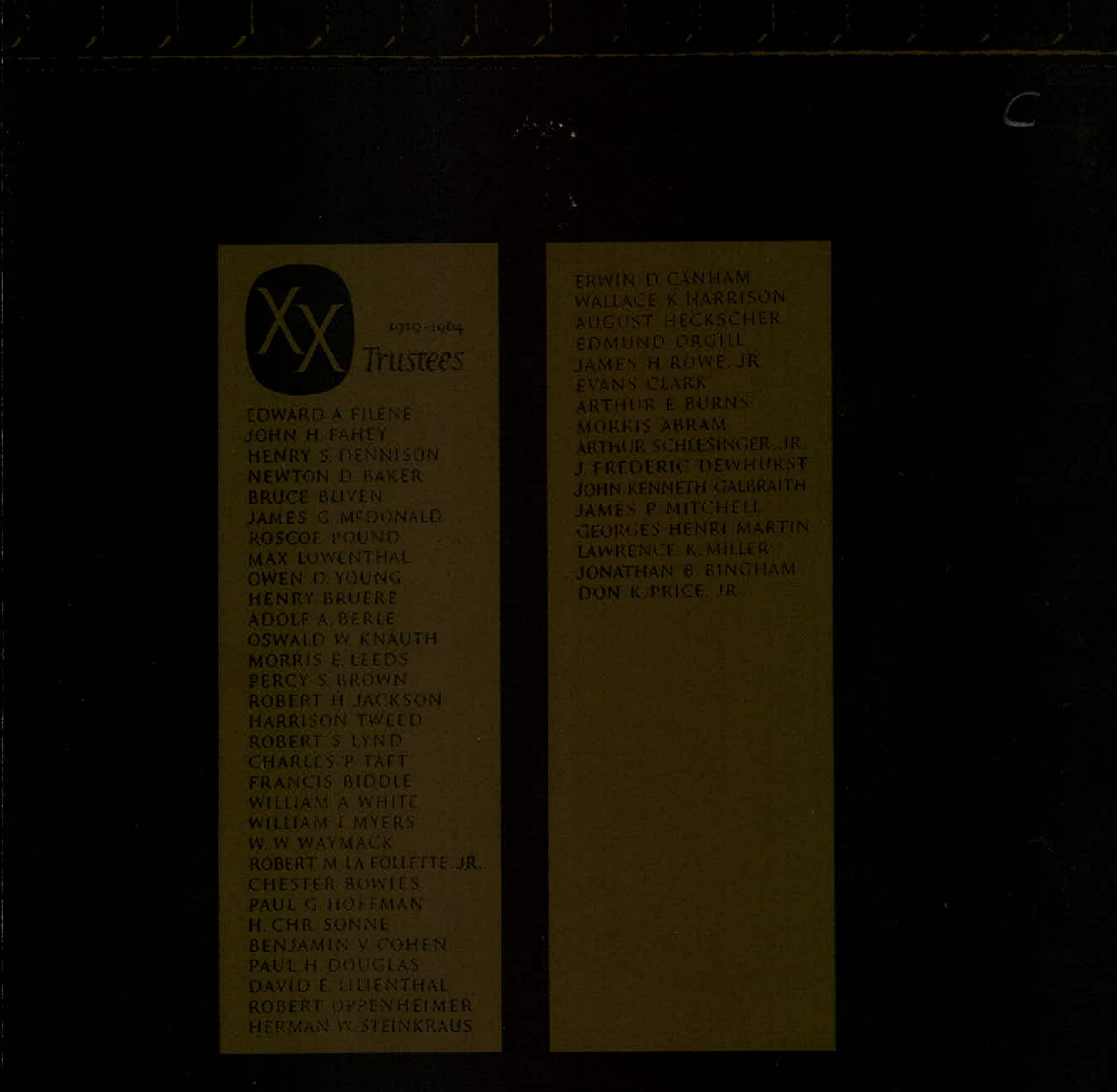

THE TWENTIETH CENTURY FUND

annual report 1965

1965

ANNUAL REPORT

THE TWENTIETH CENTURY FUND

THE TWENTIETH CENTURY FUND
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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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REAPPORTIONMENT: THE LAW AND POLITICS OF EQUAL REPRESENTATION

Author: **ROBERT B. MCKAY**
Associate Dean and Professor of Law, New York University; Chairman to the Advisory Council on Reapportionment to the Legislature of the State of New York

SHORTLY AFTER THE 1962 Supreme Court decision on Baker v. Carr, which opened the doors of the federal courts to lawsuits by qualified voters challenging legislative apportionment, the Twentieth Century Fund held a conference on legislative apportionment. One purpose of the conference was to formulate a statement of basic principles of legislative apportionment and another was to lay out paths for future scholarly research.

Following the conference the Fund embarked on a study, carried out by Robert B. McKay, which was published in 1965 under the title *Reapportionment: The Law and Politics of Equal Representation.*

Mr. McKay's work re-examines the nature of representative government in the United States in relation to questions of apportionment and districting. It recounts the legal history of the 1964 decisions of the Supreme Court, making equal population the basis for congressional districting and state legislative apportionment, and provides a careful analysis of the constitutional issues involved. An appendix of more than 200 pages contains the first systematic compilation of legislative apportionment formulas on a state-by-state basis.

Important among Mr. McKay's conclusions is that "one man, one vote," the standard handed down by the Supreme Court, will not in itself assure fairness in the electoral process. Unless the states act to require compactness and contiguity in legislative election districts, legislatures may indulge in gerrymandering for partisan purposes while at the same time satisfying the equal population requirement. Legislation to ensure compact and contiguous districts is "urgently desirable," Mr. McKay maintains, in order to prevent the further "distortion of democratic processes."

Mr. McKay suggests the establishment of nonpartisan commissions to take responsibility for apportionment. These commissions would be empowered to fix standards, draw lines, and take into account locally relevant factors. Their work would be subject only to judicial review to test compliance with the standards of compactness, contiguity and substantial equality of population. Districts would be drawn without respect to the strength of any political party.

In the autumn of 1965 Mr. McKay became Chairman of the Advisory Council on Reapportionment to the Legislature of the State of New York.

PENSIONS AND EMPLOYEE MOBILITY IN THE PUBLIC SERVICE

Author: **HAROLD RUBIN**
Director, Statistical Coordination, New York State Division of the Budget

A TWENTIETH CENTURY FUND study completed in 1965 has found that pension plans do not significantly deter mobility within the government job market. Fears that such plans may encourage employees to hold on to jobs, regardless of other factors, are largely unfounded.

In this short study, *Pensions and Employee Mobility in the Public*

Service, Harold Rubin of the New York State Division of the Budget concludes that to employees making job decisions such factors as recruitment and promotion practices, vacations, sick leave provisions and, of course, salary rates, are of equal importance with pension plans. Although some public employees are tied to their jobs because a change would mean a smaller pension, the report points out that these are often the older employees who are less likely to change jobs anyhow.

To minimize economic loss for those who do shift jobs, Mr. Rubin advises that provisions for retaining pension rights should be improved. He recommends that all public pension plans permit the vesting of benefits after one year.

"Vesting" provides that an employee who meets certain conditions — often five, ten, or fifteen years of service — can leave his job and still collect a pension benefit when he reaches retirement age. The usual requirement for an employee to gain any pensions benefit is that he leave his own contributions in the retirement system; if he withdraws these, he loses the employer's contributions credited toward his pension and thus surrenders his right to an eventual benefit.

The study suggests a system under which new public employers would supplement vested benefits provided by former employers, in order to make up the difference in benefit levels occasioned by a change of jobs. "The additional cost for such supplementation," the author says, "would be a small price for employers to pay to attract qualified personnel."

The survey which Mr. Rubin conducted and upon which his study is based focuses on municipal and state employees at the professional level in the five largest cities and the five largest states, and on employees in certain units of the federal government.

The Twentieth Century Fund work did not investigate the effect of pensions on mobility in the private sector.

CANADA: AN APPRAISAL OF ITS NEEDS AND RESOURCES

Authors:

GEORGE W. WILSON
Chairman, Department of Economics, Indiana University

SCOTT GORDON
Professor of Economics, Carleton University; author of The Economists Versus the Bank of Canada

STANISLAW JUDEK
Professor of Economics in the Faculty of Social Sciences, University of Ottawa

WITH THE publication in 1965 of *Canada: An Appraisal of Its Needs and Resources,* the Twentieth Century Fund completed a series of economic studies of the Atlantic community. The first study — and at the time of its launching it was not foreseen as the beginning of a series — was *America's Needs and Resources.* It was followed some years later by *Europe's Needs and Resources.* Both works were prepared under the direction of J. Frederic Dewhurst.

The work on Canada is an international venture, attesting to cooperation between Canada and the United States. The authors are Canadian; the study was issued simultaneously by the Fund, which had sponsored it, and the University of Toronto Press.

Central to the thesis of this book is the great potential for growth of the Canadian economy. Canada, the next-door neighbor that buys more goods from and sells more goods to the United States than any other nation, has an economic potential for the future that is "among the world's brightest," the book says.

Calling attention to the fact that in 1962 the 18 million people in Canada had the second highest (after the U.S.A.) per capita output in the world, the study estimates that Canada's population will grow to about 23 million in the next ten years, and its gross national output (in dollars of 1962) to $60 billion by 1970 and $76 billion by 1975.

The work, of course, acknowledges that Canada confronts problems. "There are a series of non-economic difficulties," the authors say, "that have clouded the national landscape, especially as far as national cohesion and independence are concerned." Among such difficulties are "substantial U. S. ownership of Canadian industry, the 'quiet revolution' in Quebec, the national flag"—all of which have been "the subjects of lengthy and sometimes emotional discussion and debate from one end of Canada to the other."

The authors discuss a wide range of economic questions—population, labor force, productivity, natural resources, capital investment, regional and cultural differences, expected output—and provide projections to 1975.

To give the book a greater usefulness, the foreword, preface, introduction and epilogue are presented in French as well as in English. The work is rounded out with a commentary in French by Albert Breton of the University of Montreal, in which he discusses themes in the study that might have special interest for the French-speaking community in Canada.

A STATISTICAL HANDBOOK OF THE NORTH ATLANTIC AREA

Author: **BERNARD MUELLER**
Economist; Staff Member, Research and Planning Division, Economic Commission for Europe, United Nations (in Geneva)

FOLLOWING THE TRADITION of its studies of needs and resources in the United States, Canada and Europe, the Fund issued in 1965 *A Statistical Handbook of the North Atlantic Area.* The 240-page reference book provides a vast amount of statistical information on eighteen countries of Western Europe and on Canada and the United States. It offers both regional totals and country-by-country data on population and employment, resources, output, productivity, foreign trade and standards of living. Long-term trends and changes are shown. Captions of the tables are printed in English and in French.

The handbook is the work of Bernard Mueller, an economist and a research associate on the staff of the Fund's 1961 study, *Europe's Needs and Resources.*

Research Projects in Progress

A GEOGRAPHY OF THE UNITED STATES

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INTERNATIONAL SECONDARY EDUCATION

A GEOGRAPHY OF THE UNITED STATES

. . . a loss of the geographical sense in much of our thinking

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

GEORGE H. T. KIMBLE, research director of the Fund's forthcoming geography of the United States, in reflecting on his work during the past year, says that he found it easier to travel 80,000 miles than to write 80,000 words. It was a good day when he was as pleased with the wordage as with the mileage.

Mr. Kimble suspects, too, that the traveling will prove to have been the less dangerous. "To be sure," he says, "the traveler in these times is subject to dangers enough, not least the danger of supposing that, because he rides in a fast car he sees more than the man who rides on a slow donkey."

"The fact is, of course, that since each man's America is his own, consensus about its successes and failures, the relevance of its ends and the integrity of its chosen means, is no more possible than it is about any other flawed masterpiece. Granted that there is much about America that is unequivocal; but a country is vastly more than the sum of the certitudes held about it . . . Even to seek a consensus on many aspects of America is, it seems to me, to betray a sorry lack of insight into both the complexity of the themes of American life and the diversity of the scenes on which they have been (and are still being) worked out."

Indeed, it is this kind of look at America, from new perspectives and with new aims, which impelled the Twentieth Century Fund to undertake a geography, one which, as Mr. Kimble suggests, will not try to fix the America of the day in time, but will strive to chart the complexity of its currents, seeing geography "as the living tether by which men, earth and society are irrevocably bound."

It will be a geography scaled to human dimensions, following Mr. Kimble's conviction that the geography of voting habits and xenophobia is as important as that of alluvial deposits and atmospheric disturbances, and the geography of education or cultural life as important as that of rainfalls and river beds. Not a textbook geography, the new work is intended for the general reader, for whom it is meant to provide that combination of fact and synthesis, background and vision, which enhances one's understanding of a nation and its people.

An atlas to accompany the geography is being prepared in Sweden in collaboration with W. William-Olsson, a leading cartographer and Director of the Geographical Institute of the Stockholm School of Economics.

THE INDUSTRIALIZED URBAN ENVIRONMENT

. . . a nation growing to match its mythology

Research Director: **ALLAN TEMKO**
Research Associate, University of California Center for Planning and Development Research, Berkeley; formerly Associate Editor, Architectural Forum, *and urban critic,* San Francisco Chronicle

THE UNITED STATES has grown to resemble its mythology. Folk heroes who roamed the continent in giant strides can now be viewed as foreshadowing the scale of contemporary reality. Mr. Temko's vision in this study for the Twentieth Century Fund is that of a truly continental civilization. Its physical structure is outlined in such massive elements as the St. Lawrence Seaway, the interstate highway systems, the multi-state water and energy programs, and the transcontinental network of pipelines.

The study moves from the continental infrastructure to the urban realm. Mr. Temko proposes to examine five core areas: the Atlantic seaboard, the Midwest industrial complex, the new South, California, and the Northwest. Within these areas he seeks the definition of a new civic order. All but the Megalopolis of the East are regions whose forms are not yet determined; planning is crucial in all of them. The study will analyze each area from several standpoints — diversity of settlement pattern, population density, wealth and technological development.

The mobility of today's population is a pre-condition of the new patterns of growth. Mr. Temko will consider the effect of centers of new technology on migration. An example is the role of the space and weapons industry in the development of the Southwest.

The negative by-products of industrial civilization are manageable only at the continental level. From this viewpoint, pollution of air, water and soil will be analyzed as a series of national problems, insoluble on a regional basis. Mr. Temko writes, "Photographs taken from space show Los Angeles air pollution smoking like an enormous fire over the Southwest, blowing eastward to Texas; and last spring a red dust, deeply contaminated by pesticides, blew from drought-stricken areas of Texas to Cincinnati. Similarly, air pollution from West Virginia factories reaches New York, where it contributes to the most severe contamination problem of all."

This study is making extensive use of photography, and a portfolio of photographs will be included in the book, the manuscript of which is to be completed in 1967.

AMERICA'S PUBLIC ENVIRONMENT

Toward a standard of beauty, adequacy and convenience in city or town to match our private standard of living . . .

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; *member, Central Group on Domestic Affairs for the President*

THE METROPOLIS is now the principal home of the population of the United States. Most Americans have no place to live, and no place to make a living, other than metropolis. Even our food supply, according to Edward Higbee, is more dependent upon the city's chemistry than upon the natural fertility of soils.

The new study which Mr. Higbee is carrying out for the Twentieth Century Fund takes an ecological approach to modern urbanism. It starts from the premise that what once was called the balance of man and nature is extinct in this country, having been superseded by urban man's ability to balance his increasing needs with fabricated resources and a fabricated habitat. A synthetic environment has replaced the natural.

Mr. Higbee believes that a major task of government — local and national — is to administer this new ecology so that both the environment and the individual improve in quality as the population multiplies. Increased concentrations of people can be accommodated only if the habitat is hospitable and well designed. The population of the United States will double in the next forty to fifty years, and all the increase will be in cities and suburbs. Within the lifetime of today's college students, as much city building will take place as now exists.

To avoid chaos, both the nation and community must plan and coordinate this growth. If public policy, backed by the public wealth, becomes imaginative, the present could be America's finest period. But if government's job is bungled, and the public environment is left to the whims of old-line bureaucrats and politicians, social pressures could reach explosive proportions.

While acknowledging that the nation has thousands of enclaves with excellent facilities and services — schools, museums, libraries, parks, unpolluted waters, attractive landscapes, diligent police protection and professional administrators — Mr. Higbee maintains that the general condition of the public environment is dismaying.

The study will explore the underlying reasons for this situation. Mr. Higbee plans to evaluate the consequences of a continuing policy of drift and to make recommendations for positive policies which, he feels, are within the ability of the nation to undertake. Publication of the study is set for 1967.

SOUTHERN ECONOMIC DEVELOPMENT AND MANPOWER

The making of a New South . . . resources, manpower and social change

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

EVEN THE MOST CASUAL VISITOR to the American South perceives a region in the midst of change. A section of our country that once prided itself on its strong traditions and rural background now finds itself with new industries, great technological centers spawned by nuclear energy and the space age, and is becoming aware of fundamental changes in its economic and social structure.

Where is the South heading? What is likely to be its economic situation in 1975? The Twentieth Century Fund has undertaken to answer questions such as these. The project research director, James G. Maddox, and his staff are entering upon the final phases of the work.

"Early in the study," writes Mr. Maddox, "it became evident that the South is in the midst of a great transition from a society with a heavy orientation toward agriculture and agrarian values to a more modern industrial, commercial and urbanized way of life. This transition — it is virtually a slow-moving economic, social, moral and political revolution — has various facets, not the least of which are the rapidly changing pattern of race relations as well as the changing patterns of southern occupations. It has already had important effects on the southern economy — indeed, on the whole structure of southern society."

Against this background of change, Mr. Maddox defines his objectives by saying, "Specifically, we seek answers to three basic questions: Approximately how many people will be employed in the South in 1975? How will this number of workers be distributed among industries and occupations? To what extent and in what ways are employment opportunities for Negroes likely to change within the South during the forthcoming decade?"

The manuscript of the study is expected to be in final draft in the spring of 1966.

LEGAL RESTRAINTS ON RACIAL DISCRIMINATION IN EMPLOYMENT

Discrimination in employment . . . legal tools to fight it

Research Director: **MICHAEL I. SOVERN**
Professor of Law, Columbia University School of Law

A HIGH LEVEL of unemployment has been one of the most persistent traits of the cycle of Negro poverty. While much of this unemployment can be attributed to lack of skills on the part of job applicants who face an economy that increasingly requires a high level of training, discrimination is also responsible for a significant proportion of the unemployment among Negroes.

The federal government has initiated remedial programs to enable the disadvantaged to compete more effectively. "Operation Headstart" and the Job Corps are two programs which attempt to compensate for early poverty and lack of training. Many Negroes, however, have the skills and training to succeed now if only the obstacle of discrimination were removed.

The present study, by Michael Sovern, describes and analyzes the law as it applies to racial discrimination in employment. It will focus on existing statutes and agencies which fight such discrimination. The number of these has increased since Mr. Sovern began his study. In 1964 the federal government assumed responsibility for assuring all citizens equal opportunity in employment by enacting the Civil Rights Act. At the same time it recognized the effectiveness of earlier programs by permitting them to continue their activities.

In his study Mr. Sovern describes the early attempts by President Roosevelt and the wartime Committee on Fair Employment Practice to fight racial discrimination in employment. He discusses in depth the strengths and weaknesses of the later state commissions against discrimination, and compares these bodies with the federal commission provided for in the recent Civil Rights Act. His analysis suggests how both could act more effectively.

The study considers, too, the administrative antidiscrimination programs headed by the Secretary of Labor. A separate chapter is devoted to discrimination by unions and the means the law provides to combat it. Apprentice programs are reviewed and a final chapter contains recommendations.

Publication of the book is scheduled for May 1966.

POWER, OWNERSHIP AND PROPERTY

The evolutionary change in the control of productive wealth in America

Research Director: PAUL P. HARBRECHT, S.J.
Dean, University of Detroit School of Law;
author of Pension Funds and Economic Power

Associate Research Director: LOUISE FIELD
Research Associate, Twentieth Century Fund

IN A BROAD SENSE, this study of the transformation taking place in American capitalism is concerned with the goals which our society is to serve and with the place of the individual in the face of growing institutionalization in nearly every aspect of his life.

The progressive development of new relationships in the ownership and control of productive property during the twentieth century has greatly modified the private property system under which our economy is organized. While elements of the private property system remain, the institutions which now direct the use of capital wealth — our corporations, financial organizations and insurance and investment companies — are to a significant degree public or quasi-public institutions. Furthermore, government now plays a much greater role than ever in coordinating the economic life of the nation.

The basic research on the institutions covered by the study has been completed and the research director, Paul P. Harbrecht, S.J., is now engaged in analyzing their place and function in this complex pattern of interdependent economic forces. The study, when completed, will carry forward some of the ideas developed by Father Harbrecht in *Pension Funds and Economic Power*, published by the Twentieth Century Fund in 1959.

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

IN 1957 GUNNAR MYRDAL began a study of economic development in South Asia for the Twentieth Century Fund, stepping from his post as Executive Secretary of the United Nations Economic Commission for Europe. The work on South Asia was intended to be one of modest dimensions, and was planned for publication in three years. Mr. Myrdal's study is now scheduled for publication in 1967; no longer small in scope, it is a major undertaking of his career.

Reflected in the new dimensions of the study is an extension of its range far beyond what was originally envisioned, including a relentless questioning of accepted economic theory. Mr. Myrdal's reservations about applying traditional formulas increased as he entered more deeply an experience he found both challenging and unexpected. He is concerned not only with questions of development and underdevelopment but also with questions relating to the outlook and responsibility of the social scientist if he is to deal effectively with the critical problems of these times.

Mr. Myrdal contends that merely qualifying traditional theory is not enough; fundamental new approaches must be made. Speaking as an economist, he says: "If we are correct there is room for more interdisciplinary research and we should welcome efforts by sociologists and others to improve our system of theories and concepts. The fact is, however, that a political and dynamic point of view is embedded in the tradition of economics, and less so in the other social sciences. As it is we economists who have inherited that viewpoint, the main hope must be that the economics profession will gradually turn to remodelling our framework of theories and concepts." In Mr. Myrdal's opinion, such basic changes alone will permit the formulation of ideas adequate to cope with the conditions existing in South Asia. "Not only is the social and institutional structure different from the one that has evolved in Western countries, but, more important, the problem of development in South Asia is one that calls for induced changes in the social and institutional environment," Mr. Myrdal says, emphasizing the need for fundamental institutional changes.

This study will be a major effort, then, not only to assess the social and economic conditions of the countries involved—Pakistan, India, Ceylon, Burma, Malaya, Thailand, Indonesia and the Philippines—but also to re-evaluate economic theory as it relates to underdevelopment and the process of development. The study will be divided into seven sections, with a Prologue. The first section will discuss the goals of planners; sections following will be on State and Society; Economic

Reality in South Asia; A Third World of Planning; Economic Aspects of Planning; Population; and Population Quality, this last including chapters on health and education.

Publication of this work is scheduled for 1967.

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**
On leave from U. S. Agency for International Development; formerly Policy Officer, U. S. Information Agency

AMONG THE RECOMMENDATIONS at the 1965 White House Conference on International Cooperation was one for a "reverse flow" of economic aid, calling for countries that are themselves in the process of economic development to help other countries starting out along the same road. Such initiatives indeed might speed the process of development, by utilizing that special combination of understanding and specialized knowledge possessed by a nation deeply involved in the process of development and by affording new opportunities for aid as well as new sources of aid.

Fortunately, the hypothesis can be tested; for Israel, among other countries, has made available to developing nations its pioneering experience in such areas as land settlement, agricultural technology, water and irrigation, cooperatives, and youth leadership and development.

In 1964 the Twentieth Century Fund embarked on a study of the Israeli experiment. Leopold Laufer, research director of the project, spent a year in Israel and also visited countries in Africa and South America which had received aid from Israel or had taken steps of their own to aid other countries.

Commenting on observations made during his extensive travels, Mr. Laufer said: "This examination, though necessarily limited, has sustained the original premise that as countries progress along the path of social and economic development, opportunities increase for fruitful exchanges and cooperation with other nations. Sometimes new cooperative relationships evolve as expressions of a growing regionalism, at other times they accompany the development of broader bilateral relations among states. However, the powerful forces militating in favor of such increased mutual relationships are often balanced or frustrated by equally significant obstacles, including limitations of high-quality manpower, and financial, political and psychological barriers. . . . Successful or not, proliferating relationships in social and economic development among developing nations are bound to have considerable political and psychological effects."

Mr. Laufer's manuscript is scheduled for completion in 1966.

ITALIAN POLITICAL PARTICIPATION

. . . political parties of a uniquely pervasive nature

Research Directors:

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

ALFONSO PRANDI
Member of the research staff, Associazione di Cultura e Politica Carlo Cattaneo

THE POLITICS of the Italian peninsula have constituted a fascinating panorama, studied by scholars and philosophers from Machiavelli to Barzini. Each writer has contributed his own individual insights as he viewed the drama of a highly individualistic and talented people struggling to achieve a degree of stability in their means of government. Never before, however, has a group of Italian scholars, working closely and continuously together, sought to apply the rigorous methods of modern social science research to the analysis of the modern Italian political system.

The Twentieth Century Fund, in cooperation with the Carlo Cattaneo Institute, an independent research organization in Bologna, is attempting such a study. The conclusions of the study remain to be definitely formulated. It is already clear, however, that they will challenge some of the popular impressions of Italian political life. Embedded in a multi-party system, the two great centers of political power are the Italian Communist Party and the Christian Democratic Party. The Christian Democratic Party has constituted the Government of Italy, either with or without the help of smaller parties, since the war. The Italian Communist Party has become a sort of permanent opposition.

Analyzing the elements of stability as well as potential instability in this system, the research group at Bologna, which includes a number of younger Italian scholars trained in the United States, has collected data through numerous interviews and documents on every aspect of the political behavior of the two major parties. The percentage of the vote going to the Christian Democrats and the Communists has, so far, remained remarkably stable. The research suggests that this stability in voting patterns is related to the methods of party organization and to the fact that both Christian Democrats and Communists are more than political parties, extending their connections deep into Italian life through the Church and its organizations, the trade unions, the co-operative movement, local government and cultural organizations.

The future, according to the research directors, Giorgio Galli and Alfonso Prandi, is complex and uncertain and both parties are trying to adapt to the changing demands of Italian life.

Completion of this project is set for 1966. Italian and English editions of the study will be published.

PERFORMING ARTS

. . . economic factors affecting the attainment of a heightened artistic achievement, a wider audience participation

Research Directors:

WILLIAM J. BAUMOL
Professor of Economics, Princeton University

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

IN SEPTEMBER 1965 President Johnson signed a bill for limited government support to the arts, marking the culmination of initiatives started in the Kennedy administration. New arts centers have opened in the nation, and plans for others have been laid. Some states have increased their support and some cities have undertaken modest programs in the arts themselves. The total amount of foundation support to the arts went up in 1965. Thus hopeful signs for the performing arts have appeared to multiply.

But the problems raised in starting along this road have also seemed to multiply. The new initiatives have created new interests and a demand for support not equaled by present sources.

This problem is not new but it is cast in a more urgent form today, and nowhere at hand is the necessary body of economic fact and analysis on the performing arts. It is the hope of the Twentieth Century Fund in this study, directed by William J. Baumol and William G. Bowen, to make a contribution toward this need.

For the first time a set of comprehensive data is being assembled on a wide spectrum of the life of the performing arts — their costs and financing, ticket prices, wage scales and income levels among the participants. As part of the research, audiences have been surveyed on and off Broadway, at community theaters, at ballet performances, symphony concerts, operas and oratorios.

The report of this project will complement the Rockefeller Panel Report, *The Performing Arts: Problems and Prospects.* This work, which gained wide recognition upon its publication in 1965, has illuminated many of the basic problems of the performing arts and given a vision of what they could mean in American life. The Twentieth Century Fund report is intended to supply an underpinning of economic fact and analysis which will give insights into what will be needed to speed the realization of that vision.

Publication of this study is expected in the fall of 1966.

PLANNING PLACES

. . . on new ideas in urban design with an emphasis on "the integrity of realms"

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

URBAN AFFAIRS and the cause of good design are two areas of interest to the Twentieth Century Fund that meet in a study with the working title "Planning Places," which is being carried out by Serge Chermayeff, Professor of Architecture at Yale University. It is Mr. Chermayeff's belief that today's city does not provide a proper field for either the working activity or the private lives of its citizens.

If the city is to satisfy these needs, novel and basic ideas of design must be developed, a task which is the goal of this study.

"Urban sprawl" has attacked the city, Mr. Chermayeff contends, because the city's growth has not been organized around a clear principle. "But no such principle will be forthcoming," he writes, "until the processes of design are themselves informed and controlled by the recognition of new realities."

One such principle Mr. Chermayeff has already worked out in a previous book, *Community and Privacy: Toward a New Architecture of Humanism,* written with Christopher Alexander. City life, he maintains, has meaning to the individual only so far as it sustains both his need for privacy and his need for community. Most modern houses violate and confuse the principle by mixing up public and private places. This confusion is even more acute in the broader city structure.

If urban complexity is to attain meaningful form, Mr. Chermayeff holds that the principle of "integrity of realms" will have to be recognized and respected. The functional differences of the many activities that make up city life will have to be acknowledged. These activities must then be protected against interference. "Planning Places" will attempt to define rules of urban design around which the modern city may be constructed.

The research is planned for completion 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

RONALD GOLDFARB
Attorney, author of Ransom: A Critique of the American Bail System

THE CONFLICT OF INTERESTS frequently inherent in free reportage and the protection of persons involved in court trials, as seen from the viewpoint of the press, will be the subject of a report supported by the Twentieth Century Fund. The work is being undertaken by Alfred Friendly, Associate Editor of *The Washington Post,* and Ronald Goldfarb, a lawyer.

The work will attempt to put the problem of public participation in the trial process into historical perspective, and will consider particular philosophical questions that the issue raises. It will go on to examine recent events that have highlighted the problem, including President Kennedy's assassination and the Estes and Sheppard cases.

The study will be concerned above all with the day-to-day effects of public coverage of trials as they are evidenced throughout the country in the ordinary train of events. To obtain pertinent statistics and views on the problems involved, the research directors have conducted a survey of all state attorneys general and the district attorneys of major metropolitan areas. Statistical studies made by others will also be summarized.

The many proposed solutions to the free press–fair trial issue already put forward will be examined for their practicability. Special attention will be given to proposals for limiting the danger to fair trial such as postponed publication, restrictions on information given by police and prosecutors, and voluntary codes of press practice. The research directors will test existing laws bearing on free press–fair trial for their effectiveness both in protecting those involved in a trial and in assuring freedom of the press.

In a concluding chapter of their report, Messrs. Goldfarb and Friendly will make their own suggestions, some on small points and some on the major issues involved. They will also deal with television coverage in criminal cases and give their views on the proper role of television in the trial process.

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

THE VASTLY EXPANDED NUMBERS of international civil servants, the proliferation of diplomatic, economic aid and military missions, the increase in international business personnel, all have contributed to a fivefold increase in the number of students at international schools in the past seven years alone. With this expansion have come increasingly severe problems for the students in gaining admission to the universities of their homeland or of other countries, due in large part to varying standards around the world.

These are all reasons not only for finding ways to facilitate the movement of students from international secondary schools into universities in any nation, but for strengthening the schools themselves. Added importance is given to this effort by the increasing need for educational facilities around the world because of the new needs of the emerging nations themselves.

To facilitate the movement of students from secondary schools into universities in any nation, a project is being undertaken by the Twentieth Century Fund in association with the newly founded International Schools Examination Syndicate in Geneva. The work of the ISES, made possible in large measure by Twentieth Century Fund support, is focusing on the feasibility of devising an international matriculation examination, and on ways of encouraging the creation of such an examination. Meanwhile, a study by Martin Mayer will chart the progress of this experiment and will also concern itself 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.

Mr. Mayer spent the early stages of his research and consultative work in Geneva and more recently has traveled in other parts of Europe, in Africa and in South America, visiting international schools, both to study the curricula, staffing and standards of the schools themselves and to assess the broader possibilities of international cooperation towards an international matriculation examination. Mr. Mayer has attended a number of meetings of international educators exploring similar problems and has met with government officials, who are frequently in key positions to forward any such possibilities as are envisioned in an international matriculation examination.

Mr. Mayer expects to complete his study by the end of 1966 with a view to publication in 1967. The work of the International Schools Examination Syndicate will, it is hoped, go forward beyond 1967 with a major grant from other sources.

THE TWENTIETH CENTURY FUND

TRUSTEES · MARCH 1966

IN 1965 Will Carter of Cambridge, England – well-known printer, calligrapher and stone-cutter – was commissioned to carve upon two panels of linden the names of the trustees of the Fund, going back to its beginning in 1919. The panels now hang in the Trustees Room of Fund headquarters. The cover of the 1965 Annual Report carries an image of these. The names are printed here. Adolf A. Berle, a trustee since 1934, Chairman of the Board since 1951, has written at the Director's request the following pages of reflection and summary.

A. H.

TRUSTEES 1919–1966

THE TWENTIETH CENTURY FUND TRUSTEES: A CURRENT OF LIVING HISTORY

BY ADOLF A. BERLE

TWENTIETH-CENTURY AMERICA has been through – is still traversing – a stormy stretch of history. Internally it is well on the way toward realizing a quiet social revolution. In foreign affairs, it has emerged from Monroe Doctrine hemispheric isolationism to become a great world force.

Many elements enter into the processes of history, but two are always present: ideas and men. Fairly it can be said that the Twentieth Century Fund has been involved with both. A library of books and studies attests its work in the field of ideas. The plaque on the wall of its Trustees Room, inscribed in chronological order with the names of members of its Board of Trustees, bears witness to its involvement with men. I take sentimental pride in the fact that the men who became trustees of the Fund have all emerged with greater stature than before.

It all began with Edward A. Filene, a merchant of Boston, and his two friends, John H. Fahey, a newspaper publisher, and Henry S. Dennison, a paper manufacturer in Framingham. By mere accident, Filene was a Jew, Fahey a Catholic, Dennison a Protestant. Filene's desire was to set up a fund designed to study and promote "the next steps forward" (Filene's words) in American social and economic development. World War I had just ended; Filene foresaw, as did his two friends, that America was on the threshold of enormous development and change. They thought ideas, backed by careful study and a certain amount of money, could assist in making that change productive. Filene was accustomed to say to the incoming trustees (as he did to me), "Consider yourselves millionaires trying to do some good with your money. You will find it is not as easy as appears."

The men who successively served on the Fund's roster of trustees were active in politics and organizations as well as in the field of ideas. Their biographies, taken together, would cover in connected chain a fair sector of the history of a turbulent American half-century.

The post-Wilsonian phase is represented by Newton D. Baker, Woodrow Wilson's Secretary of War, by Bruce Bliven, one of the founding editors of *The New Republic*, and by James G. McDonald, long head of the Foreign Policy Association, who fought the isolationist tide whose early force prevented the United States from entering the League of Nations. Roscoe Pound, Professor and later Dean of the Harvard Law School, was making modern jurisprudence a liberating force in legal and social development. Law, he thought, was social engineering capable of increasing the freedom of individual citizens. Owen D. Young, becoming famous as architect of the General Electric Company, established effective contact between scientific research and commercial organization. Henry Bruère, greatest among New York's savings bankers, Treasurer of New York under John Purroy Mitchel, was fighting the yet unfinished struggle to make municipal government the instrument of life it ought to be.

The "Brain Trust" and the Franklin D. Roosevelt era brought Benjamin Cohen into the roster, along with myself. Oswald Knauth, student of distribution and the developing technique of economic measurement, introduced another element into our board. Harrison Tweed, acknowledged leader of the New York Bar, established contact with the turgid and sometimes vacillating legal profession (he himself never vacillated). By 1936, the currents which had made the Wilsonian era, had fought to keep America sane during the roaring twenties and had played a substantial part in making the New Deal, were simultaneously represented on the Fund's board.

The work of the Fund meanwhile had become predominantly economic; it was, in fact, the first foundation dedicated to research in social-economic problems. The Great Depression from '29 to '33 brought these problems to the political action level, forcing reorganization of the economic and social structure of the country. This gave impulse and utility to the Fund's work. Chiefly due to the insights and recommendations of its trustees, using Filene's "next steps forward" as criterion, the Fund steadily sought to anticipate in its fields of study the thorniest issues. Its results were regularly drawn on by government offices, businessmen and politicians as the great change moved forward.

Many of these men are still active on the Fund's board; a few random names suggest the expanding horizon. Robert Lynd gave a new base to sociology with his studies of "Middletown." Charles Taft, scion of an earlier conservative era, stood for the liberal application of conservative thought. Francis Biddle, Franklin Roosevelt's Attorney General, revolutionized the work of the Department of Justice. William Waymack, of *The Des Moines Register and Tribune,* and "Young Bob" La Follette brought in impetus from the Progressive Middle West. Chester Bowles (presently Ambassador to India) and Paul Hoffman (now of the United Nations) pioneered the work of foreign aid: their names are current in events today. David Lilienthal will always symbolize the Tennessee Valley Authority. Paul Douglas, all too briefly with us, in the Employment Act of 1946 mapped out the development of guided economy in the government of the United States.

As the Roosevelt era ended, new names appear. Robert Oppenheimer will be remembered as one of the architects of the Institute for Advanced Study at Princeton as well as a creator of the atomic bomb. Wallace Harrison's architectural influence is visible all over the world. Arthur F. Burns has carried forward the work of Wesley Mitchell, the great teacher of us all; as economic adviser of the Eisenhower administrations and as teacher, he has steered economic thought throughout the country. History, as well as Camelot, are represented by Arthur Schlesinger, the historian of Andrew Jackson, of Franklin Roosevelt and of the late John F. Kennedy. John Kenneth Galbraith was an intimate intellectual friend of President Kennedy and an economic thinker who did not fear to make generalizations.

Two additional areas of American life have been fruitful sources for Fund trustees: business and journalism. Herman Steinkraus, as President of Bridgeport Brass, brought a wise and liberal view of affairs; Chris Sonne has been an investor with prophetic vision. Erwin Canham is the Editor in Chief of one of our few national newspapers; Lawrence Miller, of one of the comparatively few genuinely distinguished newspapers coming from a small locality.

Only after long delay did the Fund change its practice and include its Directors in its Board of Trustees. Factually, these Directors, all of whom did become trustees, are entitled to a separate word. Evans Clark, journalist and editor before he joined the Fund, really gave it its present form. Frederic Dewhurst, architect of the monumental *America's Needs and Resources* and its companion, *Europe's Needs and Resources*, made the first over-all audit of the actual performance and estimate of the future probabilities of the vast integrated economic machine we call the United States. He, a professional economist, preferred research to administration; whereon we lured August Heckscher from the desk of chief editorial writer of *The New York Herald Tribune* to become Fund Director. His name is now famous throughout the country as an outstanding philosopher of culture.

Problems of the United States are now no longer primarily economic. Racial and social justice, esthetic development and urban organization have pushed to the fore. Filene faced a country not yet producing enough to deal justly with its people's needs. Dewhurst and Heckscher faced the problem of an America economically able to do what had to be done but in desperate need of organizing its greater values — of beauty, of education, of science, of justice. Fulfillment of these is essential to turn economic abundance into the foundation for a good life. The newer trustees, as should be the case, include men active in seeking to realize President Lyndon Johnson's dream of "the Great Society." James Rowe organized and worked on many task forces to develop institutional machinery for its fulfillment. Jonathan Bingham was elected to Congress on a reform ticket. Don Price holds a senior position in developing public administration. Morris Abram has steadily and successfully dealt with problems of racial and human rights.

If the problems of the United States are no longer economic, neither are their solutions contained within its borders. Two of the Fund's trustees recently come from outside the continental limits of the United States are Georges-Henri Martin, Editor in Chief of *La Tribune de Genève,* and Luis Muñoz-Marín, the founding father of a new commonwealth.

The Fund's younger men still see visions. Its older men still dream dreams. None would be content with either; all have engaged in the endless work of building them into attainable life.

Read the history of the period: they are all in it; they all were there. They have lived in their time – intellectually and pragmatically. All, I think, would consider this one of the great privileges life can offer.

March 1966

This insert has been set by hand in the Emerson foundry type and printed in April 1966 at The Spiral Press, New York, for the Twentieth Century Fund Annual Report.

Other Projects

POLITICS OF EUROPEAN AND ATLANTIC RELATIONS

DURING the year explorations were carried forward in the way relations between European countries are affected by internal political institutions. Under the direction of Ben T. Moore, Associate Director of the Fund, who is giving half time to this project, a group of American and European scholars were brought into contact, and papers illuminating various aspects of the problem were being prepared. Among American scholars associated with Mr. Moore in this work have been Joseph LaPalombara, Professor of Political Science, Yale University; John Newhouse, associated with the National Foundation of Political Science at the University of Paris; and Nicholas Wahl, Professor of Political Science at Princeton.

EAST-WEST TRADE

AS AN EXPLORATION leading to possible further work on international trade, the Twentieth Century Fund has commissioned a working paper providing the background of U. S. policy on East-West trade. This paper was prepared by Nathaniel McKitterick, a Washington consultant and formerly Director of the Office of International Economic and Social Affairs in the Department of State.

Mr. McKitterick's paper surveys the debate on East-West trade during the past fifteen years, examining the record to show how the debate "reflects a shifting consensus in official, Congressional and public attitudes towards this fundamental question." The paper's four sections are titled: The Many Issues of East-West Trade; Export Controls as an Instrument of National Security Planning; Trade as a Positive

Instrument of Policy Towards the Soviet Bloc; Business, Labor and the East-West Trade Debate. Mr. McKitterick's paper will be published by the Fund in the spring of 1966.

POVERTY IN AN AFFLUENT SOCIETY

A SPECIAL REPORT on a study of poverty as it exists in affluent America was completed during the year and made ready for publication in the spring of 1966. The study was conducted at the New School for Social Research in New York City, with financial support from the Twentieth Century Fund. The report, describing some of the chief topics covered and giving some of the central findings, was written by Oscar Ornati, economist and faculty member of the New School, who was active in the direction of the project from its inception. Mr. Ornati is now on leave working with the Office of Economic Opportunity.

The study deals with such matters as the concept of poverty; numerical estimates of the poor; poverty as its affects special groups; influence of housing, health and education; poverty-linked characteristics; and estimates of anti-poverty expenditures. The report was prepared with the editorial assistance of J. Stouder Sweet. Under the title *Poverty Amid Affluence,* it is planned as a paperbound book of 208 pages, priced at $3.25.

TROPICAL AFRICA TODAY— HIGH SCHOOL EDITION

ONE OF THE FUND'S most notable studies in the past decade was the two-volume work *Tropical Africa,* by George H. T. Kimble. Since its publication in 1960 the work has come out in paperback, and now a new edition, also in paperback and prepared especially for high school students, is available. The new book, *Tropical Africa Today,* was written under Fund sponsorship, collaboratively by Ronald Steel, author of *The End of Alliance,* and George Kimble. It was published by the McGraw-Hill Book Company. New maps were drawn for this edition and it is liberally illustrated.

Although it has been updated, the new edition provides an overview rather than a last-minute chronology of events. "The original study did not attempt the impossible task of keeping up with day-to-day political and related developments," the Foreword says. "Rather, both the original and this newest version aim to bring about a broad understanding of African environment, people, and natural and man-made resource potentials. From these ingredients daily headlines are being molded into history." Students, both in and out of school, and interested citizens will find the book one of value.

CONSULTANT FOR THE PERFORMING ARTS

AT THE REQUEST of the John F. Kennedy Center for the Performing Arts in Washington, D. C., the Twentieth Century Fund has underwritten 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, will act as consultant to the Program Committee of the Center.

LEGAL DEFENSE OF NEGROES IN THE SOUTH

SCHEDULED for publication in 1966 is a work by Michael Sovern, *Legal Restraints on Racial Discrimination in Employment,* described on page 25, which evidences the concern of the Fund with problems of civil rights as they are susceptible to change by law. Extending this interest, the Fund has made grants to two groups of northern lawyers engaged in organizing the legal defense of Negroes in the South, in cases where without such special representation they might have had no adequate counsel. The two groups are the Lawyers' Committee for Civil Rights Under Law and the Lawyers Constitutional Defense Committee of the American Civil Liberties Union.

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 audiences 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.

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, five continue to be in steady demand. "Inflation," released in 1953, and "Megalopolis: Cradle of the Future" (1962) are the most popular ones. Earlier films still active include "The Living City" (1953), based on Miles L. Colean's *Renewing Our Cities;* "Working Together" (1952), a case history of labor-management cooperation; 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.*

During 1965 "Tropical Africa," a Fund film based on the study of the same name and produced by International Film Foundation in 1961, was also in active circulation.

NEWSLETTER

AN ILLUSTRATED NEWSLETTER with articles about Fund studies and activities is issued three times a year. The Newsletter describes undertakings being planned and gives main findings from recently published studies, 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.

Publishing Activities

TWENTIETH CENTURY FUND studies are initially made available to the public in book form under the Fund's own imprint. The books are priced in relation to their manufacturing and distribution costs alone; expenses of research are covered by income from the Fund's endowment. Books are sold in the United States and Canada through regular book channels and through direct mail by the Fund itself. Foreign trade sales are handled by Feffer and Simons, Inc. In 1965 sales of Fund books in the original edition were 16,248. Publications of the Fund were included in book exhibits in Frankfurt, Warsaw and Leipzig in 1965.

Fund works have been translated into a number of languages, and in 1965 the graphic book *U.S.A. and Its Economic Future* was brought out in Czech, Hungarian, Polish, Japanese and Spanish editions. A similar graphically illustrated book, *The New Europe and Its Economic Future,* appeared in Spanish and Swedish. Jan Tinbergen's *Shaping the World Economy* was made available in Dutch and Spanish translations.

Paperback editions of Fund studies are published from time to time, either under the Fund's imprint or by other publishers. In 1965 the leading sellers among works published by the Fund itself were all paperback editions: *Farms and Farmers in an Urban Age,* by Edward Higbee; *Latin American Issues: Essays and Comments,* by Albert O. Hirschman; and *Shaping the World Economy,* by Jan Tinbergen. Two of these, *Farms and Farmers in an Urban Age* and *Shaping the World Economy,* had been issued simultaneously in hard cover. The McGraw-Hill Book Company published a special edition of *Tropical Africa* for high school use, described earlier in this report.

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 1965 sales of Fund books in print are listed in the table following.

Sales of Publications

TITLE	YEAR PUBLISHED	1965 SALES	TOTAL SALES TO END OF 1965
The Power Industry and the Public Interest	1944	6	2,703
Financing American Prosperity	1945	3	7,095
Trends in Collective Bargaining	1945	20	14,548
For This We Fought	1946	2	19,660
Electric Power and Government Policy	1948	8	1,729
Report on the Greeks	1948	4	4,934
Partners in Production	1949	9	10,086
Defense Without Inflation	1951	7	7,391
Financing Defense	1951	3	4,439
The Federal Debt	1953	32	2,681
Defense and the Dollar	1953	5	3,841
Economic Controls and Defense	1953	11	4,042
Approaches to Economic Development	1955	236	11,701
America's Needs and Resources: A New Survey	1955	154	10,882
American Imports	1955	26	2,988
Can We Solve the Farm Problem?	1955	54	3,779
World Commerce and Governments	1955	65	4,165
Economic Needs of Older People	1956	53	5,398
The Agricultural Commodity Programs	1956	45	1,966
Greece: American Aid in Action	1957	35	3,012
Antitrust Policies	1958	82	3,923
Arms and the State	1958	142	7,065
The Economy, Liberty and the State	1959	101	6,723
Pension Funds and Economic Power	1959	88	5,208
Europe's Coal and Steel Community	1960	251	2,286
Tropical Africa (2 vols.[a])	1960	56	9,626
Strategy and Arms Control (paperback)	1961	597	8,685
Arms Reduction	1961	201	4,784
Latin American Issues	1961	2,065	15,518
Europe's Needs and Resources	1961	170	5,993

[a] Volume I is out of print.

Sales of Publications (continued)

TITLE	YEAR PUBLISHED	1965 SALES	TOTAL SALES TO END OF 1965
Megalopolis	1961	355	7,150
Yugoslavia and the New Communism	1962	397	3,423
Of Time, Work, and Leisure	1962	402	8,744
Economic Development in Burma, 1951–1960	1962	61	2,012
Shaping the World Economy (paperback)	1962	1,747	10,965
Civilian Nuclear Power	1963	44	2,172
Journeys Toward Progress	1963	534	6,663
Farms and Farmers in an Urban Age (cloth)	1963	365	3,804
Farms and Farmers in an Urban Age (paperback)	1963	2,147	11,283
North Atlantic Policy—The Agricultural Gap (paperback)	1963	136	1,587
De Gaulle and the French Army	1964	265	2,268
U.S.A. and Its Economic Future	1964	76	2,725[b]
The Challenge of Megalopolis (cloth)	1964	1	4[b]
The Challenge of Megalopolis (paperback)	1964	29	2,432[b]
Economic Growth in the West	1964	704	3,604
The New Europe and Its Economic Future	1964	159	2,537[b]
Pensions and Employee Mobility in the Public Service	1965	570	570
A Statistical Handbook of the North Atlantic Area	1965	1,655	1,655
Canada: An Appraisal of Its Needs and Resources	1965	1,184	1,184
Reapportionment: The Law and Politics of Equal Representation	1965	886	886

[b] Published by Macmillan, whose total sales (excluding sales made by the Twentieth Century Fund and listed above) to the end of 1965 were: U.S.A. and Its Economic Future, 15,317; The Challenge of Megalopolis, cloth 1,644, paper 6,161; The New Europe and Its Economic Future, 6,605.

Administration

Headquarters Staff FEBRUARY · 1966

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Finances

STATEMENT OF ASSETS RESULTING FROM CASH TRANSACTIONS

DECEMBER 31, 1965

WITH COMPARATIVE FIGURES AT DECEMBER 31, 1964

	1965	1964
CASH	$ 851,209	$ 577,981
INVESTMENTS, AT QUOTED MARKET PRICES:		
United States Government bonds	$ 250,188	$ 1,759,556
Bankers' acceptances	5,343,756	4,880,145
Certificates of deposit	1,500,000	—
Industrial bonds	48,750	50,375
Public utility bonds	359,037	584,900
Railroad bonds	49,026	50,427
Preferred stocks	964,047	1,534,799
Common stocks	18,075,102	18,186,044
Total investments	$26,589,906	$27,046,246
HEADQUARTERS PROPERTY, AT COST	495,000	495,000
Total assets	$27,936,115	$28,119,227

STATEMENT OF CHANGES IN PRINCIPAL

YEAR ENDED DECEMBER 31, 1965

WITH COMPARATIVE FIGURES FOR 1964

	1965	1964
OPERATING RECEIPTS AND DISBURSEMENTS:		
Operating receipts:		
Interest and dividends on investments	$ 953,417	$ 927,073
Interest on savings account	8,181	—
Sales of publications	40,773	69,284
Other	12,995	14,189
Total operating receipts	$ 1,015,366	$ 1,010,546
Operating disbursements	883,400	911,430
Excess of operating receipts	$ 131,966	$ 99,116
CHANGES IN INVESTMENT HOLDINGS:		
Increase (decrease) in quoted market prices of investments held throughout the year	$ (296,651)	$ 2,981,325
Increase (decrease) in quoted market prices over purchase cost of investments purchased during the year	(2,956)	49,781
Gain (loss) on sales of investments based on quoted market prices at beginning of year or purchase price during year	(15,471)	269,521
Increase (decrease) in principal resulting from changes in investment holdings	$ (315,078)	$ 3,300,627
Net increase (decrease) in principal	$ (183,112)	$ 3,399,743
BALANCE OF PRINCIPAL:		
Beginning of year	28,119,227	24,719,484
End of year	$27,936,115	$28,119,227

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, 1965 and the related statement of changes in principal 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 maintained on a cash basis and securities are reported at quoted market prices.

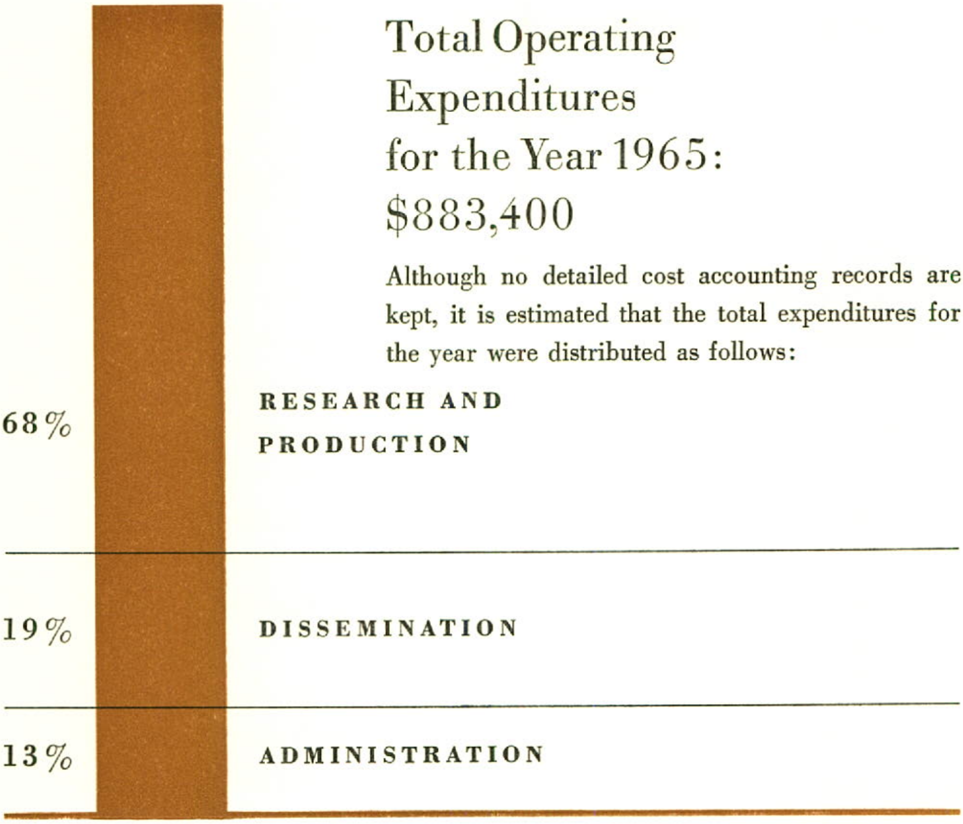
In our opinion, the accompanying financial statements present fairly the assets resulting from cash transactions of Twentieth Century Fund, Inc. at December 31, 1965 and the changes in principal during the year then ended, on the bases indicated in the preceding paragraph, which are consistent with those of the preceding year.

PEAT, MARWICK, MITCHELL & CO.

New York, N. Y., January 25, 1966

Total Operating Expenditures for the Year 1965: $883,400

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



PRODUCTION OF RESEARCH FINDINGS: 68%
Research, writing, revision and editing of studies and reports; publication in book and pamphlet form.

DISSEMINATION OF RESEARCH FINDINGS TO THE PUBLIC: 19%

Distribution and promotion of publications; releases and articles for newspapers and magazines; radio and television programs; educational films and filmstrips; the Newsletter; personal contact with key organizations and individuals.

ADMINISTRATION: 13%

General administration.

Cash Transactions, 1965

SUMMARY

Cash Balance January 1, 1965	$ 577,981
Total Receipts	20,743,374
Total Receipts and Cash Balance	$21,321,355
Total Disbursements	20,470,146
Cash Balance December 31, 1966	$ 851,209

RECEIPTS

Interest and Dividends from Investments	$ 953,417
Interest on Savings Account	8,181
Sales of Publications	40,773
Sales and Rentals of Films	1,165
Royalties on Subsidiary Publications	11,830
Proceeds from Sale of Investments	19,728,008
Total Receipts	$20,743,374

DISBURSEMENTS

HEADQUARTERS ACTIVITIES		$ 372,095
RESEARCH PROJECTS		331,008
Explorations	$ 9,839	
Terminal Account	2,861	
South Asia	959	
Southern Economic Development and Manpower	7,231	
Power, Ownership and Property	9,400	
Geography of the United States	49,380	
Italian Political Participation	1,167	
Performing Arts	73,380	
Canada's Needs & Resources	2,011	
Legislative Apportionment	4,229	
Industrialized Urban Environment	33,645	
America's Public Environment	16,506	
Statistical Handbook	1,083	
Israel, Assistance to Developing Nations	23,345	
International Secondary Education	61,905	
Politics of European and Atlantic Relations	15,000	
Planning Places	4,817	
The Press and the Courts	12,910	
Economic Development—Japan	1,340	
SPECIAL PROJECTS		76,957
Giorgio de Santillana Grant	$ 5,000	
James Shotwell Grant	2,625	
Lawyers Constitutional Defense Committee	40,000	

Cash Transactions, 1965 (continued)

National Bureau for Economic Research	25,000	
Nicolas Nabokov Grant	4,332	
PUBLISHING OF SURVEY REPORTS		$ 68,872
EDUCATION AND DISSEMINATION		34,468
Subsidiary Publications: Translations	$ 819	
Special Dissemination	2,576	
Working Papers	6,486	
Institutional Literature	24,587	
TOTAL OPERATING EXPENSES		$ 883,400
PURCHASES OF INVESTMENTS		19,586,746
TOTAL DISBURSEMENTS		$20,470,146

Detailed Statement of Assets

DECEMBER 31, 1965 AND DECEMBER 31, 1964

	AS OF DECEMBER 31, 1965		AS OF DECEMBER 31, 1964	
BONDS	*par value*	*market value*	*par value*	*market value*
United States Government Obligations:				
Treasury Notes				
4⅝% Series A, May 15, 1965			$ 882,000	$ 883,929
Treasury Bills				
3.61% disc. Feb. 11, 1965			350,000	348,666
Treasury Bonds				
3⅞% May 15, 1968	$ 100,000	$ 97,062	100,000	99,344
4% Oct. 1, 1969	55,000	53,126	55,000	54,742
2¾% Series B, Apr. 1, 1980–1975	100,000	100,000	100,000	100,000
4% Feb. 15, 1980			100,000	97,875
3¼% Feb. 15, 1985			200,000	175,000
Total Government Obligations		$ 250,188 0.9%		$1,759,556 6.3%
Corporate:				
Industrials				
Youngstown Sheet & Tube				
1st 4½% Oct. 1, 1990	$ 50,000	$ 48,750 0.2%	$ 50,000	$ 50,375 0.2%
Railroads				
Virginian Railway				
6% deb. Aug. 1, 2008	$ 43,100	$ 49,026 0.2%	$ 43,100	$ 50,427 0.2%
Utilities				
American Telephone & Telegraph				
4¾% deb. Nov. 1, 1992			$ 200,000	$ 207,000
El Paso Natural Gas				
5¼% cv. deb. Sept. 1, 1977	$ 115,000	$ 115,287	115,000	121,900
Louisville Gas & Electric				
4⅞% first mtge. Sept. 1, 1987	50,000	50,000	50,000	52,000
Public Service Electric & Gas				
4¾% first ref. mtge. Sept. 1, 1990	50,000	49,750	50,000	51,625
Rochester Telephone				
4¾% first mtge. Series E. Sept. 1, 1993	50,000	49,000	50,000	51,375
Southern California Edison				
4⅝% first and ref. mtge. Sept. 1, 1985	50,000	45,750	50,000	49,375
Union Electric				
4¾% first mtge. Sept. 1, 1990	50,000	49,250	50,000	51,625
Total Utilities		$ 359,037 1.3%		$ 584,900 2.1%

	AS OF DECEMBER 31, 1965 par value	AS OF DECEMBER 31, 1965 market value	AS OF DECEMBER 31, 1964 par value	AS OF DECEMBER 31, 1964 market value
Bankers' Acceptances:				
Bankers' Acceptance 3⅞% Jan. 4, 1965			$ 62,548	$ 61,761
Bankers' Acceptance 3⅞% Jan. 8, 1965			26,210	25,892
Bankers' Acceptance 3⅞% Jan. 11, 1965			23,562	23,268
Bankers' Acceptance 3⅞% Jan. 22, 1965			13,533	13,368
Bankers' Acceptance 3⅞% Jan. 26, 1965			22,798	22,513
Bankers' Acceptance 3⅞% Jan. 27, 1965			1,130,000	1,116,512
Bankers' Acceptance 3⅞% Feb. 10, 1965			160,344	158,567
Bankers' Acceptance 3⅞% Feb. 11, 1965			51,431	50,855
Bankers' Acceptance 3⅞% March 8, 1965			1,000,000	987,944
Bankers' Acceptance 4% March 8, 1965			166,000	164,322
Bankers' Acceptance 4⅛% March 19, 1965			200,000	197,731
Bankers' Acceptance 4⅛% March 29, 1965			898,755	887,380
Bankers' Acceptance 4% April 7, 1965			79,205	77,990
Bankers' Acceptance 4⅛% April 13, 1965			505,463	498,976
Bankers' Acceptance 4% April 19, 1965			135,233	132,739
Bankers' Acceptance 4⅛% April 28, 1965			12,043	11,819
Bankers' Acceptance 4⅛% May 3, 1965			101,489	99,628
Bankers' Acceptance 4% May 3, 1965			4,730	4,642
Bankers' Acceptance 4% May 4, 1965			200,000	196,111
Bankers' Acceptance 4% May 10, 1965			5,260	5,158
Bankers' Acceptance 4% May 11, 1965			106,900	104,845
Bankers' Acceptance 4⅛% May 12, 1965			38,877	38,124
Bankers' Acceptance 4⅝% Jan. 3, 1966	$1,400,000	$1,380,045		
Bankers' Acceptance 4⅝% Jan. 11, 1966	83,068	81,866		
Bankers' Acceptance 4⅝% Jan. 17, 1966	600,000	591,542		
Bankers' Acceptance 4⅝% Jan. 26, 1966	300,000	295,734		
Bankers' Acceptance 4⅝% Feb. 4, 1966	200,00	197,375		
Bankers' Acceptance 4⅝% Feb. 18, 1966	66,566	65,628		
Bankers' Acceptance 4⅝% Feb. 21, 1966	100,000	98,578		
Bankers' Acceptance 4⅝% Feb. 23, 1966	900,000	886,984		
Bankers' Acceptance 4⅝% March 4, 1966	72,000	71,125		
Bankers' Acceptance 4⅝% March 22, 1966	300,000	295,698		
Bankers' Acceptance 4⅝% April 1, 1966	1,000,000	98,747		
Bankers' Acceptance 4⅝% April 8, 1966	800,000	788,078		
Bankers' Acceptance 4⅝% April 11, 1966	500,000	492,356		
Total Bankers' Acceptances		$5,343,756 19.7%		$4,880,145 17.7%
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%		

PREFERRED STOCKS	AS OF DECEMBER 31, 1964 shares	market value	AS OF DECEMBER 31, 1965 shares	market value
Atchison, Topeka & Santa Fe Railway 5%	5,000	$ 51,250	5,000	$ 53,125
Central Maine Power 3.50%	1,000	68,500	1,000	71,500
El Paso Natural Gas 5.65%			500	52,250
Empire District Electric 5%	500	48,500	500	51,250
Gulf States Utilities $4.44	650	61,750	650	64,350
Helme Products 7% n-c			1,000	40,000
Interchemical 4½%	950	91,675	1,000	100,250
Jersey Central Power & Light 4%	860	69,660	860	73,637
Jim Walter 5%	2,000	33,250	2,000	35,000
Monongahela Power 4.40%	1,000	88,500	1,000	95,000
Pacific Gas & Electric 5% 1st	1,100	27,087	1,500	40,500
Reynolds Metals 4¾% "A"	1,600	78,800	1,700	86,275
South Carolina Electric & Gas 5%	1,400	67,900	1,400	72,450
Tennessee Gas Transmission 5.25%	875	85,750	900	91,350
Tennessee Gas Transmission 4.90%	1,200	112,800	1,200	121,200
Toledo Edison 4.25%	925	78,625	925	87,412
United States Rubber 8% n-c			1,000	175,750
United States Steel 7%			1,000	161,250
United States Tobacco 7% n-c			1,500	62,250
Total Preferred Stocks		$ 964,047 3.6%		$ 1,534,799 5.5%

COMMON STOCKS	shares	market value	shares	market value
American Can	3,000	$ 166,875	3,000	$ 129,000
American Telephone & Telegraph	11,024	669,708	11,024	752,388
Armco Steel	900	63,450	900	58,050
Atchison, Topeka & Santa Fe Railway	10,000	332,500	10,000	331,250
Bank of New York	833	129,948	833	129,948
Boston Edison	11,000	486,750	11,000	540,375
Brooklyn Union Gas	6,000	202,500	4,400	166,100
Carter Products			3,000	54,750
Central Illinois Light	8,976	251,328	4,488	262,548
Chemical Bank New York Trust	1,125	58,500	750	69,937
Christiana Securities	1,000	235,000	1,000	285,000
Cities Service	10,000	426,250	5,000	397,500
Coca-Cola Bottling (N. Y.)			3,000	67,500
Consolidated Edison of New York	15,000	633,750	7,000	675,500
Consolidated Natural Gas	3,000	212,250	3,000	215,625
Consumers Power	7,760	436,500	7,760	420,010
Equitable Gas	6,000	261,000	4,000	175,000
Federated Department Stores	79,000	5,352,250	80,000	5,750,000
First National Bank of Boston	3,000	192,750	2,000	187,000
General Motors	10,000	1,035,000	8,333	815,592
Inland Steel	3,000	133,875	3,000	132,000
Iowa-Illinois Gas & Electric	2,100	72,450	2,100	72,975

Detailed Statement of Assets (continued)

COMMON STOCKS (continued)	AS OF DECEMBER 31, 1965		AS OF DECEMBER 31, 1964	
	shares	*market value*	*shares*	*market value*
International Harvester	5,000	$ 229,375	2,500	$ 189,062
Manufacturers Hanover Trust	2,132	104,468	2,000	114,500
National Biscuit	3,000	162,375	3,000	175,500
Niagara Mohawk Power	15,000	399,375	7,000	371,000
Northern Natural Gas	5,000	290,000	3,150	184,669
Ohio Edison	14,524	413,934	7,262	432,089
Pacific Lighting	10,000	280,000	10,000	316,250
Philadelphia National Bank	2,000	108,000	2,000	109,500
Phillips Petroleum	4,000	225,000	4,000	214,000
Public Service Electric & Gas	6,000	235,500	6,000	240,000
Public Service of Indiana			4,700	220,312
Puget Sound Power & Light	5,000	181,250	5,000	183,125
Socony Mobil Oil	3,000	290,250	2,750	252,312
Southern Natural Gas	6,000	195,000	3,000	202,875
Southern Pacific	6,000	263,250	6,000	231,750
Southern Railway	2,500	144,687	2,500	143,437
Standard Oil of California	6,000	479,250	5,510	404,296
Standard Oil of Indiana	10,000	473,750	10,000	425,000
Standard Oil of Ohio	10,000	663,750	10,000	492,500
Texaco	6,300	506,362	6,300	552,037
Union Electric	13,200	371,250	13,200	386,100
Union Pacific Railroad	2,500	106,875	2,500	106,875
Union Oil of California	4,080	208,080	4,080	146,370
Wrigley (Wm.) Jr.	2,000	200,000	2,000	198,000
Youngstown Sheet & Tube	4,500	190,687	4,500	206,437
Total Common Stocks		$18,075,102 66.8%		$18,186,044 66.0%
HEADQUARTERS PROPERTY—at cost		495,000 1.8%		495,000 2.0%
TOTAL OF ALL INVESTMENTS		$27,084,906 100%		$27,541,246 100%
CASH		851,209		577,981
GRAND TOTAL OF ASSETS		$27,936,115		$28,119,227

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