

ANNUAL REPORT 1961

THE TWENTIETH CENTURY FUND

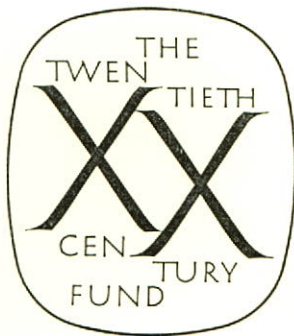
Pres. Twentieth Century Fund June 6/62

1961

ANNUAL REPORT
THE TWENTIETH
CENTURY FUND

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

Nonpartisan and objective in its approach, the Fund publishes the results of its researches in book form and further disseminates the research findings through a wide variety of public education activities. On occasion the Fund 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.

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Trustees and Officers MARCH · 1962

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On Making the Future

A PREFACE BY THE DIRECTOR

The Twentieth Century Fund was named when the century in which we live was a good deal younger than it is now. In 1919, the year that Mr. Filene formed the nucleus of this foundation, men had already passed through the shattering experience of World War I. Yet it seemed clear that the greatest events of the period were still ahead. The world was young; the century was at its prime; and the name which the new foundation was to be given signified an intention to enter constructively and imaginatively into an age still unborn.

Today the Fund's name may be taken more readily to signify an examination of things as they are than to suggest a preoccupation with things to come. That, however, is only an accident of nomenclature; we are, in this, a casualty of the speeding years. In fact, the Fund still wants to look ahead — sometimes seeing what Mr. Filene referred to modestly as "the next steps," sometimes hazarding bolder guesses and generalizations. The Trustees have from the beginning been men acutely sensitive to the spirit of change that is in things. One has only to glance at the list of Fund trustees as it appears in the central insert to this Report to sense that there is something which united these otherwise disparate individuals. They all possessed a feeling for the emergent forces of society, for the tendencies and ideas which still waited to be fully seen.

The Fund wants to preserve this outlook. It wants to remain above all a group of men thinking steadily and concertedly about the future. This does not mean that the present is not thought to be important, or that the existing state of things can be ignored. It means, essentially,

that a good part of the energies and resources of the Fund will be devoted to research projects which look forward. More subtly, it means that whatever subject the Fund touches, whatever discipline it works through, it will seek to stress those approaches which go beyond analysis and classification, beyond review and reappraisal, to discern the inherent spirit of renewal.

The reader may want to test the projects described in the pages of this Report against the standard thus set forth. Not all, perhaps, will meet the test. But those that may be thought most characteristic of Twentieth Century Fund studies — for example, Dr. Dewhurst's massive study of Europe's Needs and Resources, or Jean Gottmann's study of Megalopolis — exemplify the scholar's capacity to enter imaginatively into conditions which have not yet fully taken form. It is significant that one of these two research directors is an economist, the other a geographer. The subject matter or the academic discipline is thus not by itself the determining factor: the historian, dealing predominantly with the past, may be infused with the prophetic quality; the sociologist, who so often contents himself with behavioral manifestations and the counting of outward facts, may at his best manage to get hold of elements shaping the future.

*

What is the prophetic quality? The word "prophet" as used in the ancient language did not refer to a man who merely predicted the future. It invariably carried with it overtones of action and reform. The soothsayer or the fortune teller was closer to many of those who in our time apply themselves to projections or to the spelling out of existing trends. But the fortune tellers had something which added a special note of their own: they saw the intervention of accident and fate; they dealt with contingency in a way that many of our modern calculators do not. These fortune tellers may have been wrong as often as not, but they did keep alive in the prediction of human affairs the

sense that some things would happen unexpectedly. It was the prophet, however, who synthesized in the grand manner the past and the future, the life of action and the life of thought. The prophet called men not merely to foresee the future but to so live in the present that the future might be transformed.

The modern world with its rapidity and depth of change requires this approach, yet among its scholars or within its great institutions finds it too seldom. There is often a tendency to speak as if everything which is now going on would continue along charted lines. There may be a recognition that two lines on the graph of the future will deflect one another or will cross, thus setting in motion new forces. Even such awareness is hardly adequate to the nature of the modern world. We have learned in the past century or so that the past does not repeat itself; we are not inclined, in the manner of certain ancient philosophers, to search for cyclical repetitions, nor like lawyers to stand on precedent. What we must now gain is something more radical and difficult: a realization that the present does not repeat itself. It cannot be extended by analogy nor projected by mathematical measurements so as to make a future in which we shall be easily at home. The new age will be new in every sense; it can be entered into only by an act of the will and the imagination.

This is not the imagination of dreams and reveries; this act is not an intellectual exercise, but the positive comprehension of the world in its full nature and dimension, as it is and as it is becoming. Seeing the world thus with the eye of the prophet (and perhaps also with the eye of the poet), we cannot assume that the future will be made by the play of blind forces, by technological imperatives or scientific compulsions. For we are not merely isolating trends and envisioning *more of the same*. We are envisioning a process of change in which men — men with their desires and needs and values — play a determining part. What we are at any given moment shapes the moment to be born.

And the “we” includes us all — the observer, the detached scholar, along with those who are being observed and studied.

The nature of change is basically the same wherever in the modern world the revolutions of the post-industrial era are occurring. Men are realizing that they cannot transmit the essence of their civilization to the generation that will take their place. For they do not themselves know with any confidence what those essentials are. As for the younger generation, they are fully aware that what they are being taught can at best constitute only a fraction of what they will need to know in order to deal with the kinds of things existing in their middle or later years. Everywhere societies are trying to discern what has not yet appeared, and to prepare themselves for what has as yet no form.

Under the burden of this awareness, the late Gaston Berger, philosopher, administrator and educator, established in France in 1957 the group known as *Prospective*, committed to the search for a meaningful relation between the present and the future. To predict and to extrapolate, Gaston Berger taught, is not enough. In dealing with actual problems of the contemporary world he and his associates sought for the means to make the present lead into a new condition for man, creating out of itself a world which would conform at once to human values and to the possibility of an advanced industrial civilization. In *Prospective* the Twentieth Century Fund has found scholars, public servants and businessmen moving systematically along a path it has followed over recent decades on its own more pragmatic way. This transatlantic contact has been one of the stimulating experiences of the past year.

*

In one sense, of course, men have always been concerned with the future. For the present was fleeting, and the past had vanished; and what was significant, even in the quietest epochs, was to have a sense of the way in which their lives and their children's lives would be spent.

They could find in what had been, or in what surrounded them, a mirror of what was to be. The past still contains the present — as the present, if looked at deeply enough, contains the future. What is perhaps most new today is the degree of depth to which our understanding must penetrate, the necessity to reach down to levels of the common life which could once be left unplumbed.

Seen in this way, the challenge of “looking ahead” can give to all research a fresh sharpness and scope. The Twentieth Century Fund would like to think that it is conscious of the challenge, and that it may be doing some useful work in endeavoring to meet it.

AUGUST HECKSCHER, *Director*

April 1962

Studies Published in 1961

STRATEGY AND ARMS CONTROL

ARMS REDUCTION: PROGRAM AND ISSUES

LATIN AMERICAN ISSUES

EUROPE'S NEEDS AND RESOURCES

MEGALOPOLIS

Strategy and Arms Control

Authors:

THOMAS C. SCHELLING

*Professor of Economics at Harvard University; member of the faculty of
Harvard's Center for International Affairs*

MORTON H. HALPERIN

Research Fellow at the Center for International Affairs, Harvard University

Arms Reduction: Program and Issues

Editor:

DAVID H. FRISCH

Professor of Physics at Massachusetts Institute of Technology

Two Twentieth Century Fund reports dealing with the threat of nuclear warfare were published in 1961. They grew out of the work of a study group of physical and social scientists that met during the summer of 1960 under the auspices of the American Academy of Arts and Sciences and with the financial support of the Twentieth Century Fund.

Strategy and Arms Control, by Thomas C. Schelling and Morton H. Halperin, is a broad analysis of arms control in the nuclear age, aimed at presenting for both laymen and scholars an authoritative discussion of the problems and promises of arms control in the pursuit of national and international security. The other report is *Arms Reduction: Program and Issues*, edited by David H. Frisch, which is a collection of special papers by a number of the conference participants. This book examines specific aspects of arms control, with special attention to possible programs of action and the policy questions that might arise under them.

Professors Schelling and Halperin in *Strategy and Arms Control* see arms control as a promising, but still only dimly perceived, enlargement of the scope of our military strategy. "Arms control rests essentially on the recognition that our

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military relation with potential enemies is not one of pure conflict and opposition, but involves strong elements of mutual interest in the avoidance of a war which neither side wants, in minimizing the costs and risks of the arms competition, and in curtailing the scope and violence of war in the event it occurs.”

As to final objectives or ultimate goals, the authors say frankly, “We have not stated what we believe to be the ‘ultimate goal’ of arms control — whether it be a world disarmed, a world policed by a single benevolent military force, or a world in which some military ‘balance of prudence’ has taken the fear out of the ‘balance of fear.’ We should, however, acknowledge that we do not believe the problems of war and peace and international conflict are susceptible of any once-for-all solution.

“Something like eternal vigilance and determination would be required to keep peace in the world at any stage of disarmament, even total disarmament. International conflict, and the military forces that are their reflection, are not in our judgment simply unnatural growths in human society which, once removed, need never recur. Conflict of interest is a social phenomenon unlikely to disappear, and potential recourse to violence and damage will always suggest itself if the conflict gets out of hand. Man’s capability for self-destruction cannot be eradicated — he knows too much! Keeping that capability under control — providing incentives to minimize recourse to violence — is the eternal challenge.”

The book on *Arms Reduction: Program and Issues*, with its focus on what might be the specific steps in putting an arms control plan into operation, has contributions from a number of the conference participants. In addition to Professor Frisch, editor of the volume, they are: Arthur Barber, Frank E. Bothwell, Bernard T. Feld, Marvin I. Kalkstein,

Dalimil Kybal, John B. Phelps, Joseph Salerno, Winthrop Smith, Arthur Smithies and Louis B. Sohn.

A book by Arthur T. Hadley, *The Nation's Safety and Arms Control*, was based partly on his association with the same conference. It was published in 1961 by the Viking Press.

Latin American Issues

Editor:

ALBERT O. HIRSCHMAN

*Professor of International
Economic Relations,
Columbia University*

The Twentieth Century Fund published, in 1961, a series of papers on Latin American issues, with emphasis on problems of concern to United States policy. The papers were the outcome of the discussions of a group from the United States and Latin America which the Fund brought together to help in planning the survey of Latin America discussed on page 51.

At issue in two of the twelve essays are divergent viewpoints on the stance of the United States toward her neighbors to the South. Professor Albert O. Hirschman, editor of the book, in commenting on the viewpoint expressed in one of the essays, says: "The difficult stage of development through which the [nations of Latin America] are passing may require that their position toward us be distant and reserved and that the solutions to their problems be emphatically different from ours."

"Our position of power in the area," he continues, "is not at all commensurate with the high degree of involvement in its economic life. As a result, we are clearly getting the worst of both worlds: the degree of control and influence we exercise is in fact quite limited, yet we get blamed for whatever goes wrong. Thus there may be much to be said, from a purely selfish point of view, for encouraging greater contacts of the Latin American countries with each other, and with third countries."

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Offering a dissent to the lessening of bonds with Latin America, Lincoln Gordon, presently United States Ambassador to Brazil, and Professor of International Economic Relations at Harvard University at the time he wrote his essay, claims that the United States does have a "special" relationship with Latin America, "rooted in a checkered history but just now showing signs of maturing into an intensive joint effort for accelerated Latin American development."

As to development policy, Mr. Gordon says, "The relatively favorable endowment of natural resources, at least in the southern continent, the already important nuclei of industrialization, the gradual strengthening of the middle class and the development of a lively, if often undisciplined, group of entrepreneurs, all give hope that a well-conceived cooperative effort might, in a mere decade or so, bring the great bulk of Latin America into economic step with the modern world. It is this special set of opportunities, rather than the mere accidents of geographical propinquity (which is hardly very great for southern South America) or the negative fear of communism or *fidelismo*, which really justifies a special form of Latin American development effort, not at the expense of, but in addition to what may be done elsewhere in the world."

Among the other topics covered in the essays, several of which take controversial viewpoints, are: inter-American relations, new social forces in Latin America, problems of inflation, the movement toward regional trading groups and the land reform issue. Contributors, in addition to Mr. Gordon and Professor Hirschman, are: Victor Alba, Roberto de Oliveira Campos, David Felix, Joseph Grunwald, Raymond F. Mikesell, Thomas F. Carroll, Víctor L. Urquidi and an American executive who wishes to remain anonymous and uses the name Ypsilon.

Europe's Needs and Resources

Authors:

J. FREDERIC DEWHURST
member of Board of Trustees, the Twentieth Century Fund, and formerly its Executive Director

JOHN O. COPPOCK
formerly Deputy Chief, Central European Division, Foreign Operations Administration, Washington, D.C.

P. LAMARTINE YATES
Economic Consultant, author of "Forty Years of Foreign Trade" and other works

At a time of historic and unexpectedly rapid strides toward European economic integration — with their strong impact on United States foreign policy — the Fund brought out, in the fall of 1961, a major study, *Europe's Needs and Resources: Trends and Prospects in Eighteen Countries*. The book was prepared by J. Frederic Dewhurst, John O. Coppock, P. Lamartine Yates and a staff that included many noted European scholars.

A stock-taking of the European economy, with projections into the future along the lines of the Fund's *America's Needs and Resources*, the study had been suggested by Europeans who felt that it would be of value at a time when European economic thinking promised to break across national borders to encompass new and expanding vistas.

A central finding of the work was that the eighteen countries of Western Europe, now enjoying the highest standard of living in their history, stand on the threshold of a period of still further growth, one that will give them by 1970 an estimated population of 320 million and a combined gross national product of \$342 billion — an increase of 55 per cent over the "base" year of 1955.

Furthermore, productivity, or average output per man-hour worked, in Western Europe is likely to increase between 1955 and 1970 at an annual rate of slightly more than 2.7 per cent — 49 per cent for the entire period. By 1970 it is estimated that Europeans will operate three times as many passenger cars as in 1955, that the proportion of European households owning washing machines will have increased from an estimated 15 per cent in 1955 to 59 per cent in 1970 and those with mechanical refrigerators from an estimated 10 per cent in 1955 to 53 per cent by 1970.

The study points out that today, with only 3 per cent of

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the world's land surface and 10 per cent of its population and no longer possessed of natural resources of great variety and abundance, Western Europe creates close to 25 per cent of the world's national income, produces nearly 20 per cent of the world's food supply and 30 per cent of the world's steel, and accounts for 40 per cent of the foreign trade of the world.

Along with such generally optimistic findings the study is careful to note at many points Western Europe's gaps, deficiencies and long-range problems. "Special consideration will be needed for the less industrialized countries," the authors say. "Every country in Europe has scattered areas of underdevelopment, but in Greece, Portugal, Spain and southern Italy, and to a smaller extent in Ireland, poverty and industrial backwardness are widespread. . . . the best prospect for raising the standard of living in these areas is through increases in productivity. In practice this means not only improving agricultural practices but introducing and developing manufacturing industries." The study also points to the pressing problem for Europe of meeting its rising energy requirements.

But balancing all factors, the study is optimistic about the future, if there is no war or other major catastrophe. The report speaks favorably of the chances for eventual economic unity, and sees "a Europe transforming itself in respect to social structure, economic achievement and political institutions."

The countries included in the survey are: Finland, Sweden, Denmark, Norway, Iceland, Ireland, the United Kingdom, the Netherlands, Belgium, Luxembourg, the German Federal Republic (including the Saar and West Berlin), Austria, Switzerland, France, Spain, Portugal, Italy and Greece.

Megalopolis: The Urbanized Northeastern Seaboard of the United States

Author:

JEAN GOTTMANN

Professor, Ecole Pratique des Hautes Etudes, Paris; formerly with the Institute for Advanced Study at Princeton; author of "A Geography of Europe," "Virginia at Mid-Century" and other books

Megalopolis — the huge cluster of central cities, outlying suburbs and related rural areas stretching along the Atlantic seaboard from north of Boston to south of Washington — is not a “menace” or a “cancer” but is, indeed, “the cradle of a new order in the organization of inhabited space.”

This is a major conclusion of a large-scale, four-year study of the region, *Megalopolis: The Urbanized Northeastern Seaboard of the United States*, by Jean Gottmann, which was published by the Twentieth Century Fund in the fall of 1961.

“Tomorrow’s society will be different from that in which we grew up,” the study says, “largely because it will be more urbanized. . . . So great are the consequences of the general evolution heralded by the present rise and complexity of Megalopolis that an analysis of this region’s problems often gives one the feeling of looking at the dawn of a new stage in human civilization.”

Dr. Gottmann in his analysis of this new stage of human civilization is largely optimistic as far as the city goes, believing as he does that urbanization is capable of providing man the best opportunity to reach for and approach his loftiest aspirations.

The author finds the roots of his faith in his own concept of man and in his estimate of the history of cities wherever man has been willing to meet his problems, rather than turn away from them. For problems there are, and in his discussion of Megalopolis he points to a number of them. “It is true that many of its sections have seen pretty rural landscapes replaced by ugly industrial agglomerations or drab and monstrous residential developments; it is true that in many parts of Megalopolis the air is not clean any more,

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the noise is disturbing day and night, the water is not as pure as one would wish, and transportation at times becomes a nightmare. Many of these problems reflect the revolutionary change that has taken place as cities have burst out of their narrow bounds to scatter over the 'open' countryside."

The new work is comprehensive, providing a history of the growth of Megalopolis with an explanation of the reasons why this area became the most active crossroads on earth for people, ideas and goods. There are sections on the geography and economy of Megalopolis, and virtually every facet of its life is looked into. But going beyond description and statistics, Dr. Gottmann's work includes much analysis which illuminates one of the most significant developments in social organization in twentieth-century America. He further discusses the impact which Megalopolis will have, for better or worse, on other nations as the currents of urbanization extend themselves across the world.

The study has received wide public attention and has been adopted as a focal point for several conferences on urbanization. The Fund is producing a new motion picture in association with Encyclopaedia Britannica Films based on *Megalopolis*. Dr. Gottmann is following his study with a short working paper on "City Planning."

Research Projects in Progress

TIME, WORK, AND LEISURE
AGRICULTURAL REVOLUTION
A UNITED STATES GEOGRAPHY
MANPOWER IN THE SOUTH
THE LAW AND DISCRIMINATION
POVERTY AMID AFFLUENCE
POWER, OWNERSHIP AND PROPERTY
NUCLEAR ENERGY
DISTRIBUTION COSTS AND METHODS
CIVIL-MILITARY RELATIONS
FRENCH CIVIL-MILITARY RELATIONS
ECONOMICS OF A WORLD IN TRANSITION
NORTH ATLANTIC AGRICULTURE
YUGOSLAVIA
BURMA
SOUTH ASIA
LATIN AMERICA

Time, Work, and Leisure . . . THE IDEAL
OF LEISURE: AN EXPLORATION OF ITS MEANING
IN A DEMOCRACY

Research Director:

SEBASTIAN DE GRAZIA
*Professor of Political
Science at the Eagleton
Institute of Politics,
Rutgers University;
formerly consultant to
government and industry;
author of "The Political
Community"*

In his introduction to this new work, which was completed in 1961 and readied for 1962 publication, the author, Sebastian de Grazia, notes that the title of his study carries three significant words — time, work, and leisure. 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," the author says, "is the antonym of free time. But not of leisure. Leisure and free time live in two different worlds. We have got in the habit of thinking them the same. Anybody can have free time. Not everybody can have leisure. Free time is a realizable idea of democracy. Leisure is not fully realizable, and hence an ideal not alone an idea. Free time refers to a special way of calculating a special kind of time. Leisure refers to a state of being, a condition of man, which few desire and fewer achieve." To distinguish free time from the concept of leisure becomes, therefore, one of the principal aims of the book.

"Were someone to ask," continues Dr. de Grazia, "'Why do you take such trouble to distinguish leisure from free time and lesser concepts?,' I should answer: Leisure cannot exist where people don't know what it is."

At first the exploration of leisure, as it is pursued in this book, seems quite simple. Where did the idea come from? What did it first mean? What happened to it in Rome, in the Middle Ages, the Renaissance, the Reformation, the nineteenth century? When something bearing leisure's name appears in a society based on work, the ideal has undergone a radical change. Seen in its modern context, leisure be-

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comes complex and ambiguous. How much do people in the United States have of it? And what do they do with it? These questions are not so simple as they seem. Something as personal as leisure cannot be pinned down. "To measure it," says Dr. de Grazia, "is somehow to be measuring something else, usually oneself."

Not until we begin to ask, "What makes people do what they do with their free time?" does the study open up to its full dimensions. Then it becomes increasingly clear that the perspective called for is one that takes the whole community as its concern, using the methods and findings of the pertinent social sciences and not hesitating to ask fundamental questions. The perspective, as the author says, is ultimately that of "the political philosophy of leisure."

Agricultural Revolution . . . THE MYTH AND REALITY OF AMERICAN AGRICULTURE

Research Director:

EDWARD HIGBEE

*Professor of Geography
and Agricultural*

*Economics, University of
Delaware; formerly*

Senior Agronomist, U. S.

Department of Agricul-

ture; author of "American

*Agriculture—Geography,
Resources, Conservation"*

The family-size farm is no longer the bedrock of economic security and political democracy which Jefferson conceived it to be; yet the Jeffersonian image persists, often little related to the realities of our time. It is an image which sometimes stands in the way of a realistic appraisal of the new role of agriculture in the United States economy.

Today one American family in ten lives on a farm; and only four out of ten farm families earn most or all of their incomes at home. Forty per cent of today's farms produce nearly nine tenths of all marketed agricultural produce.

Implicit in these changes is a revolution on the farm less noticed but quite as significant as that which has affected virtually all other aspects of the nation's economy. Edward Higbee, research director of a new project of the Twentieth

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Century Fund on the revolution in American farming, points out that it is a continuing revolution. While mechanical, chemical and biological innovations were its most spectacular features in the past two decades, the future is likely to see equally remarkable changes in marketing and production systems. All of this will make for a more independent agriculture, with widest implications for the price of foods; agriculture's bargaining position will change as integrated systems of production-marketing improve. Meanwhile the greater independence will doubtless cause a re-evaluation of our immense subsidy programs.

The Twentieth Century Fund has long had an interest in agriculture. It numbers among its studies of recent years *Farm Policies of the United States: 1790-1950* and *Can We Solve the Farm Problem?*, both by Murray R. Benedict. In the present study the aim is to explore the full scope of the new agricultural revolution, to bring into view more clearly the emerging relationships between the farmer, the government and the consumer and to highlight the implications of the new trends for shaping United States farm policy.

Professor Higbee has spent much of the initial period of his research in visiting agricultural areas throughout the country. His study is set for completion in 1963.

***A United States Geography* . . . NEW PERSPECTIVES ON THE LAND AND ITS PEOPLE. A WINDOW FOR THOSE ABROAD. A MIRROR FOR AMERICANS**

There have been many geographies of the United States, but they have generally been keyed to the textbook market; rarely do they provide for adult readers that combination

Research Director:

GEORGE H. T. KIMBLE

*Chairman, Department
of Geography, Indiana
University; formerly
Director, American
Geographical Society*

of fact and synthesis, background and vision which enhances one's understanding of a nation and its people.

George H. T. Kimble, Chairman of the Department of Geography at Indiana University and author of the Fund study *Tropical Africa*, will undertake such a work for the Twentieth Century Fund. The project is set for four years.

Holding that geography is as much concerned with the nature of man as it is with man in nature, Dr. Kimble plans to investigate the ways in which the people of this country have fashioned its various areas to suit their ever-changing needs and desires, and how they have themselves been fashioned in the process.

The book will deal, therefore, not only with the changes which Americans have wrought down the years in the places they live in, but also with the changing ideas they have had about the kind of places they want to live in, and with the problems they have encountered in translating their ideas into facts. For Dr. Kimble is inclined to believe that the most important geographical factors in the world are not climate, or soil, or location, or overcrowding — although each is important — or any other objective “environmental” circumstance, “but rather the shape these circumstances assume in the mind's eye and the willingness of the mind to do something about them.”

Dr. Kimble has long felt the need for a new work of this nature “because no matter where we look, we are faced with problems that have their roots 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.”

Dr. Kimble sees a need, furthermore, for such a geography as a means of putting in its proper perspective the widely held view that we are fast getting to the point where

we can “control” our geography — if not ignore it. “On the contrary, if the study of man-land relationships in this country shows anything, it shows that we need to be more, rather than less, respectful of their delicacy, and more rather than less chary of disturbing them.” Throughout, it is the author’s intention to focus his geography on “the ‘living tether’ by which men, earth and society are irrevocably bound.”

The Fund believes that the geography will be of considerable interest abroad. It will provide, as Dr. Kimble says, “a window for Europeans, Asians and Africans, as well as a mirror for Americans.”

Associated with Dr. Kimble in the work will be a number of consultants, several drawn from the faculty of Indiana University, as well as cartographers, research assistants and a photographer.

Manpower in the South . . . ECONOMIC DEVELOP-

MENT AND THE NEED FOR THE SOUTH TO USE

ALL ITS MANPOWER—NEGRO AND WHITE

Research Director:

JAMES G. MADDOX

*Professor of Agricultural
Economics, North Caro-
lina State College*

A far-reaching study of the economic future of the South, one that will take into account the region’s process of transition from an agricultural base to a modern industrialized society and its need to make full use of all available manpower, both Negro and white, was embarked upon by the Fund in late 1961.

The study will be conducted at North Carolina State College at Raleigh. Professor James G. Maddox, director of the research, will enlist the aid of scholars, public officials, business, labor and agricultural leaders and others in making his analysis.

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A feature of the new study will be a carefully worked out projection of possible levels of economic activity, output and income in the South for the year 1975. In setting forth the need for undertaking it, those in charge of the project at North Carolina State College say:

“For most of the past two decades the U. S. economy has enjoyed a high level of employment and rapid increases in productivity per worker. The South has shared in this long period of prosperity and has shown greater *relative* increases in average per capita income than most other regions. Today, however, as for many decades in the past, the South remains ‘The number one problem area of the nation.’

“It is the largest low-income region in the country. It has the most rapid rate of natural population increase of any region of comparable size. Yet, it is woefully short of capital; it relies heavily on nonmechanized agriculture; and its industry, though expanding significantly, is preponderantly of a type that is highly competitive and heavily dependent on low wages.

“In addition to these handicaps, the South pays a heavy price for an inherited set of psychological attitudes and cultural values which impose serious handicaps to the full and efficient use of much of its manpower.”

The study will seek to get a clear understanding of basic changes that are now taking place and will be needed in the future, will analyze the human and material resources of the region and make a realistic projection of economic structure and levels of output that the South might logically attain in ten years of growth. The study is expected to take two and one half years to complete.

The Law and Discrimination

... THE POWER OF THE LAW IN EMPLOYMENT

DISCRIMINATION—WHERE IT SUCCEEDS,

WHERE IT FAILS

Research Director:

MICHAEL I. SOVERN

*Professor of Law,
Columbia University
School of Law*

Racial discrimination by employers and unions has come under increasing attack in recent years. Where improvements have occurred, law — federal, state or local — has generally played a vital part. And yet there is a striking absence of central information on just what the law is actually doing, what it is capable of doing, what shortcomings exist. A complete analysis of the different guises assumed by racial discrimination in employment, or to what extent the law is capable of responding to them, is lacking. Thus it would appear that such law as does exist is probably being put to inadequate use and guidelines for new legislation are lacking.

That a considerable degree of discrimination in employment exists seems beyond doubt — a fact implicit in the figures of unemployment. The rate of unemployment for Negro males is still roughly twice that for white males. A survey of the personnel of four federal agencies in nine cities revealed the percentage of whites serving in supervisory posts to be almost three times that for Negroes. And opportunities for Negroes to serve in apprenticeship programs, which provide extensive training in skills that ultimately mean higher pay and greater job security, appear to be rare. In short, past and continuing discrimination still means disproportionately high unemployment and disproportionately low earnings for Negroes.

According to Michael I. Sovern, who, under Twentieth Century Fund auspices, will conduct a study on discrimination in employment, it is not realistic to expect Congress

to enact a comprehensive program in the near future to deal with the problem. As in the recent past, Professor Sovern says, it will be state and local governments that enact fair employment practices legislation.

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The aim of the study is to describe what the federal government is doing in a variety of ways to eliminate job discrimination and what various state and local laws provide. The project's major function, however, is to attempt to answer three main questions: First, how, if at all, can the federal makeshifts be improved? Second, what additional federal improvisations are possible? And third, how can state fair employment practices legislation be made more effective? If Congress should be willing to pass fair employment practices legislation, the work on the third question would, of course, be useful at the federal level too. The study is scheduled for completion in 1963.

***Poverty Amid Affluence* . . . IS POVERTY
AN ANOMALY IN AMERICA TODAY? ITS NEW
FORMS, ITS NEW CAUSES, ITS POSSIBLE CURES**

Research Director:

HENRY DAVID

*President of the New
School for Social
Research*

Associate Director:

OSCAR ORNATI

*Department of Econom-
ics, Graduate Faculty of
the New School*

The justifiable American preoccupation today with the wealth of its society seems to obscure the fact that not all our society is affluent, and tends to prevent us from studying the new forms and sometimes novel characteristics which poverty assumes. It is the purpose of the Twentieth Century Fund, together with the New School for Social Research, to make a study which will define the poverty of today, look to its causes and consider its cures.

“What we are seeking in this new study,” the Fund said in announcing the project, “is to identify the special characteristics of poverty in an advanced and wealthy economy such as that of the United States. We wish to analyze the problems

that this type of poverty presents and possible means of solving them.

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“Emphasis will be placed on the distinction between the kinds of poverty that may be lessened by general economic growth and those that may be lessened by reducing the ups and downs of the business cycle.

“We hope this study will sharpen our understanding of who are the poor in our society, of the causes of their poverty, and of the extent to which poverty may be a subjective state. We hope, also, that the study will help to answer the question ‘Can the abolition of poverty be a reasonable goal in an affluent society?’ ”

The study of poverty is being undertaken as a joint project of the Twentieth Century Fund and the New School for Social Research. The Fund and the New School have over the years established various ties and hold a common interest in adult education.

Henry David, President of the New School, will direct the research with Oscar Ornati, a member of the faculty of the New School, as associate research director. They will draw upon other members of the New School faculty for specific contributions to the study. Work on the project is expected to take approximately two years.

The study will have three major parts. The first will consist of a definition of poverty and an estimate of how many poor there are in America today. The second part will analyze the causes of poverty and the third will take inventory of the major anti-poverty measures of recent years: assess their costs and, very broadly, the yields in terms of relief, cure or prevention.

Power, Ownership and Property

... THE TRANSFORMATION OF MODERN AMERICAN CAPITALISM

Research Director:

PAUL P. HARBRECHT, S.J.

*Assistant Professor,
University of Detroit
School of Law, on leave
of absence; Co-director,
The Institute for Inter-
national and Foreign
Trade Law of the George-
town Law Center*

*Associate Research
Director:*

LOUISE FIELD

*Research Associate,
Twentieth Century Fund*

A new capitalism involving the transformation of American society is implicit in the emergence of new financial institutions — such as pension funds and mutual funds — which represent the latest development in the organization and control of productive property. So concluded the Twentieth Century Fund study *Pension Funds and Economic Power*, by Paul P. Harbrecht, S.J., published in 1959. Father Harbrecht calls this new society “paraproprietal” — that is, beyond property. In this new society property ownership is not the organizing principle; power is. Capitalism evolves in this direction today.

In 1961 the Fund’s Trustees authorized a new study to extend our knowledge of the kind of society emerging in the United States as a result of the new forms of control of productive property. The present study proposes that property is no longer the dominant power in the distribution of wealth as it was in classical capitalism.

The focus of this study will be the various forces that come into play in the diffusion of the wealth generated in the economy. These forces are many and complex, but the study will concentrate on the modern corporation, the labor union, the government and the financial institutions as the diffusors of wealth in a system where once the sole determining factors for economic gain were ownership of property or work. The study will attempt to rationalize the modern sophistications of the distribution of wealth that have developed along with the evolution of the producing process in modern capitalism.

Father Harbrecht will be research director of this study,

with Mrs. Louise Field, of the Fund staff, as associate research director. Work on the project will begin in 1962 and is scheduled for completion in 1964.

Nuclear Energy . . . ITS PEACEFUL USES

ONCE VIEWED AS UNIVERSAL, NOW VIEWED MORE
REALISTICALLY

Research Director:

PHILIP MULLENBACH

*Vice President of Growth
Research, Inc.; formerly
Director of Research,
Nuclear Energy Project,
National Planning
Association*

In 1957 the Twentieth Century Fund initiated a study of the problems raised for American policy by the effort to turn the atom to peaceful use. President Eisenhower's proposal for a world program for "atoms-for-peace" before the United Nations in 1953 and the growing national interest in atomic reactors to produce electric power and in other peaceful uses of the atom had brought to the fore significant issues of policy. Accordingly, the Fund asked Philip Mullenbach, former economist of the Atomic Energy Commission, to direct a study which would focus on the interrelationship between the domestic program for research and development in the field of nuclear energy and the international program to assist friendly nations abroad to acquire the benefits of this new technology.

During the years that this study has been under way, the prospects for the economic use of nuclear power have seemed to fluctuate widely both here and abroad. At the time of the Suez crisis in 1956 there was a widespread feeling in Western Europe that a rapid development of nuclear power reactors was essential to the survival of the region as an industrialized area. Recent discoveries of new oil and natural gas fields outside the Middle East have greatly reduced the sense of urgency with which the problems of nuclear energy are being approached. Moreover, an impression has become

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widespread that competitive nuclear power will take somewhat longer to achieve than had been thought earlier. Mr. Mullenbach's aim has been to cut his way through these complexities and complications superimposed on an already difficult technical problem and produce a study with a balanced outlook. It is set for publication in 1962.

In the closing stages of this work, the Fund was asked by several officials of the national government to convene a group of government representatives and private experts to review the problems of American foreign policy for the peaceful use of nuclear energy. It was felt that with the advent of the new administration such a review, sponsored by an impartial private organization, would be useful. Mr. Mullenbach acted as secretary of this group and afterwards prepared for limited circulation a paper which took account of the discussion and included some of his own views on policy issues requiring early decisions.

Distribution Costs and Methods

. . . DISTRIBUTION AS A DYNAMIC FACTOR IN THE AMERICAN ECONOMY—AND AS A SHAPER OF OUR PATTERN OF LIVING

Research Director:

REAVIS COX

*Professor of Marketing,
University of
Pennsylvania; formerly
President, American
Marketing Association*

Surely one of the key elements in the dynamic economy of the United States is the system of distributing goods. It is a system of extraordinary complexity and variety; and it has provided the American consumer with a flow of goods and services which has done much to shape our society as it is today.

In 1939 the Twentieth Century Fund made the first comprehensive evaluation of this system, in a book called *Does Distribution Cost Too Much?* But in recent years the system

Associate Research

Directors:

THOMAS C. FICHANDLER

*Formerly Research
Associate, Twentieth
Century Fund*

CHARLES S. GOODMAN

*Professor of Marketing,
Wharton School of
Finance and Commerce,
University of Pennsyl-
vania*

has so changed, evolving so rapidly and often dramatically, that the Fund began work on a new study. Originally scheduled for earlier publication, the work has been beset by delays and revisions, but it is now the hope of Reavis Cox, research director, to have a completed manuscript in 1962.

The study will be both quantitative and qualitative, seeking meaningful answers to two main questions: How large a part does distribution play in the American economy? And — a question emphasizing qualitative judgments — how effectively does distribution perform its appointed role in the economy? Some of the targets of criticism in the field of distribution and marketing, such as “destructive” competition, monopolistic practices, and aspects of the role of promotion and advertising, will be examined.

The work will also provide a new version of the widely used and commented-on chart of the first study showing the flow of goods from producer to consumer, although the new chart will differ in important respects from the earlier one.

New statistics and surveys are expected to permit the study to bring out in a way not possible before the part contributed by distribution to the values consumers acquire when they buy the end products of a large number of individual industries.

Civil-Military Relations . . . UNITED STATES POLICY IN A WORLD WHICH NO LONGER PERMITS A TRADITIONAL SEPARATION

In 1958 the Twentieth Century Fund issued a study, *Arms and the State: Civil-Military Elements in National Policy*, by Walter Millis with Harvey C. Mansfield and Harold Stein, as the first of two volumes in a broad project. The second vol-

Research Director:

HAROLD STEIN

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International Affairs at
the Woodrow Wilson
School of Public and
International Affairs,
Princeton University;
Visiting Honors Pro-
fessor, University of
Michigan*

ume, now being readied for publication in 1962, is a series of specific case studies which illuminate the more general themes explored in the first volume. The study will be published in cooperation with the Inter-University Case Program by the University of Alabama Press.

This new work will provide a relatively detailed account, from the perspective of interested but neutral observers, of a series of actions culminating in a series of decisions by public administrators within the broad field of United States civil-military relations. It will examine the complex of pressures exerted upon these decisions by legislators and the general public, by allies and enemies.

Discussing his work, Harold Stein, research director for the project, notes that not so many years ago the term "civil-military relations" would have referred almost entirely to relations of civilian and military officials within government, but the real and presumed sharp distinctions between the two have long been dwindling. "There are, always will be, differences in occupational habits and ethos between the groups," Dr. Stein says, "but . . . there are important overlaps, too. The character of our civil-military relations is now dominated by sharper official awareness of the interplay between military means and diplomatic, economic, and political ends. Above all, we are far more conscious in our dealings with the world of both our power and its limitations than we were before World War II.

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"Awareness of the uses and limitations of power has caused a series of profound changes in the relationships of the civil and military officers of our government and equally profound changes in the weighing of factors of power and objectives in the process of forming national policy.

"Our government's willingness to face the distasteful facts of international power relations and to do so without relinquishing our ideals or our sense of purpose represents a

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major shift. We have come to this uneasy equilibrium belatedly, necessarily imperfectly; the enlarged ambiguity and amorphousness of the phrase 'civil-military relations' represent our own enlarged sphere of concern with the use and restraint of force in world affairs."

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.

Dr. 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* . . . IN THE
PERSPECTIVE OF THE EMBATTLED POLITICAL-
MILITARY HISTORY OF MODERN FRANCE**

The new relationships between the military and civil elements of free governments which have been imposed by the postwar balance between a possible terror and the hoped-for promise of negotiation have led the Fund to make the ex-

Research Director:

EDGAR S. FURNISS, JR.

*Professor of Politics,
Princeton University;
Secretary, Study Group
on France, Council on
Foreign Relations*

plorations in the field of civil-military relations described earlier. These considerations have also led the Fund to sponsor a study of French civil-military relations in order to further explore such questions as: Who should define the role of the nation in world affairs? Who should determine the place of military power within the pattern of national statecraft? On whom should rest the responsibility of deciding the proportion of national resources to be allocated to military matériel and manpower? What social, economic and political organizations have the best chance to survive and prosper in the threatening international atmosphere?

This study, to be done by Edgar S. Furniss, Jr., a long-time student of French affairs, will focus on France because, as he says, "The particular circumstances confronted by France over the past twenty years make especially fruitful an examination of the nonmilitary activities of that country's military establishment. Fragmented by the defeat in 1940, the French Army emerged, thanks largely to the efforts of others, a 'winner' in World War II, only to find itself entangled in losing 'colonial' wars in Indochina and Algeria, to say nothing of the abortive invasion of the Suez Canal area. The obvious ambivalence of ephemeral governments of the Fourth Republic regarding the international position of France and actions appropriate to that position added greatly to the frustration of unsuccessful combat against non-European enemies. By the time de Gaulle reassumed power in 1958, sections of the French Army were prepared if necessary to arrogate to themselves the task of defining national goals and policies and of imposing them on even as determined a leader as President de Gaulle himself."

The aim of the study will not be to chronicle events in the recurrent military challenge to civil authority, still less to sit in judgment on the participants. Rather Professor Furniss will attempt to look at the nexus of French military-

civil relationships in the context of Western political systems. In this manner, he feels, conclusions may be suggested which will have relevance to problems faced by all Western democracies.

Professor Furniss expects to work on and complete his study while on sabbatical leave from Princeton University during the next academic year.

Economics of a World in Transition

. . . A POLICY TO BRING A STRENGTHENING OF PURPOSE AMONG THE ATLANTIC NATIONS

Research Director:

JAN TINBERGEN

*Professor, Netherlands
School of Economics;
formerly Director,
Government Central
Planning Bureau, the
Netherlands*

The world is in the process of a great transformation. A considerable part of it is vigorously trying out a new economic order — communism. In large parts of the globe where colonialism formerly existed, one country after another has thrown off the colonial yoke. Wholesale introduction of Western techniques and ways of life is shaking the foundations of ancient beliefs and attitudes, for good or for evil. A spurt of population growth is going along with this development. All these transformations, with their multiple sources of conflict, are taking place in an era in which mankind has just discovered the possibilities of nuclear warfare.

The Western countries, not so long ago masters of the world, have been thrown out of that position by the very forces they liberated. The West's position has undergone a drastic change, not yet fully understood by the countries themselves.

This world, characterized by a vast gap between technical ability and moral power, is in desperate need of a policy — a policy to give it shape, to create a framework for the solution of its urgent problems. . . .

In this way Professor Jan Tinbergen and his associates

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at the Netherlands Economic Institute pose what they consider a central dilemma of the times. And the study they have just completed for publication in 1962 is an attempt to analyze the need and to make constructive suggestions for a policy.

The work will be divided in two sections. The first will survey today's economic tensions — the two competing economic systems, the widening gap between the less developed and the advanced countries, and the international environment in which development must take place. The second section will attempt to deal systematically with the problem of achieving a more orderly and efficient international policy, mainly but not wholly in the economic field. It will provide suggestions on investment, trade and the role of international organizations including the United Nations and the various regional economic bodies.

This study represents something of a departure from usual Fund procedure. Not only will it enable the Fund to produce a work which makes use of the research resources of a leading European center for economic studies, the Netherlands Economic Institute, but — hopefully and most importantly — it will add vistas of fresh approaches to present American thinking on questions of deep concern to all members of the United Nations.

North Atlantic Agriculture

**... NEW EUROPEAN AND AMERICAN AGRICULTURAL
POLICIES COULD FORGE STRENGTHENED
ATLANTIC COMMUNITY**

Accepting the thesis that existing political and military cooperation among the countries of the North Atlantic region needs to be buttressed by greater economic cooperation and

Research Director:

JOHN O. COPPOCK

*formerly Deputy Chief,
Central European Division,
Foreign Operations
Administration,
Washington, D. C.*

integration if the West is to obtain the maximum benefits from the historic developments now taking place in Europe, the Twentieth Century Fund has undertaken a new study. It will investigate the place of agriculture under conditions of increased economic interdependence among these politically like-minded nations.

John O. Coppock, director of the study, points to certain dangers in the planning for a common agricultural policy of the six member countries of the Common Market which will come into force gradually between now and 1970. Mr. Coppock says: "Unhappily, the common agricultural policy as adopted has a great potentiality for virtually complete insulation of European agriculture from competition from outside the Common Market. As such it is distinctly out of line with other developments in Europe and in the rest of the industrialized Western countries. The general trend has been toward more liberal trading arrangements and the extension of international competition in industrial products, a trend that will unquestionably become stronger if new trade expansion legislation now before Congress becomes law."

Mr. Coppock notes that "political difficulties standing in the way of more freedom for agricultural specialization and trade are peculiarly great. At the same time, the economic benefits which could accrue to the entire region from a reduction in national protectionist policies are perhaps even more significant. The wide disparities in costs and prices of farm products in the national markets of the North Atlantic region are an indication of the scope for improved efficiency in agriculture which could come from greater specialization and more trade.

"It must be recognized, however, that a restructuring of agriculture on a regional basis will take a long time, as well as wise legislation and administration of agricultural pol-

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icies. Farming is in the midst of a technological revolution which is far from ending. It is leaving in its wake a serious sociological problem of redundancy on the farm. International rationalization of agriculture could add heavily in some countries to the already great problem of social adjustment brought about by the technological shifts.

“Nevertheless,” Mr. Coppock asserts, “a start can be made now, in these formative years of a more unified Europe and a more integrated West, to lay the groundwork for a more efficient division of effort in agriculture between the industrialized nations.”

Mr. Coppock’s study is scheduled for publication late in 1962. It will review the chaotic situation which protectionist farm policies have produced. Analyses will be made of comparative productivity of land and labor. Recent levels of production and consumption of major commodities, as well as international trade, will be reviewed. Projections will be made of the requirements for these commodities in the future, taking into account both the growth of population and the probable changes in dietary habits as average personal incomes rise. Finally, the study will include proposals for policy changes aimed at producing the necessary farm output efficiently and economically, together with an estimate of the volume of foreign trade this future production pattern would involve.

***Yugoslavia* . . . CAN A COMMUNISTIC NATION
REMAIN INDEPENDENT, PIONEER A NEW SOCIAL
ORDER?**

Several years ago the Fund embarked on a study which would broadly survey Yugoslavia and hopefully provide guideposts to some of the perplexing questions about this country. The study, by George W. Hoffman and Fred Warner

Research Directors:

GEORGE W. HOFFMAN
*Professor of Geography,
University of Texas*

FRED WARNER NEAL
*Professor of Inter-
national Relations and
Government,
Claremont Graduate
School, Claremont,
California*

Neal, was virtually completed in 1961, for publication in 1962.

In setting the scene for their study, the authors say, "In the relations between East and West, probably no country occupies a more vital spot than Yugoslavia, strategically slung between the Danube and the Adriatic, between the Balkans and the Alps. 'Yugoslavia' means the Land of the South Slavs. Its importance, once mainly geographic, lies today most of all in its politics, in the political system developed by the people of this crossroads land after a long history of turmoil. For under Tito's leadership a peculiar form of Communism has emerged. In many ways it is like its Soviet counterpart. But in many other ways it is so different that its very existence constitutes one of the severest challenges confronting the Kremlin."

It is this very difference which the authors focus on in their final analysis, emphasizing that the evaluation of the difference must be of deep concern not only to the Kremlin but to Washington as well in framing its Yugoslav policy.

The new study will set forth the historical background from which today's events in Yugoslavia have emerged; it will provide an account of the wellsprings of Yugoslav Communism, trace the course it has followed, chronicle its break with Russia and analyze the extent to which Yugoslavia is succeeding as a Communist state independent of the Soviet Union.

The Twentieth Century Fund has made studies of a number of separate countries, relating them to the larger regional studies which have formed an important part of its work. In Eastern Europe, the Fund had already surveyed the economies of Turkey and of Greece, when the opportunity arose of looking somewhat closely at Yugoslavia. This seemed the more inviting as Dr. Dewhurst and his associates, in their monumental *Europe's Needs and Resources*, had not in-

cluded Yugoslavia among the eighteen countries with which it dealt.

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A study of Yugoslavia suggested from the start a somewhat broader approach than that which had characterized the others. The nature of the Yugoslav economy, patterned as it is on Communism yet with many significant differences, called for an impartial, open-minded analysis; and the country's unique political orientation left many questions unanswered. The role and influence of Yugoslavia among the uncommitted nations and the smaller nations gives special importance to these questions and the way they are answered.

***Burma* . . . THE DRAWING UP OF A PLAN
FOR ECONOMIC DEVELOPMENT; PUTTING IT INTO
OPERATION; ANALYZING ITS DIFFICULTIES**

Research Director:

LOUIS J. WALINSKY

*Vice President for
Economic Development,
Robert R. Nathan Associates, Inc., Economic
Consultants; formerly
Chief Economist,
Robert R. Nathan
Economic Advisory
Group, Burma*

Economic development, once an evolutionary process which seemed to respond to the "unseen hand" of Adam Smith, is today a revolutionary process which threatens to outstrip the abilities of men to order it. The twentieth century has generated unprecedented opportunities for economic development and equally unprecedented problems and pressures which often have been relentlessly forced upon men and societies removed over the centuries from the mainstreams of change — political, social and technological. Yet there is no waiting. The imperatives of self-determination, the need to seek a higher standard of living, often amid clashing ideologies, make orderly and gradual development difficult.

The urgent questions of today are, How can economic development be effectively fostered? and, How can the revolution be ordered? The Twentieth Century Fund has examined this problem from a number of aspects. At present it has studies under way on relationships between Europe, the

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West and the underdeveloped areas and on economic development in South Asia and Latin America.

The Burma project is a case study of one nation, but the implications of its findings reach far beyond the national borders. It can both contribute to American understanding of Burma and at the same time be helpful to other countries seeking economic development, especially African countries which are now in a position similar to that of Burma ten years ago.

The research director for this study, Louis Walinsky, was concerned for nearly eight years with Burmese development, first as an economic consultant to Robert R. Nathan Associates, Inc., which drew up a plan for economic and social development in Burma, and later, still associated with the firm, as chief economic adviser to the Burmese government during the period when the development plan was being put into effect. Thus Mr. Walinsky's study will deal with economic development seen from inside, from background through genesis and execution to the sometimes disappointing results.

Mr. Walinsky's experience, having provided him with an opportunity to participate intimately in every phase of the Burmese economic program, has encouraged him to give a candid account of it and a soberly realistic estimate of its success. "I have concentrated on the weaknesses and failings of the experience . . . because it was from them that the lessons I sought to learn were chiefly to be found," he says. "Much was accomplished. Progress was made. The essential failure of the effort was not that it accomplished nothing; it was that it could — and should — have accomplished so much more than it did." His study reflects the view of a former Minister "who exhorted me, when I visited Burma early in 1961, to 'Make your book really critical. Only in this way can you help.'"

South Asia . . . HOW CAN THE NEW NATIONS
DEVELOP ECONOMICALLY TO MEET THE FREEDOM
THEY HAVE SOUGHT OR WHICH THE TIMES HAVE
THRUST UPON THEM?

Research Director:
GUNNAR MYRDAL
Professor of Interna-
tional Economics,
University of Stockholm

Within the span of years since the war — only a moment in their own history — the peoples of South Asia have been called upon to face new and complex responsibilities; indeed, they have been called upon to enter the jet stream world of today riding, all too often, the bullock carts of their forebears. The old regimes under which they lived have given way to new independent nationalisms. In these new regimes there are governments to be formed, administrative services to be set up, economic policies to be worked out (often in a situation of near-crisis), and the new and dangerous channels of foreign relations to be negotiated. Often large segments of the population have to be made literate and prepared for the most elementary responsibilities of freedom.

In 1957 the Twentieth Century Fund began a study of South Asia under Gunnar Myrdal, the well-known economist and international civil servant. The work's original purpose was to study the resources and future prospects of South Asia. This remains, but increasingly circumstances have turned Dr. Myrdal's concern to the problems of planning for development. Such problems involve much more than economic facts and relations; they take into account political and social considerations as well. A certain shift in emphasis in the study has arisen, also, from the lack of availability of needed factual material on the several national economies, and the unreliability of some of what is available. Thus a survey of comprehensive detail is no longer contemplated; the emphasis, instead, is on uncovering the

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problems which are most vital to the region and its development.

Further changes along the way have been dictated by what Dr. Myrdal finds is a need to rethink basic premises and theoretical concepts of economic development. There has been too great an insistence on applying the tests and standards of our own experiences; too little willingness to adapt them to entirely different circumstances and needs. As an example, there is the problem of unemployed persons in many of these nations. The problem is in no way that of unemployment in terms of our own concepts; it is a matter of a vast number of unemployable persons — men and women who know only the land and who have little possibility at present of adapting to the industry which may require them or to which, under other circumstances, they might go. Thus the so-called problem of unemployment becomes one with implications reaching far beyond the criteria and theories which most students have applied to it.

Dr. Myrdal established headquarters first in New Delhi, traveling from there throughout South Asia. After a season in Oxford and London, he is now at Stockholm University for the final stages of his work. There he will have the assistance of a small staff, and, for varying periods, the help of two Americans: William J. Barber, Assistant Professor of Economics, The John E. Andrus Center for Public Affairs, Wesleyan University, and George Wilton Wilson, Teaching Fellow at Indiana University School of Business.

Latin America . . . NEW APPROACHES TO
DECISION-MAKING SEEN COMPELLED BY LONG
HISTORY OF DIFFICULTIES AND FRUSTRATIONS

Research Director:

ALBERT O. HIRSCHMAN

*Professor of International
Economic Relations,
Columbia University*

Special Consultant:

CHARLES E. LINDBLOM

*Professor of Economics,
Yale University*

Furthering its explorations in the processes of economic development, the Fund is turning to a survey and analysis of the problems involved as they relate specifically to Latin America. The emphasis, however, is on decision-making in economic development — the experiences and learning processes which analysts and policy-makers go through in grappling with such protracted or recurring difficulties as inflation, maldistribution and underutilization of land, or lagging development of regions within a country.

Since Albert O. Hirschman, research director for the project on economic policy-making in Latin America, started on the survey in the summer of 1960, he has substantially completed work on the long history of land reform in Colombia, on the manifold attempts to improve conditions and accelerate development in Brazil's Northeast, and on the persistent and volatile inflation in Chile.

Professor Hirschman reports that in writing his first chapters he feels that his topics have much relevance to the United States' current attempts to foster a variety of social and economic reforms in Latin America, with particular reference to identifying the conditions under which effective action and the taking of certain crucial decisions become possible.

“A study of the actual circumstances under which effective action was finally taken on politically sensitive issues such as land use, inflation or regional imbalance leaves little doubt that to request such action in the name of ‘self-help’ is a dangerous form of semantic delusion. What is more natural than to ask for ‘self-help’ on the part of the

**RESEARCH
PROJECTS
IN PROGRESS**

person requesting outside help? Yet do we realize that under the guise of asking for 'self-help,' we are in effect putting in an order for what Lenin called 'revolutionary situations'? The history of land reform in Colombia leaves little doubt that even for 'peaceful' land reform the appearance of some peasant leaders pressing for land distribution 'by force if necessary' is indispensable; are we prepared not to recoil, but to promote such peasant movements as an indispensable first step toward 'self-help'?"

Early in the year the Fund issued a collection of essays, *Latin American Issues: Essays and Comments*, which grew out of a study group formed to help plan the forthcoming major survey of Latin America. (See page 18.)

The study on economic policy-making in Latin America is scheduled for completion in 1963.



A MEETING OF THE BOARD
DECEMBER 1961



Mr. Canham



Mr. Berle



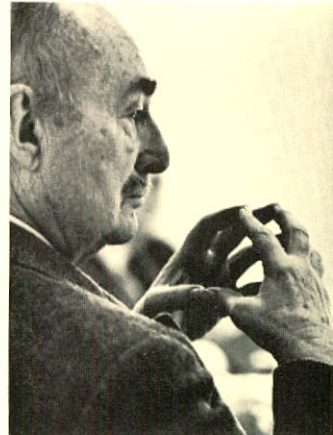
Mr. Schlesinger



*Mr. Dewhurst and
Mr. Steinkraus*



Mr. Heckscher



Mr. Biddle



Mr. Rowe



Mr. Oppenheimer



Mr. McDonald



Mr. Mitchell



Mr. Abram



Mr. Cohen

Trustees not present at this meeting: Messrs. Burns, Clark, Galbraith, Lilienthal, Lynd, Sonne, Taft

The Fund's Trustees

The Trustees of the Twentieth Century Fund have formed a notable company, representing since 1919 a cross section of the country's outstanding leadership in the scholarly, business and civic fields. The pages of this insert show glimpses of one recent gathering of the Trustees, at the Fund's headquarters in the autumn of 1961. Below is a list of all those who have served on the Board, printed in the order of their election. Included are the names of present members (two of them going back to 1922) as well as those who served in past years.

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HENRY S. DENNISON
NEWTON D. BAKER
BRUCE BLIVEN
JAMES G. MC DONALD
ROSCOE POUND
MAX LOWENTHAL
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JOHN KENNETH GALBRAITH
JAMES P. MITCHELL

*Staff Members
conferring with the Trustees*

Photos by Len Gittleman



Special Projects

POLITICAL THEORY

THE GERMAN MILITARY IN WORLD WAR II

ARENA STAGE

EDUCATIONAL STATION WGBH

Special Projects

POLITICAL THEORY

In 1960 the Twentieth Century Fund made a grant for a conference on Economics and Mankind, sponsored by the Committee for the Study of Mankind. The Committee is 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. The Committee has held conferences, starting in 1959, on Philosophy and Mankind, Education and Mankind, Science and Mankind, Law and Mankind, and, with financial aid from the Fund, Economics and Mankind.

In 1961 the Fund made a further grant to the Committee to make possible a book on economics and mankind, clarifying and elaborating the ideas expressed at the conference. Gerhard Hirschfeld is Executive Director of the Committee and Quincy Wright, Professor of International Law, University of Virginia, is Chairman of the Board of Directors.

. . .

An installment was paid in 1961 on a grant to the American Society for Political and Legal Philosophy toward publication of papers presented at its annual meetings. Three volumes have been published, "Authority," "Community" and "Responsibility." Two more volumes, on liberty and on the public interest, will be issued during the summer of 1962.

. . .

A grant was made to Professor Karl Loewenstein, recently

retired from Amherst College, for a history of government, bringing the modern state society into historical perspective.

THE GERMAN MILITARY IN WORLD WAR II

A third volume in a history of the German military in World War II by Telford Taylor is being aided with a grant for research from the Twentieth Century Fund. Two volumes of the history have already been published. The new work will focus on the critical winter of 1942–43, with special emphasis on the Russian front.

Mr. Taylor, a New York lawyer and writer, was a military intelligence officer during World War II. He served in the European Theater of Operations and after the war was United States chief of counsel for the prosecution of war criminals at Nuremberg.

ARENA STAGE

A supplemental grant was given to Arena Stage, Washington, D. C., to augment the Fund's original grant made in 1959 for construction of a theater "in the round." A project of the nonprofit Washington Drama Society, Inc., Arena Stage is now in its own theater. It is considered one of the capital's leading cultural attractions and has won national attention.

EDUCATIONAL STATION WGBH

Following a disastrous fire which razed the studio of WGBH, Boston educational television and radio station, the Twentieth Century Fund made a grant toward the rebuilding of a new studio. This gift marks the continuation of the Fund's interest in the station.

In 1954 the Fund had made a contribution to the building

of the original station as a memorial to Edward A. Filene, founder of the Twentieth Century Fund. A pioneer in educational television, WGBH has provided leadership among educational stations which are now operating in thirty-one states, the District of Columbia and Puerto Rico.

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

Two new films in which the Fund participated were completed or brought close to completion in 1961.

The first was a two-reel color film, "Tropical Africa," produced by Julien Bryan, which the International Film Foundation released in April. George H. T. Kimble, author of the Fund's two-volume major study *Tropical Africa*, acted as consultant in the editing and the writing of this picture. The film emphasizes in its own pictorial medium many of the major points brought out in the findings of the printed study. The strikingly handsome photography was done by Julien Bryan, the noted lecturer and film producer, and his son, Sam Bryan, during trips to Africa in 1960 and 1961. The film was directed by William Claiborne, with animation by Philip Stapp and an original musical score by Norman Lloyd. Prints of the film may be purchased from Interna-

tional Film Foundation, 1 East 42nd Street, New York 17, N. Y., at \$250 each; or the picture may be rented from the Foundation at a cost of \$10 per showing.

The second film is a joint production of Encyclopaedia Britannica Films and the Fund to be released in the spring of 1962 under the title "Megalopolis — Cradle of the Future." Most of the 22-minute color film was photographed during the late summer and fall of 1961; final cutting, editing and narration are to be completed early in 1962. The new picture is based on Jean Gottmann's comprehensive study, *Megalopolis: The Urbanized Northeastern Seaboard of the United States*, which the Fund published in November 1961.

Striking scenes photographed from an airplane, and from moving automobiles, ships and trains, delineate the size, nature and complexity of the huge urban region that stretches from north of Boston to south of Washington. Animation sequences present central findings from the survey, and Dr. Gottmann himself appears in several scenes to discuss the significance of Megalopolis as a possible pattern of things to come as larger and larger portions of the earth become highly urbanized. The film was produced and directed by Irving Rusinow; Ben Grauer is the narrator. "Megalopolis — Cradle of the Future" will be distributed by Encyclopaedia Britannica Films and may be had on either a purchase or rental basis from EBF headquarters in Wilmette, Illinois, or at any of its branches throughout the country.

Encyclopaedia Britannica Films is also acting as distributor for eight other Fund films. Among them, the leader in point of sales during 1961 was "Productivity: Key to Plenty," which was released in 1949 and retains much current interest. Other films that were active during the year were "Inflation" (produced in 1953), "Working Together"

(1952), "The Living City" (1953) and "Look to the Land" (1954). Two one-reel discussion films in color, based on Fund studies, "Can We Solve the Farm Problem?" and "American Imports — A New Look," are distributed by Stanley Neal Productions of New York City. Both were used by schools and colleges in 1961, and "American Imports" was given several television showings.

WORKING PAPERS

From time to time the Fund issues a working paper, an exploratory, interim or supplementary report on a study being considered or actually in progress; or a paper based on an already published work.

Such a paper in 1961 was "Peaceful Uses of Nuclear Energy: A Memorandum on Changes in U. S. Foreign Policy," by Philip Mullenbach. This had been prepared originally as a working paper for discussion at a small meeting of scholars, technical experts and government administrators in the field of peacetime use of atomic energy. The meeting was held at Fund headquarters on April 7, 1961.

FILMSTRIPS

The Fund is now distributing a series of six filmstrips, "America's New Dimensions," which present in color drawings, charts and graphs some of the central facts about this country's economic potentials. The filmstrips are based on the Fund's major study *America's Needs and Resources — A New Survey*, by J. Frederic Dewhurst and associates, and are coordinated with the paperbound popular summary of that study, *U.S.A. in New Dimensions*, published by The Macmillan Company, New York. The filmstrip sets include a teaching manual and are priced at \$6 for an individual filmstrip, or \$30 for the set of six.

TELEVISION

During the year the Fund released and distributed to the educational television stations of the country its half-hour television program on film, "The Paraproprietal Society." This presentation, using both "live action" scenes and animated drawings, explains some of the changing concepts of power, ownership and property in modern industrial society as brought out in the Fund's study *Pension Funds and Economic Power*, by Paul P. Harbrecht, S.J. Father Harbrecht himself appears in many scenes. The program was produced by the National Educational Television and Radio Center and was written and directed by Ralph Tangney. The program was routed to the fifty-six educational television stations now in operation in the United States and was used by all of them. Later in the year, the Fund made preliminary plans with the Center for the production, in 1962, of three additional television programs based on three other recent studies. It is planned that these, too, will be distributed to the educational television stations of the country.

SPECIAL ARTICLES

As a matter of established practice, the Fund regularly issues news releases, press summaries and other aids to the dissemination of findings from its major studies as they are published. A special extension of this type of service was carried out in 1961 with the appearance of *Europe's Needs and Resources*, by J. Frederic Dewhurst and associates.

This survey covers eighteen non-communist countries in Western Europe, and for each country the Fund prepared and mailed out a special news release, written in the national language of the country, giving facts that applied to that particular country as well as regional findings for Western Europe. Clippings received from overseas, in a variety of

languages, indicated a very wide use of these specialized releases.

During the year the Fund also made use of *Feature*, a service that lists available articles and photographs on particular subjects and is sent to virtually every magazine and newspaper in the United States. In the spring an offering of an article based on the Fund's report *Strategy and Arms Control* drew requests for the text and illustrations from 244 publications. Toward the end of the year the Fund offered an article based on *Europe's Needs and Resources* which was requested by 136 publications, with more requests still coming in as the year ended.

A further activity during the year was the publication in October of an 8-page special supplement based on the Fund's study *Tropical Africa*, by George H. T. Kimble. This supplement was printed as part of the nationally circulated classroom magazines *Senior Scholastic* and *World Week*, which have a combined circulation of approximately 1,200,000. The illustrated supplement was designed for use as a study unit as well as for general reading and was well received in school circles.

NEWSLETTER AND GRAPHICS

An illustrated Newsletter with news and features 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.

The Newsletter often includes one or two special features prepared for students and others interested in basic findings of Fund research studies. These are usually in the form of

“graphics,” which are frequently issued also in larger format for wider student use. Among recent graphics are those derived from *Europe's Needs and Resources*, by J. Frederic Dewhurst and associates, and from the forthcoming study on leisure by Sebastian de Grazia.

PHOTOGRAPHIC EXHIBITION

The Fund's special photographic exhibition on “Tropical Africa,” which is being distributed under the auspices of the Smithsonian Institution, was opened in March 1961. Demand for the exhibition necessitated construction of a second unit. Both are now in active circulation. Showings of the two units have been arranged in a total of seventeen locations, with an additional fourteen already scheduled, which will carry the two through 1962. Bookings are mostly by colleges and universities, museums, libraries and municipal centers.

Publishing Activities

Fund studies are initially made available to the public in book form under the Fund's own imprint. In 1961 book sales were 27,634. Cumulative sales of all Fund works totaled 663,472 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 8 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. Indonesia, England, Japan, Sweden and India were the biggest purchasers of Fund works in 1961. Publications of the Fund were included in book exhibits in Tokyo, Belgrade, Frankfurt, Warsaw and Leipzig.

Fund works have been translated into a number of languages and plans are under way for a French publisher to bring out an edition of *Europe's Needs and Resources*, by J. Frederic Dewhurst and associates. Other translations, either published in 1961 or being readied for publication during the year, include Indonesian and Persian editions of *Approaches to Economic Development*, by Norman S. Buchanan and Howard S. Ellis, which have been arranged by Franklin Publications, Inc.; Japanese and German versions of Calvin Hoover's *The Economy, Liberty and the State*; a German version of *Pension Funds and Economic Power*, by Paul P. Harbrecht, S.J.; a Spanish translation of *Latin American Issues: Essays and Comments*, edited by Albert O. Hirschman; and Italian translations of *Latin American*

Issues, Strategy and Arms Control, by Thomas C. Schelling and Morton H. Halperin, and *Arms Reduction: Program and Issues*, edited by David H. Frisch. A Portuguese translation is being prepared of a Fund study originally published in French, *Revolution à L'Ouest*, by Jean Fourastié.

A British edition of *Europe's Needs and Resources* was brought out by Macmillan & Co. Ltd.

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 is publishing in its Anchor series a paperback edition of *Tropical Africa*, by George H. T. Kimble.

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 1961 and their cumulative sales are listed in the table following.

Sales of Current Publications

T I T L E	YEAR PUBLISHED	TOTAL SALES	
		1961 SALES	TO END OF 1961
The Power Industry and the Public Interest	1944	6	2,675
Financing American Prosperity	1945	10	7,076
Tomorrow's Trade	1945	14	21,059
Trends in Collective Bargaining	1945	25	14,479
For This We Fought	1946	17	19,648
Electric Power and Government Policy	1948	13	1,698
Report on the Greeks	1948	5	4,895
Partners in Production	1949	46	10,007
Defense without Inflation	1951	9	7,310
Financing Defense	1951	9	4,399
Costa Rica	1952	54	2,443
The Federal Debt	1953	26	2,580
Farm Policies of the United States, 1790-1950	1953	136	4,226
Defense and the Dollar	1953	31	3,791
Economic Controls and Defense	1953	75	3,923
World Population and Production	1953	411	8,350
Foreign Exchange in the Postwar World	1954	98	4,074
Approaches to Economic Development	1955	685	10,022
America's Needs and Resources: A New Survey	1955	180	10,143
American Imports	1955	44	2,823
Can We Solve the Farm Problem?	1955	66	3,493
World Commerce and Governments	1955	248	3,627
Economic Needs of Older People	1956	78	5,109
The Agricultural Commodity Programs	1956	49	1,804
U.S.A. in New Dimensions	1957	20 ^a	71,257

^a7,553 copies were sold by Macmillan in 1961 and royalties have been received.

Sales of Current Publications (continued)

T I T L E	YEAR PUBLISHED	TOTAL SALES	
		1961 SALES	TO END OF 1961
Greece: American Aid in Action	1957	27	2,851
Antitrust Policies	1958	92	3,408
Arms and the State	1958	502	6,165
Honduras	1959	199	839
The Economy, Liberty and the State	1959	315	5,815
Pension Funds and Economic Power	1959	268	4,724
Europe's Coal and Steel Community	1960	246	1,723
Tropical Africa	1960	3,929	7,594
Strategy and Arms Control (cloth edition)	1961	2,707	2,707
Strategy and Arms Control (paperback edition)	1961	4,347	4,347
Arms Reduction	1961	3,616	3,616
Latin American Issues	1961	3,358	3,358
Europe's Needs and Resources	1961	2,936	2,936
Megalopolis	1961	2,642	2,642

Administration

HEADQUARTERS STAFF

FINANCIAL STATEMENTS

DETAILED STATEMENT OF ASSETS

Headquarters Staff MARCH · 1962

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THOMAS R. CARSKADON, Associate Director
BEN T. MOORE, Associate Director
ISADOR LUBIN, Economic Consultant
ELIZABETH BLACKERT, Editorial Planning and Assistant to
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LOUISE FIELD, Research Associate
JOHN E. BOOTH, Education Associate
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ALICE MENTEL, Secretary to the Associate Director
BETTE M. TARAN, Secretary to the Associate Director

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ROSENFELD, LESLIE ROWLEY, ETHEL A. STEIDLER

Finances

FINANCIAL STATEMENTS

STATEMENT OF ASSETS

DECEMBER 31, 1961

WITH COMPARATIVE FIGURES

AT DECEMBER 31, 1960

	1961	1960
CASH	\$ 517,974	\$ 219,859
INVESTMENTS, AT QUOTED MARKET PRICES:		
United States Government bonds	\$ 3,937,043	\$ 4,168,270
Industrial bonds	50,000	49,500
Public utility bonds	591,775	593,773
Railroad bonds	48,865	49,403
Preferred stocks	1,868,592	1,792,757
Common stocks	17,106,917	12,871,950
Total investments	\$23,603,192	\$19,525,653
HEADQUARTERS PROPERTY, AT COST	495,000	495,000
Total assets	\$24,616,166	\$20,240,512

STATEMENT OF CHANGES IN PRINCIPAL

YEAR ENDED DECEMBER 31, 1961

WITH COMPARATIVE FIGURES FOR 1960

	1961	1960
OPERATING RECEIPTS AND DISBURSEMENTS:		
Operating receipts:		
Interest and dividends on investments	\$ 789,035	\$ 724,388
Sales of publications	116,802	59,207
Sales and rentals of films	1,718	974
Refund — armaments, summer study group	8,581	—
Total operating receipts	\$ 916,136	\$ 784,569
Operating disbursements	829,611	801,284
Excess or (deficiency) of operating receipts over disbursements	\$ 86,525	\$ (16,715)
CHANGES IN INVESTMENT HOLDINGS:		
Increase in quoted market prices of investments held throughout the year	\$ 3,979,923	\$ 986,368
Increase in quoted market prices over purchase cost of investments purchased during the year	192,654	65,133
Gain on sales of investments based on quoted market prices at beginning of year or purchase price during year	116,552	105,428
Increase in principal resulting from changes in investment holdings	\$ 4,289,129	\$ 1,156,929
Net increase in principal	\$ 4,375,654	\$ 1,140,214
BALANCE OF PRINCIPAL AT BEGINNING OF YEAR	20,240,512	19,100,298
BALANCE OF PRINCIPAL AT END OF YEAR	\$24,616,166	\$20,240,512

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, 1961 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.

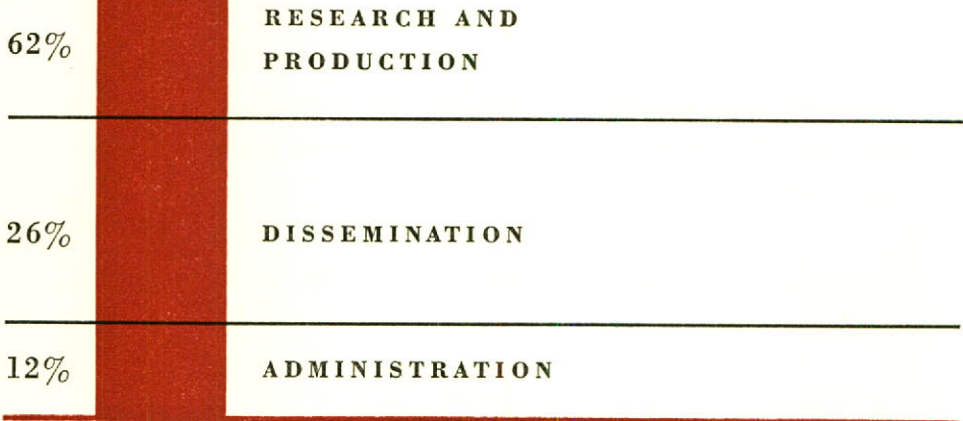
In our opinion, the accompanying financial statements present fairly the assets of Twentieth Century Fund, Inc. at December 31, 1961 and the changes in principal during the year then ended, on the bases indicated in the preceding paragraph and on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.

New York, N. Y., January 22, 1962

Total Operating
Expenditures
for the Year 1961:
\$829,611

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



PRODUCTION OF RESEARCH FINDINGS: 62%

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: 26%

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, 1961

SUMMARY

Cash Balance January 1, 1961	\$ 219,859
Total Receipts	<u>3,610,653</u>
Total Receipts and Cash Balance	\$3,830,512
Total Disbursements	<u>3,312,538</u>
Cash Balance December 31, 1961	<u>\$ 517,974</u>

RECEIPTS

Interest and Dividends from Investments	\$ 789,035
Sales of Publications	116,802
Refund — Armaments, Summer Study Group	8,581
Sales and Rentals of Films	1,718
Proceeds from Sale of Investments	<u>2,694,517</u>
Total Receipts	<u>\$3,610,653</u>

DISBURSEMENTS

HEADQUARTERS ACTIVITIES	\$ 311,260
RESEARCH PROJECTS	237,075
Explorations	\$ 4,519
Terminal Account	1,082
Distribution Costs and Methods	255
Megalopolis	8,443
Nuclear Energy	952
Europe's Needs and Resources	7,497
South Asia	33,075
Time, Work, Leisure	15,569
European and Atlantic Economic Cooperation	35,186
Latin America:	
Conference	7,531
Main Study	10,427
Agricultural Revolution	5,826
No. Atlantic Agricultural Policy	11,532
Burma	12,309
Costs of Discrimination — exploratory	3,209
Argentina	18,070
Law of Discrimination	8,905
Poverty in an Affluent Society	40,235
International Enterprise — exploratory	11,553
SPECIAL PROJECTS	29,632
Jacques Maritain Grant	\$ 2,575
Telford Taylor Grant	57
Arena Stage	25,000
Economics of Mankind	2,000

Cash Transactions, 1961 (continued)

PUBLISHING SUBSIDIES		\$ 2,199
PUBLISHING OF SURVEY REPORTS		153,887
EDUCATION AND DISSEMINATION		95,558
Motion Pictures and Television	\$32,196	
Foreign Language Translations	15,013	
Special Dissemination	23,115	
Working Papers and Paperbacks	1,423	
Institutional Literature	23,811	
TOTAL OPERATING EXPENSES		<u>\$ 829,611</u>
PURCHASE OF INVESTMENTS		<u>2,482,927</u>
TOTAL DISBURSEMENTS		<u><u>\$3,312,538</u></u>

Detailed Statement of Assets

DECEMBER 31, 1961 AND DECEMBER 31, 1960

B O N D S	AS OF DECEMBER 31, 1961		AS OF DECEMBER 31, 1960	
	<i>par value</i>	<i>market value</i>	<i>par value</i>	<i>market value</i>
United States Government Obligations:				
Treasury Notes				
4¾% Series A, May 15, 1964	\$ 100,000	\$ 102,687	\$ 100,000	\$ 104,500
5% Series B, Aug. 15, 1964	1,360,000	1,407,175	1,360,000	1,436,500
4¾% Series C, Nov. 15, 1964	960,000	991,200	960,000	1,010,400
4¾ Series A, May 15, 1965	882,000	905,979	882,000	923,344
Treasury Bills				
March 9, 1961			150,000	149,167
Treasury Bonds				
3¾% May 15, 1968	100,000	99,812	100,000	101,437
4% Oct. 1, 1969	55,000	55,378	55,000	56,547
2¾% Series B, Apr. 1, 1980-1975	100,000	100,000	100,000	100,000
4% Feb. 15, 1980	100,000	99,562	100,000	102,500
3¾% May 5, 1985	200,000	175,250	200,000	183,875
Total Government Obligations		<u>\$ 3,937,043</u> 16.4%		<u>\$ 4,168,270</u> 20.8%
Corporate:				
Industrials				
Youngstown Sheet & Tube				
1st 4½% Oct. 1, 1990	\$ 50,000	\$ 50,000 0.2%	\$ 50,000	\$ 49,500 0.2%
Railroads				
Virginian Railway				
6% deb. Aug. 1, 2008	43,100	48,865 0.2%	43,100	49,403 0.2%
Utilities				
American Telephone & Telegraph				
4¾% deb. Nov. 1, 1992	200,000	206,250	200,000	203,750
El Paso Natural Gas				
5¼% c.v. deb. Oct. 1, 1977	115,000	130,525	115,000	137,712
Louisville Gas & Electric				
4¾% first mtge. Oct. 1, 1987	50,000	52,000	50,000	52,500
Public Service Electric & Gas				
4¾% first ref. mtge. Sept. 1, 1990	50,000	51,375	50,000	50,437
Rochester Telephone				
4¾% first mtge. series Sept. 1, 1993	50,000	51,250	50,000	50,312
Southern California Edison				
4¾% first and ref. mtge. Sept. 1, 1985	50,000	49,125	50,000	48,562
Union Electric				
4¾% first mtge. Sept. 1, 1990	50,000	51,250	50,000	50,500
Total Utilities		<u>\$ 591,775</u> 2.4%		<u>\$ 593,773</u> 3.0%

Detailed Statement of Assets (continued)

	AS OF DECEMBER 31, 1961		AS OF DECEMBER 31, 1960	
	shares	market value	shares	market value
PREFERRED STOCKS				
Atchison, Topeka & Santa Fe Railway 5%	5,000	\$ 50,000	5,000	\$ 47,500
Celotex 5%	2,000	37,750	2,000	34,500
Central Maine Power 3.50%	1,000	71,000	1,000	65,000
El Paso Natural Gas 5.65%	800	81,600	800	80,800
Empire District Electric 5%	500	50,250	500	47,000
Gulf States Utilities \$4.44	650	60,775	650	57,200
Helme (George W.) 7% n-c	1,000	37,000	1,000	33,500
Interchemical 4½%	1,000	91,500	1,000	90,500
Jersey Central Power & Light 4%	860	71,380	760	61,370
Monongahela Power 4.40%	1,000	90,500	1,000	83,000
Pacific Gas & Electric 5% 1st	1,500	39,000	1,500	37,875
Reynolds Metals 4¾% "A"	2,000	96,500	2,000	95,000
Royal McBee 4½% "A"	500	32,500	500	35,000
South Carolina Electric & Gas 5%	1,400	71,400	1,400	69,475
Tennessee Gas Transmission 4.90%	1,200	117,000	1,200	112,800
Tennessee Gas Transmission 5.25%	1,000	101,000	1,000	100,000
Toledo Edison 4.25%	925	80,937	925	77,237
Tri-Continental \$2.70	6,000	330,000	6,000	321,000
United States Rubber 8% n-c	1,000	159,000	1,000	149,500
United States Steel 7%	1,000	144,750	1,000	142,000
United States Tobacco 7%	1,500	54,750	1,500	52,500
		\$ 1,868,592		\$ 1,792,757
Total Preferred Stocks		7.7%		9.0%
COMMON STOCKS				
American Can	3,000	\$ 139,125	3,000	\$ 106,125
American Natural Gas	3,327	153,458	1,331	109,974
American Telephone & Telegraph	5,250	714,656	5,000	535,625
American Tobacco	3,000	301,500	2,000	130,500
Atchison, Topeka & Santa Fe Railway	7,500	203,437	7,500	165,000
Bank of New York	300	130,200	300	100,800
Beech-Nut Life Savers			1,000	50,625
Bethlehem Steel	6,000	255,750	6,000	237,750
Boston Edison	4,400	367,950	4,400	299,200
Brooklyn Union Gas	4,400	190,850	4,000	124,000
Canadian Pacific Railway	3,000	74,625	3,000	64,875
Central Illinois Light	4,400	220,000	4,400	171,600
Chase Manhattan Bank	1,040	97,500	1,000	63,625
Chemical Bank New York Trust	1,750	174,562	1,750	103,250
Christiana Securities	800	170,400	10	136,000
Coco-Cola Bottling (NY)	3,000	80,250		
Consolidated Edison of New York	4,000	328,500	2,500	171,875
Consolidated Natural Gas	3,000	180,750	2,310	118,099
Consumers Power	3,880	322,525	3,880	240,560
Continental Insurance	1,000	69,875		
Corn Products			500	39,937
Dayton Power & Light	6,753	190,772	2,251	124,930

COMMON STOCKS (continued)	AS OF DECEMBER 31, 1961		AS OF DECEMBER 31, 1960	
	shares	market value	shares	market value
Federated Department Stores	129,000	\$ 7,095,000	150,000	\$ 5,737,500
First National Bank of Boston	1,200	112,500	1,000	70,500
Ford Motor	1,000	113,125	1,000	64,125
General Mills	2,000	67,750		
General Motors	2,400	136,800	2,000	81,250
Iowa-Illinois Gas & Electric	1,000	49,125		
Kansas City Power & Light			3,000	178,500
Liggett & Myers Tobacco	500	54,500		
Manufacturers Hanover Trust	2,000	135,750		
Mississippi River Fuel	4,000	156,000	4,000	136,500
Morgan Guaranty Trust, New York	1,200	163,200	1,200	122,100
National Biscuit	1,500	129,750	1,500	111,187
Niagara Mohawk Power	6,000	269,250	5,000	195,000
Northern Natural Gas	3,150	141,356		
Northwest Bancorporation	750	37,687	750	25,500
Ohio Edison	7,262	354,022	7,262	259,616
Otis Elevator			2,000	119,000
Pacific Gas & Electric	3,412	348,024	3,250	246,187
Pacific Lighting	3,500	210,437	3,000	159,000
Potomac Electric Power			6,930	237,352
Public Service of Indiana	5,000	335,000	5,000	243,750
Public Service Electric & Gas	3,000	192,000	3,000	133,125
Puget Sound Power & Light	4,400	188,100		
Socony Mobil Oil	2,750	141,281	2,750	107,937
Southern Natural Gas	2,000	94,750	2,000	76,750
Southern Pacific	6,000	166,500	6,000	126,000
Southern Railway	2,500	141,250	2,500	124,687
Standard Oil of California	4,800	262,800	2,000	96,250
Standard Oil of Indiana	5,000	275,000	3,000	141,375
Standard Oil of New Jersey			3,284	135,465
Standard Oil of Ohio	5,000	278,750	2,000	108,000
Texaco	6,000	344,250	2,121	181,132
Union Electric	6,600	311,025	6,600	259,875
Union Pacific Railroad	2,500	85,000	2,500	67,812
Wrigley (Wm.) Jr.	1,500	196,500	1,000	99,000
Youngstown Sheet & Tube	1,500	153,750	1,500	133,125
Total Common Stocks		\$17,106,917 71.0%		\$12,871,950 64.3%
HEADQUARTERS PROPERTY — at cost		495,000 2.1%		495,000 2.5%
TOTAL OF ALL INVESTMENTS		\$24,098,192 100%		\$20,020,653 100%
CASH		517,974		219,859
GRAND TOTAL OF ASSETS		\$24,616,166		\$20,240,512

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