THE TWENTIETH CENTURY FUND

ANNUAL REPORT 1962

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41 EAST SEVENTIETH STREET

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711 FOURTEENTH STREET, N.W.

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THE TWENTIETH CENTURY FUND

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

Nonpartisan and objective in its approach, the Fund publishes the results of its researches in book form and further disseminates the research findings through a wide variety of public education activities. On occasion the Fund appoints committees of qualified citizens to review the research findings and make recommendations for public policy which are published with the report.

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

Table of Contents

Trustees and Officers MARCH · 1963

Honorary Trustees

Officers

Studies Published in 1962

YUGOSLAVIA AND THE NEW COMMUNISM

OF TIME, WORK, AND LEISURE

ECONOMIC DEVELOPMENT IN BURMA, 1951–1960

SHAPING THE WORLD ECONOMY

YUGOSLAVIA AND THE NEW COMMUNISM

Authors:

GEORGE W. HOFFMAN *and*

FRED WARNER NEAL

Both authors have traveled extensively through Yugoslavia and have worked and studied there. Mr. Hoffman is Professor of Geography, University of Texas. Mr. Neal is Professor of International Relations and Government, Claremont Graduate School.

In the relations between the East and West, probably no country occupies a more vital spot than Yugoslavia." Thus George W. Hoffman and Fred Warner Neal saw the significance of the small Adriatic nation which served as the focus of a Twentieth Century Fund study which they wrote and which the Fund published in May of 1962.

The goal of the work is to provide a study in depth of the Yugoslav experiment; to gauge its significance in today's power struggle, its impact on world communism and its implications for United States foreign policy.

The authors conclude, in their analysis of Yugoslavia, that its people have achieved a considerable independence from East and West, and they say, "Perhaps as much as any other single factor, the existence of Yugoslavia as an independent Communist state following its own 'road to socialism' has been responsible for the crisis of nationalism in the Soviet-led international Communist movement."

Turning to the meaning of the Yugoslav experience for the United States, they say that the American aid program has helped Yugoslavia become independent of the U.S.S.R. and contributed to a higher standard of living for the Yugoslav people by helping them to develop and utilize their natural resources. At the same time, this aid has served United States foreign policy well, inasmuch as it offers to the uncommitted nations of the world an example of U. S. aid with no "political strings" attached.

Despite the economic strides and the degree of independence that the authors find Yugoslavia has achieved, they raise and examine in detail some fundamental questions. "The first of these questions concerns the basic nature of the regime, especially the future of the democratic part of socialist democracy. The second major question is that of ethnic conflicts — the extent to which the economic aspects of national particularism may become a serious political problem. Third, and interrelated with the others, is the question of what is likely to happen after Tito."

OF TIME, WORK, AND LEISURE

Author: **SEBASTIAN DE GRAZIA**
Professor of Political Science at the Eagleton Institute of Politics, Rutgers University; visiting Professor at the University of Madrid

OF TIME, WORK, AND LEISURE, a new Twentieth Century Fund study in a philosophic mood, reflects on the meaning of life today through a thoughtful exploration of the concept of leisure as it has come to us through the ages.

Sebastian de Grazia, author of the work, says that most Americans need in the first place to know what true leisure is, especially since our cherished notion that modern life is giving us greatly increased time away from the job is largely a "myth." We take secondary jobs, spend more time than ever getting to and from work and have lost much of what is left of our supposed gains in do-it-yourself work, household chores, shopping, and so on.

As a start, Professor de Grazia would have us not only distinguish the reality from the myth but also dispel our illusion that free time is leisure. Analyzing the three elements in the title, the author says: ". . . time is a major element, since today's leisure is measured in units of time — hours, days, weeks. Work is included because today's time is considered free when not at grips with work. Work is the antonym of free time. But not of leisure. Leisure and free time live in two different worlds."

Professor de Grazia revives the serene concept of leisure held by the ancient philosophers and quotes Aristotle's characterization of leisure as a state of "freedom from the necessity of labor." He comes to the conclusion that although useful work may comfort, support and even ennoble a man, "leisure perfects him. In this lies its future."

"A man of leisure, according to Aristotle and Plato, was a man," says Professor de Grazia, "who devoted the best of himself to the state, and who believed that cultivating the mind, so important for the state, was the brightest of all activities, the single one in which man was revealed as related to the gods, and in the exercise of which he celebrated the gods. Politics and religion were at the heart of leisure."

All this is vastly different from merely looking upon leisure as time away from a job. In the author's words, "Leisure refers to a state of being, a condition of man, which few desire and fewer achieve."

Of Time, Work, and Leisure results from a three-year study, conducted and financed by the Twentieth Century Fund with August Heckscher, Director of the Fund, and Professor de Grazia as research directors and Thomas C. Fichandler as associate research director.

ECONOMIC DEVELOPMENT IN BURMA, 1951-1960

Author: LOUIS J. WALINSKY
Vice President for Economic Development, Robert R. Nathan Associates, Inc., economic consultants; formerly chief economic advisor to the Burmese government

SUPPLEMENTING the Twentieth Century Fund's longtime interest in economic development — an interest expressed in theoretical works as well as case studies — is a new Fund publication, *Economic Development in Burma, 1951–1960*, by Louis J. Walinsky.

One of the most thoroughgoing, detailed and candid surveys made of a development program for a single country, this 680-page work was prepared by a man who had been intimately connected with Burma's program from its inception through its planning and execution to the time when Burma brought it to an end.

Drawing general conclusions from the specific experience of Burma, Mr. Walinsky says that if American aid programs are to be successful in any underdeveloped country, the receiving nation must have good government; responsible political leadership; must be free from single-party domination; and must recognize that carrying out economic plans is much more important than making them.

Of the workings of the American aid program itself in Burma, Mr. Walinsky says that the American program could have been improved in its objectives, its strategy, in the kinds of aid provided, the conditions attached to it, and its administration. "U. S. aid . . . bore no necessary relation to broad development goals," Mr. Walinsky contends. "It was not related to, or integrated with, Burma's own self-help efforts in any significant way, and it did not exert any influence on them." Although acknowledging the place of security assistance in U. S. aid, he says that "security assistance should not have been confused with, or been regarded as a substitute for, development assistance."

In addition to its value as a record of the experience of Burma, this book has wide implications for other countries seeking economic development and for U. S. and Western aid policy and practice.

SHAPING THE WORLD ECONOMY

Suggestions for an International Economic Policy

Author: **JAN TINBERGEN**
Professor of Development Planning at the Netherlands School of Economics and Director of the Netherlands Economic Institute; Director of the Netherlands Central Planning Bureau after the war; author of Business Cycles in the United States, 1913–32, International Economic Cooperation *and other works*

IN THIS work — a theoretical approach to the world economy with important attention given to the problem of the underdeveloped areas — an internationally known economist from the Netherlands, Jan Tinbergen, calls for new patterns of world economic organization.

In *Shaping the World Economy: Suggestions for an International Economic Policy*, Professor Tinbergen concludes that the world is approaching a stage where national autonomy in economic matters is no longer possible for any country, no matter how large or small; and the

United States, along with others, must be prepared to entrust some decisions on its international economic policy to supranational bodies.

The principle of an indivisible world order must be extended into the economic sphere, even if at present the goal does not seem politically possible. Indeed, Professor Tinbergen, a practical economist, envisages arriving at his goal in stages; the West would make a start toward world-wide economic planning on its own.

Professor Tinbergen develops his theme with suggestions of how the West might proceed. Among the first imperatives, he believes, are a world-wide economic policy, higher expenditures for development purposes and a centralized means for their distribution. Beyond its functions in aiding development, he sees a "world treasury" as strengthening the influence that can be exerted on the business cycle and inducing a more cooperative attitude on the part of national governments. Among many innovations looking toward an international economic policy which are explored in his work, Professor Tinbergen describes the need for additional agencies to deal with the problem of stabilizing the revenues of countries producing primary commodities, either by concluding more commodity agreements or by the introduction of an insurance scheme against declines in export revenues. He discusses also the establishment of an international insurance scheme against non-economic risks, and an expanded role for the United Nations in ordering the economic affairs of the world toward greater stability and prosperity.

Research Projects in Progress

FARMS AND FARMERS IN AN URBAN AGE

ECONOMIC DEVELOPMENT AND MANPOWER IN THE SOUTH

THE LAW AND DISCRIMINATION

POVERTY IN AMERICA

POWER, OWNERSHIP AND PROPERTY

CIVILIAN NUCLEAR POWER

CIVIL-MILITARY RELATIONS

FRENCH CIVIL-MILITARY RELATIONS

NORTH ATLANTIC POLICY–THE AGRICULTURAL GAP

SOUTH ASIA

LATIN AMERICA

PATTERNS OF POLITICAL PARTICIPATION

ECONOMIC GROWTH IN WESTERN INDUSTRIAL ECONOMIES

A UNITED STATES GEOGRAPHY

FARMS AND FARMERS IN AN URBAN AGE

The agricultural revolution from a fresh vantage point . . . plain facts and persistent myths

Research Director: **EDWARD HIGBEE**
Professor of Land Utilization, University of Rhode Island; formerly Senior Agronomist, U. S. Department of Agriculture, and agricultural consultant to the governments of Brazil, Ecuador, Guatemala, Nicaragua and Peru; author of The Squeeze: Cities Without Space *and other works*

ONCE some 90 per cent of Americans lived on farms. Now less than 10 per cent do. As technological advances increase farm output at an almost explosive rate, surpluses pile up and — under federal price support plans — deficits with them. Is there no way to get off this merry-go-round?

In this new Twentieth Century Fund study, Edward Higbee makes an incisive analysis of the technological revolution in agriculture and its implications for the whole structure of our society. His study was originally scheduled for publication in 1964 but — a most unusual circumstance with research projects — was finished ahead of time. The report went to the printer in February 1963, scheduled for publication in June.

Central to Professor Higbee's thinking is the fact that we now live in an urban age. The Jeffersonian concept of the small, independent landowner as the foundation upon which the Republic was built is strikingly contrary to modern actuality — yet the myth persists. Strongly entrenched agricultural and political interests, according to

Professor Higbee, go on acting on theoretical and philosophical premises that were outmoded decades ago.

Professor Higbee, who traveled widely in preparing this report, finds that while agricultural support payments are supposed to benefit the small, struggling farmer, the great bulk of such payments go to the large, highly capitalized, efficiently operated farms. He is impressed, also, by the widely varying conditions of American farms and their relationship to government programs. "No government policy," he says, "can satisfy the needs and ambitions of such diverse types of farms. What helps one may, and often does, hurt the other. All factions try to exert political influence. The results are compromises that try to help all and to hurt none."

Farms and Farmers in an Urban Age takes a steady look at present realities. Professor Higbee poses the hard choices in public policy. He invites consideration of the city man, as well as the farmer, in choosing the alternatives. His report seems almost certain to attract wide attention, and probably will stir up considerable controversy.

ECONOMIC DEVELOPMENT AND MANPOWER IN THE SOUTH

Planning for economic growth . . . need for qualified manpower, both Negro and white

Research Director: JAMES G. MADDOX
Professor of Agricultural Economics, Department of Agricultural Economics, North Carolina State College

THE South, where economic levels traditionally have lagged behind national averages, is experiencing a surge of new vitality and economic expansion.

What are the chances that the South — at long last — may catch up with the rest of the nation? What levels of output and of personal and family income would be required to achieve this? Given present trends, how far is the South likely to progress by 1975? How many workers, both Negro and white, will be required, and what skills and training will they need to have?

Such are some of the questions for which answers are being sought in the Twentieth Century Fund's study of economic development and manpower requirements in the South. The project is being directed by James G. Maddox, Professor of Agricultural Economics at North Carolina State College.

Professor Maddox is giving special attention to the factors that affect the future growth of the southern economy. He has made arrangements with the Economics Projections Staff of the National Planning Association to carry forward to 1975 some of the main statistical indicators of output and income and will use these as the basis for his projections of the future. Professor Maddox is analyzing, among other things, the extent of underemployment in southern agriculture and the changes necessary in the agricultural work force if returns to labor and agriculture are to be brought to a level approximately equivalent to the earnings of comparable labor in nonfarm occupations.

A principal associate on the project staff, Dr. E. E. Liebhafsky, is centering his attention on problems of racial discrimination, with particular reference to differential rates of employment by occupation. The aim of this portion of the study is to trace the disparity of employment and income opportunities between Negroes and whites and the damaging effects of this disparity on the economic well-being of the region as a whole. In addition, work has commenced on changes necessary in the educational establishment to prepare the southern labor force for the jobs that will be available in the years ahead. Publication of this study is tentatively scheduled for 1964.

THE LAW AND DISCRIMINATION

The laws may be on the books, strong and good laws, but ignorance of them and their powers is so vast that they are in large part ineffective

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

BEYOND such problems of unskilled labor as will be considered specifically in the Twentieth Century Fund's study of the South, there are, of course, many aspects of racial discrimination in employment. Many of these are dealt with in the law — federal, state or local — and yet no one seems to know in any comprehensive and systematic way what the law is doing in this area, what present law is capable of doing, and what shortcomings exist. Nowhere in print is there a complete analysis of the different guises assumed by racial discrimination in employment relations and the law's responses to them.

It is the aim of the Fund's study on law and discrimination, which is under the direction of Michael I. Sovern, Professor of Law, Columbia University School of Law, to fill at least some part of this gap.

Scholars in this field tend to analyze the work of a particular tribunal, a particular piece of legislation or a particular legal concept instead of looking at the various modes of discrimination and asking what relief the law in all its forms provides. It is not hard to understand why research has been thus splintered. As Professor Sovern says, the field is young. Each new statute presents a host of complex issues. Each new judicial decision is subject to varying interpretations. Every new administrative agency gives rise to a fresh cluster of procedural and substantive problems.

Nevertheless, Professor Sovern points out, the fragmentation has had several unfortunate consequences. Obviously it means that no one can, without considerable independent research, get any feel for the totality of the law's work in this field. More important, because no attempt has been made to put the pieces together, it is impossible to tell which pieces are missing. And some are undoubtedly missing. Not only have vital problems been neglected, but potential solutions have also been overlooked. Professor Sovern's study, the manuscript of which will be completed in 1963, is intended to cast a new light on both the problems and the solutions and to bring together in one place this body of law which affects discrimination and which by its very diffuseness has impeded the restraint of discrimination in employment.

POVERTY IN AMERICA

The shadow of poverty across the affluent society – its causes, ways of dealing with it

Research Director: **HENRY DAVID**
President, New School for Social Research

Associate Research Director: **OSCAR ORNATI**
Professor of Economics and Associate Director of Research, New School for Social Research; formerly consultant, National Planning Board, Republic of Indonesia

WE LIVE in a rich society and can point to living standards reaching levels of historic height. Moreover, we have undertaken impressive social measures — federal, state and municipal — aimed at the reduction of poverty. Yet poverty persists in geographic pockets, and within certain groups of the population. Much of this is left untouched by the general upward movement of the economy.

The Twentieth Century Fund in 1960 asked the New School for Social Research to undertake a study in this area. Its aim is to define the poverty of today, analyze its causes and take inventory of the major anti-poverty measures of recent years; assess their costs and, very broadly, their yields in terms of relief, cure or prevention.

In describing the work, Henry David, research director for the project, says: "A major theme in the discussion of anti-poverty policies is the distinction made between contributions to the removal of poverty flowing from successfully implemented full employment policies and those resulting from actions specifically directed to causes of what may be described as unqualified indigence.

"The form of the discussion of anti-poverty policies and measures is, so to speak, contrapuntal — a form which discloses to what extent the perceptions of poverty and the hard facts about poverty have been, and still are, in conflict. What emerges is the insight that rural poverty has been traditionally overemphasized and the extent to which poverty is truly a metropolitan phenomenon and a problem of special groups has been underplayed.

"The fact that extremely poor rural farm families, while shrinking in number relatively and absolutely, still constitute a very significant proportion of a declining farm population, and that equivalently poor urban families have in absolute numbers increased slightly and in relative terms remained constant, throws new light on the meaning of poverty in present-day America."

POWER, OWNERSHIP AND PROPERTY

The transformation of modern American capitalism

Research Director: **PAUL P. HARBRECHT, S.J.**
Co-director, Institute for International and Foreign Trade Law, Georgetown University; author, Pension Funds and Economic Power

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

THIS STUDY of the forms of control of productive property is an attempt to understand the distribution of wealth and the sources of economic power emerging in the United States today. It is being made under the direction of Paul P. Harbrecht, S.J., to develop further the thesis he advanced in an earlier Fund report — *Pension Funds and Economic Power* — that property ownership is no longer the dominant force in the diffusion and control of wealth. In the new study particular attention will be concentrated on the major centers of economic power, such as the corporation, the credit institutions, the labor unions and the philanthropic foundations.

To take one example, the research staff for the study describes the sources of labor's power in terms of the basic conditions that have brought the labor unions into being. Labor's power is, in this view, a result of certain circumstances which the unions may affect but do not control. The ultimate power to determine these conditions lies with government and the corporations.

The other control centers of the economy are being analyzed in a similar way. In the case of the financial institutions, a chart is being prepared to show their power to create and direct credit.

The purpose of this analysis is to investigate the phenomena that occur in a society in transition away from a system centered on the direct ownership of private property. The foundations, the pension funds, the mutual funds, nearly all the economic institutions typical of our day defy adequate description by means of the traditional concepts of "public" and "private" ownership. A new set of relationships is growing up, based on the function of the fiduciary who undertakes to perform a private service but is often answerable only to the public authority. The duties and obligations of these men are of grave concern. Of no less concern is the passive role in economic affairs of those who still go by the name of owners.

The director of the study, Paul Harbrecht, hopes that at the end of the study it will be possible both to understand the direction of our development and to test in at least some measure the worth of our new and changing institutions. Completion of the study is set for 1964.

CIVILIAN NUCLEAR POWER

Unequaled opportunity seen for the United States to exert vigorous world leadership in peaceful uses of nuclear energy

Research Director: **PHILIP MULLENBACH**
President, Growth Industry Shares, Inc.; formerly Economist, U. S. Atomic Energy Commission

THE United States proposal for a world program for "atoms-for-peace" before the United Nations in 1953 and a growing national interest in atomic reactors to produce electric power seemed to presage a new age through the civilian use of the atom. But history did not follow this "logic." Indeed, it is only today that some new hopes are beginning to appear for any substantial development of the peaceful atom.

This is a central conclusion of a study completed by Philip Mullenbach for the Fund in 1962, and readied for publication in early 1963 under the title *Civilian Nuclear Power: Economic Issues and Policy Formation.*

In spite of previous disappointments, Mr. Mullenbach says, the United States now has an unequaled opportunity to exert vigorous world leadership in developing peacetime uses of atomic energy and should press forward with a broad "public and private" program that will cost the government $200 million a year for the next decade.

According to the report, "The national effort to develop the peaceful atom has progressed in eight years from excessive hopes . . . to chastened resignation. . . . This 'new reality' is evidenced throughout the national program for nuclear power.

"Industry and government have together accepted the need for a long, costly ten-year development program (after long struggles between advocates of 'public and private' power) requiring major federal expenditures. Measures to force private development have given way to greater use of public investment and assistance in reactor research and prototype plant construction."

Mr. Mullenbach adds: "Not unexpectedly, strong proposals have been made to scale down the effort and to divert it toward long-term reactor research and development, at home and abroad. There are, nevertheless, compelling reasons for sustaining the present scale of effort aimed at both long- and short-term goals."

The study is a comprehensive one, providing not only policy recommendations but much factual material. It deals with the disparity between the domestic needs for atomic energy in our fuel-rich country and the demands of our foreign policy; with the present state of nuclear technology, including basic types of reactors; and the place of nuclear fuels in our total natural resources.

CIVIL-MILITARY RELATIONS

The process of government described with new insights into such historic episodes as the German occupation; the Yalu decision; the question of bases in Spain

Research Director: **HAROLD STEIN**
Professor of Public and International Affairs, Woodrow Wilson School of Public and International Affairs, Princeton University; Staff Director, Inter-University Case Program, 1948–1953

IN 1958 the Twentieth Century Fund published *Arms and the State: Civil-Military Elements in National Policy*, a summary of experience of the complex relationships of military and civil factors in national policy-making, with emphasis on events since World War II. Continuing its interest in this field, and as a branch of the former study, the Fund brings together case studies in a new work. Written along topical lines, it provides background in chronological records rather than in the general historical context of the earlier volume.

This work will be published in 1963 by the University of Alabama Press as a Twentieth Century Fund study in cooperation with the Inter-University Case Program. The case studies are detailed accounts, from the perspective of a somewhat hypothetical observer, of a series of events that illuminate the process by which a decision, or group of decisions, is made by both civilian and military public administrators. In describing the work, Harold Stein, the research director, says that the studies show how the administrators interpret the facts available to them, applying their own concepts of national objectives as they move toward decisions. In so doing, he notes, they are always surrounded and affected by other administrators, frequently those in government agencies; they are moved in various ways by legislators, by our allies and enemies in war and peace, and by that indefinable, amorphous but not negligible mass, the general public.

The case studies to be included in the report are: "The Far Eastern Crisis of 1931–1932: Stimson, Hoover and the Armed Services"; "The Helium Controversy"; "Birth and Death of the M-Day Plan"; "Aid to Russia: The First Year"; "The United States Fleet: Diplomacy, Strategy and the Allocation of Ships (1940–1941)"; "The Italian Armistice"; "Directives for the Occupation of Germany: The Washington Controversy"; "Super Carriers and B-36 Bombers: Appropriations, Strategy and Politics"; "To the Yalu and Back"; "The American Decision to Rearm Germany"; "Bases in Spain."

Professor Stein supervised the preparation of this collection of cases and edited it. The case studies were contributed by Marvin D. Bernstein, Albert A. Blum, Paul Y. Hammond, Martin Lichterman, Francis Loewenheim, Theodore J. Lowi, Laurence W. Martin, Robert J. Quinlan and Michael D. Reagan.

FRENCH CIVIL-MILITARY RELATIONS

Civil-military relations, cast throughout the world in spectacularly new dimensions by the atom bomb and the cold war, are examined in the perspective of recent French experience

Research Director: **EDGAR S. FURNISS, JR.**
Professor of Politics, Princeton University; formerly Secretary, Study Group on France, Council on Foreign Relations

NEW PERSPECTIVES on civil-military relationships have become strikingly visible in the conflict of interest which has animated so much of recent French history. A forthcoming Fund work by Professor Edgar Furniss will focus on this experience, giving special attention to the implications of the Algerian war, which caused a break in civil-military relations threatening the security of the nation.

Professor Furniss plans to divide his study into two main sections, with the first centering on the French army's politicalization: the army in the nation, army ideas about revolutionary war, the range of political action by the army, and the concept of military unity. The second part will deal with President de Gaulle's efforts to meet the broad challenge posed by the intrusion of the army into politics, and will reflect on the changed ideas concerning recruitment and training, revised military organization, the development of an independent nuclear striking force, and new missions assigned to the armed forces.

As Professor Furniss proceeds with his work, he reports, a central thesis is that the breadth and seriousness of the military challenge to de Gaulle's political authority in large part explains the present nature of the Fifth Republic and its foreign policy.

The process of civil and military adaptation to drastically changed circumstances is in full swing in France, says Professor Furniss, and behind the unique features of the French experience lie problems of relating military power to national authority and national purpose which confront all Western nations, including the United States. Moreover, Professor Furniss says, because France's decisions and actions are bound to affect other countries within the Western alliance, one should look to more basic reasons for them than either the irrational maunderings of a weak political system or the willful pride of one "guide."

Publication of the research report is expected in 1964.

NORTH ATLANTIC POLICY–THE AGRICULTURAL GAP

Solution of pressing agricultural problems could have important effects on European economic relations, on North Atlantic trade policies

Research Director: **JOHN O. COPPOCK**
Economist, Department of State; co-author, Europe's Needs and Resources

THE STRUGGLE for a workable agreement on agricultural policies, first among the six member countries of the European Economic Community themselves and subsequently in their protracted negotiations with the United Kingdom, has vividly demonstrated the special place of agriculture in the progressive moves toward European unification. Bringing into harmony national policies which have long been widely divergent has been the most difficult problem faced by those who are building a new Europe. And obviously, today, success is far from assured.

In the past year the problem has taken on a new dimension, even aside from the role it played in the British negotiations. With the enactment of new reciprocal trade legislation by the United States, the problem of appropriate agricultural policies for the industrialized countries of the West is raised in a new context. The Trade Expansion Act is unprecedentedly liberal in the opportunity it gives to arrive at a more coherent and interdependent production and trade pattern in the western world. This outlook presents a question simple to state but difficult to answer: will the unification of the market for industrial goods be extended to agricultural products, heretofore the most protected of all goods produced in most countries? Or will the international negotiations on expanded trade, now expected to take place in 1964, find that agriculture must be considered "a thing apart" from the general trend toward lower trade barriers and increased geographical specialization?

In order to suggest answers to these and other questions, the Twentieth Century Fund is making a study of North Atlantic agriculture, under the direction of John Coppock, who was an associate author of the Fund's *Europe's Needs and Resources*. Mr. Coppock's study, scheduled for publication in mid-1963, will address itself to the wide range of agricultural problems inherent in the economy of Western Europe, their relationship to Atlantic trade policy, and the policy changes which would produce the necessary farm output efficiently and economically. An estimate will also be made of the volume of foreign trade this future production pattern would involve.

SOUTH ASIA

To know something of its economy means to cast aside a foundation of invalid assumptions, then to start anew — in fact and theory

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

THE Twentieth Century Fund has devoted a considerable part of its energies to studies in depth of the economies of nations and regions. Country studies have included those on Greece, Burma, Yugoslavia and the Fund's landmark work, *America's Needs and Resources.* Last year the Fund brought out a collection of essays on economic problems in Latin America and the major survey on *Europe's Needs and Resources.* Several years ago an opportunity was afforded to make a study on South Asia under the direction of Gunnar Myrdal, a study which would extend the Fund's interest both in regional economic studies and in the processes of economic development. This work is now nearing completion, with publication scheduled for 1964.

The primary focus of this study will be the economic problems of underdevelopment, development and planning for development. The work will reach deeply into the diversified conditions of the countries concerned; it will gain in originality less from the elements on which it is built than through its analyses and viewpoint. The countries receiving greatest attention are India, Burma, Ceylon, Pakistan, Thailand and, although they are outside the area of South Asia, Japan and China. Countries included in the study but outside its central focus will be Afghanistan, Nepal, North and South Vietnam, Laos, Cambodia, Malaya and Indonesia.

This study will be in some respects a different work from that at first envisaged, since along the route of his explorations Professor Myrdal has found far fewer reliable wells of knowledge and information than anticipated. Of this he says, "I have emerged from this work with a lively realization of how inadequate are the notions about the underdeveloped countries in South Asia, which we have hastily improvised in the last decade or two, and how empty they mostly are of knowledge which must concern concrete facts. I sincerely believe that a most important contribution at the present stage in the advance of knowledge about these countries is the negative one of destroying constructs that we have rapidly put together and of exposing to criticism masses of worthless statistics which have been collected within the framework of these constructs and which we are using all too confidently. I believe so because these constructs and statistics now stand in the way of scientific progress."

As presently planned, Professor Myrdal's report will deal with the following main topics: the ways independence came to the countries of South Asia and the mechanisms of political development in those countries; the "economic reality" in South Asia, with chapters on population and land, structure of the economies, levels of living and inequality, impact of foreign trade; differences in initial situation; the impact of ideologies and the institutional determinants of planning for development; the economic aspects of planning; the population problem; and international implications of the policies and activities of the nations of South Asia.

LATIN AMERICA

A challenge to the accepted pathways to economic development . . . theory and policy based on examples taken from case histories in three Latin American nations

Research Director: **ALBERT O. HIRSCHMAN**
Professor of International Economic Relations, Columbia University; author, The Strategy of Economic Development; *editor and contributor,* Latin American Issues

Special Consultant: **CHARLES E. LINDBLOM**
Professor of Economics, Yale University

FOLLOWING a trip during the summer of 1962 to Brazil, Colombia and Chile, Albert O. Hirschman completed the manuscript for a work on *Journeys Toward Progress: Studies of Economic Policy-Making in Latin America.* It is set for publication by the Twentieth Century Fund in the late spring of 1963.

Commenting on his own journeys, Professor Hirschman says, "My trip to Colombia was particularly useful, for there a rather forceful land reform law had been passed at the end of 1961 and the first reform project had just been started by the newly organized Colombian Land Reform Institute. In 1960, I had been similarly able to observe the first steps of Brazil's development agency for the Northeast (SUDENE) and in 1962 I found in Recife that a vastly expanded organization had weathered its first major crisis — a fight over federal appropriations — thanks largely to strong popular support that SUDENE had meanwhile been able to gather. The trip strongly confirmed my notion that in both Colombia and Brazil the possibility of effective reform is not foreclosed, but that the road to reform is full of unexpected turns. It certainly is not that smooth, orderly movement led by the vaunted 'non-Communist left'— a very hard group to lay one's hand on in these countries."

The first part of the forthcoming work on Latin America will consist of a detailed examination of the course of policy-making with regard to Brazil's impoverished Northeast, Chile's inflation, and land use and land reform in Colombia. An attempt at generalization based on the country studies will make up the second part of the work. It will focus on two topics: one will deal with the general features of the decision-making and problem-solving processes which have been encountered; the other will be more specifically addressed to identifying the conditions under which important reform decisions have been taken. "In this latter connection," Professor Hirschman notes, "the study will contain a theoretical digression entitled 'Models of Reformmongering,' designed to canvass systematically the various kinds of coalitions which may be put together to get reforms through. This part of the book is a contribution to a manual for the reformer; it is perhaps time that such a manual be written and offer some competition to the many handbooks on revolutions and coups d'état."

PATTERNS OF POLITICAL PARTICIPATION

Illuminating the patterns of political participation in a free society – a study focusing on the Communist Party and the Christian Democratic Party in Italy

Research Directors:

GIORGIO GALLI *and* ALFONSO PRANDI
Members of the research staff, Associazione di Cultura e Politica Carlo Cattaneo

IN ITALY today the possibilities for making a study of the elements and complexities of political participation in a free society are particularly striking. For in Italy there is a dramatic confrontation of two highly divergent political forces — the Communist Party and the Christian Democratic Party. Together they control about two thirds of the total vote.

The Twentieth Century Fund, working through the Italian research organization, the Associazione di Cultura e Politica Carlo Cattaneo, is undertaking a study designed to illuminate these patterns of political participation as they are revealed in Italy.

The three central themes of the work will be electoral behavior in Italy since World War II; the ruling groups and methods of operation of the Italian Communist Party and the Christian Democratic Party; the policies and activities of the two parties in local administrations and in parliament. Without specific or exclusive reference to the Communist Party or the Christian Democratic Party, the study will also examine the role of unions, the cooperative movement, the Church and other elements of Italian political life.

The research will focus on the years 1945 to 1962, a period marked by great political and economic transformations. This period of Italian history encompasses a series of momentous events, including the end of the Second World War and the fall of the Fascist regime, the creation of the Republic in 1946, the adoption of a new Constitution in 1948, the reconstruction that absorbed the energies of the nation up to 1952, and the years of rapid economic development, the so-called *miracolo economico.*

The Associazione Carlo Cattaneo is an independent nonprofit organization for political, social and economic research, with headquarters in Bologna. The study, which has been under way at Bologna since June of 1962, will take two years.

ECONOMIC GROWTH IN WESTERN INDUSTRIAL ECONOMIES

Productive achievement in advanced European countries, the United States and Canada: the role of economic policy in the accomplishments of the past, in the plans and hopes for the future

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

IN THE Twentieth Century Fund's major work *Europe's Needs and Resources: Trends and Prospects in Eighteen Countries,* by J. Frederic Dewhurst and associates, a survey was made of the newly dynamic economy of Western Europe, with projections to 1970. This study puts into relief the extraordinary postwar performance of the European economy.

A new study being undertaken by Angus Maddison for the Fund will explore the reasons for this spectacular European economic resurgence; it will analyze the fundamental basis for economic growth in advanced countries and assess the role of policy.

Although Mr. Maddison's inquiry will be concerned mainly with Europe, it will extend to the United States and Canada as well. In Europe, Mr. Maddison will center his work on France, Germany, Italy and the United Kingdom. These countries he believes to represent a range of growth and experience, and of policy measures, as wide as that encompassed by the smaller countries of Europe. Furthermore, Mr. Maddison sees the economic fate of the smaller countries depending to a great extent on the success achieved in the larger ones.

The scope of the study may appear ambitious, but Mr. Maddison notes that the possibilities for comparative quantitative study of economic policy have increased considerably in the past few years. Indeed, many of the problems Mr. Maddison will deal with are problems he has himself been working on in one aspect or another for the past nine years as a staff member of the Organization for European Economic Cooperation and its successor, the Organization for Economic Cooperation and Development.

The work will attempt to quantify the policy problems with the help of comparable figures on long-term movements in output, unemployment, labor supply, productivity and investment in Canada, the United States and European countries. It will also relate these developments to the factors which have motivated European businessmen in stepping up their rate of investment and will consider the effect of economic interdependence.

Mr. Maddison's study will be in manuscript in 1963.

PLANNING A UNITED STATES GEOGRAPHY

GEORGE H. T. KIMBLE
Professor of Geography
Indiana University
formerly Director
American Geographical Society

THE TWENTIETH CENTURY FUND is undertaking a United States geography designed in a mold quite different from the traditional geographical work. This study will not be keyed to the textbook market, but rather it will hopefully provide for the adult reader that combination of fact and synthesis, background and vision, which enhances one's understanding of a nation and of its people.

Working from his farm near Indianapolis, George H. T. Kimble, research director of the work and Professor of Geography at Indiana University, will be assisted in the work by a number of consultants, several drawn from the faculty of the University, as well as cartographers, research assistants and a photographer.

As a special feature of this Annual Report, Dr. Kimble reflects on some of his experiences as he has gone along the way and on the task ahead. Dr. Kimble has been at work for nearly a year and his project is planned for completion in 1966. Accompanying the geography, in a separate volume, will be a new atlas of the United States being planned specially for the new work.

The photographs in this special section were taken last summer by Barney Cowherd as Dr. Kimble and his staff travelled throughout the country. Appearing in them are the following members of Dr. Kimble's staff, all graduate students at Indiana University: Theodore Myers, Wayne Kiefer, Gerald Young and Rashid Malik.

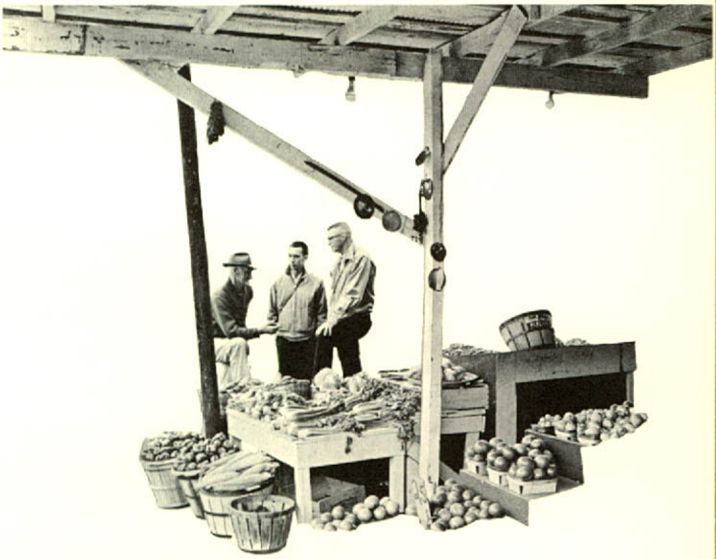
SUMMER SAFARI

While it is possible to hold more than one opinion about the comparative merits of travelling and arriving, for the geographer at least there can be no arriving without a good deal of travelling. For geography has to do with places—their likenesses and differences, and the ways in which men have fashioned the places for their comfort and convenience, and have themselves been "fashioned" in the process.

Since places cannot be brought into a laboratory or library, and since no two places—no matter how small—are identical, it follows that the geographer must forever be going into the field. Only so can he hope to get the measure of the relationships between men and their places, to say nothing of the meaning and portent of the changes that are continually taking place in these relationships.

This past summer has therefore been largely spent in travelling—ten thousand miles in a double traverse of the United States and about half as much in Europe. It is nearly thirty years since I did a comparable traverse of this country, and I sorely needed the re-education it provided.

As for the European trip, this was made in the belief that there's something to be said for getting non-American (even un-American?) ideas about what an American geography book should be—especially one that is intended to serve a dual *function, namely, as a window for our friends and critics overseas, and a mirror for us at home. Then, too, there's something to be said for simply getting outside "the three-mile limit" once in a while, for what should they know of America who only America know? Perspective is an important dimension of geography, as it is, I assume, of art, a form of which a good geography ought to be.*

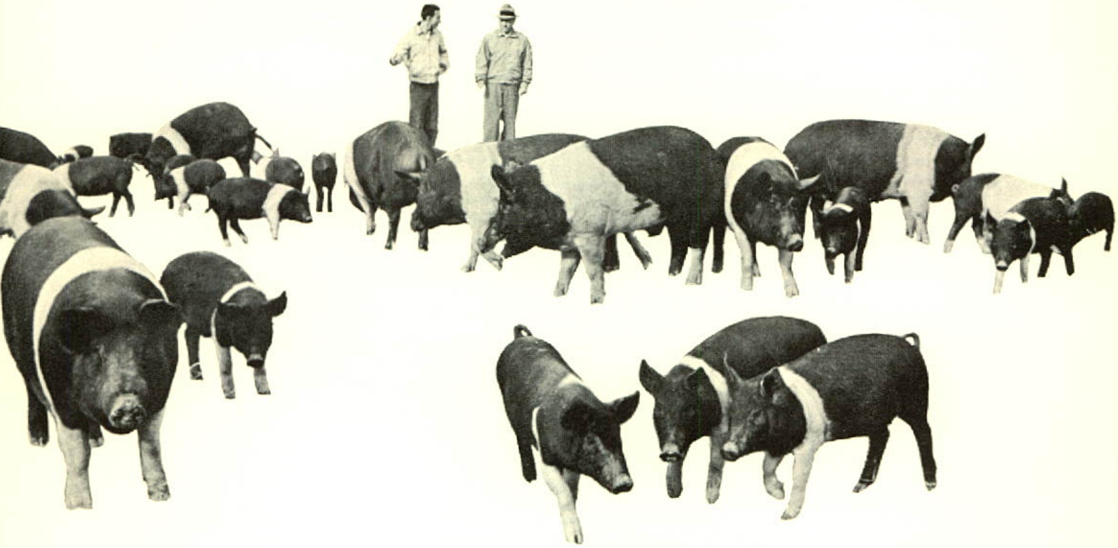


And the travelling has certainly been illuminating. For one thing, it has demonstrated the fascination that writing holds for those who don't do much of it themselves. Only one of the several dozen country-folk who were "quizzed" seemed reluctant to be quoted, and maybe 6:30 on a Sunday morning wasn't his best time of the week for quotation. The rest, town and country-folk alike, were the soul of indulgence—even the policemen, one of whom gave me the benefit of a very considerable doubt. Several people wanted the first copy of the book, and deserve it for the help they gave. At times, it is true, the fascination bordered on perplexity, for the speech of the interrogator continues to betray him, and the idea of somebody from England writing an American geography is, for many people, almost as hard to take as that of an American foundation underwriting such a work.

For another thing, it has yielded a harvest of materials that threatens to dispossess me of the *barn on my farm in which most of my work has hitherto been done. Nowadays, every state, county and almost every incorporated town is in the publishing business. Granted that many of the things published are ephemeral and many more are blatantly promotional, but almost all of them have something to say about the kind of "place" their sponsors believe in, and towards which they are determined to march; that is, almost all of them have geographical interest. Some have real geographical merit. Notable among these are the economic reports put out by the chambers of commerce in the large cities. (The report on Greater Pittsburgh runs to over 350 pages and is as fine a statement on the city's industrial development and opportunities as I expect to read.)*

In the third place, it made me realize how much of its heart America wears on its sleeve. Its country roads and city streets are full of clues to the local

geography—the nature of the land and the nurture it needs, and the qualities demanded of the people who live, or have lived, on it. (I suppose I should have known this from my study of Tropical Africa, but Tropical Africa is quite another world: more reticent about its troubles, more modest about its achievements, and still largely unplacarded, because still largely illiterate.) The land of Lincoln is also the land of Funk, Pfister and many another hybrid corn: the land, too, of weedkillers, *insecticides and soil conditioners. The Ozarks, long a "backwoods"—and an unhealthy one, judging from the number of infants buried in its cemeteries —is now a booming resort area, and says so at every*



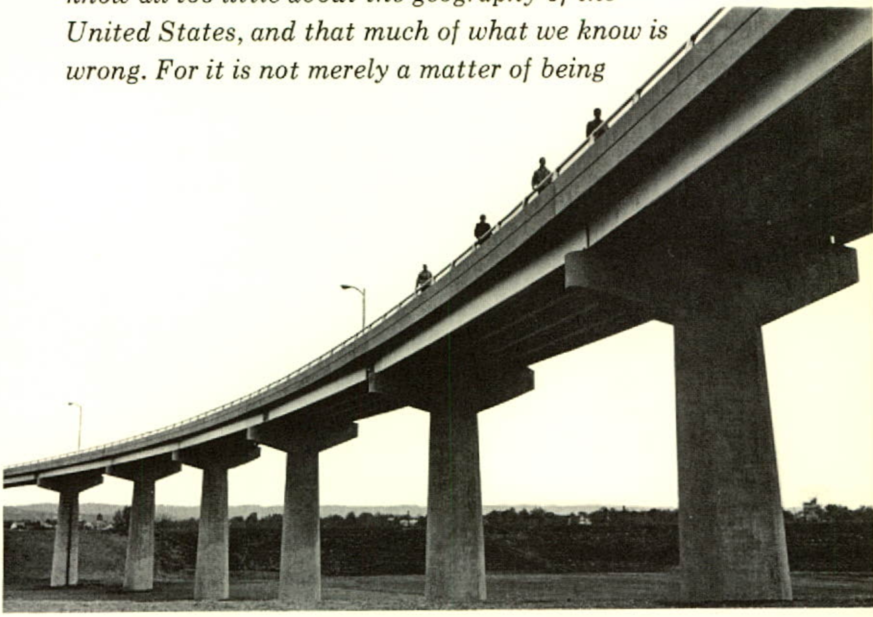
turn of the road. It offers monkey jungles, "native" craft stands, antique shops ("new stock arriving every day"), bathing beaches (300 of them) and manors for the moneyed, of whom there must be many, since undeveloped lakeshore lots are now selling at anywhere up to $25,000 an acre. The Rocky Mountain region is no less forthright. Much of the past is written in its place names—Lost Cabin, Bitter Creek, Dry Fork, Freeze Out Gulch, Sweet Grass County . . . Much of the present is to be found in the files of its realtors. (Nowadays, $600,000 will just about buy enough land for a viable ranch it seems; the balance of the million, enough cattle and sheep to stock it.)

What is true of Illinois, Missouri and Montana is true of the rest. In every state, on wall, window, and poster are writ large the people's faith and fears, their daring and their doubts; their aspirations, too—though not always as ambiguously worded as in the sign seen along an Ohio highway: "Gate of Heaven Cemetery: Service Entrance."

In the fourth place, this summer's travelling made me realize that the United States has a lot more geography than usually gets into books on the *subject. Many of the books do justice to the conventional topics, such as the geography of mountain, plain and shore: of drought, flood and erosion; of steel and synthetics; of corn, wine and oil—to say nothing of the geography of areas, such as states (about which every native son feels strongly enough to consult the index of any geography book he picks up) and regions (about which every geographer feels strongly enough to criticize every other geographer's classification—and, to be sure, there's usually plenty to criticize, since the art of "regionalizing" seems largely to consist in drawing lines that do not matter around areas that do not exist).*

But there are other geographies as well. There's a geography of obsolescence—of farms that are too small, of cities that are too large, of fields that have been worked out, forests that have been pillaged, and of people whom the highways have passed by. There's a geography of affluence—of Miami's Golden Mile, and of Manhattan's high-soaring apartments, with prices to match; of ritzy winter resorts with 24-hour room and ski-lift service, and of summer homes in the country with every city comfort. Then, too, there's a geography of segregation—of second-class citizens scraping a living off third-class earth: of Indians confined to reserves the like of which it would be hard to find in colonial Africa, and of Negroes and Puerto Ricans compelled to live in atmospheres that make the African *bush seem like a health resort. And there's still a geography of Puritanism. The traditional "New England" virtues may not be talked about as much as in years gone by, but the traveller continues to come upon them in the Littletons and the Lancasters of New Hampshire. And not only in New England either. The Amish settlements in Pennsylvania, Indiana, Illinois and elsewhere provide eloquent proof that thrift, ingenuity, tenacity and foresight—not to mention Godliness and good husbandry—are still very much alive. The Mormon settlements in Utah and Idaho tell the same story —one we do well to ponder, and applaud.*

So much for the travelling. Clearly, this is no time to be "arriving," for though one safari may make a summer, it does not make a book. But if there is one impression that promises to grow into a conviction sooner than another, it is that most of us (including most of the Europeans I talked to) know all too little about the geography of the United States, and that much of what we know is wrong. For it is not merely a matter of being



ignorant of the things geographers write about, though this kind of ignorance—of the places people live in and how they are related, for better or worse, by common factors of weather and soil, raw materials, traditions, beliefs, and so on—is widespread enough in all conscience. It is just as much—perhaps even more—a matter of not knowing how *these factors work for and against a people's future: of not realizing how deeply we have dipped into our grab-bag of resources, and how perilously close to bankruptcy we have come in the process; of not realizing that ours is a finite environment and that we shall not always be able to run to Africa and Asia for the things we have run out of, if only because the Africans and Asians are increasingly determined to see that they do not run out of the same things. It is also, I am afraid, frequently a matter of not caring enough about the ends to spend time investigating the means. We know how to build magnificent reservoirs, but we have difficulty in preventing them from silting up. We know how to turn a desert into a garden, but we have trouble in keeping up the water-table. We can do wonders with cloud-seeding, but we never quite know whether the effect will be to turn the rain on or off. Our vaunted chemical sprays can stay a plague of apple aphis, but they can just as easily kill off the bees that pollinate the apple trees.*

Maybe part of the geographer's task in these days should be to promote the fine art of environmental appreciation, to school his readers in the business of living gracefully—if not graciously—within their geographical means, and of liking what they have to live with. Anyway, we'll give it a try.

Other Projects

LEGISLATIVE APPORTIONMENT

STEMMING from its interest in questions of legislative apportionment, the Twentieth Century Fund in June 1962 assembled a conference of political scientists, research scholars and others to discuss the problems of apportionment. The Fund's interest in these questions was quickened by the U. S. Supreme Court decision in the case of Baker v. Carr, which opened the doors of federal courts to lawsuits challenging the fairness of systems of apportionment in individual states.

Major agreement on four basic principles was expressed in a statement made by the conferees:

1 "In the light of democratic principles, of history and of contemporary political theory, the only legitimate basis of representation in a state legislature is people. One man's vote must be worth the same as another's."

2 "The principle of apportionment on the basis of population is equally applicable in both houses of a state legislature."

3 "It would be desirable if the problems of legislative apportionment could be resolved without the help of the courts, but . . . in the United States this ideal is evidently unattainable at present."

4 "Reliance on the courts can end only when state governments accept the responsibility for providing their citizens with fair representation."

The results of the conference were summarized in a booklet, *One Man — One Vote*, for which a wide demand developed, particularly in a number of states where legislative apportionment has become an important issue. The booklet was issued by the Fund in the autumn.

THE COMMITTEE for the Study of Mankind will bring out a book on Economics and Mankind with the aid of a grant from the Fund. Earlier the Fund provided financial aid to the group for a conference on the subject.

The Committee is comprised of a group of scholars whose central concern is the problems facing mankind as a whole — problems such as the threat of nuclear war, expanding population, food supply, automation, the rights of the individual, the dilemma of the aged — and the ways in which these problems can be dealt with universally, rather than in segments according to nations or religions or particular philosophies.

Gerhard Hirschfeld is Executive Director of the Committee and Quincy Wright, Professor of International Law at the University of Virginia, is Chairman of the Board of Directors.

The book on Economics and Mankind is being prepared under the direction of Professor Bert Hoselitz, for publication in the autumn of 1963.

THE final installment was paid on a grant to the American Society for Political and Legal Philosophy toward the publication of papers deriving from its annual meetings. The Society, founded in 1955, seeks to encourage interdisciplinary exploration, treatment and discussion of those issues of political and legal philosophy that are of common interest. Five volumes of its yearbook, *Nomos*, in which the results of its discussions are published, have appeared. They are on "Authority," "Community," "Responsibility," "Liberty" and "The Public Interest."

PAYMENTS continued on a grant made to Professor Karl Loewenstein, recently retired from Amherst College, for a history of government which will bring the modern state society into historical perspective. Work proceeds at a good pace, Professor Loewenstein reports, after a lecture trip to Japan which permitted wide travels throughout the country and provided him with new perspectives.

PETER VIERECK, American poet and historian, is spending a year abroad with the help of the Twentieth Century Fund, meeting with poets and writers in the Soviet Union and Iron Curtain countries. Mr. Viereck earlier had visited the Soviet Union under the auspices of the Department of State, and his present trip will enable him to renew contact with intellectual leaders in Russia. He will be particularly concerned with the contest between the post-Stalin thaw and thought control in the Soviet intellectual and literary world.

WHEN first published by the Twentieth Century Fund in 1947, *America's Needs and Resources*, by J. Frederic Dewhurst and associates, rapidly established itself as a classic of modern-day research. It became the standard reference work on the past achievements, present status and future possibilities of the American economic system. A revised edition was published in 1955 and in 1961 the Fund brought out a comparable survey for Europe, entitled *Europe's Needs and Resources*, also prepared by a research staff headed by Dr. Dewhurst.

Requests have come to the Fund frequently for an up-to-date version of *America's Needs and Resources*, and with the rapid changes taking place in the European countries, it became clear that a new version of this more recent volume would also soon be desirable.

Accordingly, the Fund has undertaken to update some of the principal factual findings of these works, and to present the new information in new ways for a new audience. Material collected in this updating process will be used in preparing condensed, popular graphic books which will be issued in paperback format similar to two earlier Fund publications, *U.S.A.: Measure of a Nation* and *U.S.A. in New Dimensions.*

The work is going ahead under a staff supervised by Dr. Dewhurst. Milton Kelenson is associate director of the American project. The text for both popular volumes is being written by Arnold Barach, a senior editor of *Changing Times*. The illustrations are being prepared under the direction of Rudolf Modley. Publication of both works, by the Macmillan Company, is planned for 1964.

Another Fund study which will be reissued in a popular, graphic edition is *Megalopolis: The Urbanized Northeastern Seaboard of the United States*, by Jean Gottmann. The text for this book is being written by Wolf Von Eckhardt, who is also overseeing the illustrations which are being drawn by Stephen Kraft. Doubleday and Company will publish this work.

IN 1939 the Twentieth Century Fund made the first comprehensive evaluation of the American system of the distribution of goods in its study entitled *Does Distribution Cost Too Much?* A further Fund study on distribution, from a different approach, is being carried out under the direction of Reavis Cox, Professor of Marketing at the University of Pennsylvania. Because Professor Cox has revised his plans, no completion date is set at present for this study which has been described in earlier Annual Reports.

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.

CONFERENCE ON MEGALOPOLIS

IN 1961 the Fund brought out *Megalopolis: The Urbanized Northeastern Seaboard of the United States*, by Jean Gottmann, and the work was quickly recognized as a landmark in its field. A number of groups interested in urbanization were stimulated to make further explorations of questions raised in *Megalopolis*, and in response to this interest the Fund, with the help of the Regional Plan Association, sponsored a conference in New York in the summer of 1962 of thirty experts engaged in planning for eight metropolitan areas on the eastern seaboard.

The conferees agreed that Megalopolis, stretching from south of Washington to north of Boston, is especially in need of joint planning for high-speed transportation and park and recreation facilities. They suggested that a modernized high-speed rail system from Boston to

Washington might save precious air and airport space by directing short-haul air passengers to railroads. Air space would be left for long-distance air service which cannot be matched on the ground, they suggested. Integrating a high-efficiency Boston-Washington rail system with metropolitan commuter lines might improve suburban service as well, they added.

The group went on to make other recommendations on various facets of over-all planning for the whole region. A brief report of the meeting is available from the Twentieth Century Fund or the Regional Plan Association in New York.

ECONOMICS, ESTHETICS, AND ETHICS IN MODERN URBANIZATION

As a further by-product of the Fund's study on *Megalopolis*, Jean Gottmann brought together in a pamphlet some of his own reflections that grew out of the study but were not directly connected with it. In the pamphlet, *Economics, Esthetics, and Ethics in Modern Urbanization*, Professor Gottmann says, he allowed his imagination "to play upon the whole field of the moral problems which modern urbanization has introduced into the functioning of our society." Some of his conclusions will be of special interest to architects, and even more to those specifically concerned with the training of architects and planners.

Professor Gottmann in this pamphlet calls upon the planners to abstain from making little plans, but rather to look at "the experience of recent urban renewal operations in large American cities and the reconstruction of so many European cities damaged in World War II where it has been proved conclusively that the large-scale expenditure of public funds, if obtained at a low interest rate, promptly serves the well-being and the general prosperity of the whole community."

Professor Gottmann also suggests that the training of architects be vastly broadened and include "some competence in many fields they rather despised in the past: the financing of the construction and of its management; the economics of the area they will plan or build; the geography of a wider region around it; and the social needs and habits of the users." The pamphlet is available from the Fund.

MOTION PICTURES AND TELEVISION

FOLLOWING completion of its new two-reel color film "Megalopolis: Cradle of the Future" in the spring of 1962, the Fund arranged special fall showings in New York and Washington. Both events were well attended by persons and groups active in city and regional planning, as well as by educators, scholars, public officials and interested citizens. The picture was jointly produced by the Fund and Encyclopaedia Britannica Films, which acts as distributor for this picture, along with seven earlier Fund films. Among the earlier titles, "Inflation" and "Productivity: Key to Plenty" led in sales during the year. Jean Gottmann, author of the Fund's study of *Megalopolis*, appears in several scenes in the film based on his work and he also spoke at the Washington showing.

During the year, work progressed on a filmed television program, intended for use by the seventy educational stations in the country, based on the Fund's study entitled *Of Time, Work, and Leisure*, by Sebastian de Grazia. The film was adapted and directed for television by Ralph Tangney, writer-producer of an earlier filmed adaptation of *Pension Funds and Economic Power*, by Paul P. Harbrecht, S.J. In each case the author appears in the program, which is first broadcast by the educational television stations and then is available on film for sale or rental to schools, colleges and interested citizen groups. Both filmed programs are distributed through the film service of the National Educational Television and Radio Center, 10 Columbus Circle, New York 19, N. Y. The new program on leisure was scheduled for release and for its first television showings in 1963.

The National Educational Television and Radio Center plans to accompany the leisure film with a half-hour panel discussion, recorded on video tape, in which a group of scholars and critics comment on some of the theses advanced in the study and the film. The two units are to be bracketed as a one-hour presentation, after which the filmed portion will be available for general distribution.

Further plans for 1963 include producing two half-hour television programs, in an interview-discussion format, based on the Fund's studies of *Shaping the World Economy*, by Jan Tinbergen, and *Strategy and Arms Control*, by Thomas C. Schelling and Morton H. Halperin. The programs are being produced on video tape by Ralph Tangney and are to be distributed to educational television stations through the National Educational Television and Radio Center.

SPECIAL ARTICLES

THE FUND has long made it a regular practice to issue news releases, editorial summaries and other aids to discussion of its studies in the current press. It has worked with editors and journalists in making available its material in the form and at the time best suited for their purposes.

One of the means by which the Fund has reached this wider audience has been through *Feature*, a publication which lists special articles and material available for use by some five thousand specialized and general magazines, labor and business publications, house organs and newspapers. During 1962 an article based on Megalopolis appeared in *Feature.*

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 without charge on request.

PHOTOGRAPHIC EXHIBITION

Illuminating in a dramatic and pictorial format some of the chief findings of the Fund's study *Tropical Africa*, by George H. T. Kimble, is an exhibition based on the work. Two units of this exhibition have been in steady demand since it was created in 1961 and both are in active use. They are circulated under the auspices of the Smithsonian Institution in Washington. Bookings have been made mostly by colleges and universities, museums, libraries and municipal centers. A short illustrated brochure accompanies the exhibition.

Publishing Activities

Twentieth century fund studies are initially made available to the public in book form under the Fund's own imprint. In 1962 book sales were 28,706. Cumulative sales of all Fund works totaled approximately 700,000 volumes to the end of the year. 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 — which this year accounted for 10 per cent of all books sold — are handled by W. S. Hall & Co. for Europe and the British Isles, and by Feffer and Simons, Inc., for other parts of the world outside the United States and Canada. *Latin American Issues: Essays and Comments* was the Fund's best seller abroad; *Tropical Africa* and *Megalopolis* were in second place. Publications of the Fund were included in book exhibits in Belgrade, Frankfurt, Leipzig, London, Tokyo and Vienna.

Fund works have been translated into a number of languages and in 1962 *Europe's Needs and Resources* was brought out in French, *The Economy, Liberty and the State* in German, *Strategy and Arms Control* in Italian, and *Latin American Issues* in both French and Italian.

Paperback editions of Fund works have been published from time to time either under the Fund's imprint or by other publishers. Doubleday and Company published in its Anchor series a paperback edition of *Tropical Africa*, by George H. T. Kimble, in two volumes. One is devoted to Land and Livelihood, the other to Society and Polity. Although they have been abridged, each volume runs to over 500 pages in the paperback edition and contains many of the photographs, maps and charts from the two original volumes. The new edition is priced at $1.95 per volume.

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.

Fund books in print in 1962 and their cumulative sales are listed in the table following.

Sales of Current Publications

TITLE	YEAR PUBLISHED	1962 SALES	TOTAL SALES TO END OF 1962
The Power Industry and the Public Interest	1944	11	2,686
Financing American Prosperity	1945	7	7,083
Tomorrow's Trade	1945	13	21,072
Trends in Collective Bargaining	1945	19	14,498
For This We Fought	1946	6	19,654
Electric Power and Government Policy	1948	15	1,713
Report on the Greeks	1948	13	4,908
Partners in Production	1949	32	10,039
Defense without Inflation	1951	22	7,332
Financing Defense	1951	17	4,416
The Federal Debt	1953	21	2,601
Farm Policies of the United States, 1790–1950	1953	110*	4,336
Defense and the Dollar	1953	21	3,812
Economic Controls and Defense	1953	51	3,974
World Population and Production	1953	142*	8,492
Foreign Exchange in the Postwar World	1954	95	4,169
Approaches to Economic Development	1955	680	10,702
America's Needs and Resources: A New Survey	1955	199	10,342
American Imports	1955	53	2,876
Can We Solve the Farm Problem?	1955	74	3,567
World Commerce and Governments	1955	121	3,748
Economic Needs of Older People	1956	86	5,195
The Agricultural Commodity Programs	1956	40	1,844
U.S.A. in New Dimensions	1957	22†	71,279
Greece: American Aid in Action	1957	35	2,886

* Out of print.

† 964 copies were sold by Macmillan and royalties have been received.

Sales of Current Publications (continued)

TITLE	YEAR PUBLISHED	1962 SALES	TOTAL SALES TO END OF 1962
Antitrust Policies	1958	160	3,568
Arms and the State	1958	187	6,352
Honduras	1959	453	1,292
The Economy, Liberty and the State	1959	348	6,163
Pension Funds and Economic Power	1959	130	4,854
Europe's Coal and Steel Community	1960	133	1,856
Tropical Africa	1960	1,109	8,703
Strategy and Arms Control (cloth edition)	1961	133	2,840
Strategy and Arms Control (paperback)	1961	1,166	5,513
Arms Reduction	1961	492	4,108
Latin American Issues	1961	3,991	7,349
Europe's Needs and Resources	1961	2,111	5,047
Megalopolis	1961	2,707	5,349
Yugoslavia and the New Communism	1962	2,126	2,126
Of Time, Work, and Leisure	1962	5,691	5,691
Economic Development in Burma, 1951–1960	1962	1,297	1,297
Shaping the World Economy (cloth edition)	1962	1,118*	1,118
Shaping the World Economy (paperback)	1962	3,450	3,450

* Out of print.

Administration

HEADQUARTERS STAFF

FINANCIAL STATEMENTS

DETAILED STATEMENT OF ASSETS

Headquarters Staff MARCH · 1963

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

RUTH ROCKER, Copy Editor

AUDREY BRENTLINGER, Secretary to the Director

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

BETTE M. TARAN, Secretary to the Associate Director

Secretarial and Clerical

IDA CARLOMAGNE, JOAN COPPOCK, ARLENE FARRELL, HUGO FOSCO, NETTIE M. GERDUK, SYLVIA GLONSTEIN, RITA LONG, JOYCE P. MENNELLA, EILEEN REGELMANN, SADIE ROSENFELD, LESLIE E. ROWLEY, BERTHA SANDLER

Finances

FINANCIAL STATEMENTS

STATEMENT OF ASSETS

DECEMBER 31, 1962
WITH COMPARATIVE FIGURES
AT DECEMBER 31, 1961

	1962	1961
CASH	$ 576,066	$ 517,974
INVESTMENTS, AT QUOTED MARKET PRICES:		
United States Government bonds	$ 4,175,517	$ 3,937,043
Time certificates and bankers' acceptances	963,925	—
Industrial bonds	51,000	50,000
Public utility bonds	589,025	591,775
Railroad bonds	50,265	48,865
Preferred stocks	1,883,070	1,868,592
Common stocks	13,727,019	17,106,917
Total investments	$21,439,821	$23,603,192
HEADQUARTERS PROPERTY, AT COST	495,000	495,000
Total assets	$22,510,887	$24,616,166

STATEMENT OF CHANGES IN PRINCIPAL

YEAR ENDED DECEMBER 31, 1962
WITH COMPARATIVE FIGURES FOR 1961

	1962	1961
OPERATING RECEIPTS AND DISBURSEMENTS:		
Operating receipts:		
Interest and dividends on investments	$ 815,277	$ 789,035
Sales of publications	136,174	116,802
Sales and rentals of films	1,413	1,718
Refund — armaments, summer study group	—	8,581
Total operating receipts	$ 952,864	$ 916,136
Operating disbursements	945,781	829,611
Excess of operating receipts over disbursements	$ 7,083	$ 86,525
CHANGES IN INVESTMENT HOLDINGS:		
Increase (decrease) in quoted market prices of investments held throughout the year	(1,752,869)	3,979,923
Increase in quoted market prices over purchase cost of investments purchased during the year	25,789	192,654
Gain (loss) on sales of investments based on quoted market prices at beginning of year or purchase price during year	(385,282)	116,552
Increase (decrease) in principal resulting from changes in investment holdings	$(2,112,362)	$ 4,289,129
Net increase (decrease) in principal	$(2,105,279)	$ 4,375,654
BALANCE OF PRINCIPAL AT BEGINNING OF YEAR	24,616,166	20,240,512
BALANCE OF PRINCIPAL AT END OF YEAR	$22,510,887	$24,616,166

Report of Independent Accountants and Auditors

The Board of Trustees

Twentieth Century Fund, Inc.:

We have examined the statement of assets of Twentieth Century Fund, Inc. as of December 31, 1962 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 carried at quoted market prices.

In our opinion, the accompanying financial statements present fairly the assets of Twentieth Century Fund, Inc. at December 31, 1962 and the changes in principal during the year then ended, on the bases indicated in the preceding paragraph and on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.

New York, N. Y., February 1, 1963

Total Operating Expenditures for the Year 1962: $945,781

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

65% **RESEARCH AND PRODUCTION**

23% **DISSEMINATION**

12% **ADMINISTRATION**

PRODUCTION OF RESEARCH FINDINGS: 65%

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: 23%

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: 12%

General administration.

Cash Transactions, 1962

SUMMARY

Cash Balance January 1, 1962	$ 517,974
Total Receipts	4,400,351
Total Receipts and Cash Balance	$4,918,325
Total Disbursements	4,342,259
Cash Balance December 31, 1962	$ 576,066

RECEIPTS

Interest and Dividends from Investments	$ 815,277
Sales of Publications	136,174
Sales and Rentals of Films	1,413
Proceeds from Sale of Investments	3,447,487
Total Receipts	$4,400,351

DISBURSEMENTS

HEADQUARTERS ACTIVITIES		$ 332,429
RESEARCH PROJECTS		378,075
Explorations	$12,740	
Terminal Account	3,183	
Distribution Costs and Methods	676	
South Asia	30,045	
European and Atlantic Economic Cooperation	3,625	
Latin America – Main Study	26,368	
Agricultural Revolution	17,670	
North Atlantic Agricultural Policy	1,909	
Southern Economic Development and Manpower	80,617	
Argentina	3	
Law and Discrimination	12,681	
Poverty amid Affluence	50,034	
Power, Ownership and Property	23,603	
United States Geography	14,647	
French Civil-Military Relations	14,068	
Italian Political Participation	43,441	
Communist Operations in Mexico	11,074	
America's Needs and Resources, updating	13,911	
Europe's Needs and Resources, updating	10,816	
Growth of Western Industrial Economies	6,964	
SPECIAL PROJECTS		29,057
Jacques Maritain Grant	$ 2,400	
American Society for Political & Legal Philosophy	1,500	
Economics of Mankind	3,500	
Loewenstein Grant: A History of Government	2,500	
Peter Viereck Grant	19,157	

Cash Transactions, 1962 (continued)

PUBLISHING OF SURVEY REPORTS			$ 132,200
EDUCATION AND DISSEMINATION			74,020
Motion Pictures and Television		$ 7,248	
Subsidiary Publications:		14,277	
Translations	$7,409		
Popular Volumes	6,868		
Pamphlets – Scholastics		10,472	
Special Dissemination		6,993	
Working Papers		7,803	
Institutional Literature		27,227	
TOTAL OPERATING EXPENSES			$ 945,781
PURCHASE OF INVESTMENTS			3,396,478
TOTAL DISBURSEMENTS			$4,342,259

Detailed Statement of Assets

DECEMBER 31, 1962 AND DECEMBER 31, 1961

BONDS	AS OF DECEMBER 31, 1962 *par value*	*market value*	AS OF DECEMBER 31, 1961 *par value*	*market value*
United States Government Obligations:				
Treasury Notes				
4¾% Series A, May 15, 1964	$ 100,000	$ 102,094	$ 100,000	$ 102,687
5% Series B, Aug. 15, 1964	1,360,000	1,398,250	1,360,000	1,407,175
4⅞% Series C, Nov. 15, 1964	960,000	987,900	960,000	991,200
4⅝% Series A, May 15, 1965	882,000	907,908	882,000	905,979
Treasury Bills				
2.91% disc. March 21, 1963	240,000	238,500		
Treasury Bonds				
3⅞% May 15, 1968	100,000	101,500	100,000	99,812
4% Oct. 1, 1969	55,000	55,928	55,000	55,378
2¾% Series B, Apr. 1, 1980–1975	100,000	100,000	100,000	100,000
4% Feb. 15, 1980	100,000	100,937	100,000	99,562
3¼% May 5, 1985	200,000	182,500	200,000	175,250
Total Government Obligations		$4,175,517 19.0%		$3,937,043 16.3%
Corporate:				
Industrials				
Youngstown Sheet & Tube				
1st 4½% Oct. 1, 1990	$ 50,000	$ 51,000 0.2%	$ 50,000	$ 50,000 0.2%
Railroads				
Virginian Railway				
6% deb. Aug. 1, 2008	43,100	50,265 0.2%	43,100	48,865 0.2%
Utilities				
American Telephone & Telegraph				
4¾% deb. Nov. 1, 1992	200,000	210,000	200,000	206,250
El Paso Natural Gas				
5¼% c.v. deb. Sept. 1, 1977	115,000	119,025	115,000	130,525
Louisville Gas & Electric				
4⅞% first mtge. Sept. 1, 1987	50,000	52,000	50,000	52,000
Public Service Electric & Gas				
4¾% first ref. mtge. Sept. 1, 1990	50,000	52,750	50,000	51,375
Rochester Telephone				
4¾% first mtge. series E Sept. 1, 1993	50,000	52,000	50,000	51,250
Southern California Edison				
4⅜% first and ref. mtge. Sept. 1, 1985	50,000	50,750	50,000	49,125
Union Electric				
4¾% first mtge. Sept. 1, 1990	50,000	52,500	50,000	51,250
Total Utilities		$ 589,025 2.7%		$ 591,775 2.4%

Detailed Statement of Assets (continued)

	AS OF DECEMBER 31, 1962		AS OF DECEMBER 31, 1961	
	par value	*market value*	*shares*	*market value*
Time Certificates and Bankers' Acceptances:				
Morgan Guaranty Trust Time Certificate 3¼% March 18, 1963	$ 500,000	$ 500,000		
Bankers' Acceptances 3% Jan 24, 1963	114,131	113,868		
Bankers' Acceptances 3¼% Jan. 1, 1963	85,651	84,263		
Bankers' Acceptances 3% Feb. 28, 1963	240,154	238,569		
Bankers' Acceptances 3% March 5, 1963	27,417	27,225		
Total Time Certificate and Bankers' Acceptances		$ 963,925 4.0%		

PREFERRED STOCKS	*shares*	*market value*	*shares*	*market value*
Atchison, Topeka & Santa Fe Railway 5%	5,000	$ 52,500	5,000	$ 50,000
Celotex 5%	2,000	31,500	2,000	37,750
Central Maine Power 3.50%	1,000	72,750	1,000	71,000
Consolidated Edison of N. Y. 4.12%	250	27,500		
El Paso Natural Gas 5.65%	700	69,125	800	81,600
Empire District Electric 5%	500	51,000	500	50,250
Gulf States Utilities $4.44	650	63,375	650	60,775
Helme (George W.) 7% n-c	1,000	37,250	1,000	37,000
Interchemical 4½%	1,000	97,250	1,000	91,500
Jersey Central Power & Light 4%	860	72,670	860	71,380
Monongahela Power 4.40%	1,000	93,000	1,000	90,500
Pacific Gas & Electric 5% 1st	1,500	40,875	1,500	39,000
Reynolds Metals 4¾% "A"	2,000	100,000	2,000	96,500
Royal McBee 4½% "A"			500	32,500
South Carolina Electric & Gas 5%	1,400	72,800	1,400	71,400
Tennessee Gas Transmission 4.90%	1,200	117,000	1,200	117,000
Tennessee Gas Transmission 5.25%	900	89,550	1,000	101,000
Toledo Edison 4.25%	925	84,175	925	80,937
Tri-Continental $2.70	6,000	340,500	6,000	330,000
United States Rubber 8% n-c	1,000	162,500	1,000	159,000
United States Steel 7%	1,000	150,000	1,000	144,750
United StatesTobacco 7% n-c	1,500	57,750	1,500	54,750
Total Preferred Stocks		$ 1,883,070 8.6%		$ 1,868,592 7.7%

COMMON STOCKS	AS OF DECEMBER 31, 1962 shares	market value	AS OF DECEMBER 31, 1961 shares	market value
American Can	3,000	$ 137,250	3,000	$ 139,125
American Natural Gas			3,327	153,458
American Telephone & Telegraph	5,250	612,937	5,250	714,656
American Tobacco	6,000	176,250	3,000	301,500
Armco Steel	900	46,687		
Atchison, Topeka & Santa Fe Railway	7,500	189,375	7,500	203,437
Bank of New York	300	107,400	300	130,200
Bethlehem Steel			6,000	255,750
Boston Edison	11,000	398,750	4,400	367,950
Brooklyn Union Gas	4,400	159,500	4,400	190,850
Canadian Pacific Railway	3,000	69,750	3,000	74,625
Central Illinois Light	4,400	206,800	4,400	220,000
Chase Manhattan Bank	1,040	83,070	1,040	97,500
Chemical Bank New York Trust	750	62,812	1,750	174,562
Christiana Securities	800	168,000	800	170,400
Cities Service	1,400	79,625		
Coca-Cola Bottling (NY)	3,000	60,375	3,000	80,250
Consolidated Edison of New York	4,000	335,000	4,000	328,500
Consolidated Natural Gas	3,000	170,625	3,000	180,750
Consumers Power	7,760	328,830	3,880	322,525
Continental Insurance	1,050	62,344	1,000	69,875
Dayton Power & Light			6,753	190,772
Federated Department Stores	116,500	5,024,062	129,000	7,095,000
First National Bank of Boston	1,200	100,200	1,200	112,500
Ford Motor	2,000	90,250	1,000	113,125
General Mills	2,000	63,250	2,000	67,750
General Motors	4,400	271,211	2,400	136,800
Inland Steel	3,000	113,250		
Iowa-Illinois Gas & Electric	1,050	51,712	1,000	49,125
Liggett & Myers Tobacco			500	54,500
Manufacturers Hanover Trust	2,000	108,250	2,000	135,750
Mississippi River Fuel	4,000	153,500	4,000	156,000
Morgan Guaranty Trust, New York			1,200	163,200
National Biscuit	3,000	129,750	1,500	129,750
Niagara Mohawk Power	6,000	276,750	6,000	269,250
Northern Natural Gas	3,150	136,631	3,150	141,356
Northwest Bancorporation			750	37,687
Ohio Edison	7,262	341,314	7,262	354,022
Pacific Gas & Electric			3,412	348,024

Detailed Statement of Assets (continued)

COMMON STOCKS (continued)	AS OF DECEMBER 31, 1962 *shares*	*market value*	AS OF DECEMBER 31, 1961 *shares*	*market value*
Pacific Lighting	3,500	$ 212,188	3,500	$ 210,437
Phillips Petroleum	900	43,762		
Public Service of Indiana	10,000	331,250	5,000	335,000
Public Service Electric & Gas	3,000	207,000	3,000	192,000
Puget Sound Power & Light	4,400	175,450	4,400	188,100
Socony Mobil Oil	2,750	161,562	2,750	141,281
Southern Natural Gas	2,000	86,750	2,000	94,750
Southern Pacific	6,000	176,250	6,000	166,500
Southern Railway	2,500	141,250	2,500	141,250
Standard Oil of California	5,000	315,000	4,800	262,800
Standard Oil of Indiana	5,000	238,750	5,000	275,000
Standard Oil of New Jersey	43	2,559		
Standard Oil of Ohio	5,000	264,375	5,000	278,750
Texaco	6,000	371,250	600	344,250
Union Electric	6,600	316,800	6,600	311,025
Union Pacific Railroad	2,500	84,375	2,500	85,000
Wrigley (Wm.) Jr.	1,500	156,000	1,500	196,500
Youngstown Sheet & Tube	1,500	126,938	1,500	153,750
Total Common Stocks		$13,727,019 63.0%		$17,106,917 71.0%
HEADQUARTERS PROPERTY — at cost		495,000 2.3%		495,000 2.1%
TOTAL OF ALL INVESTMENTS		$21,934,821 100%		$24,098,192 100%
CASH		576,066		517,974
GRAND TOTAL OF ASSETS		$22,510,887		$24,616,166

Cover and photographic insert designed by Charles Forberg.

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