the increasing financial difficulties of professional performing arts institutions. Financial pressures have frustrated their development at the very time when a quickening interest in the arts is evident and when questions of goals and values in our society are being emphasized as material needs come closer to being filled.

The Twentieth Century Fund, aware of these problems, asked William J. Baumol and William G. Bowen, economists at Princeton University, to study this sector of the economy in depth. Their report was published by the Fund in 1966 under the title PERFORMING ARTS — THE ECONOMIC DILEMMA, A Study of Problems Common to Theater, Opera, Music and Dance.

Here, in graphic form, are presented some findings of this study and their implications for the development of the arts.

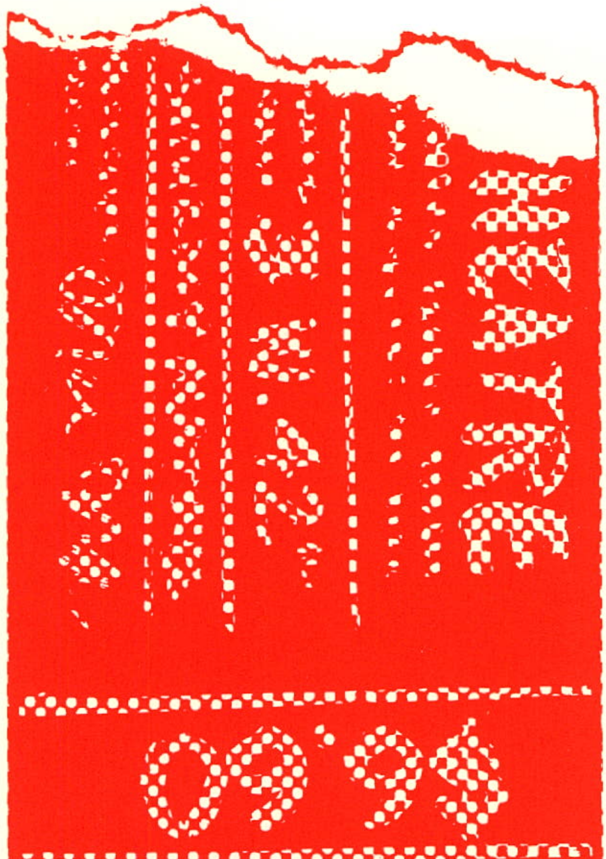
the performing arts don't pay for themselves...

The live professional performing arts in the United States are not self-supporting. At present the substantial "income gap" of theater, opera, music and dance — the difference between their earned income and expenditures — is covered by contributions.



...and are unlikely ever to do so

Economic projections show that this income gap will not close, but will become greater, as the years go by and the performing arts proliferate. By 1975, if past trends continue, organizations now existing and new ones likely to be formed will have to raise much larger sums in order to close the gap between earnings and expenditures.

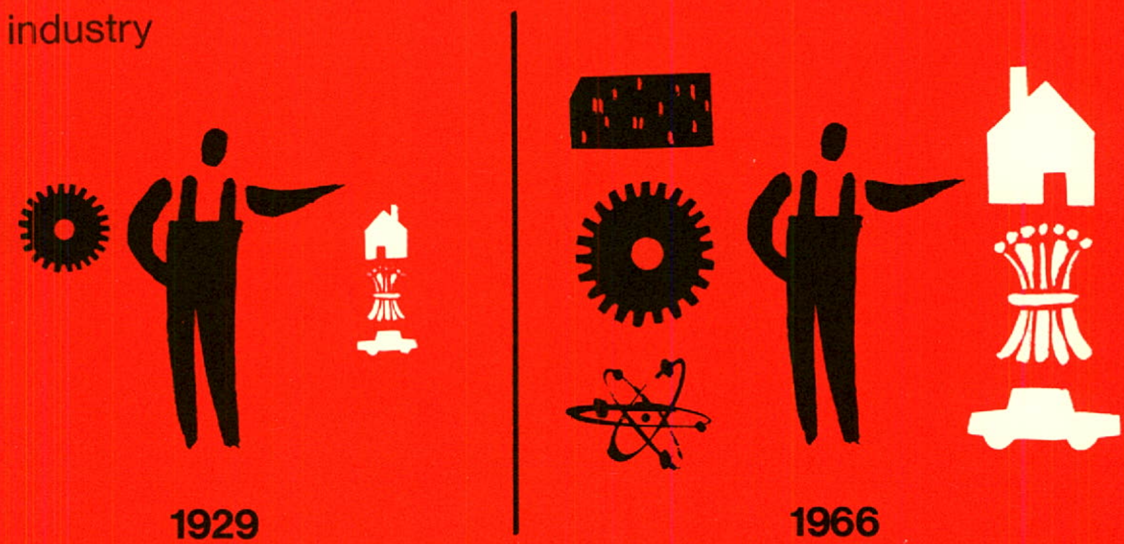


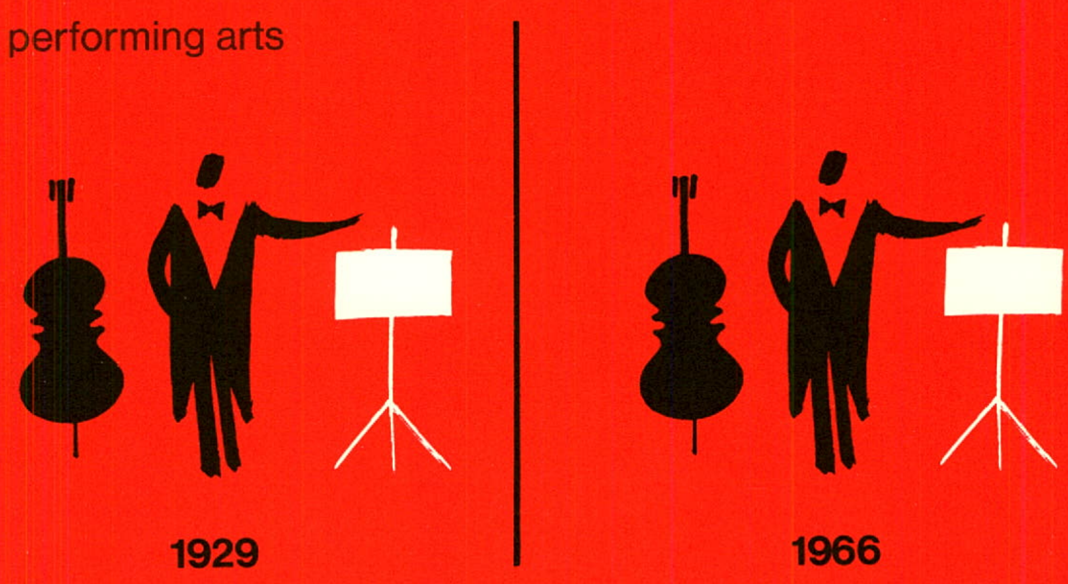
income gap: $60,000,000

1975

economically, the arts are at bay in a technological society

The arts are "handicrafts" in an age of technology, and that is the root of their problem. Labor-saving methods have enabled the United States economy to experience ever higher productivity (output per man per hour), accompanied by lower cost per unit of manufacture — and rising wages. But the arts can do little to increase productivity: no one has yet succeeded in decreasing the human effort expended in a live performance of a 45-minute Schubert quartet. For the arts, cost per unit will rise, and the rise must be met by greater contributions or higher ticket prices, or both.



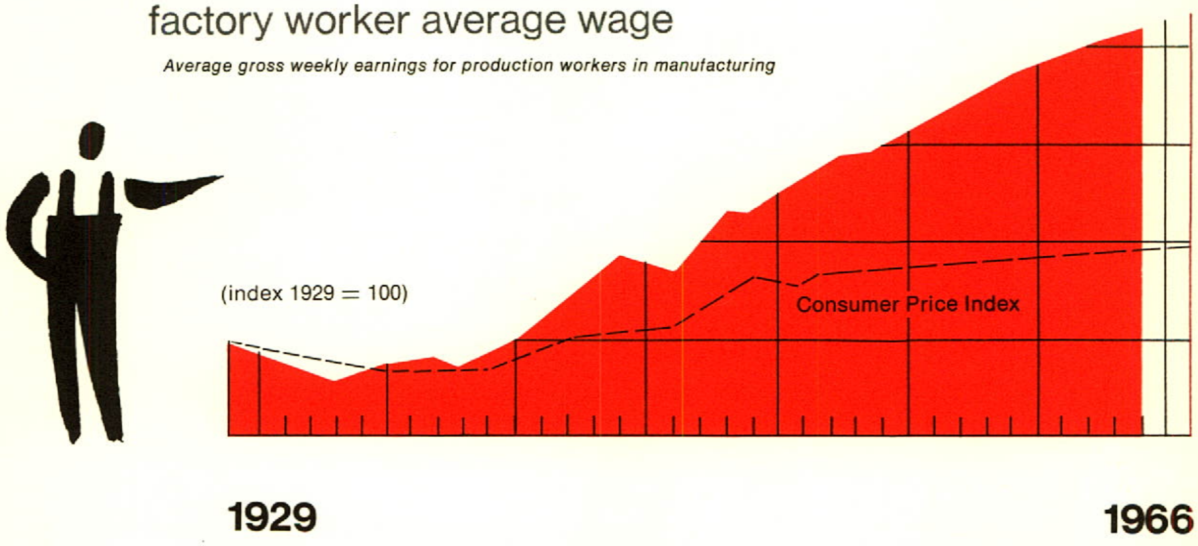


the performers are still underpaid

While performers' wages have risen more rapidly than the price level, for long periods they have lagged well behind those in other occupations. Thus, in relative terms, performers have grown poorer over the rather long period examined. Only in the last few years do they seem to have stopped falling further behind.

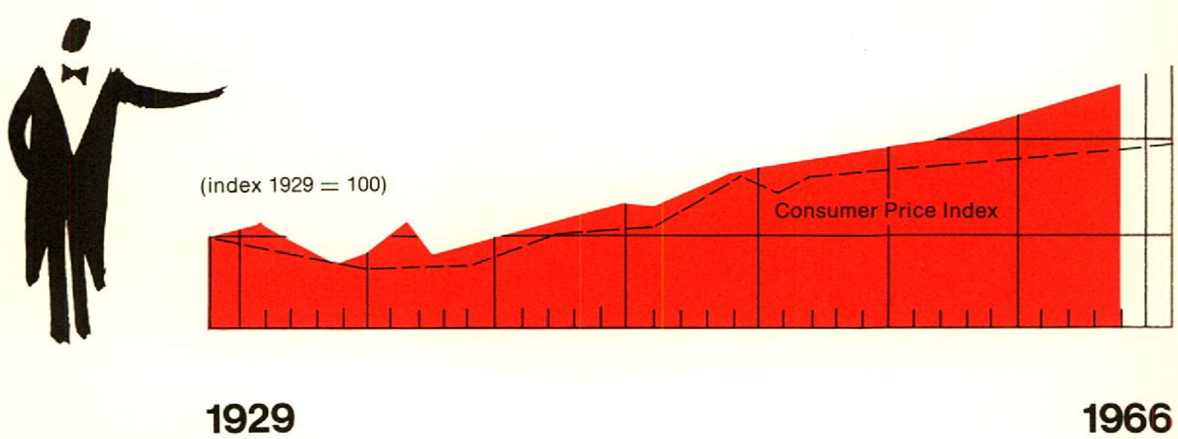
factory worker average wage

Average gross weekly earnings for production workers in manufacturing



performer average wage

Average minimum salary of musicians in 11 major orchestras

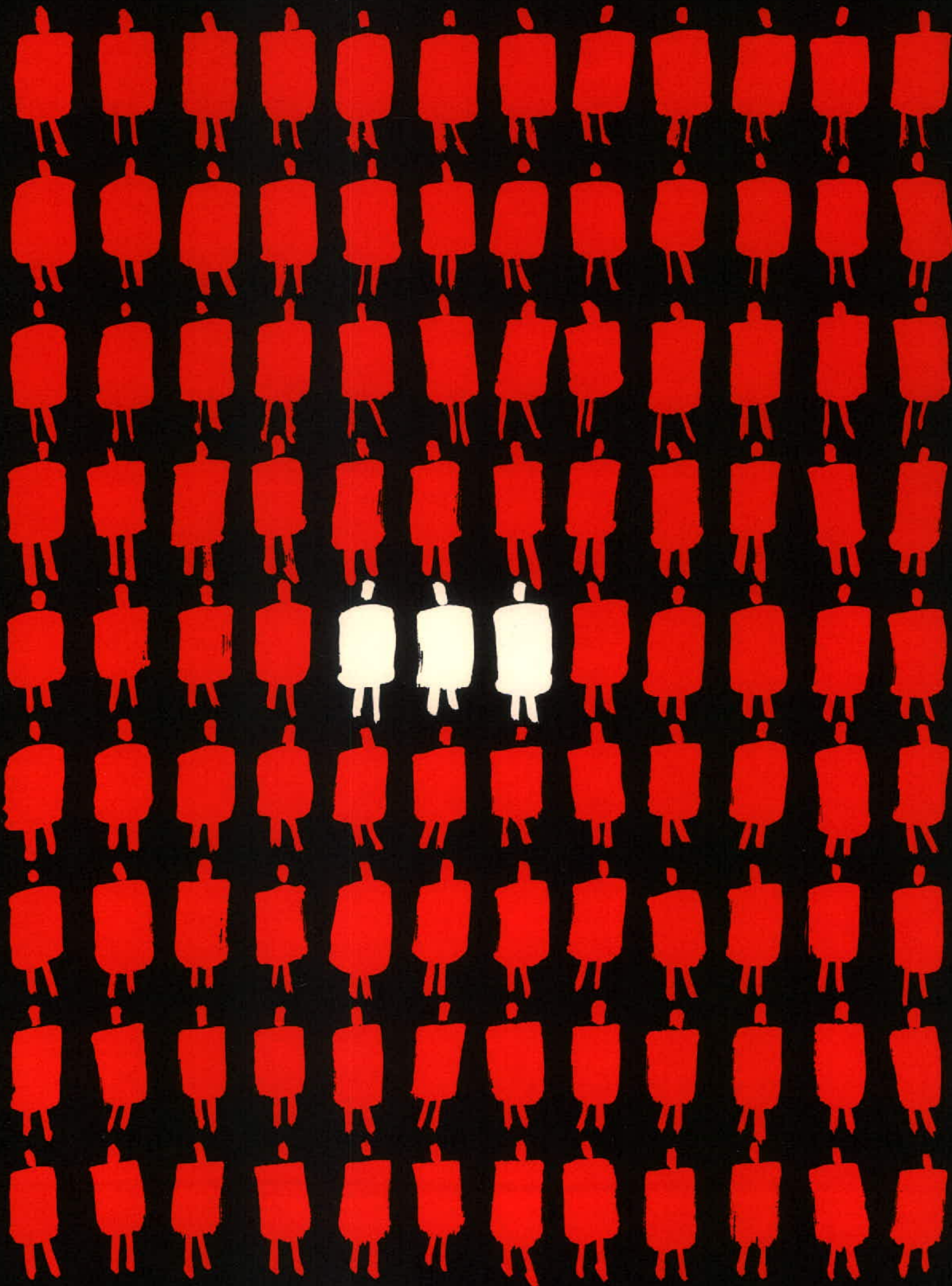


raising ticket prices is no answer

Ticket prices are unlikely to rise enough to close the income gap. If they did, they would have to go up at least 70 per cent by 1975. This would be impractical and would reduce the audience for the arts.

even now the audience for the arts is small

The audience for the arts in the United States is already a very limited one. The performing arts attract the interest and support of only a minority of the population.

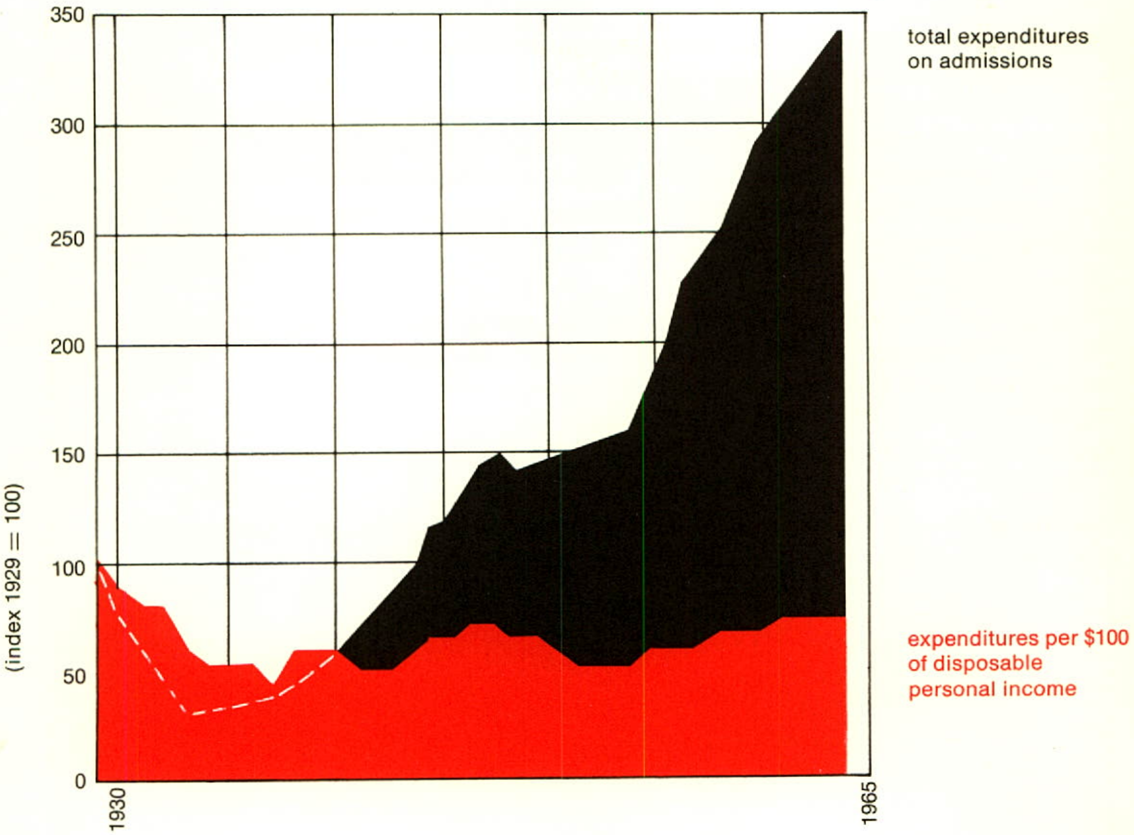


it is an audience of very special people

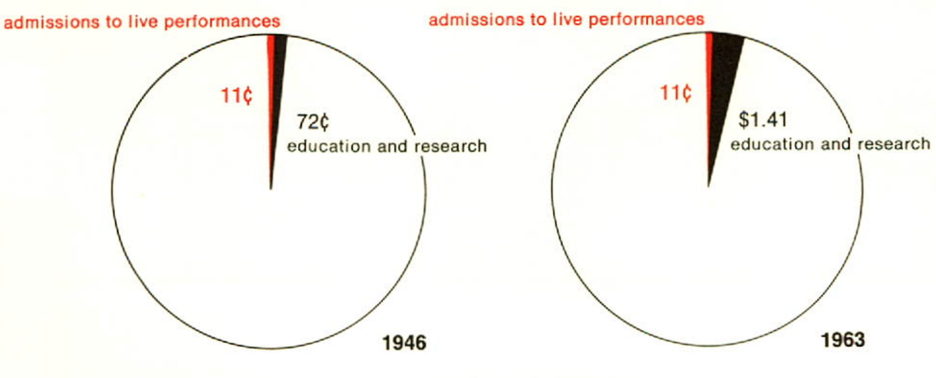
The audience at a typical performance is most unrepresentative of the general urban population. It is dominated by members of white-collar occupations, especially the professions; it is exceedingly well educated and very well off financially; it is also young. Despite some tendency toward wider regional distribution, professional performances are still heavily concentrated along both coasts and, especially, in New York City.

what about that cultural boom?

More regional theaters and local symphonies, longer dance tours and a few new opera companies are signs of a cultural boom, but the extent of the boom has been exaggerated. While an increase in consumer expenditures for admissions to performances would seem to indicate a substantial cultural upsurge, this increase mainly represents growth in population, prices and real incomes rather than a substantial rise of interest in the arts.



Of each $100 of disposable personal income, an identical share was spent on admissions to live performances in both 1963 and 1946. In contrast, consumer expenditures on education and research doubled between 1946 and 1963. We need more audiences and audience development; but audiences alone won't close the gap.



prospects — closing the gap

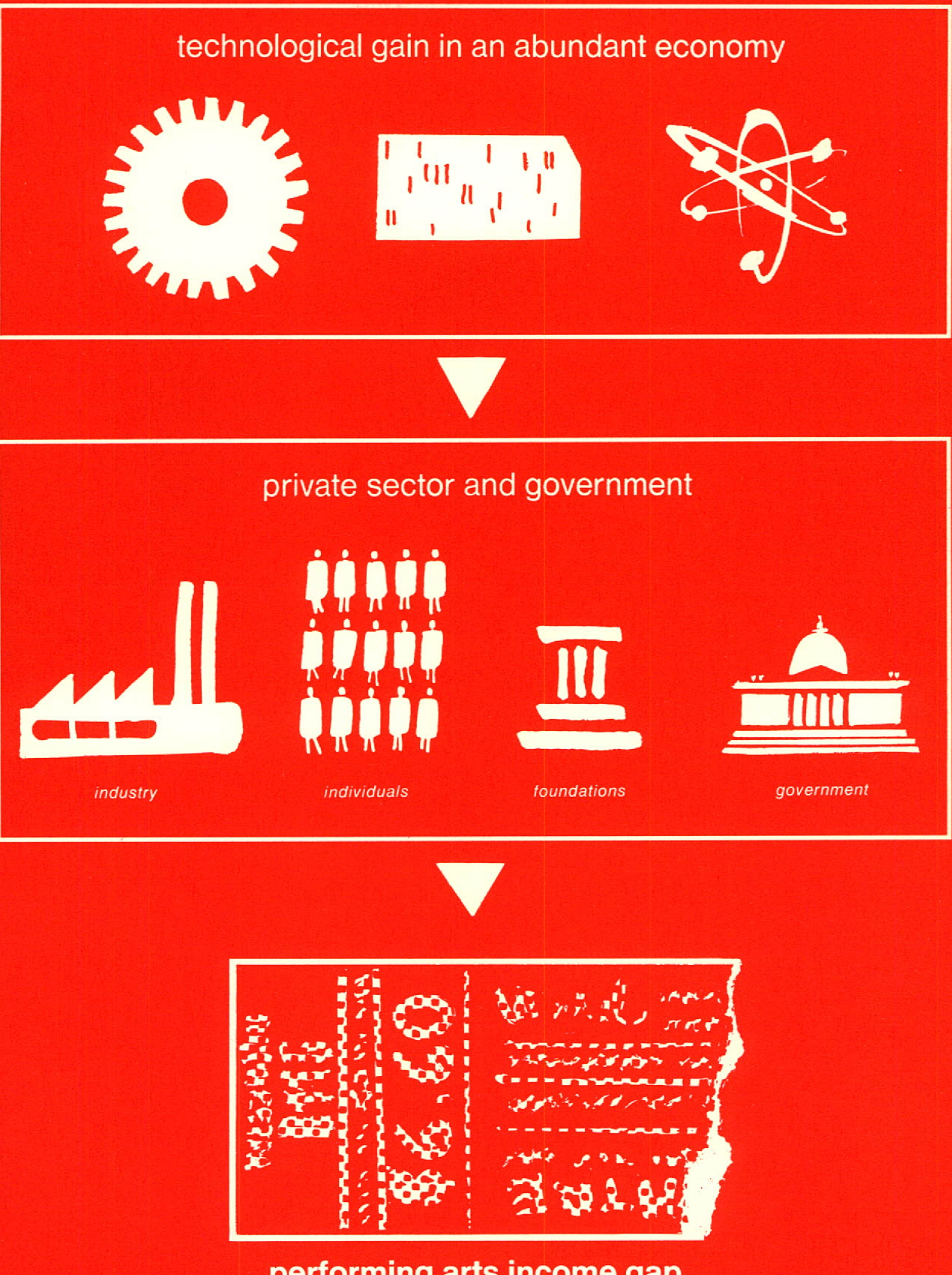
Fortunately, the very rise in productivity in other sectors of the economy that underlies the problem of the arts will also provide society with the wherewithal to pay the mounting bill if it is determined to do so. It is upon the strength of that determination that the future of the live performing arts depends. There are some indications of more private giving, by individuals, foundations and industry. The last few years have also seen increased, though still relatively small, interest on the part of city, state and federal government.

In taking an overview of the main problems raised, August Heckscher, Director of the Twentieth Century Fund and the Special Consultant on the Arts to President Kennedy, said in a foreword to PERFORMING ARTS — THE ECONOMIC DILEMMA, "The sum going to the National Endowment for the Arts seems disproportionately low; it is bound to seem quite hopelessly inadequate if it is not at least doubled within the next five years."

If the arts are to flourish, some of the vast gains made in the sectors of the economy where technological advances increase productivity must be siphoned off to this area where the new technology scarcely applies. The means for transferring this wealth are corporations, government and foundations.

The new giving will no longer be to meet sudden troubles or to fill a temporary gap. It will be recognized as meeting a basic economic problem.

…and patterns of new support



THE TWENTIETH CENTURY FUND, *founded in 1919 and endowed by Edward A. Filene, is a non-profit foundation which, through research and publications, seeks to throw light upon some emerging problems of our times. The studies of the Fund fall chiefly in the broad fields of economics, social problems and international affairs. The Fund's approach is non-partisan; its standards of scholarship are exacting. Books published by the Twentieth Century Fund may be obtained at booksellers or directly from the Fund:*
41 East 70 Street, New York, New York 10021.

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Other Projects

LEGAL DEFENSE OF NEGROES IN THE SOUTH

THE FUND'S INTEREST in the use of the law to promote civil rights has been expressed during this past year in the publication of a full-scale study, *Legal Restraints on Racial Discrimination in Employment,* by Michael I. Sovern (see p. 17). It has been further demonstrated by grants to two groups of lawyers engaged in defending civil rights cases in the South, where legal representation in this field is otherwise virtually unobtainable. The two groups are the Lawyers' Committee for Civil Rights Under Law and the Lawyers Constitutional Defense Committee of the American Civil Liberties Union. In October the Fund also held a conference of lawyers, judges and representatives of civil rights organizations to discuss the administration of justice in the South. A report on the conference is available from the Fund.

EAST-WEST TRADE

THE SHIFTING CONSENSUS in official, congressional and public attitudes toward trade with the nations of Eastern Europe is related in *East-West Trade: The Background of U. S. Policy,* a working paper issued this year by the Fund. The author is Nathaniel McKitterick, a Washington consultant and formerly Director of the Office of International Economic and Social Affairs in the Department of State.

Because trade with Eastern Europe is a political issue even more than an economic one, this paper reviews the evolution of United States diplomacy with respect to the Soviet bloc. The major sections of the pamphlet deal with "Export Controls as an Instrument of National Security Policy" and "Trade as a Positive Instrument of Policy Towards the Soviet Bloc." In the concluding section the different attitudes of business and labor toward trade with the East are reviewed and the recommendations of the Committee for Economic Development for developing trade relations are summarized.

FOUNDATIONS AND THE ARTS

AS AN EXPRESSION of its interest in the arts, the Fund held a series of meetings with representatives of the arts and of private foundations to explore ways in which foundations might more usefully provide financial assistance to the arts. Guest speakers included representatives of the theater, dance, music, museums and government. A pamphlet reporting on the substance of the speeches and discussion was published by the Fund but is now out of print.

NEW YORK CITY URBAN CORPS

IN THE SUMMER of 1966, and in line with New York City's program to attract students to service in municipal government, the Fund financed a series of educational seminars in conjunction with the New York City Urban Corps. This program allowed college and graduate students to work for a summer as interns in the different branches of city government. At seminar meetings experts discussed with the interns the techniques and practical difficulties of municipal administration. Jack Kress, a member of the Urban Corps, reported on his experiences in the Legal Bureau of the Police Department for the autumn 1966 issue of the Fund's Newsletter.

CONSULTANT FOR THE PERFORMING ARTS

AT THE REQUEST of the John F. Kennedy Center for the Performing Arts in Washington, D. C., the Fund underwrote a six-month visit to this country of Nicolas Nabokov, Secretary General of the Congress for Cultural Freedom in Paris. Mr. Nabokov, a distinguished author and composer who has been cultural adviser to Mayor Willy Brandt of West Berlin, acted as consultant to the Program Committee of the Center.

*

A study of municipal collective bargaining and its effect on local administration, and a review of American policy in Southeast Asia analyzing American commitments, are two projects approved in 1966 that will commence in 1967. Sterling D. Spero, Professor of Public Administration at New York University, will examine the process of municipal collective bargaining in a study scheduled for completion in 1969. Russell H. Fifield, Professor of Political Science at the University of Michigan, will explore the progression of American policy from relative disengagement in Asia after World War II to sizable commitments there today. Mr. Fifield is undertaking a two-year study.

*

The development and growth patterns of urban America have long been of interest to the Fund, which now has under way several studies dealing with this theme. In 1963 Allan Temko began a study of the Industrialized Urban Environment, a project described in earlier Annual Reports. The completion date for this project is at present uncertain.

*

The transformation of American capitalism through the property relationship is the subject of ongoing research by Father Paul Harbrecht with support by the Fund. Earlier Annual Reports have contained descriptions of this research under the heading Power, Ownership and Property. During the past year work on this project has been interrupted.

Educational Activities

A MAJOR AIM of the Twentieth Century Fund is to bring its studies to the attention of those who can make direct use of them, and also to disseminate the main findings to a broader public than usually has access to the full studies themselves. In order to reach most effectively the widest audience interested in the findings of Fund research, special presentations based on the original work are prepared from time to time for students, civic organizations or, perhaps, readers of the scholarly publications, the particular presentation depending upon the needs of the various groups. The Fund carries on an active program of dissemination through the press, radio and television, motion pictures, the Fund's own Newsletter and other channels of communication.

NEWSLETTER

AN ILLUSTRATED NEWSLETTER with articles about Fund studies and activities is issued three times a year. The Newsletter provides forecasts of Fund plans and gives main findings from recently published Fund studies along with excerpts from them. It regularly goes to about twenty thousand individuals, groups, schools and colleges and to leaders in industry, education and government. It is sent on request, without charge.

MOTION PICTURES

AS PART of its aim to make the findings of its studies as widely available as possible, the Fund uses both films and television when these media seem especially suitable for presentation of the material.

Of seven Fund films, most of them produced in association with Encyclopaedia Britannica Films and all distributed by them, "Megalopolis: Cradle of the Future" (1962) is the most popular. Earlier films still active include "Inflation," released in 1953; "The Living City" (1953), based on Miles L. Colean's *Renewing Our Cities;* "Working Together" (1952), a case history of labor-management co-operation; and "Look to the Land" (1954), based on material on the country's natural heritage from the Fund's study of *America's Needs and Resources.*

"Tropical Africa" (1961), a Fund film based on the study of the same name and produced by International Film Foundation, remains in active circulation.

ECONOMIC FLOW CHART

A GRAPHIC PRESENTATION of the flow of income and expenditures in the United States is provided in a chart issued by the Fund. It depicts the relative size of the components of the Gross National Product — the total market value of all goods and services produced by factory workers, businessmen, farmers, professional and other self-employed people, and by local, state and national governments — and their flow from sector to sector.

This chart brings up to date one originally published in 1955 in the Fund study *America's Needs and Resources* and a similar chart for 1962 prepared for *U. S. A. and Its Economic Future,* written by Arnold B. Barach and illustrated by Rudolf Modley and published for the Fund by The Macmillan Company.

The chart was distributed to high school students and teachers by the Joint Council on Economic Education. It is available on request from the Fund in a classroom display poster as well as an 8″ x 12″ chart.

Publishing Activities

TWENTIETH CENTURY FUND studies are initially made available to the public in book form under the Fund's own imprint. In 1966 a total of 23,124 books were sold. Best-seller was *Performing Arts—The Economic Dilemma*, by William J. Baumol and William G. Bowen, followed by *Poverty amid Affluence*, by Oscar Ornati, *Farms and Farmers in an Urban Age*, by Edward Higbee, and *Reapportionment: The Law and Politics of Equal Representation*, by Robert B. McKay. Books are sold in the United States and Canada through regular book channels and through direct mail by the Fund itself. Foreign sales are handled by Feffer and Simons, Inc.

Foreign language editions of Fund works are published from time to time. In 1966 they included a Spanish translation of *Of Time, Work, and Leisure*, by Sebastian de Grazia; Japanese and Spanish editions of *Economic Growth in the West*, by Angus Maddison; an English-Asian edition of *Civilian Nuclear Power*, by Philip Mullenbach, for distribution in South Asia and the Middle East; and a Spanish translation of "Capitalism in Postwar Europe," chapter 23 of *Europe's Needs and Resources*.

Four countries accounted for over half of the Fund's foreign sales to the trade in 1966—Canada, Sweden, England and Japan, in that order. Best selling titles abroad were *Shaping the World Economy*, by Jan Tinbergen; *Latin American Issues*, edited by Albert O. Hirschman; and *Poverty amid Affluence*, by Oscar Ornati.

Fund publications were exhibited at three foreign book fairs—at Leipzig, Frankfurt and Warsaw—and at forty-seven meetings of professional and educational organizations. Included among these were meetings of the Allied Social Science Associations, the American Academy of Political and Social Science, and national, regional and state library associations.

The Fund maintains a Standing Order Plan through which interested persons and organizations have the privilege of examining each new publication as it is issued and are allowed a substantial discount on copies purchased. Details of the plan, as well as a general catalogue of all Fund publications, are available on request. Cumulative and 1966 sales of Fund books in print are listed in the table following.

Sales of Publications

TITLE	YEAR PUBLISHED	1966 SALES	TOTAL SALES TO END OF 1966
The Power Industry and the Public Interest	1944	6*	2,709
Financing American Prosperity	1945	4	7,099
For This We Fought	1946	3	19,663
Electric Power and Government Policy	1948	5	1,734
Report on the Greeks	1948	4	4,938
Partners in Production	1949	3	10,089
Defense Without Inflation	1951	3	7,394
Financing Defense	1951	6	4,445
The Federal Debt	1953	27	2,708
Defense and the Dollar	1953	4	3,845
Economic Controls and Defense	1953	14	4,056
Approaches to Economic Development	1955	210	11,911
America's Needs and Resources: A New Survey	1955	269	11,151
American Imports	1955	40	3,028
Can We Solve the Farm Problem?	1955	51	3,830
World Commerce and Governments	1955	78	4,243
Economic Needs of Older People	1956	60	5,458
The Agricultural Commodity Programs	1956	72	2,038
U.S.A. in New Dimensions	1957	1	71,295[a]
Greece: American Aid in Action	1957	24*	3,036

* Out of print. a. Includes sales by The Macmillan Company.

Sales of Publications (continued)

TITLE	YEAR PUBLISHED	1966 SALES	TOTAL SALES TO END OF 1966
Antitrust Policies	1958	87	4,010
Arms and the State	1958	175	7,240
The Economy, Liberty and the State	1959	142	6,865
Pension Funds and Economic Power	1959	105	5,313
Europe's Coal and Steel Community	1960	79	2,365
Tropical Africa[b]	1960	24	9,650
Strategy and Arms Control (paperback)	1961	977	9,662
Arms Reduction	1961	28	4,812
Latin American Issues	1961	1,994	17,512
Europe's Needs and Resources	1961	334	6,327
Megalopolis	1961	405	7,555
Yugoslavia and the New Communism	1962	208	3,631
Of Time, Work, and Leisure	1962	471	9,215
Economic Development in Burma, 1951–1960	1962	92	2,104
Shaping the World Economy (paperback)	1962	921	11,886
Civilian Nuclear Power	1963	71	2,243
Journeys Toward Progress	1963	239	6,902
Farms and Farmers in an Urban Age (cloth)	1963	361*	4,165
Farms and Farmers in an Urban Age (paperback)	1963	2,127	13,410
North Atlantic Policy — The Agricultural Gap (cloth edition)	1963	1*	1,193
North Atlantic Policy — The Agricultural Gap (paperback)	1963	65	1,652
De Gaulle and the French Army	1964	183	2,451
U.S.A. and Its Economic Future	1964	32	2,757
The Challenge of Megalopolis (cloth)	1964	3	7
The Challenge of Megalopolis (paperback)	1964	28	2,460

* Out of print. b. Volume I is out of print.

Sales of Publications (continued)

TITLE	YEAR PUBLISHED	1966 SALES	TOTAL SALES TO END OF 1966
Economic Growth in the West	1964	273	3,877
The New Europe and Its Economic Future	1964	14	2,551
Pensions and Employee Mobility in the Public Service	1965	268	838
A Statistical Handbook of the North Atlantic Area	1965	599	2,254
Canada: An Appraisal of Its Needs and Resources	1965	674	1,858
Reapportionment: The Law and Politics of Equal Representation	1965	2,158	3,044
Poverty amid Affluence	1966	3,312	3,312
Legal Restraints on Racial Discrimination in Employment	1966	1,995	1,995
Performing Arts—The Economic Dilemma	1966	3,797	3,797

Administration

HEADQUARTERS STAFF

FINANCIAL STATEMENTS

DETAILED STATEMENT OF ASSETS

Headquarters Staff FEBRUARY · 1967

AUGUST HECKSCHER, Director

BEN T. MOORE, Associate Director (on leave)

JOHN E. BOOTH, Assistant Director

ELIZABETH BLACKERT, Chief Editor

LOUISE FIELD, Research Associate

FRANCES KLAFTER, Research Assistant

CAROL KIER, Book Manufacturing and Sales

BETTY R. HIRSCH, Bursar

HELEN M. DOYLE, Office Manager

SHARON T. LEVENTHAL, Education Assistant

LINDA SOLOWAY, Copy Editor

THOMAS R. CARSKADON, Staff Consultant

ISADOR LUBIN, Economic Consultant

BARBARA DONALD, Special Consultant, Washington Office

ALICE MENTEL, Assistant in Dissemination

AUDREY BRENTLINGER, Administrative Assistant and Secretary to the Director

JEAN CARTWRIGHT, Secretary to the Assistant Director

Secretarial and Clerical

IDALIA ALFARO, IDA CARLOMAGNE, HUGO FOSCO, NETTIE M. GERDUK, EILEEN REGELMANN, SADIE ROSENFELD, BERTHA SANDLER, SUSAN SPINELLI, CHRISTINE J. STOWELL, NOEMI VELEZ, ADELLA M. WADE

Finances

STATEMENT OF ASSETS RESULTING FROM CASH TRANSACTIONS

DECEMBER 31, 1966

WITH COMPARATIVE FIGURES AT DECEMBER 31, 1965

	1966	1965
CASH, including amount due to stockbroker	$ 1,518,018	$ 851,209
INVESTMENTS, at quoted market prices:		
U. S. Treasury bonds	$ 252,409	$ 250,188
Bankers' acceptances	5,446,216	5,343,756
Certificates of deposit	—	1,500,000
Railroad bonds	44,016	49,026
Industrial bonds	504,375	48,750
Public utility bonds	641,749	359,037
Preferred stocks	530,798	964,047
Common stocks	15,901,776	18,075,102
Total investments	$23,321,339	$26,589,906
HEADQUARTERS PROPERTY, at cost	495,000	495,000
Total assets	$25,334,357	$27,936,115

STATEMENT OF CHANGES IN ASSETS RESULTING FROM CASH TRANSACTIONS

YEAR ENDED DECEMBER 31, 1966

WITH COMPARATIVE FIGURES FOR 1965

	1966	1965
OPERATING RECEIPTS AND DISBURSEMENTS:		
Operating receipts:		
Interest and dividends on investments	$ 1,105,595	$ 953,417
Interest on savings account	16,415	8,181
Sales of publications	72,862	40,773
Other	14,206	12,995
Total operating receipts	$ 1,209,078	$ 1,015,366
Operating disbursements	949,421	883,400
Excess of operating receipts over operating disbursements	$ 259,657	$ 131,966
CHANGES IN INVESTMENT HOLDINGS:		
Decrease in quoted market prices of investments held throughout the year	$ 2,772,034	$ 296,651
Decrease in quoted market prices over purchase cost of investments purchased during the year	26,686	2,956
Loss on investments sold or redeemed during the year based on quoted market prices at beginning of year or purchase price during year	62,695	15,471
Decrease in assets resulting from changes in investment holdings	$ 2,861,415	$ 315,078
Net decrease in assets	$ 2,601,758	$ 183,112
BALANCE OF ASSETS:		
Beginning of year	27,936,115	28,119,227
End of year	$25,334,357	$27,936,115

Accountants' Report

The Board of Trustees

Twentieth Century Fund, Inc.:

We have examined the statement of assets resulting from cash transactions of Twentieth Century Fund, Inc. as of December 31, 1966 and the related statement of changes in assets resulting from cash transactions for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

In our opinion, the accompanying financial statements present fairly the assets resulting from cash transactions of Twentieth Century Fund, Inc. at December 31, 1966 and the changes in assets resulting from cash transactions during the year then ended, on the bases indicated in the preceding paragraph which are consistent with those of the preceding year.

PEAT, MARWICK, MITCHELL & CO.

January 20, 1967

Total Operating Expenditures for the Year 1966: $949,421

Although no detailed cost accounting records are kept, it is estimated that the total expenditures for the year were distributed as follows:

69%	RESEARCH AND PRODUCTION
18%	DISSEMINATION
13%	ADMINISTRATION

PRODUCTION OF RESEARCH FINDINGS AND BOOK PROMOTION: 69%

Research, writing and editing of studies and reports; publication and promotion.

DISSEMINATION OF RESEARCH FINDINGS TO THE PUBLIC: 18%

Distribution of publications; radio and television programs; educational films; personal contact with key organizations and individuals.

ADMINISTRATION: 13%

General administration.

Cash Transactions, 1966

SUMMARY

Cash Balance January 1, 1966	$ 851,209
Total Receipts	29,692,156
Total Receipts and Cash Balance	$30,543,365
Total Disbursements	29,025,347
Cash Balance December 31, 1966	$ 1,518,018

RECEIPTS

Interest and Dividends from Investments	$ 1,105,595
Interest on Savings Account	16,415
Sales of Publications	72,862
Sales and Rentals of Films	5,081
Royalties on Subsidiary Publications	9,125
Proceeds from Sale of Investments	28,483,078
Total Receipts	$29,692,156

DISBURSEMENTS

HEADQUARTERS ACTIVITIES		$ 399,184
RESEARCH PROJECTS		233,465
Explorations	$21,002	
Terminal Account	940	
South Asia	1,185	
Southern Economic Development and Manpower	348	
Power, Ownership and Property	532	
Geography of the United States	30,766	
Italian Political Participation	1,110	
Performing Arts	218	
Industrialized Urban Environment	20,552	
America's Public Environment	7,058	
Israel, Assistance to Developing Nations	13,409	
International Secondary Education	30,043	
Politics of European and Atlantic Relations	59,200	
Planning Places	14,633	
The Press and the Courts	11,568	
Economic Growth and Policy	14,185	
City Planning	1,706	
Comprehensive Rural Development	2,000	
Press Coverage of the Arts	1,433	
Wealth and Poverty in the Southwest	1,577	
SPECIAL PROJECTS		177,668
Lawyers Constitutional Defense Committee	$60,000	
National Bureau of Economic Research	50,000	
Lawyers' Committee for Civil Rights	50,000	

Cash Transactions, 1966 (continued)

Nicolas Nabokov Grant	6,668	
Summer Internship Program	9,500	
Theater Development Project	1,500	
PRINTING AND BOOK PROMOTION		131,933
Books	$97,793	
Institutional Literature	25,941	
Working Papers	8,199	
DISSEMINATION		7,171
General	$ 3,650	
Graphics	2,708	
Clipping Services	813	
TOTAL OPERATING EXPENSES		$ 949,421
PURCHASE OF INVESTMENTS		28,075,926
TOTAL DISBURSEMENTS		$29,025,347

Detailed Statement of Assets

DECEMBER 31, 1966 AND DECEMBER 31, 1965

BONDS	AS OF DECEMBER 31, 1966 par value	AS OF DECEMBER 31, 1966 market value	AS OF DECEMBER 31, 1965 par value	AS OF DECEMBER 31, 1965 market value
United States Government:				
Treasury Bonds				
3⅞% May 15, 1968	$ 100,000	$ 98,750	$ 100,000	$ 97,062
4% Oct. 1, 1969	55,000	53,659	55,000	53,126
2¾% Series B, Apr. 1, 1980–1975	100,000	100,000	100,000	100,000
Total Treasury Bonds		$ 252,409 1.0%		$ 250,188 0.9%
Corporate:				
Industrials				
General Electric				
3½% deb. May 1, 1976	$ 150,000	$ 128,625		
General Motors Acceptances				
3⅝% deb. Sept. 1, 1975	150,000	126,000		
Liggett & Myers Tobacco				
6% deb. May 1, 1992	200,000	207,500		
Youngstown Sheet & Tube				
first 4½% Oct. 1, 1990	50,000	42,250	$ 50,000	$ 48,750
Total Industrials		$ 504,375 2.1%		$ 48,750 0.2%
Railroads				
Virginia Railway				
6% deb. Aug. 1, 2008	$ 43,100	$ 44,016 0.2%	$ 43,100	$ 49,026 0.2%
Utilities				
American Telephone & Telegraph				
2¾% deb. Feb. 1, 1971	$ 50,000	$ 44,312		
American Telephone & Telegraph				
3⅜% deb. Dec. 1, 1973	50,000	43,500		
American Telephone & Telegraph				
5⅜% deb. Aug. 1, 1995	200,000	204,000		
Detroit Edison				
6% deb. Dec. 1, 1996	150,000	155,625		
El Paso Natural Gas				
5¼% cv. deb. Sept. 1, 1977	115,000	99,187	$ 115,000	$ 115,287
Louisville Gas & Electric				
4⅞% first mtge. Sept. 1, 1987	50,000	44,250	50,000	50,000
Northwestern Bell Telephone				
6% deb. Sept. 1, 2001	50,000	50,875		
Public Service Electric & Gas				
4¾% first ref. mtge. Sept. 1, 1990			50,000	49,750
Rochester Telephone				
4¾% first mtge. Series E. Sept. 1, 1993			50,000	49,000

Detailed Statement of Assets (continued)

	AS OF DECEMBER 31, 1966 *par value*	AS OF DECEMBER 31, 1966 *market value*	AS OF DECEMBER 31, 1965 *par value*	AS OF DECEMBER 31, 1965 *market value*
Southern California Edison				
4⅞% first and ref. mtge. Sept. 1, 1985			50,000	45,750
Union Electric				
4¾% first mtge. Sept. 1, 1990			50,000	49,250
Total Utilities		$ 641,749 2.7%		$ 359,037 1.3%
Bankers' Acceptances:				
Bankers' Acceptance 4⅜% Jan. 3, 1966			$1,400,000	$1,380,045
Bankers' Acceptance 4⅜% Jan. 11, 1966			83,068	81,866
Bankers' Acceptance 4⅜% Jan. 17, 1966			600,000	591,542
Bankers' Acceptance 4⅜% Jan. 26, 1966			300,000	295,734
Bankers' Acceptance 4⅜% Feb. 4, 1966			200,000	197,375
Bankers' Acceptance 4⅜% Feb. 18, 1966			66,566	65,628
Bankers' Acceptance 4⅜% Feb. 21, 1966			100,000	98,578
Bankers' Acceptance 4⅜% Feb. 23, 1966			900,000	886,984
Bankers' Acceptance 4⅜% March 4, 1966			72,000	71,125
Bankers' Acceptance 4⅜% March 22, 1966			300,000	295,698
Bankers' Acceptance 4⅜% April 1, 1966			100,000	98,747
Bankers' Acceptance 4⅝% April 8, 1966			800,000	788,078
Bankers' Acceptance 4⅝% April 11, 1966			500,000	492,356
Bankers' Acceptance 5¾% Jan. 6, 1967	$ 42,718	$ 41,933		
Bankers' Acceptance 5⅞% Jan. 12, 1967	57,175	56,242		
Bankers' Acceptance 5⅞% Jan. 20, 1967	500,000	491,759		
Bankers' Acceptance 5⅞% Jan. 24, 1967	100,000	98,417		
Bankers' Acceptance 5⅞% Jan. 26, 1967	50,991	50,167		
Bankers' Acceptance 5¾% Feb. 20, 1967	500,000	490,816		
Bankers' Acceptance 5¾% Feb. 21, 1967	500,000	490,736		
Bankers' Acceptance 5¾% Mar. 6, 1967	1,500,000	1,472,017		
Bankers' Acceptance 5⅞% Mar. 14, 1967	1,000,000	981,559		
Bankers' Acceptance 5⅞% Mar. 16, 1967	200,000	196,540		
Bankers' Acceptance 5¾% Mar. 23, 1967	100,000	98,131		
Bankers' Acceptance 5⅝% Apr. 19, 1967	52,590	51,670		
Bankers' Acceptance 5⅝% Apr. 24, 1967	800,000	785,375		
Bankers' Acceptance 5¾% May 29, 1967	145,000	140,854		
Total Bankers' Acceptances		$5,446,216 22.9%		$5,343,756 19.7%
Certificates of Deposit:				
4.35% Jan. 24, 1966			$ 500,000	$ 500,000
4.40% March 15, 1966			1,000,000	1,000,000
Total Certificates of Deposit				$1,500,000 5.5%

	As of December 31, 1966		As of December 31, 1965	
PREFERRED STOCKS	*shares*	*market value*	*shares*	*market value*
Atchison, Topeka & Santa Fe Railway 5%			5,000	$ 51,250
Central Maine Power 3.50%	1,000	$ 59,500	1,000	68,500
Empire District Electric 5%	500	42,000	500	48,500
Gulf States Utilities $4.44			650	61,750
Interchemical 4½%			950	91,675
Jersey Central Power & Light 4%	820	58,630	860	69,660
Jim Walter 5%	1,300	17,712	2,000	33,250
Monongahela Power 4.40%	900	70,650	1,000	88,500
Pacific Gas & Electric 5% 1st			1,100	27,087
Reynolds Metals 4¾% "A"			1,600	78,800
South Carolina Electric & Gas 5%	1,100	46,200	1,400	67,900
Tenneco 5.25%	875	72,625	875	85,750
Tenneco 4.90%	1,200	94,800	1,200	112,800
Toledo Edison 4.25%	925	68,681	925	78,625
Total Preferred Stocks		$ 530,798 2.2%		$ 964,047 3.6%
COMMON STOCKS				
American Can	5,000	$ 235,625	3,000	$ 166,875
American Telephone & Telegraph	11,024	606,320	11,024	669,708
Armco Steel	900	42,300	900	63,450
Atchison, Topeka & Santa Fe Railway	10,000	282,500	10,000	332,500
Bank of New York	1,666	126,199	833	129,948
Boston Edison	11,000	457,875	11,000	486,750
Brooklyn Union Gas	6,000	165,750	6,000	202,500
Central Illinois Light	8,976	230,010	8,976	251,328
Chemical Bank New York Trust	1,125	50,906	1,125	58,500
Christiana Securities	1,000	142,000	1,000	235,000
Cities Service	10,000	468,750	10,000	426,250
Consolidated Edison of New York	15,000	474,375	15,000	633,750
Consolidated Natural Gas	14,000	400,750	3,000	212,250
Consumers Power	7,760	392,850	7,760	436,500
Equitable Gas	6,000	202,500	6,000	261,000
Federated Department Stores	74,000	4,060,750	79,000	5,352,250
First National Bank of Boston	3,000	175,500	3,000	192,750
General Motors	10,000	658,750	10,000	1,035,000
Great American Insurance	3,000	182,625		
Inland Steel	3,000	93,750	3,000	133,875
International Harvester	5,000	172,500	5,000	229,375
Iowa-Illinois Gas & Electric	2,100	58,275	2,100	72,450

Detailed Statement of Assets (continued)

COMMON STOCKS	AS OF DECEMBER 31, 1966 shares	market value	AS OF DECEMBER 31, 1965 shares	market value
Manufacturers Hanover Trust	2,132	$ 112,463	2,132	$ 104,468
Mobil Oil	6,000	280,500	3,000	290,250
National Biscuit	3,000	141,750	3,000	162,375
Niagara Mohawk Power	15,000	315,000	15,000	399,375
Northern Natural Gas	5,000	243,125	5,000	290,000
Ohio Edison	14,524	406,672	14,524	413,934
Pacific Lighting	10,000	273,750	10,000	280,000
Philadelphia National Bank	2,000	98,000	2,000	108,000
Phillips Petroleum	4,000	199,000	4,000	225,000
Public Service Electric & Gas	6,000	216,000	6,000	235,500
Puget Sound Power & Light	5,000	163,125	5,000	181,250
Southern Natural Gas	6,000	198,750	6,000	195,000
Southern Pacific	6,000	168,000	6,000	263,250
Southern Railway	2,500	105,625	2,500	144,687
Standard Oil of California	9,000	568,181	6,000	479,250
Standard Oil of Indiana	10,000	482,500	10,000	473,750
Standard Oil of New Jersey	3,000	189,750		
Standard Oil of Ohio	10,000	686,250	10,000	663,750
Texaco	6,300	450,450	6,300	506,362
Union Carbide	3,000	141,750		
Union Electric	13,200	339,900	13,200	371,250
Union Pacific Railroad	2,500	93,750	2,500	106,875
Union Oil of California			4,080	208,080
Wrigley (Wm.) Jr.	2,000	228,500	2,000	200,000
Youngstown Sheet & Tube	4,500	118,125	4,500	190,687
Total Common Stocks		$15,901,776 66.8%		$18,075,102 66.8%
HEADQUARTERS PROPERTY — at cost		495,000 2.1%		495,000 1.8%
TOTAL OF ALL INVESTMENTS		$23,816,339 100%		$27,084,906 100%
CASH		1,518,018		851,209
GRAND TOTAL OF ASSETS		$25,334,357		$27,936,115

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