

THE TWENTIETH CENTURY FUND

ANNUAL REPORT 1964

PURVIS HALL
LIBRARY
MAY 15 1964
MCGILL UNIVERSITY

with the compliments of

THE TWENTIETH CENTURY FUND

41 EAST 70 STREET · NEW YORK, N. Y. 10021

August Heckscher, Director

1964

ANNUAL REPORT

THE TWENTIETH

CENTURY FUND

THE TWENTIETH CENTURY FUND

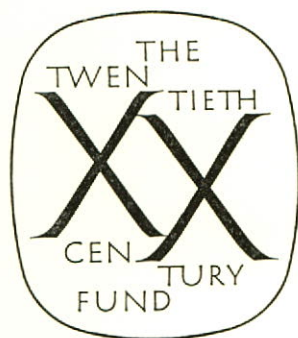
41 EAST SEVENTIETH STREET

NEW YORK · NEW YORK 10021

WASHINGTON OFFICE:

1755 MASSACHUSETTS AVENUE, N. W.

WASHINGTON · D. C. 20036



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.

The cover, designed by Charles Forberg, is a refraction of light falling through glass directly onto photographic paper. What does it signify? Perhaps a suggestion of the image of the future, as it moves through the mind and is caught in a mesh of words.

Table of Contents

Statement of Aims of the Fund	<i>page</i> 3
Trustees and Officers	6
Preface by the Director	9
Studies Published in 1964	15
De Gaulle and the French Army: A Crisis in Civil-Military Relations. Economic Growth in the West: Comparative Experience in Europe and North America.	
Research Projects in Progress	21
A Geography of the United States. The Industrialized Urban Environment. America's Public Environment. Southern Economic Development and Manpower. Legal Restraints on Racial Discrimination in Employment. Power and Property. Performing Arts. Legislative Apportionment. Pensions Transferability in the Public Service. Canada — An Appraisal of Its Needs and Resources. South Asia. Mutual Aid Among Developing Nations: The Case of Israel. Italian Political Participation.	
Other Projects	53
Popular Summaries of Major Fund Studies. Atlantic Community Statistical Handbook. Communist Party in Mexico. Poverty in An Affluent Society. An Experiment in Assessing Audience Reaction. Miscellaneous Grants. Books for Outside Publication.	
Educational Activities	58
Motion Pictures and Television. Newsletter.	
Publishing Activities	60
Sales of Publications.	
Administration	67
Headquarters Staff. Financial Statements. Detailed Statement of Assets.	

Trustees and Officers FEBRUARY · 1965

MORRIS B. ABRAM	Partner, Paul, Weiss, Rifkind, Wharton & Garrison
ADOLF A. BERLE	Professor Emeritus of Law, Columbia University; formerly Assistant Secretary of State
FRANCIS BIDDLE	Formerly Attorney General of the United States
JONATHAN B. BINGHAM	United States Representative, 23d Congressional District, New York; formerly United States Representative on the Economic and Social Council of the United Nations
ARTHUR F. BURNS	President, National Bureau of Economic Research; formerly Chairman, President's Council of Economic Advisers
ERWIN D. CANHAM	Editor in Chief, <i>The Christian Science Monitor</i> ; formerly President, Chamber of Commerce of the United States
EVANS CLARK	Formerly Executive Director, Twentieth Century Fund, and member, Editorial Board, <i>The New York Times</i>
BENJAMIN V. COHEN	Lawyer
J. FREDERIC DEWHURST	Formerly Executive Director, Twentieth Century Fund
J. KENNETH GALBRAITH	Professor of Economics, Harvard University; formerly United States Ambassador to India
AUGUST HECKSCHER	Director, Twentieth Century Fund
DAVID E. LILIENTHAL	Chairman of the Board, Development and Resources Corporation; formerly Chairman, Tennessee Valley Authority; formerly Chairman, Atomic Energy Commission
GEORGES-HENRI MARTIN	Editor in Chief, <i>La Tribune de Genève</i>
LAWRENCE K. MILLER	Editor, <i>The Berkshire Eagle</i>

ROBERT OPPENHEIMER	Director, Institute for Advanced Study, Princeton, New Jersey; formerly Chairman, General Advisory Committee, Atomic Energy Commission
DON K. PRICE	Dean, Littauer Center, Harvard University Graduate School of Public Administration
JAMES H. ROWE, JR.	Lawyer, Corcoran, Foley, Youngman & Rowe
ARTHUR SCHLESINGER, JR.	Historian, writer; formerly Special Assistant to Presidents Kennedy and Johnson
H. CHR. SONNE	President, South Ridge Corporation; Chairman, National Planning Association
HERMAN W. STEINKRAUS	President, U. N. Association of the United States of America, Inc.; formerly President, Chamber of Commerce of the United States
CHARLES P. TAFT	Member of Council, City of Cincinnati; lawyer, Taft, Lavercombe and Fox; formerly President, Federal Council of the Churches of Christ in America

Honorary Trustees

BRUCE BLIVEN	Editor and author
ROBERT S. LYND	Giddings Professor Emeritus of Sociology, Columbia University

Officers

ADOLF A. BERLE	Chairman of the Board
JAMES H. ROWE, JR.	Vice Chairman of the Board and Chairman, Executive Committee
H. CHR. SONNE	Treasurer
EVANS CLARK	Secretary
ERWIN D. CANHAM	Clerk
AUGUST HECKSCHER	Director

Preface by the Director

The Twentieth Century Fund more or less deliberately avoids specialization in its studies, as the following report covering activities in 1964 will suggest. Certain economic studies of the kind in which it has pioneered are being carried forward — an economic handbook of the principal Western countries and an economic audit of the Canadian economy. But these conclude — at least for the time being — statistical surveys charting the progress and forecasting the growth of the Atlantic nations. Gunnar Myrdal's magistral work on economic development in South Asia is also in line with earlier Fund studies. Yet the economic approach, like the statistical, does not seem the only way in which an institution like the Fund — limited in resources but unlimited in the imagination which it should be able to bring to affairs — can make its contribution. Ample money, both governmental and private, is increasingly available for economic research. Meanwhile the problems which affect and disturb the epoch seem those that are qualitative rather than quantitative in nature. They call for a different type of research, often cutting across traditional disciplines, usually requiring a rare and particular type of mind.

Perhaps it is not so much research at all — or at least research in the ordinary sense — that offers the Fund its best opportunity. In a world where there are so many books, reports and surveys, coming from so many sources public and private, can one more make any decisive impact? That is a troubling question for an institution which in its close to fifty years of work has added its own share — hopefully and often helpfully — to the flood of words. Yet action programs, as contrasted with research programs, are not by themselves the answer, at least for an institution which has seemed amply provided while attempting to answer relevant questions about the future but would be poor indeed

if it were to try to organize and sustain new ways of doing things. Action simply as action, moreover, is scarcely the need of the age.

There is perhaps a middle ground: research combined with small pilot projects, or research which is directly related to the attainment of measurable results. How such an approach may be developed could well be the substance of future Annual Reports.

For the moment it is enough to note that Fund studies, as described briefly in the following pages, include the performing arts, race relations, urban living. A project planned in 1964 but not yet under way will deal with the aspects of education for the international citizen. Thus some of the noneconomic problems of the times begin to be treated in various ways.

*

It is the issue of the environment and its relation to the individual — the issues of land and cities, farming and urbanism, private and public domains — which have come more than any other to form a present focus for the Fund's work. This has not been entirely by chance. In the early fifties the Trustees began seeking ways to explore the implications of the great revolution in living and occupations which had been taking place for over a century but had been greatly accelerated in recent decades. A hundred years ago, when the population of the United States was 36 million, 75 per cent of Americans lived on the farms. Today there are almost 200 million inhabitants, and nearly three quarters of them live in metropolitan areas. The future shows these tendencies developing still further: Professor Higbee estimates that in another hundred years there will be 3,000 cities with populations over 25,000 (compared with 805 such cities today and 26 a century ago); he sees concentrations of 90,000 to 100,000 per square mile becoming not uncommon.

Professor Gottmann's study of Megalopolis — the urbanized north-eastern seaboard of the United States — was a first major essay by the Fund in the field of urbanism. Professor Higbee, who had worked on the Megalopolis study, went on to do for the Fund a study of farming

in an urban age — the other side of the coin, so to speak; and he is now focusing his shrewd eye upon the divergence which exists in America between the luxury which shows itself in the private environment and the penury of the public scene.

Cities are not to be seen apart from the broad land from which they grow. Accordingly it seemed a natural step to encourage Professor George Kimble, when he had completed his work on Tropical Africa and settled at Indiana University, to embark upon a new geography of the United States. This was conceived from the beginning as an attempt to see the physical factors of the continent in relation to the way men live — and ultimately the way they think, feel and believe. Finally, Allan Temko began his own study for the Fund, bringing to bear his knowledge of architecture and his sensitivity to the way social, historical and technological forces shape the environment.

*

A letter from Mr. Temko forms the central portion of this report, being printed here as it was received by the Director when he asked how things were getting along out in California. It suggests the rewards which the day's work at the Fund sometimes brings and gives a glimpse into the scope and direction which this important study is at present taking. The letter also suggests the way a kind of dialogue can develop between research directors of various Fund studies and within the staff of the Fund.

Mr. Temko's work, it is clear from his letter, might be subtitled "Beyond Megalopolis." For where Professor Gottmann dealt with a specific area of the country (though indicating that similar developments might be taking place elsewhere on this continent and in Western Europe), Mr. Temko deals with the city of tomorrow as it spans a continent. The infrastructure of this new city is formed not by the roads and streets, sewers and subways familiar to today's urban dweller. It is formed of the interstate highway system now taking shape, by the transcontinental pipelines, by the great jet airports. Not the Seine with

its bridges, nor even so comparatively domesticated an artery as the East River of New York, threads its way through this new metropolis, giving life to its culture and commerce. A system as vast as the St. Lawrence Seaway articulates the city which will ultimately leap national boundaries. Almost everything else in Mr. Temko's vision requires a similar enlargement of scale, and the whole is crowned by a technology even now close to realization. Mr. Temko likes to speak of "megastructures" and "macroclimate control." (In air conditioning we are approaching macroclimate control: it is entire cities, not individual buildings, which in the future will have their weather man-made.) "Already," he writes, "the 'neighborhood' premise of much proto-modern planning . . . is breaking down."

At this point we may take up a second strain in the dialogue. George Kimble, writing to the Director at the year's end, argues for a greater awareness of the very factors which Mr. Temko sees as outmoded or inevitably overridden. There is, Professor Kimble holds, little appreciation of the diversity of places on the American continent — "their variable form and substance, their changing parts and personalities, and the causes and consequences of their diversity." Among policy-makers, and even among historians, there are those who write, he says, "as if not only America, but the whole continent, were geographically one and indivisible."

The weakening of *the sense of place* Professor Kimble attributes to various factors: the immense scale of the American land — not easy, as he puts it, "on the eye and foot"; the constant mobility of the population; and perhaps most of all our "power of contrivance." Modern man has learned to change nature; and the American takes up the lesson with a vengeance. "The man who can fell five hundred trees with a chain saw" finds himself certainly more efficient, if not morally superior, to the man who with a handsaw can fell only fifty. "And what can be true of the man with a chain saw can be true of the man with a bulldozer, an insecticide-sprayer, a cloud-seeding machine, or something more devilish."

The loss of the sense of place carries with it, Professor Kimble argues, a loss of the sense of the interconnectedness of things — the realization that “places, like men, do not live unto themselves, but are threaded together and draw sustenance from each other.”

“True, it is not always easy to see this even where the places are small, as they are in most of Europe, for some of the strands in them there are intangible. But at least in Europe the space-span between cause and consequence is small, so that the child may be made to see where the Thames gets its floodwaters from, and where they go.”

In a country which is really a continent, or a continent which may become really a city, the problem is obviously more profound. It is difficult to have a feeling for the diversity of places where, in George Kimble’s phrase, men are “no longer sensitive to the many audible, if not always very articulate voices of the earth and the message which they carry for those who inherit it.”

*

For the moment it seems best to leave the problem there. These studies are still in the making, and every book, as Gunnar Myrdal likes to say, has its own destiny. We do not yet know where Professor Kimble and Mr. Temko will come out — that is part of the excitement of research and part of the rewards of watching, year by year, the work of the Fund develop. It is true that when the Director complained somewhat plaintively to Allan Temko about the apparent dissolution of the neighborhood and the undermining of the sense of place, he was told that no doubt when the planners and urbanists had finished their work “a new and higher sense of place” would be developed. But much that is “new and higher” has its drawbacks. It tends to be abstract and unfamiliar — like the concept of a deity that has grown so new and so high that, whatever its theological merits, it ceases to be very useful for religious purposes.

Yet one thing is certain: The scale by which we live, the dimension of things that govern our thought and feelings, is bound to be enlarged

in the decades ahead. If something so vast as Megalopolis is recognized as a city, something so vague as Appalachia must be recognized as a place. National boundaries, which have ceased to be adequate definitions of the economic community or the defense community, will be overleaped as men find a concept of the environment adequate to their total needs.

Such a change in scale is always painful. G. K. Chesterton, asked on his first encounter what he thought of New York City, replied categorically: "You are too close to things that are too big." He was a man who could not adapt himself readily to the idea that things are fated to get bigger, and that individuals are fated to get constantly farther away from the objects that once dominated their lives. Even today the most heated controversies arise where a change in the architectural and urban scale is taking place. That is the reason why the Pan American Building on Park Avenue, or the projected General Motors building at Fifty-ninth Street in New York, is so much disliked. Men and women do not take easily to the realization that a city like New York is a succession of scales, each once dominant and then broken. Below the towered skyscrapers of Wall Street stands in historic memory the city once dominated by the spire of Trinity Church. Below that lies the buried domestic scale of the eighteenth century.

If we suffer when outward things thus take a new dimension, how much more do we suffer when the capacity to absorb and comprehend, to master and to love, must be similarly enlarged! Yet that necessity of enlargement — in spiritual capacities as in outward things — seems to be the fate of man. It is the fate of twentieth-century man above all.

AUGUST HECKSCHER · *Director*

Studies Published in 1964

DE GAULLE AND THE FRENCH ARMY:

A Crisis in Civil-Military Relations

ECONOMIC GROWTH IN THE WEST:

Comparative Experience in Europe and North America

DE GAULLE AND THE FRENCH ARMY

A Crisis in Civil-Military Relations

Author: EDGAR S. FURNISS, JR.

*Director, Social Science Program of The Mershon Center for
Education in National Security, Ohio State University;
author of France, Troubled Ally and other works*

IN RECENT YEARS the Twentieth Century Fund has made three inquiries into the relations between the civil and the military, recognizing that this is an age in which heavy expenditures for armaments and nuclear power have caused a coalescing of these traditionally separate elements, with far-reaching implications for government. The first Fund publication was *Arms and the State* by Walter Millis with Harvey C. Mansfield and Harold Stein; the second, *American Civil-Military Decisions*, a book of case studies edited by Harold Stein and published by the University of Alabama Press.

It was felt that the civil-military crisis in France arising over the Algerian war presented a unique panorama of events, study of which could add new insights to these changing relationships. A study of this type was undertaken by Edgar S. Furniss, Jr., and published in 1964 by the Fund.

Mr. Furniss describes the challenge posed to De Gaulle and his regime by professional officers as a result of clashes over policy in Algeria. He portrays the officers' goals as no less than a revision of France's social and economic foundations, an attempt to define the country's political life and to regulate its foreign relations. In pursuing their revolutionary goals, Mr. Furniss points out that "officers involved

the army in all parts of the policy-making process, in all ranges of force, from suggestion to overt revolt, with all sorts of civilian sympathizers, from deputies to bomb-throwing thugs." In short, he says, "It is difficult to imagine a more thoroughly politicalized army, even though military activists, as in most insurrectionary movements, comprised a minority of the total officer corps."

Mr. Furniss reveals the strategy used by De Gaulle to counter this offensive, a strategy based not on repressing the army but rather on establishing the mystique of the Nation in Arms, a policy whose logical end De Gaulle saw as providing the army with nuclear weapons.

Mr. Furniss claims that a major reason, among other national goals, for De Gaulle's insistence on French nuclear weapons is to give prestige to the Army and thus ease his task of bringing the Army back into the nation's service. Much of De Gaulle's foreign and domestic policies, Mr. Furniss maintains, can be understood in this light. Mr. Furniss believes that the United States, like the Soviet Union, must retard to the utmost the proliferation and diffusion of atomic armaments.

ECONOMIC GROWTH IN THE WEST

Comparative Experience in Europe and North America

Author: ANGUS MADDISON

*Director, Development Department, Organization for
Economic Cooperation and Development, Paris; contributor
to Europe's Needs and Resources*

THE TWENTIETH CENTURY FUND has in the past made studies of the processes and problems of economic development among countries struggling to reshape their way of life from ancient patterns.

But in *Economic Growth in the West* the Fund has sought to study the pressures and problems in advanced capitalist societies.

Angus Maddison, who carried out this study for the Fund, analyzes the rates of economic growth in the twelve leading countries of the industrial West. Finding that the rate of growth in the United Kingdom, Canada and the United States was far slower than that in Western European countries, Mr. Maddison contends that the difference can be accounted for by the willingness of postwar governments in the European nations to use direct measures to promote economic growth and the timidity in such matters in the United States and elsewhere.

The main achievement of policy in the renaissance of Western European capitalism in the 1950's, according to this study, was to maintain very high and steady levels of demand. "This had an unexpectedly large pay-off in raising profits, investment and productivity," Mr. Maddison says. "The tools of fiscal policy were used often, in and between budgets. New tax measures were used with discriminatory impact on both investment and consumption. There was none of the hesitation which froze fiscal action in the United States. . . . Monetary policy was used more brutally than in the U. S. with bigger changes in bank rate, quantitative credit controls and detailed directions to banks on credit measures, and use of reserve ratios in both directions."

Other questions examined in the study include whether the developments of the 1950's represented a new trend or a passing phase of recovery, why some countries did better than others, and whether we can distill from the European experience guides to future high growth.

The countries covered in Mr. Maddison's work are Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom, Canada and the United States.

Research Projects in Progress

A GEOGRAPHY OF THE UNITED STATES

THE INDUSTRIALIZED URBAN
ENVIRONMENT

AMERICA'S PUBLIC ENVIRONMENT

SOUTHERN ECONOMIC DEVELOPMENT
AND MANPOWER

LEGAL RESTRAINTS ON RACIAL
DISCRIMINATION IN EMPLOYMENT

POWER AND PROPERTY

PERFORMING ARTS

LEGISLATIVE APPORTIONMENT

PENSIONS TRANSFERABILITY
IN THE PUBLIC SERVICE

CANADA—AN APPRAISAL OF ITS NEEDS
AND RESOURCES

SOUTH ASIA

MUTUAL AID AMONG DEVELOPING
NATIONS: THE CASE OF ISRAEL

ITALIAN POLITICAL PARTICIPATION

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*

IF THE automobile, the jet plane and the television set are breaking down barriers of time and distance which once separated the towns and cities of America, they may also be speeding new dimensions of misunderstanding about the very nature of the country they span. For they, along with myriad other technological "wonders," have all too often stimulated a curious but misleading surface homogenization of a land still wondrously varied.

Indeed, the concept of "place," discussed in the introduction to this Annual Report, is, if not being lost, at least misunderstood. And, it is pointed out, we have much to gain by retaining the sense of "place"—and much to lose if we fail to recognize its import.

The fact is that no matter where we look, we are faced with problems that have their roots in "place"—in the unequal distribution of people, space and resources, which is the stuff geography is made of. And a remarkable number of things in America are distributed unequally, from alluvial deposits and atmospheric disturbances to voting habits and xenophobia. Thus George H. T. Kimble, research director for a Twentieth Century Fund geography, describes a focus of his attention in the work he is undertaking.

Mr. Kimble points out that "more than half the domestic legislation

passed in the United States has an environmental context, but often law-makers appear not to be concerned with the suitability of a given environment for a given piece of legislation or, what amounts to the same thing, with the effect of their legislation on the environment.”

The new geography will in no sense follow the traditional textbook form, but rather will be a geography for the layman with emphasis on the relationships of the land and the 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. Mr. Kimble is working with a small central staff at Indiana University. His study is to be completed in 1966.

THE INDUSTRIALIZED URBAN ENVIRONMENT

*To mark the end of the era of the metropolis;
to inaugurate the age of the “urban realm” . . .*

*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*

STUDIES OF THE URBAN ENVIRONMENT have long interested the Twentieth Century Fund, starting with Miles L. Colean's works on housing and the renewal of cities, extending through Jean Gottmann's *Megalopolis: The Urbanized Northeastern Seaboard of the United States*, and continuing with studies presently under way

RESEARCH PROJECTS IN PROGRESS

such as Edward Higbee's research on the public environment and this study by Allan Temko on the industrialized urban environment.

Mr. Temko has, in an earlier work, *Notre-Dame de Paris*, related architectural design and urban development to broad political, social, economic and — in a pre-industrial age — technological considerations. In a spirit of exploration not unlike his inquiry into the past, Mr. Temko is now making a bold, even visionary leap into the future. But his vision is founded in the practicalities of a technology in which he is well versed and the dynamics of an architecture and urban planning he has closely followed. In his present study Mr. Temko will look at new phases of urban civilization which have emerged in the twentieth century and which he says mark the end of the era of the metropolis and inaugurate a core of "urban realms" destined to change radically our way of life.

A discussion of this study setting forth its aims as the author sees them at this stage is carried as the "center spread" of this Annual Report.

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

IN AN URBANIZED SOCIETY man passes his life largely within two environments. One is the private, his home. The other is the public, his community. America's high standard of living provides a large percentage of the population with a splendid private environment. But the place in which American society lives collectively — the community, the public environment — is demeaned through neglect and misuse. All too often the conception of our public buildings, our open spaces and parks is unbelievably narrow. The neglect of America's public environment is being examined by Edward Higbee in a study for the Twentieth Century Fund.

The fact is, contends Mr. Higbee, we have too often failed to distinguish between the public standard of living and the private standard of living. Beguiled by our personal achievements, we tend to overlook the deficiencies of our community achievements. While we have given responsibilities to local government because of our political preference for decentralized authority, Mr. Higbee says, local governments are the least well prepared, from the standpoint of revenue, to establish

RESEARCH PROJECTS IN PROGRESS

and maintain a public environment of high quality. In an urban age, when more and more people look to the city for well-being and sustenance, the consequences of these failures are increasingly serious.

It will be the intention of Mr. Higbee to probe the nature of the public habitat, measuring the present reality against his vision of more aesthetic forms. He will explore the alternatives and the actions requisite to overcome the neglect of the public habitat. Furthermore, he will look to the attitudes which he feels have frustrated meaningful change. For instance, Mr. Higbee contends that part of America's thought pattern with respect to the community stems from domination of public life by agrarian influences until recent decades. Even now, despite an urban majority on the national scene, the public sense of values is influenced by rural orientation. According to Mr. Higbee, this orientation is not due simply to actual rural-bloc influence or inadequate representation. It is really due to the fact that farm and small-town backgrounds have conditioned the psyche of many who are in a position to guide urban policy.

SOUTHERN ECONOMIC DEVELOPMENT AND MANPOWER

*Today, economic, social, political and moral
change . . . On the horizon, a New South*

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

OF THE NUMEROUS characteristics which have historically set the South off as a distinct region, the most important were the marked orientation of its economy to farming and a dualism in its social structure based on race. For many decades, no other comparably large region of the country employed as high a proportion of its population in farming or generated as large a part of its total income from agriculture as did the South. Likewise, no other region of the United States had such wide differences between the established standards and approved behavioral patterns for whites and Negroes. These were the foundation stones on which other features of southern distinctiveness were built and maintained. They were, of course, intimately interrelated.

“Today these foundation stones are rapidly crumbling away. Indeed, it is precisely in these two areas that the most important new changes are coming about in the South,” says James G. Maddox, research director of a Twentieth Century Fund study on the South. “Agriculture is much less important in the southern economy than it was two decades ago. In the field of race relations, numerous restrictions on the freedom of action of southern Negroes have recently been re-

RESEARCH PROJECTS IN PROGRESS

moved, and as the implementation of the Civil Rights Act of 1964 gains momentum others are doomed to fall. There is still a hard core of active resistance to the Negro's drive for equality. However, the power of the southern patrician is waning, and it is doubtful that the poorly educated and unskilled whites who are in direct competition with most Negroes for jobs and other economic opportunities can continue for long to find necessary leadership and group cohesiveness to maintain a dualistic society based on race.

“Though neither traditional agrarianism nor racial dualism will totally disappear from the southern landscape within the next decade, their influences are rapidly diminishing. The prospects for a genuinely New South are clearly on the horizon.”

It is on the New South that this study will set its sights, focusing particularly on economic factors and the uses of manpower — the future level of employment, the industrial and occupational distribution of jobs, and the kinds of people who will be employed. Since economic, social, political and moral change are interlocking and mutually reinforcing in the South, consideration will be given to these aspects of the great transition through which southern society is now passing.

The research is scheduled for completion in 1965.

LEGAL RESTRAINTS ON RACIAL DISCRIMINATION IN EMPLOYMENT

*Discrimination in employment . . . the most
costly form of discrimination to the individual
and the nation*

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

ALL FORMS OF DISCRIMINATION contribute to the Negro's economic plight, but it is doubtful if any are more harmful than discrimination in employment, assessed not only by the harm it visits upon the Negro, but by the damage and cost to our society.

Equal employment opportunity measures have taken many forms, including a federal statute, Title VII of the Civil Rights Act of 1964. In enacting this first equal employment opportunity legislation, Congress followed the lead of the President, of many state and local agencies, of several key federal instrumentalities, and of the courts, all of whom, in one way or another, had been resisting employment discrimination for some time. The new law, of course, allows all of the anti-discrimination agencies that preceded its entry into the employment field to continue essentially as before.

Despite the fact that legislation — local, state and federal — offers a rich source of restraints on racial discrimination, it seems evident that these restraints have never been fully mobilized and often are not even well known. Unfortunately there is no comprehensive guide to what the law in all its forms can contribute to the struggle against employment discrimination.

The Twentieth Century Fund has undertaken a study of legal restraints on racial discrimination in employment which will hopefully

RESEARCH PROJECTS IN PROGRESS

help fill that gap. The study is expected also to suggest how existing legal remedies can be improved.

Michael I. Sovern, research director for the work, plans in this study to evaluate the cost of discrimination in employment to the Negro and to the country; to review the experience of the progenitor of all the anti-discrimination agencies, the wartime Federal Employment Practices Commission; and to consider in detail state and municipal fair employment practice commissions. His study will go on to analyze the new federal statute against discrimination in employment, the national labor laws in general, the work of the President's Committee on Equal Employment Opportunity, and the constitutional questions involved. A final chapter will contain conclusions and recommendations which Mr. Sovern has drawn from his intensive inquiry into the entire question. Publication is scheduled for 1966.

POWER AND PROPERTY

A new pattern of ownership of productive property in America . . . its pervasive influence in reshaping our society

Research Director: PAUL P. HARBRECHT, S. J.
Dean, University of Detroit School of Law

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

THE STRUCTURING PRINCIPLES of our economic order are quite different from what they were when the dominant mode of organization was individual ownership of productive property and wealth. The direction of our economy has not been toward a statist

form of control, however. According to Father Paul Harbrecht, it has been toward a system in which the disposition of productive wealth is determined by the functioning of the entire economy as one unified organism.

The economy now operates less for the benefit of the private few and more for the good of all. This has been accomplished, according to Father Harbrecht, (1) by giving control of a large portion of productive wealth to collective entities, the corporations that provide goods and services, (2) by making claims on their income negotiable in the financial markets, and (3) by establishing financial institutions to collect and use those claims as a basis for new claims that they offer to the public.

The rise of the financial institutions has created a development for which there is no significant earlier parallel — the systematic collection of claims upon the income of productive property for the use of a large number of people. Well over half of the people of the United States share in what we call profits, because life insurance, pension funds, mutual fund shares and savings and loan shares or deposits are available to the average purchaser and are so broadly based that they provide a safe investment.

This study, carrying forward some of the ideas developed in Father Harbrecht's *Pension Funds and Economic Power*, is an attempt to understand the complex interrelationships of the changing economic order.

The manuscript, now reaching final form, is scheduled for completion by mid-1965.

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

Associate Professor of Economics, Princeton University

THE PROLIFERATION of cultural centers throughout the land, the burgeoning of community and college theatres and orchestras, the increased interest in the arts by the federal government and state and local agencies, these all are evidences of an appreciation of — and demand for — the performing arts across the nation. Having achieved a high level of material well-being, the United States seems ready to turn major attention to the arts and to make them an important element in giving meaning to the new leisure.

Is the hopeful evidence misleading? It may be, for there are abundant indications that economic imbalances within the institutions of the performing arts may critically frustrate their development. A fundamental difficulty in considering how to build a firmer foundation has been a dearth of facts about the theatre, opera, ballet and music. It will be the purpose of a Twentieth Century Fund study now under way to provide some of the necessary information and to analyze economic factors so far as they are applicable to the performing arts. Directing the research are William J. Baumol and William G. Bowen, both of Princeton University.

For the first time a set of really comprehensive data is being as-

sembled 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. Audiences at some thirty theatres have been surveyed in the past year, ranging from those at Broadway and Off-Broadway theatres and community theatres in Dallas and San Francisco, to those for ballet, symphony orchestra, opera or oratorios.

The Twentieth Century Fund study will complement a panel report on the performing arts undertaken by the Rockefeller Brothers Fund Special Studies Project and scheduled for publication in March 1965. The chief focus of the panel's interest is the development and support of performing arts institutions. The studies of the two foundations are separate but have been planned so as to avoid duplication of research and to work toward related objectives. The Fund study is to be issued in the spring of 1966.

LEGISLATIVE APPORTIONMENT

*A problem politically divisive and significantly
affecting the way the people are governed.
Perspective on the past, guidelines for the future*

*Research Director: ROBERT B. MCKAY
Associate Dean and Professor of Law, New York University*

IN MANY COUNTRIES with a long tradition of representative government, legislative apportionment is no longer a political issue, a booklet issued by the Twentieth Century Fund, *One Man — One Vote*, points out. In Great Britain and some Commonwealth nations, for example, there is general agreement that parliamentary districts should contain approximately equal populations, and redis-

tricting is accomplished regularly and on a nonpartisan basis. But in the United States apportionment remains a vexing problem, politically divisive and significantly affecting the way the people are governed.

The whole question has been put into the crucible of political action and debate by the Supreme Court decision in *Baker v. Carr*, which prepared the way for courts, legislatures and individual voters to re-examine their notions about the meaning of the legislative process and the significance of citizen participation in that process. While the Supreme Court enunciated a governing principle, questions of just how legislative apportionment is to be achieved, state by state, have been a matter of considerable controversy, with differing opinions offered by the public, the courts and the legislatures themselves in the various states.

In an effort to bring illumination to some of the questions involved in apportionment in state legislatures, the Twentieth Century Fund has undertaken a study on many facets of the problem.

Research director for the study is Robert B. McKay. His study will provide a historical summary of apportionment patterns and an examination of constitutional questions in the light of *Baker v. Carr* and other pace-setting decisions. In going on to study the experiences since *Baker v. Carr* in state legislatures and in federal and state courts, Mr. McKay will search for a proper meaning of equal protection in the context of apportionment.

As presently constituted, Mr. McKay's report will be divided into an introduction and eight chapters — Equality and the Growth of Representative Government; Malapportionment and Federalism; Apportionment and Justiciability: From Colegrove to Baker; The Road to Equality: From Baker to Reynolds; *Reynolds v. Sims*: One Man, One Vote; Equality in Action: The Order of June 22, 1964; Apportionment and Majority Rule; and Apportionment and the Future of Federalism.

Publication is set for 1965.

PENSIONS TRANSFERABILITY IN THE PUBLIC SERVICE

Pension provisions as they affect the mobility of public employees

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

WITH THE INCREASE in the number of public employees covered by pension plans, there has been some concern over the possible adverse effect of these plans on the willingness of workers to change jobs. Executives charged with filling important staff positions have on occasion met reluctance by qualified persons to change jobs for fear of losing pension rights, even though for other reasons they wanted to make the change. The fear has been expressed that a deepening problem in employee mobility may be in the making.

The growth of pension plans in industry, particularly during the past two decades, has raised the same fears and has been cited as a cause of the recent decline in labor turnover rates particularly for older workers. Studies undertaken to determine the impact of private pension plans on labor mobility have been inconclusive. Comparable studies have not yet been made of government employees although public pension plans have a longer history and wider coverage than private plans.

Because of this lack of information, and the wide interest in the problems involved, the Twentieth Century Fund is sponsoring a study to determine what impact, if any, pension plans have on the mobility of public employees.

The study is being carried out by Harold Rubin, who has been employed in New York State government and has done previous re-

search on pension plans. Mr. Rubin's findings in the present study will emerge from an extensive survey he has conducted among agencies of federal, state and local governments. Included were the nation's five largest states — New York, California, Pennsylvania, Illinois and Ohio — and the cities of New York, Chicago (and Cook County), Los Angeles (and Los Angeles County), Philadelphia and Detroit. The agencies chosen were in the fields of health, welfare, education, employment security and agriculture. The survey also included state universities and colleges. A report of the findings will be issued by the Fund in 1965.

CANADA—AN APPRAISAL OF ITS NEEDS AND RESOURCES

*The Canadian economy in the context of
geographical, social and political forces*

Research Director: **GEORGE W. WILSON**
Professor, School of Business, Indiana University;
formerly Economist, Department of Labour and Board of
Transport Commissioners, Government of Canada

THE TWENTIETH CENTURY FUND did not have in mind the initiation of a series of Atlantic community economic studies when it began on its pioneering report, *America's Needs and Resources*, but that undertaking nevertheless served as the starting point for such a broad survey. *Europe's Needs and Resources*, prepared, as was the American work, under the direction of J. Frederic Dewhurst, followed;

and recently the Fund published *Economic Growth in the West*, by Angus Maddison, described on page 18. Adding to the Fund's work on the Atlantic community is the present study, to be issued in 1965 under the title *Canada — An Appraisal of Its Needs and Resources*. It is being carried out by a team of Canadian economists with George W. Wilson as research director.

Building from the comprehensive studies prepared for the Royal Commission on Canada's Economic Prospects — the Gordon Commission — the present study will provide more recent data and take into account other research stimulated by that survey. Figures on Canada will be coordinated with key statistics from the earlier regional economic studies of the Fund for release in a handbook on the Atlantic area as a whole (page 54).

The Canadian study, addressed to the general public rather than the specialist, is designed to place economic reportage in the context of the country's geographical, political and social setting. Special emphasis will be given to problems peculiar to Canada, both within the country and in its relations with the United States and other nations. In an epilogue written jointly by Professor H. S. Gordon of Carleton University, Ottawa, and Professor Wilson, the work will present a view of Canada's future problems and opportunities.

In order to increase both the usefulness and interest of the study, the foreword, introduction and epilogue will be printed in French as well as in English. The book will also contain a summary and commentary in French. The work will be a joint publication of the Fund and the University of Toronto Press.

SOUTH ASIA

*“Economic” theory set within a context
in which there are no exclusively
“economic” problems*

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

“ALL THE new nations in South Asia are now pledged to the promotion of economic development through the planned and coordinated efforts of governments. . . . The obstacles to rapid economic expansion are formidable and their significance must not be minimized. In the main they are rooted in the inefficiency, rigidity, and inequality of the established institutions and attitudes, and in the economic and social power relations embodied in this framework of institutions and attitudes. . . . There is a fundamental difference in kind that distinguishes the economic environment of South Asia from that familiar in advanced Western economies.”

Thus Gunnar Myrdal has stated the rationale of a study of economic development in South Asia which he has been conducting for the Twentieth Century Fund. For the purposes of this study, South Asia mainly comprises Pakistan, India, Ceylon, Burma, Malaya, Thailand, Indonesia and the Philippines.

As Mr. Myrdal has proceeded, the scope of the study has extended beyond economic analysis, and in some ways its goals have become more diffuse. “The central concern of this study is with the problems of economic underdevelopment, development, and planning for de-

velopment. But it is false to imagine that economic analysis unaided can probe exhaustively into these matters," Mr. Myrdal says. "In reality, there are no exclusively 'economic' problems; there are simply problems, so that distinctions between 'economic' and 'non-economic' factors are, at best, artificial. The only worthwhile line of demarcation — and the only one that is fully tenable logically — is between relevant and less relevant factors, and this line of demarcation will vary with the characteristics of the environment under study.

"Abstraction from part of the complexity of the real world does, of course, have its uses in scientific analysis. But the scope for useful abstraction is far narrower under South Asian conditions than in the economic and social environment of the West. Especially when problems are viewed from a dynamic and policy perspective, a host of factors conventionally excluded from contemporary economic analysis in Western countries have a powerful influence in a South Asian environment — which means that attempts to isolate purely economic factors there are much more dangerous for the validity and relevance of the analysis."

Mr. Myrdal's work will cover not only a vast range of political and social questions, but in its very approach to "economic" development in South Asia will explore new dimensions of theory. The study will attempt to look at problems in the South Asian countries from the standpoint of the interests and ideals, norms and goals which are relevant and significant in these countries themselves. The analysis, therefore, will be removed from Western concepts of development, and the interests of foreign countries will be largely excluded from consideration.

The work has assumed major proportions and publication plans are being set for early 1966.

MUTUAL AID AMONG DEVELOPING NATIONS: THE CASE OF ISRAEL

*. . . a special role in international
development for the developing nations
themselves*

Research Director: LEOPOLD LAUFER

*On leave from U. S. Agency for International Development;
formerly Instructor, University of Maryland*

IN SEVERAL Fund reports, including *Journeys Toward Progress: Studies of Economic Policy-Making in Latin America* and *Economic Development in Burma, 1951-1960*, the focus has been on a nation's internal prerequisites for development or on the role of aid it may receive from the already developed countries and from international organizations.

One of the hopeful possibilities more recently emerging in the field of economic development is that of self-help and mutual exchange among countries that are advancing toward a modern social order. The rich nations cannot escape their responsibility, but there are indications that countries which are themselves in the process of development may have useful combinations of understanding and specialized knowledge to give to countries similarly at the start of journeys toward economic and social betterment.

A particularly impressive example of a smaller country extending aid to other developing nations is that of Israel. In the fall of 1964, Leopold Laufer left for Israel to embark on a study for the Fund

designed to shed new light on the possibilities of developing countries helping each other.

Israel has made available to other countries its pioneering experience in such areas as land settlement, water and irrigation, cooperatives, and youth leadership and development. The aid has been given both through traditional technical assistance activities involving the dispatch of Israeli experts abroad and through the training in Israel of foreign technicians and administrators. In view of its own limited capital resources, Israel has not, to any significant extent, exported capital, but has established joint enterprises or management arrangements by which Israeli experience plus relatively small investments are used to develop indigenously controlled enterprises.

Israel's experience may offer answers to two questions likely to be of vital interest to any small developing nation contemplating assistance activities: What contribution can such a nation, with limited resources, make to the global development effort? What concrete benefits can and cannot be expected to result from such a program for the donor?

Mr. Laufer's work is set for completion in 1966.

ITALIAN POLITICAL PARTICIPATION

*. . . an attempt to plot the currents that shape
the democratic process, currents sometimes
evident, sometimes mysterious*

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*

WITH A multiparty system; with two thirds of all votes going to two main parties, the Christian Democrats and the Communists; and with its parliamentary system reconstituted after a break of twenty years of totalitarian regime, Italy offers a unique laboratory for a study of the political forces that animate a democracy.

The Twentieth Century Fund, in cooperation with the Carlo Cattaneo Cultural and Political Association, a research center in Milan, is attempting such a study. The study will concentrate on three main topics: electoral behavior in Italy since World War II; the leadership of the Communist and Christian Democratic parties and their organization and methods of operation; the parties' policies and activities at both the national and the local level. The unions, the cooperative movement, the Church and other voluntary organizations will also be touched on insofar as they influence the parties' structure and policies. It is an underlying aim of the research to ascertain the prevailing pat-

terms of political participation in Italy and the extent to which the two major parties have encouraged involvement at the grass roots.

One phase of the work carried out in the past year stands as a form of research unusual in Europe, though fairly conventional among American political scientists. Under the supervision of Giorgio Galli and Alfonso Prandi, research directors for the study, a survey in depth was made of the "activists"—the district leaders—of the two major parties. Thousands of "activists" throughout the country form a network through which both major parties mobilize their power and reach the electorate. In order to study this critical chain of political activity, Communist and Christian Democratic activists in six communities were observed intently. Researchers "practically lived" with them, spending ten days with each in order to gain insights into the way they worked, their motivations and their relationships to their political organizations.

Writing from Bologna where the project has its headquarters, the research directors express their hope that the collaborative effort will be "significant not only because it will throw light on the conditions of democratic order in a traditional society under the stress of rapid industrialization and dramatic social change, but also because it will serve as an important example of research in political science."

**LETTER
FROM
A
RESEARCH
DIRECTOR**

**RESEARCH
PROJECT
PROGRESS REPORT**

Nearly every director of a Fund research project must take his own trip into the uncharted outer space of the creative scholar. Expected guideposts prove illusory; the work rarely proceeds as planned, and early conclusions all too often have short-term validity. Yet new insights appear, giving fresh perspectives and the exhilaration of discovery.

Following is a letter written to August Heckscher, Director of the Twentieth Century Fund, by Allan Temko, who is in charge of the Fund's study on the industrialized urban environment. The letter, written in December in California, reflects something of the changes and discoveries in a research director's thinking midway in his project, and gives an exciting glimpse of a forthcoming book.

I hope the following, which you requested for use in preparing the Annual Report, will give you a clear impression of the present direction of the project.

First of all, let me restate the problem somewhat differently than I did a year ago. It now is evident that a new phase of urban civilization has emerged in the twentieth century, marking the end of the era of the metropolis, and inaugurating an age of vast regional systems in which historic cores, although still formidable as administrative, financial, and cultural centers, will be discernible as massive nuclei of "urban realms" in which there is a diminishing sense of specific "place." Under the impact of resistless technological innovation, including eventually such profound changes as wireless transmission of energy, the global industrial structure will be radically altered, and the impediment of distance will be largely destroyed. Instantaneous flow of information between widely separated points, as well as extremely rapid movement of people and goods, is forcing revision of traditional concepts of community.

Already the "neighborhood" premise of much proto-modern planning (mainly Anglo-American) is breaking down in the face of the communications and transportation revolution. Nevertheless, cities are inherently conservative institutions, and old and new forms undoubtedly will coexist for generations to come. Yet all physical forms must depend on adaptive structure for survival under changing conditions, and change is occurring at ever accelerating rates: hence the environmental crisis--radically new conditions which require new structural forms that we simply are not creating quickly enough.

Confronted by so sweeping an upheaval, as Lewis Mumford and other humanists have warned (and perhaps this is Mumford's finest contribution), industrial society must rise to the supreme challenge of maintaining and enhancing "the primacy of the person" in a world that is ever more intricately organized, coarsely manipulated by bureaucracies, and utterly dependent on depersonalized technology.

For the scale and complexity of technological culture are of a new order of magnitude that must be reckoned in national and international dynamics. In a highly developed nation such as the United States, which in Kenneth Boulding's phrase has moved furthest towards "post-civilization," a continental urban system, closely integrated with Canada's, may arise within a century. Its emergent infrastructure may be perceived in the Saint Lawrence Seaway, the interstate highway system, multi-state water and energy programs, the transcontinental network of pipelines (which carry an ever increasing and more varied volume of products), and not least significant, jetports such as O'Hare in once isolationist Chicago which, at the heart of North America, is the busiest air terminal in the world.

Seen from this vantage, the problem of uncontrolled expansion is clearly susceptible to long-range strategy, but relatively short-term tactics--for the next fifteen or twenty years--are urgently needed if we are to cope at all successfully with the dynamic situation at hand. Virtually all of our present tactical devices at all levels of government, including federally sponsored "urban renewal" and "improvements" such as freeways, have been simultaneously crude, brutal, and weak, often inflicting deep social injuries within the aging, overcongested cores, and con-

tributing irresponsibly to random growth on the metropolitan edge, for example in the forcible displacement of most of the residents of the Boston West End to the suburbs. (I am of course not opposed to large-scale clearance and reconstruction, but object only to "planned" butchery of the environment which creates more problems than it solves.)

In the meantime, however, urban expansion continues across the breadth of the nation at the rate of some 3,000 acres of open land per day. Virtually everywhere settlements coalesce functionally even if greenery, usually marred by "strip" development, remains between them. As I remarked when last in New York, it can be observed that the powerful concentration of the Middle Atlantic Seaboard will not be the last Megalopolis. Across the Alleghenies another complex of unparalleled industrial strength curves from Pittsburgh through the Great Lakes Region past Chicago and Milwaukee. (In a fascinating population potential map the geographer William Warntz has shown a gigantic loop, very like the periphery of a magnetic field, which encloses both the Atlantic Megalopolis and the Midwest industrial belt to a point beyond Chicago; in this projection Youngstown figures almost as strikingly as Baltimore.) A third Megalopolis is forming in a broad crescent along the Gulf Coast. In California there are two large agglomerations in the Los Angeles coastal basin and the San Francisco Bay Region, whose dynamics interact in the rich interior valleys, and thrust into the desert, drawing Phoenix into the operational range of Los Angeles. In the Pacific Northwest, growth stimulated by the copious energy supplies of the Columbia Basin (including the atomic energy of Hanford) will result in another large configuration including Portland and Seattle.

Within this tremendous developmental frame there is great variation of settlement patterns and regional tone. Because of topography, for instance, Denver extends as a linear city before the east front of the Rockies; and there are decisive disparities in size: nothing is as big as New York. But universal phenomena can be recognized, such as the almost incredibly wasteful "gray areas" of all large cities, which should now be regarded as precious land reserves for a coming period of reorganization and reclamation, when the ragged fringe of outer "slurbs" must also be cleansed and reshaped.

Some degree--often, a critical degree--of air, water, and soil pollution is also universal, and directly traceable to technological sources. I shall not dwell on the role of the automobile here although it will be discussed at length in the book, except to note that the car is by far the greatest single contributor to air pollution in places such as Los Angeles. I should say a word about toxic factory emissions into the rivers and harbors of the nation, which are being deeply poisoned, and of course into the air. The rate of air pollution by industrial processes has been decisively reduced in Los Angeles during the past decade, but at the same time fresh industrial growth virtually offset these gains, even though each plant was proportionally ejecting fewer impurities. While it is true that some causes of pollution can be removed by finer technology, most notably in the case of detergents, real danger exists from extremely advanced processes such as the production of nuclear energy.

But perhaps the most obvious social diseconomy due to haphazard development is despoliation of scenic beauty. Here again, industrial growth is as anarchic--although TVA proved it need not be so--in its landscape devastation as the speculative housing developments (which industrialized mobility also makes possible). A mighty corporation such as Bethlehem Steel at the Indiana dunes rushed, like tract builders in proposed national seashore areas, to occupy a site of prime recreational value before it could be protected by law. But in the name of the new leisure the recreation industry, too, has spoiled sites of extraordinary splendor: the resort city that has sprouted around Lake Tahoe is growing at a faster rate than the aerospace settlements on Cape Kennedy --by 1980 it will annually accommodate more than 300,000 full or part-time residents and tourists; and already sewage effluent discolors the crystalline waters.

Yet when all this, and more is said, it must be plainly acknowledged that the new, widely diffused regional civilization in the United States has achieved an unprecedented standard of material life. The much disparaged "split-levels" and "ticky-tacky boxes" represent the most spacious and hygienic mass-housing in history, filled with ingenious and indubitably useful appliances which, George Katona's research has shown, are not purchased so capriciously as

commonly believed. One of the ironies of American culture is that there is not enough of this housing to go around: Michael Harrington's "other America"--the wretchedly housed poor--would like a share of it. Housing will play an important part in the book, especially in regard to increased production. In 1965, output will remain woefully inadequate at 1,500,000 units, the same figure as this year, although a larger portion of the total will be multiple dwellings.

Furthermore, the new developments have exhibited stirring cultural richness, in spite of spectacular failings which, it is now becoming clear, are general failings of modern society, and far from confined to suburbs. In spite of hostile mythology which surrounds them, the hard-working and highly productive outer rings of the urban regions may well be areas of profound cultural liberation. The term "suburb"--implying an adjunct of a dominant metropolis--itself may be misleading. These still swiftly evolving communities, with their universities and community colleges, industrial parks and research centers, theatres and art galleries, contain an increasingly mixed population, including a substantial segment of the industrial labor force. They are best regarded simply as interacting components of regional complexes in which historical municipal divisions have declining importance, even though we are far from establishing truly regional government in this country.

Considerable misinformation has also been circulated concerning the "population explosion" and the diminishing supply of land. Neither problem, in a nation so large and lightly settled as the United States, should be viewed with the alarm that may be justified in Japan or the Netherlands. Although there will be 40,000,000 Californians in the year 2000, this high figure will be 15,000,000 less than the present population of Britain, which is certainly not unbearably crowded, and where large areas of the north and west remain magnificently vacant. It must also be noted that, although Americans have been savagely profligate in their misuse of land, it is not sufficiently understood that high productivity requires enormous space, some of it close to water (e.g., refineries need tidewater). This creates serious difficulties in the way of cleansing certain shore lands, to be sure, but here again rational priorities for industrial location, as well as for amenities, could go far to solve such problems.

Nevertheless, consumption of space for industrial purposes will continue to increase in direct proportion to productivity. Although some corporations abandon central cities to seek a cheaper labor supply, the most compelling economic reason (there are psychological reasons as well) for shifting operations to the outer region is the large amount of land available, not necessarily decisively cheaper land. In both Chicago and San Francisco, companies which have moved from cramped inner locations to industrial parks have required from seven to ten times more space, including acreage reserved for expansion. Such moves, of course, could fundamentally improve the regional structure if they were coordinated within a general policy.

Plenty of room remains in the United States for expansion of this kind. Less than two per cent (Lowdon Wingo in 1963 wrote: "substantially less than one per cent," but this seems low) of the country has been urbanized although two thirds of the people already live in cities. Even if all further development in this century occurred on agricultural land, Lawrence Levine reports that this would consume only five per cent of the land now under cultivation. Macro-climatic control, moreover, may open large territories to comfortable settlement, for instance in Alaska, where warm "megastructures" may be erected, just as micro-climatic control, largely in the form of air-conditioning, has dramatically stimulated urbanization in Texas and Arizona. More space will be made available by occupation of the seas for industrial purposes, and it may be that settlement will occur on certain waters, such as Lake Michigan, although the economics would be less favorable than on Tokyo Bay, for which Kenzo Tange has proposed huge community structures.

I have given only a partial picture of the underlying dynamics of industrialized urban growth, but I hope that it indicates the complexity of the problems we face. Not merely technological innovation, but profound political, social, and economic forces are impelling us towards a basically new form of civilization, perhaps a "post-historic" one in which these forces will eventually be stabilized. Some of these forces are global in nature, and beyond the control of the nation. But it may be that much more is beyond our control at the present stage of political evolution. Thus I have had to consider

urban regions not only as physical artifacts in space (which like all physical structures may theoretically be deliberately designed), but also as massive expressions of socio-technical systems which are still imperfectly understood, and which quite possibly are subject to only marginal control by humane governmental action or by enlightened responsibility in the private sector.

This has been my most sobering discovery during the past year of research, which will now be followed by eighteen months of synthesis and writing. The finding which most encouraged me has been the powerful clarification of environmental theory and practice which is gradually emerging. As our society undertakes increasingly large tasks, erecting "new towns" and other "total" communities, university "megacampuses," vast medical centers which will be devoted to the complete health of man and not just his infirmities, regional transit systems, and airport facilities which are small transportation cities in themselves, we are beginning to build on an appropriate scale. At the same time, because of the depth of the programs needed, much more effective analytic procedures have been developed, in many cases adapted from the natural and applied sciences. Is it too optimistic to foresee a time when planning will be an authentic social science and architecture a truly scientific art? Perhaps within a decade or two, when the professional curriculum will have been extensively revised, the nation's institutes of environmental design will be graduating men and women capable of dealing with the future on a non-intuitive basis. Even now there has been a sharp reduction in design guesswork that is very welcome.

There is no space here to describe these new tendencies in detail, as I shall in the book, citing significant advances in design and construction. There is a growing repertory of revolutionary design resources, including electronic computers, which should cause us to shed obsolete methodology in a short time. Already "end-state" master plans are being discarded as unrealizable, and "policy plans" such as Chicago's are being adopted. The Community Renewal Program, possibly the most intelligent yet initiated by the Urban Renewal Administration, is another significant innovation. Thus far the Pittsburgh and San Francisco programs, for which mathematical simulation models of the cities have been developed, are the most promising. On a still larger scale the

regional transportation studies, such as Tri-State and Penn-Jersey, are grappling with much larger areas, but so far as I can tell, without real success to date. The various state development studies are also relying on analytic models, but once again it is difficult to predict successful results.

But we must go far beyond mere improvement of design if a truly contemporary civic order is to be achieved. The archaic construction industry must be revolutionized, too, and brought fully into the technological process. Some gains have been registered, but they are still comparatively primitive. Some indication of the form a veritable structural vernacular might take has been provided by the Educational Facility Laboratory's School System Building Program, in which modular, prefabricated components have been coordinated with an advanced mechanical system to achieve decisive savings in money and erection time for a consortium of California school districts. Inland Steel has boldly participated in this program, investing \$5,000,000, and there are signs that other major fabricators will join in further efforts to rationalize the building industry. At the same time major improvements in building products may be expected, such as the introduction of plastics and other synthetic materials for structural as well as non-structural purposes, the miniaturization of mechanical systems, and low-cost sound- and fire-proofing.

Yet above all we need political maturity and social audacity, plus an over-all environmental accounting system that will enable us to allocate resources wisely. We must develop aesthetic responsibility among the citizenry to the point where phantasmagorical advertising and crude overhead utility lines will not be tolerated. Then, perhaps, we shall be on our way towards creating a valid modern environment, capable of fulfilling man's biological and social needs, but still dynamic and open to limitless innovation. These are minimal objectives. For all other problems—poverty, illness, racism, ignorance, the need to convert the defense industry to peaceful purposes—are inextricably linked with the problem of the physical environment. If the nation realizes that this is so, that our pluralistic society is all one thing, we shall as a people have earned George Santayana's definition of Americans as "idealists working on matter."

Other Projects

POPULAR SUMMARIES OF MAJOR FUND STUDIES

THREE NEW PAPERBOUND graphics books, each summarizing a major study of the Twentieth Century Fund, were completed and published during the year.

Two of these, *U.S.A. and Its Economic Future* and *The New Europe and Its Economic Future*, contain an updating of central figures in the earlier studies of *America's Needs and Resources* and *Europe's Needs and Resources*. J. Frederic Dewhurst, who directed the original works, supervised the preparation of the new material.

Both of these paperbound summaries were written by Arnold B. Barach, senior editor of *Changing Times*, the Kiplinger Magazine, and both are profusely illustrated with pictorial charts, maps and diagrams supplied by Rudolf Modley. The drawings were done by Stephen Kraft, and the typography and page layouts were designed by Hubert Leckie. Milton Kelenson aided in assembling, updating and interpreting the statistics.

The third of the new paperbacks is *The Challenge of Megalopolis*, a popular summary of Jean Gottmann's 800-page study, *Megalopolis: The Urbanized Northeastern Seaboard of the United States*. In this case both the writing of the text and the design of all illustrations, as well as the typography and page layouts, were the work of Wolf Von Eckhardt, author and architectural critic. He writes for *Harper's*, *The Saturday Review*, the *Washington Post* and other publications. The maps, charts and other graphics were drawn by Stephen Kraft.

All three paperbacks are published by The Macmillan Company and are priced at \$1.95. *The Challenge of Megalopolis* is also available in a hardcover, library edition at \$3.95. The books contain a

OTHER PROJECTS

wide range of factual information, and are regarded as being especially useful for high school and college courses in the social studies, as well as for the general reader.

ATLANTIC COMMUNITY STATISTICAL HANDBOOK

AN ECONOMIC PROFILE of the entire North Atlantic region, supplementing the Fund's broader economic works on the United States, Western Europe and Canada, is being prepared in Geneva by Bernard Mueller, a European statistician and a member of the research staff for the Fund's *Europe's Needs and Resources*.

This statistical abstract of the Atlantic nations will include over one hundred economic indexes, ranging from private consumption expenditures to government expenditures, from land utilization to energy resources, from the number of passenger cars in use to the consumption of fibers. Labor force, productivity, capital formation, foreign trade are among the areas of economic life which will be statistically presented for Canada, the United States and eighteen countries of Western Europe. In addition there will be special breakdowns for the European Economic Community and the European Free Trade Association.

This work is expected to appear in 1965.

COMMUNIST PARTY IN MEXICO

DOCUMENTS constituting a detailed record of various aspects of the Communist Party's activities in Mexico since its inception in 1919 have been assembled, copied and edited by Daniel James, an American journalist, with the cooperation of the Mexican government

and with financial support from the Fund. The documents will be used by Mr. James in a book on the Communist Party in Mexico which he will undertake independently of the Fund. At a future date the documents will be made available to scholars at the Special Collections of Columbia University Library.

POVERTY IN AN AFFLUENT SOCIETY

A SUMMARY of a study of poverty in an affluent society sponsored by the Twentieth Century Fund is being prepared for publication in pamphlet form. The project was carried out at the New School for Social Research, New York, by Oscar Ornati, Professor of Economics, with the assistance of Henry David, formerly President of the New School. The focus of the investigation is on the relationship of economic and social factors such as color, education and place of abode to poverty, and on the extent of private and public expenditures to combat poverty. The work will also examine changing concepts over the past fifty years of what levels of income constitute inadequacy. Special editor for this work is J. Stouder Sweet.

AN EXPERIMENT IN ASSESSING AUDIENCE REACTION

AN ANALYSIS of economic factors as they apply to the performing arts is being undertaken by the Twentieth Century Fund in a study described on page 33. As a side note to this study, touching on areas outside its direct focus, a qualitative survey bearing on the response of audiences to the drama was undertaken for the Fund in the summer of 1964 by Richard Faust and Charles Kadushin of the Bureau of

OTHER PROJECTS

Applied Social Research, Columbia University. A unique opportunity for such an inquiry, which was thought of as informal and experimental in nature, was afforded with the establishment of the Delacorte Mobile Theater of the New York Shakespeare Festival. A touring company of *A Midsummer Night's Dream* was sent by the Mobile Theater to parks and playgrounds in New York City, mainly in deprived areas. Many of the men, women and children in the audiences had not previously had an opportunity to attend theatre. The findings of this survey of audience reactions will be issued by the Fund in pamphlet form.

MISCELLANEOUS GRANTS

GRANTS COMING to a close during 1964 were those to Karl Loewenstein, retired from Amherst College, to help him complete a history of government, bringing the modern state society into historical perspective; to Giorgio de Santillana in support of a project at the Massachusetts Institute of Technology on studies in science as it developed in pre-literate cultures; to Peter Viereck, American poet and historian, in order to finance a trip to interview writers behind the Iron Curtain; and to James T. Shotwell, President Emeritus of the Carnegie Endowment for International Peace, for the completion of essays on his lifetime work in research on national freedom and international organization.

BOOKS FOR OUTSIDE PUBLICATION

TWO BOOKS based on Fund-supported research are being readied for outside publication in 1965: *Distribution in a High-Level Economy* by Reavis Cox with Charles S. Goodman and Thomas C.

OTHER PROJECTS

Fichandler, to be published by Prentice-Hall, Inc.; and *Power and Human Destiny* by Herbert Rosinski, to be published by Frederick A. Praeger, Inc.

Some Fund support went to the Council for the Study of Mankind for *Economics and the Idea of Mankind*, a collection of research papers to be published by the Columbia University Press in 1965.

Educational Activities

A MAJOR AIM of the Twentieth Century Fund is to call 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 which may be interested in the findings of Fund research, special presentations based on the original work may be prepared from time to time for students, civic organizations or perhaps the readers of the scholarly publications, the particular presentation depending on the needs of the various groups. The Fund carries on an active program of dissemination through the press, radio and television, movies, the Fund's own Newsletter and other channels of communication.

MOTION PICTURES AND TELEVISION

AS PART of its general 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 a given body of material.

One of the more interesting recent productions combined the two media. A film based on Sebastian de Grazia's Fund study *Of Time, Work, and Leisure* was written and produced by Ralph Tangney, with television as its first outlet. It was broadcast by 80-odd educational stations in the National Educational Television network as a one-hour presentation. The first half consisted of the film, which included carefully prepared scenes of the author setting forth some of his central ideas. In the second portion, these ideas and other aspects of the study were discussed impromptu by a group of scholars led by the Fund's

Director. The panel discussion was recorded and distributed on videotape. Later, the film portion was released as a separate production and made available through the NET Film Service at Indiana University, Bloomington, Indiana. By mid-year of 1964, some 72 rental bookings of the film had been made and by the end of the year 23 prints had been sold.

An earlier Fund film, "The Paraproprietal Society," was written and produced by Ralph Tangney in a similar pattern involving initial broadcasting over NET stations and later distribution as a film. "The Paraproprietal Society" was based on the Fund study *Pension Funds and Economic Power* by Paul P. Harbrecht, S.J., with the author appearing in the film. This production, too, is available through the NET Film Service.

The largest group of Fund films is distributed nationally by Encyclopaedia Britannica Films, Inc. The most active title during the past year was "Megalopolis: Cradle of the Future," of which 216 prints were sold. Considerable interest also was shown in "Inflation," "The Living City" and other Fund films.

A film of "Tropical Africa" on which the Fund collaborated with Julien Bryan and the International Film Foundation continued to be shown before appreciative audiences during the year.

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.

Publishing Activities

TWENTIETH CENTURY FUND studies are initially made available to the public in book form under the Fund's own imprint. In 1964 book sales were 28,722. Fund 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 sales are handled by Feffer and Simons, Inc. Publications of the Fund were included in book exhibits in Frankfurt, Cairo and Belgrade in 1964.

Fund works have been translated into a number of languages and in 1964 *Journeys Toward Progress* was brought out in Spanish, *North Atlantic Policy: The Agricultural Gap* in Japanese, *The Economy, Liberty and the State* in Portuguese, and *Pension Funds and Economic Power* in German. The Fund published jointly with Allen and Unwin in London Angus Maddison's *Economic Growth in the West*.

Paperback editions of Fund works are published from time to time, either under the Fund's imprint or by other publishers. Doubleday and Company published in 1964 in its Anchor series a paperback edition of *Of Time, Work, and Leisure* by Sebastian de Grazia and The M.I.T. Press published a paperback version of *Megalopolis* by Jean Gottmann, using the full text of the original report. The McGraw-Hill Book Company is working on a special edition of *Tropical Africa* for high school use, to be published in 1965 under the authorship of George H. T. Kimble, research director for the original Fund study, and Ronald Steel.

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 sales of Fund books are listed in the table following.

Sales of Publications

T I T L E	YEAR PUBLISHED	TOTAL SALES	
		1964 SALES	TO END OF 1964
Financing the Consumer	1930	*	3,068
Boycotts and Peace	1932	*	674
How to Budget Health	1933	*	828
The Internal Debts of the United States	1933	*	1,879
Stock Market Control	1934	*	1,268
Labor and the Government	1935	*	1,369
The Security Markets	1935	*	1,812
The Townsend Crusade	1936	*	1,075
Big Business: Its Growth and Its Place	1937	*	2,543
Facing the Tax Problem	1937	*	4,538
How Profitable Is Big Business?	1937	*	1,640
The National Debt and Government Credit	1937	*	1,675
More Security for Old Age	1937	*	1,135
Studies in Current Tax Problems	1937	*	1,242
Debts and Recovery	1938	*	1,557
A Memorandum on the Problem of Big Business	1939	*	2,010
Does Distribution Cost Too Much?	1939	*	8,591
Housing for Defense	1940	*	2,412
Labor and National Defense	1941	*	3,071
Postwar Planning in the United States, No. 1	1942	*	7,091
The Road We Are Traveling	1942	*	38,921
How Collective Bargaining Works	1942	*	4,632
Goals for America	1942	*	33,764
Wartime Facts and Postwar Problems	1943	*	16,048
Postwar Planning in the United States, No. 2	1943	*	5,992

* Out of print.

Sales of Publications (continued)

T I T L E	YEAR PUBLISHED	TOTAL SALES	
		1964 SALES	TO END OF 1964
Postwar Plans of the United Nations	1943	*	6,163
Where's the Money Coming From?	1943	*	38,105
The Power Industry and the Public Interest	1944	0	2,697
American Housing	1944	*	10,636
Postwar Planning in the United States, No. 3	1944	*	4,390
Democracy Under Pressure	1945	*	42,482
Financing American Prosperity	1945	2	7,092
Tomorrow's Trade	1945	11	21,094
Trends in Collective Bargaining	1945	11	14,528
For This We Fought	1946	3	19,658
Cartels in Action	1946	*	6,155
America's Needs and Resources (1st edition)	1947	*	22,129
Rebuilding the World Economy	1947	*	8,843
Electric Power and Government Policy	1948	2	1,721
Cartels or Competition?	1948	*	4,357
Report on the Greeks	1948	7	4,930
Partners in Production	1949	17	10,077
Turkey: An Economic Appraisal	1949	*	3,025
U.S.A.: Measure of a Nation	1949	*	55,796
Brazil: An Expanding Economy	1949	*	3,429
America's Capital Requirements	1950	*	1,278
Monopoly and Free Enterprise	1951	*	8,558
Defense Without Inflation	1951	17	7,384
Financing Defense	1951	7	4,436
British Planning and Nationalization	1952	*	4,948

* Out of print.

Sales of Publications (continued)

T I T L E	YEAR PUBLISHED	TOTAL SALES	
		1964 SALES	TO END OF 1964
Costa Rica	1952	*	2,442
The Federal Debt	1953	19	2,649
Farm Policies of the United States, 1790-1950	1953	*	4,336
Employment and Wages in the United States	1953	*	5,012
Defense and the Dollar	1953	5	3,836
Economic Controls and Defense	1953	20	4,031
Renewing Our Cities	1953	*	5,694
World Population and Production	1953	*	8,492
Foreign Exchange in the Postwar World	1954	*	4,234
Approaches to Economic Development	1955	412	11,465
America's Needs and Resources: A New Survey	1955	194	10,728
American Imports	1955	31*	2,962
Can We Solve the Farm Problem?	1955	60	3,725
World Commerce and Governments	1955	74	4,100
Economic Needs of Older People	1956	67	5,345
The Agricultural Commodity Programs	1956	41	1,921
U.S.A. in New Dimensions	1957	5*	71,294
Greece: American Aid in Action	1957	39	2,977
Antitrust Policies	1958	142	3,841
Arms and the State	1958	175	6,923
Honduras	1959	71*	1,593
The Economy, Liberty and the State	1959	156	6,622
Pension Funds and Economic Power	1959	139	5,120
Europe's Coal and Steel Community	1960	80	2,035
Tropical Africa	1960	263	9,570

* Out of print.

Sales of Publications (continued)

T I T L E	Y E A R P U B L I S H E D	T O T A L S A L E S	
		S A L E S 1964	T O E N D O F 1964
Strategy and Arms Control (cloth edition)	1961	123*	3,031
Strategy and Arms Control (paperback)	1961	1,195	8,088
Arms Reduction	1961	346	4,583
Latin American Issues	1961	2,681	13,453
Europe's Needs and Resources	1961	254	5,823
Megalopolis	1961	539	6,795
Yugoslavia and the New Communism	1962	294	3,026
Of Time, Work, and Leisure	1962	418	8,342
Economic Development in Burma, 1951-1960	1962	162	1,951
Shaping the World Economy (cloth edition)	1962	*	1,123
Shaping the World Economy (paperback)	1962	2,014	9,218
Civilian Nuclear Power	1963	130	2,128
Journeys Toward Progress	1963	1,410	6,129
Farms and Farmers in an Urban Age (cloth edition)	1963	1,080	3,439
Farms and Farmers in an Urban Age (paperback)	1963	3,233	9,136
North Atlantic Policy - The Agricultural Gap (cloth edition)	1963	91*	1,194
North Atlantic Policy - The Agricultural Gap (paperback)	1963	346	1,451
De Gaulle and the French Army	1964	2,003	2,003
U.S.A. and Its Economic Future	1964	2,649	2,649
The Challenge of Megalopolis (cloth)	1964	3	3
The Challenge of Megalopolis (paperback)	1964	2,403	2,403
Economic Growth in the West	1964	2,900	2,900
The New Europe and Its Economic Future	1964	2,378	2,378
* Out of print.	T O T A L	28,722	754,939

Administration

HEADQUARTERS STAFF

FINANCIAL STATEMENTS

DETAILED STATEMENT OF ASSETS

Headquarters Staff FEBRUARY · 1965

AUGUST HECKSCHER, Director

THOMAS R. CARSKADON, Associate Director

BEN T. MOORE, Associate Director

ISADOR LUBIN, Economic Consultant

ELIZABETH BLACKERT, Editorial Planning and Assistant to
the Director

LOUISE FIELD, Research Associate

JOHN E. BOOTH, Education Associate

CAROL KIER, Book Manufacturing and Sales

BETTY R. HIRSCH, Bursar

HELEN M. DOYLE, Office Manager

FRANCES KLAFTER, Research Assistant, Washington Office

BARBARA DONALD, Special Consultant, Washington Office

RUTH ROCKER, Copy Editor

AUDREY BRENTLINGER, Secretary to the Director

ALICE MENDEL, Secretary to the Associate Director
and Assistant in Dissemination

BARBARA CLARKE, Secretary to the Associate Director

Secretarial and Clerical

IDA CARLOMAGNE, HUGO FOSCO, NETTIE M. GERDUK, SYLVIA
HARRIS, RITA LONG, LOUISE MCKEEVER, MYRNA MOCK, EILEEN
REGELMANN, SADIE ROSENFELD, BERTHA SANDLER, NOEMI VELEZ

Finances

STATEMENT OF ASSETS

DECEMBER 31, 1964

WITH COMPARATIVE FIGURES AT DECEMBER 31, 1963

	1964	1963
CASH	\$ 577,981	\$ 319,259
INVESTMENTS, AT QUOTED MARKET PRICES:		
United States Government bonds	\$ 1,759,556	\$ 3,856,749
Promissory note and bankers' acceptances	4,880,145	1,271,844
Industrial bonds	59,375	50,000
Public utility bonds	584,900	584,000
Railroad bonds	59,427	59,104
Preferred stocks	1,534,799	1,556,536
Common stocks	18,186,044	16,535,992
Total investments	<u>\$27,046,246</u>	<u>\$23,905,225</u>
HEADQUARTERS PROPERTY, AT COST	495,000	495,000
Total assets	<u>\$28,119,227</u>	<u>\$24,719,484</u>

STATEMENT OF CHANGES IN PRINCIPAL

YEAR ENDED DECEMBER 31, 1964

WITH COMPARATIVE FIGURES FOR 1963

OPERATING RECEIPTS AND DISBURSEMENTS:		
Operating receipts:		
Interest and dividends on investments	\$ 927,073	\$ 856,446
Sales of publications	69,284	107,873
Other	14,189	3,463
Total operating receipts	<u>\$ 1,010,546</u>	<u>\$ 967,782</u>
Operating disbursements	911,430	1,156,048
Excess of operating receipts (disbursements)	<u>\$ 99,116</u>	<u>\$ (188,266)</u>
CHANGES IN INVESTMENT HOLDINGS:		
Increase in quoted market prices of investments held throughout the year	\$ 2,981,325	\$ 2,254,359
Increase in quoted market prices over purchase cost of investments purchased during the year	49,781	81,449
Gain on sales of investments based on quoted market prices at beginning of year or purchase price during year	<u>269,521</u>	<u>61,055</u>
Increase in principal resulting from changes in investment holdings	<u>\$ 3,300,627</u>	<u>\$ 2,396,863</u>
Net increase in principal	<u>\$ 3,399,743</u>	<u>\$ 2,208,597</u>
BALANCE OF PRINCIPAL:		
Beginning of year	<u>24,719,484</u>	<u>22,510,887</u>
End of year	<u>\$28,119,227</u>	<u>\$24,719,484</u>

Accountants' Report

The Board of Trustees

Twentieth Century Fund, Inc.:

We have examined the statement of assets of Twentieth Century Fund, Inc. as of December 31, 1964 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 of Twentieth Century Fund, Inc. at December 31, 1964 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 28, 1965

Total Operating
Expenditures
for the Year 1964:
\$911,430

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

57%	RESEARCH AND PRODUCTION
30%	DISSEMINATION
13%	ADMINISTRATION

PRODUCTION OF RESEARCH FINDINGS: 57%

Production of research findings: research, writing, revision and editing of studies and reports; publication in book and pamphlet form.

**DISSEMINATION OF RESEARCH FINDINGS
TO THE PUBLIC: 30%**

Dissemination of research findings to the public through: distribution and promotion of publications; releases and articles for newspapers and magazines; radio and television programs; educational films and filmstrips; the Newsletter and Clipsheet; personal contact with key organizations and individuals.

ADMINISTRATION: 13%

General administration.

Cash Transactions, 1964

SUMMARY

Cash Balance January 1, 1964	\$ 319,259
Total Receipts	11,339,187
Total Receipts and Cash Balance	<u>\$11,658,446</u>
Total Disbursements	11,080,465
Cash Balance December 31, 1964	<u>\$ 577,981</u>

RECEIPTS

Interest and Dividends from Investments	\$ 927,073
Sales of Publications	69,284
Sales and Rentals of Films	1,191
Royalties on Subsidiary Publications	12,998
Proceeds from Sale of Investments	<u>10,328,641</u>
Total Receipts	<u>\$11,339,187</u>

DISBURSEMENTS

HEADQUARTERS ACTIVITIES	\$ 350,130
RESEARCH PROJECTS	331,012
Explorations	\$ 10,378
Terminal Account	2,248
South Asia	6,900
Southern Economic Development and Manpower	60,005
Legal Restraints on Racial Discrimination	798
Poverty amid Affluence	337
Power, Ownership and Property	25,997
United States Geography	41,691
Italian Political Participation	32,751
Communist Party in Mexico	6,845
Needs and Resources, updating	12,870
Performing Arts	60,251
Canada's Needs & Resources	2,881
Legislative Apportionment	4,308
Industrialized Urban Environment	21,137
America's Public Environment	15,318
Atlantic Community Handbook	10,917
Israel, Assistance to Underdeveloped Countries	15,380
SPECIAL PROJECTS	20,275
Karl Loewenstein Grant	\$ 3,750
Peter Viereck Grant	2,525
Giorgio de Santillana Grant	10,000
James Shotwell Grant	4,000

Cash Transactions, 1964 (continued)

PUBLISHING SUBSIDIES		\$	2,500
Power & Peace: Rosinski-Stebbins	\$	2,500	
PUBLISHING OF SURVEY REPORTS			54,007
EDUCATION AND DISSEMINATION			153,506
Motion Pictures and Television	\$	78	
Subsidiary Publications:		115,441	
Translations	\$	681	
Popular Volumes		114,760	
Special Dissemination		4,997	
Working Papers		3,794	
Institutional Literature		29,196	
TOTAL OPERATING EXPENSES			\$ 911,430
PURCHASES OF INVESTMENTS			10,169,035
TOTAL DISBURSEMENTS			<u>\$11,080,465</u>

Detailed Statement of Assets

DECEMBER 31, 1964 AND DECEMBER 31, 1963

	AS OF DECEMBER 31, 1964		AS OF DECEMBER 31, 1963	
	<i>par value</i>	<i>market value</i>	<i>par value</i>	<i>market value</i>
BONDS				
United States Government Obligations:				
Treasury Notes				
4¾% Series A, May 15, 1964			\$ 100,000	\$ 100,469
5% Series B, Aug. 15, 1964			1,360,000	1,370,625
4% Series C, Nov. 15, 1964			960,000	968,700
4% Series A, May 15, 1965	\$882,000	\$ 883,929	882,000	889,993
Treasury Bills				
3.61% disc. Feb. 11, 1965	350,000	348,666		
Treasury Bonds				
3⅞% May 15, 1968	100,000	99,344	100,000	99,281
4% Oct. 1, 1969	55,000	54,742	55,000	54,931
2¾% Series B, Apr. 1, 1980-1975	100,000	100,000	100,000	100,000
4% Feb. 15, 1980	100,000	97,875	100,000	98,250
3¼% Feb. 15, 1985	200,000	175,000	200,000	174,500
Total Government Obligations		\$1,759,556 6.3%		\$3,856,749 15.8%
Corporate:				
Industrials				
Youngstown Sheet & Tube				
1st 4½% Oct. 1, 1990	\$ 50,000	\$ 50,375 0.2%	\$ 50,000	\$ 50,000 0.2%
Railroads				
Virginian Railway				
6% deb. Aug. 1, 2008	\$ 43,100	\$ 50,427 0.2%	\$ 43,100	\$ 50,104 0.2%
Utilities				
American Telephone & Telegraph				
4¾% deb. Nov. 1, 1992	\$200,000	\$ 207,000	\$ 200,000	\$ 207,500
El Paso Natural Gas				
5¼% cv. deb. Sept. 1, 1977	115,000	121,900	115,000	120,750
Louisville Gas & Electric				
4% first mtge. Sept. 1, 1987	50,000	52,000	50,000	52,125
Public Service Electric & Gas				
4¾% first ref. mtge. Sept. 1, 1990	50,000	51,625	50,000	51,500
Rochester Telephone				
4¾% first mtge. Series E Sept. 1, 1993	50,000	51,375	50,000	51,000
Southern California Edison				
4¾% first and ref. mtge. Sept. 1, 1985	50,000	49,375	50,000	49,625
Union Electric				
4¾% first mtge. Sept. 1, 1990	50,000	51,625	50,000	51,500
Total Utilities		\$ 584,900 2.1%		\$ 584,000 2.4%

Detailed Statement of Assets (continued)

	AS OF DECEMBER 31, 1964		AS OF DECEMBER 31, 1963	
	par value	market value	par value	market value
Time Certificate and Promissory Note:				
Morgan Guaranty Trust — Promissory Note				
3 3/8% April 13, 1964			\$ 500,000	\$ 490,205 2.0%
Bankers' Acceptances:				
Bankers' Acceptances 3 3/8% Feb. 17, 1964			\$ 16,740	\$ 16,479
Bankers' Acceptances 3 3/8% Feb. 19, 1964			13,920	13,659
Bankers' Acceptances 3 3/8% Feb. 24, 1964			19,869	19,487
Bankers' Acceptances 3 3/8% March 16, 1964			207,372	203,511
Bankers' Acceptances 3 3/8% March 17, 1964			45,210	44,363
Bankers' Acceptances 3 3/8% May 5, 1964			39,020	38,482
Bankers' Acceptances 3 3/8% May 7, 1964			26,973	26,599
Bankers' Acceptances 3 3/8% May 11, 1964			5,747	5,665
Bankers' Acceptances 3 3/8% May 18, 1964			24,609	24,238
Bankers' Acceptances 3 3/8% May 20, 1964			54,205	53,377
Bankers' Acceptances 3 3/8% May 25, 1964			11,095	10,920
Bankers' Acceptances 3 3/8% May 28, 1964			16,713	16,443
Bankers' Acceptances 3 3/8% June 1, 1964			24,770	24,359
Bankers' Acceptances 3 3/8% June 3, 1964			250,402	246,197
Bankers' Acceptances 3 3/8% June 5, 1964			36,526	35,905
Bankers' Acceptances 3 3/8% June 8, 1964			1,990	1,955
Bankers' Acceptances 3 3/8% Jan. 4, 1965	\$ 62,548	\$ 61,761		
Bankers' Acceptances 3 3/8% Jan. 8, 1965	26,210	25,892		
Bankers' Acceptances 3 3/8% Jan. 11, 1965	23,562	23,268		
Bankers' Acceptances 3 3/8% Jan. 22, 1965	13,533	13,368		
Bankers' Acceptances 3 3/8% Jan. 26, 1965	22,798	22,513		
Bankers' Acceptances 3 3/8% Jan. 27, 1965	1,130,000	1,116,512		
Bankers' Acceptances 3 3/8% Feb. 10, 1965	160,344	158,567		
Bankers' Acceptances 3 3/8% Feb. 11, 1965	51,431	50,855		
Bankers' Acceptances 3 3/8% March 8, 1965	1,000,000	987,944		
Bankers' Acceptances 4% March 8, 1965	166,000	164,322		
Bankers' Acceptances 4 1/8% March 19, 1965	200,000	197,731		
Bankers' Acceptances 4 1/8% March 29, 1965	898,755	887,380		
Bankers' Acceptances 4% April 7, 1965	79,205	77,990		
Bankers' Acceptances 4 1/8% April 13, 1965	505,463	498,976		
Bankers' Acceptances 4% April 19, 1965	135,233	132,739		
Bankers' Acceptances 4 1/8% April 28, 1965	12,043	11,819		
Bankers' Acceptances 4 1/8% May 3, 1965	101,489	99,628		
Bankers' Acceptances 4% May 3, 1965	4,730	4,642		
Bankers' Acceptances 4% May 4, 1965	200,000	196,111		
Bankers' Acceptances 4% May 10, 1965	5,260	5,158		
Bankers' Acceptances 4% May 11, 1965	106,900	104,845		
Bankers' Acceptances 4 1/8% May 12, 1965	38,877	38,124		
Total Bankers' Acceptances		\$4,880,145 17.7%	\$ 781,639 3.2%	

PREFERRED STOCKS

	AS OF DECEMBER 31, 1964		AS OF DECEMBER 31, 1963	
	shares	market value	shares	market value
Atchison, Topeka & Santa Fe Railway 5%	5,000	\$ 53,125	5,000	\$ 51,875
Central Maine Power 3.50%	1,000	71,500	1,000	76,000
Consolidated Edison of N. Y. 4.12%			250	27,250
El Paso Natural Gas 5.65%	500	52,250	600	61,800
Empire District Electric 5%	500	51,250	500	51,500
Gulf States Utilities \$4.44	650	64,350	650	64,025
Helme Products 7% n-c	1,000	40,000	1,000	38,000
Interchemical 4½%	1,000	100,250	1,000	99,375
Jersey Central Power & Light 4%	860	73,637	860	73,530
Jim Walter (Celotex) 5%	2,000	35,000	2,000	35,500
Monongahela Power 4.40%	1,000	95,000	1,000	94,500
Pacific Gas & Electric 5% 1st	1,500	40,500	1,500	40,125
Reynolds Metals 4¾% "A"	1,700	86,275	1,900	97,375
South Carolina Electric & Gas 5%	1,400	72,450	1,400	71,050
Tennessee Gas Transmission 5.25%	900	91,350	900	92,700
Tennessee Gas Transmission 4.90%	1,200	121,200	1,200	118,800
Toledo Edison 4.25%	925	87,412	925	83,944
United States Rubber 8% n-c	1,000	175,750	1,000	164,750
United States Steel 7%	1,000	161,250	1,000	152,000
United States Tobacco 7% n-c	1,500	62,250	1,500	62,437
Total Preferred Stocks		\$ 1,534,799 5.5%		\$ 1,556,536 6.4%

COMMON STOCKS

American Can	3,000	\$ 129,000	3,000	\$ 130,875
American Telephone & Telegraph	11,024	752,388	5,250	731,062
Armco Steel	900	58,050	900	59,287
Atchison, Topeka & Santa Fe Railway	10,000	331,250	10,000	287,500
Bank of New York	833	129,948	833	115,370
Boston Edison	11,000	540,375	11,000	462,000
Brooklyn Union Gas	4,400	166,100	4,400	179,850
Carter Products	3,000	54,750		
Central Illinois Light	4,488	262,548	4,400	206,800
Chase Manhattan Bank			1,040	96,720
Chemical Bank New York Trust	750	69,937	750	62,062
Christiana Securities	1,000	285,000	1,000	219,000
Cities Service	5,000	397,500	4,000	249,000
Coca-Cola Bottling (N. Y.)	3,000	67,500	3,000	66,750
Consolidated Edison of New York	7,000	675,500	4,333	363,972
Consolidated Natural Gas	3,000	215,625	3,000	190,500
Consumers Power	7,760	420,010	7,760	352,110
Continental Insurance			2,000	110,500
Equitable Gas	4,000	175,000	3,000	126,000
Federated Department Stores	80,000	5,750,000	108,600	5,905,125
First National Bank of Boston	2,000	187,000	1,200	107,250

Detailed Statement of Assets (continued)

COMMON STOCKS (continued)	AS OF DECEMBER 31, 1964		AS OF DECEMBER 31, 1963	
	shares	market value	shares	market value
General Mills			2,000	\$ 78,250
General Motors	8,333	\$ 815,592	8,000	629,000
Inland Steel	3,000	132,000	3,000	132,750
Iowa-Illinois Gas & Electric	2,100	72,975	1,050	59,850
International Harvester	2,500	189,062	2,500	150,000
Manufacturers Hanover Trust	2,000	114,500	2,000	109,500
National Biscuit	3,000	175,500	3,000	172,125
Niagara Mohawk Power	7,000	371,000	7,000	371,000
Northern Natural Gas	3,150	184,669	3,150	158,681
Ohio Edison	7,262	432,089	7,262	358,561
Pacific Lighting	10,000	316,250	5,000	298,750
Philadelphia National Bank	2,000	109,500		
Phillips Petroleum	4,000	214,000	2,000	97,750
Public Service Electric & Gas	6,000	240,000	3,000	222,000
Public Service of Indiana	4,700	220,312	10,000	390,000
Puget Sound Power & Light	5,000	183,125	5,000	176,875
Socony Mobil Oil	2,750	252,312	2,750	199,031
Southern Natural Gas	3,000	202,875	2,000	103,750
Southern Pacific	6,000	231,750	6,000	220,500
Southern Railway	2,500	143,437	2,500	155,000
Standard Oil of California	5,510	404,296	5,248	312,256
Standard Oil of Indiana	10,000	425,000	5,000	319,375
Standard Oil of New Jersey			43	3,268
Standard Oil of Ohio	10,000	492,500	5,500	379,500
Texaco	6,300	552,037	6,000	420,000
Union Electric	13,200	386,100	13,200	349,800
Union Pacific Railroad	2,500	106,875	2,500	100,000
Union Oil of California	4,080	146,370	2,000	164,000
Wrigley (Wm.) Jr.	2,000	198,000	2,000	193,500
Youngstown Sheet & Tube	4,500	206,437	1,500	189,187
Total Common Stocks		\$18,186,044 66.0%		\$16,535,992 67.8%
HEADQUARTERS PROPERTY — at cost		495,000 2.0%		495,000 2.0%
TOTAL OF ALL INVESTMENTS		\$27,541,246 100%		\$24,400,225 100%
CASH		577,981		319,259
GRAND TOTAL OF ASSETS		\$28,119,227		\$24,719,484

Report designed and printed at The Spiral Press, New York

THE TWENTIETH CENTURY FUND