1960 ANNUAL REPORT

# THE TWENTIETH CENTURY FUND

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THE TWENTIETH CENTURY FUND

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TO OUR STANDING ORDER MEMBERS

# 1960

# ANNUAL REPORT

# THE TWENTIETH CENTURY FUND

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41 EAST SEVENTIETH STREET
NEW YORK 21 · N.Y.

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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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# Board of Trustees and Officers MARCH · 1961

¶ William W. Waymack, journalist and public servant, a Trustee of the Twentieth Century Fund for eighteen years, died in November 1960.

# GOODS OR SERVICES– A CONTEMPORARY DILEMMA

## FOREWORD BY THE DIRECTOR

The American economy in recent years has witnessed a sustained growth in the service industries while the demand for goods has tended to lag. We are now spending about 40 per cent of all personal and household outlays for services, which have been rising both in cost and demand. Over the past ten years almost the whole increase in the working force has been absorbed in the service industries. The total number in mining, manufacturing and agriculture has remained virtually constant.

What does this change imply for the social and economic system of the United States? Are we becoming a less materialistic country? Are we rising into a new stage of economic development where employment will find new sources and the inventiveness and energy of our people new outlets?

From many points of view the Twentieth Century Fund has been concerned with this underlying change in the economy and with its implications for the life of mid-century America. The body of this Annual Report describes studies now under way, several of which are concerned directly or indirectly with the shifting balance between goods and services. The contemporary city, which Dr. Gottmann analyzes in terms of the vast urban agglomeration of our eastern seaboard, is increasingly a focus for the service trades, a showcase for the modern citizen's dazzling efforts to influence, cajole, entertain, and in various ways cater to the needs of his fellowmen. Leisure, to take another subject from the list of current projects, derives much of its tone and atmosphere from the kinds of choices the public makes between goods and services. Observers have often remarked on a tendency for leisure pursuits to involve gadgetry and physical possessions. But now in this area, as elsewhere in the economy, the drift seems to be toward those forms of activity which involve services—such as travel and eating out.

Reavis Cox has been engaged for some years on the Fund's second study of modern distribution: here, too, we see some of the implications and paradoxes of the service economy. The American system of distribution is complex and highly competitive; great progress has been made in handling goods and services through the adoption of technology and automation. One effect of the new methods of merchandising is to make the customer wait upon himself—up to a point a very sensible solution. But meanwhile, through other developments, service to the customer is pushed backward through various stages of processing and packaging, until it often becomes difficult to tell where manufacturing ends and distribution begins. In the area of foodstuffs, the goods produced by the farmer pass through so many transformations, being cleaned, pre-cut, frozen, half-cooked, packaged and so on, that the housewife may indeed claim that she has invisible servants working for her all along the line.

These examples are sufficient to suggest how pervasive are the effects of the shift toward services in our economy. In this introductory essay it may be useful to look at the matter a little more closely, seeing some results, both good and bad, for the social system and for the economy.

At the moral level, the increase in services must seem a gain. America has so long been accused of being glutted with things, the prey to gadgetry and possessions, that it is almost refreshing to hear that there is what the economists call "trouble in the goods sector." The tendency to acquire and to possess has contributed, among other things, to the retreat into privacy which has been noted as a disconcerting characteristic of contemporary America. The people have filled their houses and their backyards with paraphernalia, seeking escape from the crowded highways and the public places of the city. Modern man may be said to be not a man in the street, like the great citizens of the classic age; he is a man in the family room, surrounded by the goods of a commercial civilization. If he is now to get out again into the open air and into the public domain, so much the better.

The decline in the growth of demand for goods may be also a sign of maturity. It is in youth and in the earliest stages of marriage that people are avid purchasers. Then they build up their world around them. But the day comes when they are more concerned with keeping what they have, with repairing and maintaining it, and enjoying satisfactions that are free of the burden of possession. The American population has indeed tended to grow older during the period; those over 65 have increased in proportion to the total.

A mature economy, which is not quite the same thing as a mature population, also contributes to the growth in services. The basic drive for goods by the consumer has been met, and the system is called on to provide other forms of luxuries and pleasures. The growing efficiency of the production and manufacturing process leads a new generation of job-seekers to turn to the services, where greater opportunities appear to exist. As the citizens have more income, but a slower rate of growth in their incomes, the trend toward services is likewise accelerated.

It would certainly be premature to suggest that the American people are turning from a world of material things to a life of "plain living and high thinking." They have, for one thing, still plenty of possessions in their keeping, and they will undoubtedly go out and purchase more as soon as replacements become necessary or new and improved products catch their eye. Moreover, many of the services on which they increasingly spend their money – from mass entertainment to personal beautification – do not necessarily imply the attainment of a high mental or spiritual state. Nevertheless, some slight relaxation in the citizen's feeling that he must buy, some disposition (however temporary) to play down his role as consumer of goods, is a gain not to be overlooked.

When we turn to the economic system the growth of services gives us some second thoughts. On the positive side, the fact that a majority of the working force is now in the service sector may give the economy a greater stability. Jobs in this area are less subject to the hazards of an economic downturn. The purchase of goods is postponable and manufacturing is particularly susceptible to fluctuations. Services, on the other hand, get built into the economic and social system. The public, meanwhile, tends to sustain its expenditures in this area. Upkeep and maintenance come to be thought of as "fixed costs," unaffected by economic ups and downs; they may actually increase as the purchase of new equipment is put off for a more favorable day. Medical and educational expenses are, for understandable reasons, the last to be cut.

A second, and more questionable, benefit attributed to the growth of services in our economy is their capacity to create employment. There has been an observable movement of the working force away from agriculture to manufacturing and more recently into the services. As technological progress increases productivity, the displaced workers move into areas where the full impact of the machine has not yet been felt. Thus today the services, at least in many of their forms, do form a reservoir into which labor can pour. But two questions must be asked. Is not productivity likely to increase markedly in certain services? And secondly: is it economically sound to keep a large proportion of workers in inefficient, low-productivity services?

The services are usually thought of as comparatively immune to advances in technology. The barber is cited as being able to cut only so many heads an hour; the learning process is pictured as subject to speed-up only at costs to the pupil. Yet in other parts of the service sector, in transportation, communication and utilities, for example, automation is already far advanced. Office workers, now at a high tide of demand, will almost inevitably find their numbers reduced by the new business computers; teachers may be partly replaced by teaching machines.

But not all services can be, and not all will be, made efficient. In such areas we get strong inflationary pressures, for the workers receive a wage patterned on that of the high-productivity services and industries. They are not able, however, to increase proportionately the amount of work accomplished. The argument is nevertheless made that it is better to employ workers inefficiently than not to employ them at all. The family farm has long been supported on this reasoning.

In primitive economies and underdeveloped countries these arguments have much to be said for them. Manpower in the form of unskilled labor is often their principal resource; they may well be imprudent not to make full use of it. An illustration points up the dilemma. In the Punjab the Indians have been building the Backra-Nagel Dam with the aid of the latest equipment imported from the West. The Communist Chinese, in contrast, build a dam by organizing hundreds of thousands of workmen to carry earth and stones in baskets upon their heads. In China, as a result of such practices, unemployment or underemployment cannot be said to exist. Whatever may be the merit of such methods, they can scarcely be applied in an advanced technological society. The trend must continue to be toward getting as many workers as possible into highly productive and highly paid work. The increase in the minimum wage may be opposed on the grounds that it will cause new methods and machinery to be introduced into areas like retailing, with the result that workers will be laid off rather than paid the higher minimums. In the end, however, it seems unavoidable that in these service trades, as in manufacturing heretofore, the path will be toward higher wages, more efficient methods and fewer workers.

Today there is reason to believe that the high number of workers going into the services is caused less by need for them than by society's need for jobs. Where productivity and wages are high, as in communications and utilities, the number of workers has not grown. It is in the low-paid, inefficient categories that the main increases have occurred. This may provide a temporary alleviation of unemployment. It is certainly not a permanent solution. In the long run, society will have to find a way of dealing with the contradiction between the ideal of "full employment" and the actuality of declining needs for employment in many of its older forms. The services are a last refuge of the un-automated worker; they provide us with a cushion in a time of transition. But if they are shielded indefinitely from technological change, the result will be economic injustice to workers in these fields and inflationary strains in the economy as a whole.

In summary I would say that from the point of view of the social order the growth of services implies a healthy and normal maturity. From the point of view of the economy, the growth implies, rather disconcertingly, that we are seeking an easy way out of a problem which needs to be met by fundamental solutions in the social and economic sphere. I would suggest that throughout the economy we must use every pressure to attain maximum efficiency; and that likewise throughout we must use maximum intelligence to assure that people are not cast aside as useless. The family farmer, the small retailer, the handicraft worker may all have a significant part to play in the future — but a part alongside, and recognizably separated from, the highly automated technological system.

Having raised many questions, I cannot forbear to raise one more. Are not many of our so-called services inefficient when viewed in the balance sheet of society as a whole, however efficient they may appear in terms of their own output? Much of our transportation is made necessary by the fact that our cities provide no adequate housing for the workers in their midst. Many of our social services are efforts to ameliorate conditions which would not have arisen in a more sanely conceived environment. Medical services may find means to treat more patients in a shorter time; but the true test of their efficiency must be something else: the degree to which they are able to prevent disease.

It would be unfortunate if we should take pride in the growth of the service sector in our economy, if we should count its activities as part of our national wealth, only to find in the end that we are like a man who boasts he is in excellent health because his doctor's bills are so large.

AUGUST HECKSCHER, *Director*

April 1961

# Studies Published in 1960

TROPICAL AFRICA

EUROPE'S COAL AND STEEL COMMUNITY

# TROPICAL AFRICA

*Author:*
GEORGE H. T. KIMBLE
*Chairman, Department of Geography, Indiana University; formerly Director, American Geographical Society*

The Twentieth Century Fund embarked on a study of tropical Africa in 1953, envisioning at the time the need for a survey in depth of an area certain soon to enter the mainstream of world events. But the explosiveness of that entry, with its global reverberations, could hardly have been envisioned, certainly not at the very period when the study was to come out, in 1960, seven years after its inception.

*Tropical Africa* was published in two volumes, entitled *Land and Livelihood* and *Society and Polity*. Each volume carries a section of photographs from a collection made for the study and a number of specially drawn maps and charts. A country-by-country data sheet appears at the end of the second volume.

The scope of the work is encyclopedic; its 1,100 pages include information on virtually every facet of life in tropical Africa, its peoples, governments, economy, living conditions, education. Forty-six experts contributed working papers from which Dr. Kimble drew in writing the survey.

A central theme of the work is the variety of tropical Africa; the fact that, indeed, we can speak of no such place as "Africa," nor even of the African nations. Rather, Dr. Kimble says, we must take into consideration that tropical Africa is an area composed of some 600-odd groups, with differing origins, customs and aspirations; that the nations as they exist today represent very artificial boundaries.

The profound significance that this central fact has now – and will have in the future – is painfully evident in the Republic of the Congo, Dr. Kimble observes. "The champions of self-government in the Congo and elsewhere . . . promise freedom from external rule," he says, "but not freedom for all the peoples in their countries to determine how they shall govern themselves, or be governed . . . some Congolese peoples will get a lot less freedom than others." In fact, Dr. Kimble points out, there is so vast a difference in concept between what "freedom" means to us and what it means to the varying peoples of Africa that until we come to a closer understanding on their terms we cannot give them effective backing in their march toward self-government.

***STUDIES PUBLISHED IN 1960***

Though *Tropical Africa* does not concern itself with policy questions, but rather with the underpinnings of fact from which understanding and opinion must spring, the author does suggest that the role of the United States may well be a misunderstood one within our own country. If United States leadership and experience are to count in the struggle of the peoples of Africa to reach freedom and independence, then the United States must promptly and boldly adopt new attitudes toward Africa and view its peoples with new insights. Dr. Kimble says:

"We of the West, sired by democracy out of industrial progress and raised on a diet of advertising in a climate of emulation, find it difficult to believe that all Africans are not as we are. But isn't it time to concede the possibility of our thoughts not always being their thoughts, or our desires their desires? . . . There is the disposition of more and more Africans to do their own thinking and deciding about the kind of world they want to live in. This is expressing itself in many ways. Frequently it takes the form of skepticism concerning the suitability of Western political forms in countries still largely illiterate."

Our role, Dr. Kimble contends, is to view the troubled peoples with a new eye, cognizant of our responsibilities yet aware of different viewpoints, different aspirations; helping where we can, yet aware of our limitations.

# EUROPE'S COAL AND STEEL COMMUNITY

*Author:*

LOUIS LISTER

*Formerly Chief of the Coal Branch of the Economic Cooperation Administration*

The Twentieth Century Fund's interest in regionalism, with the focus on economic questions, is expressed in a number of Fund studies under way and several already published. The Fund's study *Europe's Coal and Steel Community: An Experiment in Economic Union*, by Louis Lister, was released in 1960. It provided a unique opportunity for a laboratory exploration of the creation, organization and early workings of a trail-blazing experiment in European economic federation, an experiment which could count heavily in the future course of European economic cooperation.

Comprising Belgium, France, West Germany, Luxembourg, the Netherlands and Italy, the European Coal and Steel Community was set in operation in 1952, and early in its history Mr. Lister went abroad to make his study. He had been a member of the United States delegation to the European Coal and Steel Community at the time it was established in 1952-53.

Besides giving attention to the workings and development of the Coal and Steel Community in its everyday operations, Mr. Lister studied the Community in its broader aspects as an experiment in international cooperation. In summarizing his work he drew a number of conclusions relating to the Community's historical place in European federation.

Mr. Lister found that while the Community has pointed the direction for new and more far-reaching steps toward integration, it has fallen short of its own major goals because of the unwillingness of the member nations to support a central authority.

***STUDIES PUBLISHED IN 1960***

The Community, Mr. Lister found, bears far closer resemblance to an intergovernmental agency than to the federal or supranational body its founders had in mind. Despite its failure to reach all of its goals, the Community has made impressive strides. It succeeded in abolishing customs barriers against the trade of coal and steel among the six countries and thus created an economic union in this vital industrial sector. Mr. Lister contends, however, that if the Community had been able to achieve a greater degree of federation, it would have made still greater progress. The individual national governments have turned out to be stronger, and the High Authority of the Community weaker, than the original treaty envisioned. The High Authority has no independent sources of political power. Yet each government, with its own power intact even in those fields in which it was to have surrendered it to the Community under the terms of the treaty, has been loath to sever the coal and steel industries from the national economic web.



Finally, Mr. Lister suggests it might be wise to incorporate the coal and steel industries into the European Economic Community when customs barriers are completely abolished in the latter Community sometime after 1970. He believes that cooperation between the two Communities and between the governments is so important that the European Coal and Steel Community's status as the first-born child of the European federal movement does not require it to have a permanently separate existence.

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# EUROPE'S NEEDS AND RESOURCES

*Research Director:*

J. FREDERIC DEWHURST

*Member of Board of Trustees, Twentieth Century Fund; formerly Executive Director, Twentieth Century Fund*

*Associate Research Directors:*

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*

Europe's economic recovery and expansion since 1945 is as unprecedented and unexpected in duration as in extent. Fifteen years after the end of the most destructive war in modern history, Western Europe's more than 300 million people have achieved a new level of material well-being. With a greater amount of modern industrial equipment than ever before, they are adding to that stock of capital at a rapid rate. Despite the collapse of empires, the Western Europeans remain closely linked in many ways with the emergent nations which are now, or will become, major producers of the important materials needed for industrial growth.

Even with such material riches Western Europe's most important resources today are an educated and skilled people backed by the world's longest industrial tradition and with vistas of new economic gains achieved through greater political unity.

Two centuries ago it was a combination of European brain and European brawn – in the form of inventive, energetic men and vast reserves of coal and iron – which made the region the birthplace of modern industrial society. Its future progress, given Western Europe's relatively weak position in physical resources, will depend much more on brain than brawn.

The course ahead cannot be fully discerned. The promising emergence of new regional and functional arrangements will by itself create new problems. Will the immense economic gains already made be exploited so as to reach the fullest potential and capabilities? Even now, there is hesitancy to paint the bold picture, to examine and test the possibilities of ever greater economic integration looking toward a vastly expanded mass market and new horizons of economic activity.

***RESEARCH PROJECTS IN PROGRESS***

The present work was prompted by a number of European observers and Americans who suggested that an over-all look at Europe along the lines of the Twentieth Century Fund's major stock-taking of the entire American economy, *America's Needs and Resources*, by J. Frederic Dewhurst and associates, might be of value on both sides of the Atlantic.

The European survey covers eighteen non-Communist countries of Europe. It goes well beyond a statistical survey, providing synthesis and analysis of the economic potential of the area as a whole and of the individual countries. Dr. Dewhurst, the research director, and his chief associates have been assisted by a small research staff and by a number of European specialists. The study is now complete and will be published in the fall of 1961.

# YUGOSLAVIA

*Research Directors:*

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

FRED WARNER NEAL
*Professor of International Relations and Government, Claremont Graduate School*

Events in Yugoslavia since the dispute with the Cominform in 1948 represent one of the most significant developments in Marxism since the Russian Revolution. What the Yugoslavs seem to be attempting is the creation of a socialist society basically independent of the Soviet Union. Since Yugoslav experience throws light on the feasibility of such a society, it must be watched closely by the United States and the whole West.

In an attempt to assess the Yugoslav experience and to relate it to world political currents, the Twentieth Century Fund has undertaken a study of Yugoslavia. It is under the direction of George W. Hoffman and Fred Warner Neal.

Yugoslav developments, both implicitly and explicitly, constitute perhaps the most devastating criticism that has been made from a Marxist viewpoint of Soviet practice and theory. Yet the directors of the Fund's study stress equally that an important feature of Yugoslav foreign policy is its persistent and unquestionable independence of either East or West, despite the fact that Yugoslavia's basic Marxist orientation brings it closer to the Kremlin than to Washington on certain questions. Even Yugoslav support of the Soviets on such a position as the non-inevitability of war is unlikely, it is felt, to make for any real *rapprochement* between Belgrade and Moscow.

Recent events have brought the Yugoslav experiment into a new focus of importance. There is, for example, the unquestioned fact that the Yugoslav experience makes a strong appeal to many of the newly independent countries. This, the research directors point out, accounts for the leading role played by Marshal Tito among neutralist nations at the meeting of the General Assembly of the United Nations in the autumn of 1960.

The Fund's study of Yugoslavia seeks to explore the broader implications of the Yugoslav experiment as well as to provide a survey in some detail of the country's life and politics. It seeks, in addition, to fit a description and analysis of Marshal Tito's unique form of communism into a treatment of Yugoslavia's history, geography and resources.

The study is scheduled for publication in 1962. Dr. Hoffman has done research work in Yugoslavia sponsored by the Social Science Research Council and the Research Institute of the University of Texas. In 1957 he traveled in Europe on a grant from the American Philosophical Society. Dr. Neal was formerly a Washington and foreign correspondent for the *Wall Street Journal* and a consultant on Russian Affairs and Chief of Foreign Research on Eastern Europe for the U. S. Department of State. In 1954-55 he was in Yugoslavia as an Associate of the American Universities Field Staff.

# EUROPE, THE WEST AND THE UNDERDEVELOPED COUNTRIES

*Research Director:*
PROFESSOR
JAN TINBERGEN
*Netherlands School of Economics, Rotterdam; Director, Netherlands Economic Institute, Rotterdam*

Europe's new economic dynamism involves new relationships and responsibilities to the underdeveloped nations of the world. Relationships between Europe and the Western Hemisphere also assume fresh forms as the problems of economic development are attacked. To explore these new relationships, and the broader problems of economic policy for the West, the Twentieth Century Fund has initiated a study with the working title of "Shaping the World Economy – A Policy for the West."

Research director for the study is Dr. Jan Tinbergen, a noted Dutch economist. His reflections on one of the major focuses of the study, the new position and responsibility of Europe, were outlined in a paper he prepared for the Action Committee for the United States of Europe. "The European community," he wrote, "has entered a new era with the opening of the Common Market: in population comparable to the United States, it becomes the second industrial power in the world, with an output greater than that of the Soviet Union. The Community's inhabitants can expect their living standards, which have been rising fast, to continue improving by 4 to 5 per cent a year, which exceeds the rate of the United States, though it is less than the Soviet Union's. The European Community is one of the new forms of a rapidly progressing industrial world that promises soon to provide abundance for all its citizens.

"Two-thirds of mankind enjoy no such promise. Of nearly 2 billion people in the less developed nations, about 1.2 billion live in the non-communist areas of the world. Most of these people are living like their ancestors on the margin of human existence, continually undernourished and weakened by disease, often without work and with an average life-span of thirty to fifty years compared with nearly seventy years for a European. For most of them, their income, including their own produce, averages some $50-$100 per person a year, which is less than one-tenth of the $900 a year enjoyed by the average European.

"These serious tensions in an increasingly interdependent world are creating an explosive situation. Our civilization, which is based on respect for the individual, must tackle this gravest of human problems and provide the underdeveloped areas with assistance commensurate with the challenge to the whole of mankind. The new Europe, as the world's second industrial producer, its biggest importing region and one of its greatest reservoirs of human skills, can make a major contribution to the betterment of life in the underdeveloped areas."

Dr. Tinbergen, working with several other European economists in carrying out the project, expects to start his study with a broad survey of the economic posture of the West today and go on to an examination of the multiplicity of regional and international organizations which have been created for economic action. The study will examine some of the problems of the underdeveloped areas in the light of what has been done so far and what might be done in the future. Completion of the work is set for 1962.

# NORTH ATLANTIC AGRICULTURAL POLICY

*Research Director:*
JOHN O. COPPOCK
*Formerly Deputy Chief, Central European Division, Foreign Operations Administration, Washington, D. C.*

The surpluses which characterize American agriculture are now appearing in some countries of Western Europe. There, too, they are burdening the domestic economies without being effectively used to alleviate the need for foodstuffs in less fortunate parts of the world. In Europe, as in the United States, the problems – and promises – of agricultural surpluses appear to be held immobile in the conflicting pressures of social and political interests. This has prevented farm problems from being seriously discussed by the North Atlantic countries which have cooperated closely in many other fields. In addition, the appearance of agricultural surpluses in some European countries will intensify those areas of conflict of national interest which are already making regional cohesion difficult to maintain.

The situation also points up the tragic paradox of an overabundance of food in some parts of the world and starvation conditions in other parts. The paradox becomes more striking when seen against the perspective of today's international tensions, in which the role of agriculture might be a genuinely constructive one.

Believing that agricultural policies might well play a more important role in the world economy, the Twentieth Century Fund in 1960 embarked upon a study of American agriculture and the North Atlantic community. The study will explore the connection between agricultural policies and over-all foreign policies and will investigate ways in which the United States could act, alone and in concert with other nations, to produce a mutually more rewarding economic and agricultural situation in the North Atlantic region. The study will attempt to be comprehensive in its coverage of the whole region, but its main proposals will center on action by the United States and Canada as the main exporting countries and the United Kingdom and Germany as the main importing countries.

Research director for the study is John O. Coppock, who in early 1960 finished his task as associate research director for the Fund's major survey of Europe's Needs and Resources. Formerly Mr. Coppock was with the Foreign Operations Administration as Deputy Chief of the Central European Division.

Mr. Coppock, who carried on research for his project in Europe last summer, found that agriculture is as deeply rooted in politics there as it is in America. "Politics being the 'art of the possible,' there are very real limits to what can be seriously proposed as modifications to national agricultural policies," he reported. "Any proposed policy changes must necessarily be fairly long term. However, the study will stress the need for getting started soon – we are all ten years late already in responding to a technological revolution which is still going on."

# SOUTH ASIA

*Research Director:*
GUNNAR MYRDAL
*Professor of Economics, University of Stockholm; formerly Executive Secretary of the United Nations Economic Commission for Europe*

The nations of South Asia, with their ancient heritages, religions and wisdoms, are in many ways strangers in today's world. Immense populations with vast unfilled needs and aspirations have been thrust into the crucible of the twentieth century with little preparation for the freedom and independence which they have sought, or which the times have thrust upon them.

Within the span of years since the war – only a moment in the history of these people – they have been called upon to face new responsibilities of a complex nature; 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 the new ones of their wishes, or at least to the frameworks which may one day become the nations of their wishes. But first 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. In addition, there are often large segments of the population to be made literate and to be prepared for the most elementary responsibilities of freedom.



How these countries will meet their problems and the directions in which these governments will move in today's divided world are questions still not answered. But it is evident that, whatever the answer, it will be of vital importance to the United States and the rest of the world.

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 as well as economic considerations.

A certain shift in emphasis in the study has arisen, also, from the lack of availability of much needed factual material on the economies of the nations concerned and the unreliability of some of the available statistical information. Thus a survey of broad comprehensiveness is no longer contemplated; the emphasis, rather, is on uncovering the problems which are most vital to the region and its development.

In 1957 Dr. Myrdal established headquarters 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, where he will have the assistance of a small staff, including 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.

# BURMA

*Research Director:*
LOUIS J. WALINSKY
*Senior Associate, Robert R. Nathan Associates, Inc. (on leave); formerly Chief Economic Adviser to the Government of Burma*

The Twentieth Century Fund has long been interested in studying the processes of economic development, and in specific case studies of development on a national or regional basis. A study of Burma particularly commended itself to the Trustees in the light of Dr. Myrdal's comprehensive study of South Asia.

The objective of the study of Burma will be to assess the major economic and social development program which was set under way there in 1951. The study will start with a description of the country and its development under British rule up to the time of independence and go on to sections dealing with the eight-year development program. These include: the implementation of the program in a changing economic setting; its application to major segments of the economy; Burma's main problems today; and a concluding section of analysis ending with a chapter on the significance of Burma's experience for the United States and Western foreign policy.

The study will be carried out by Louis J. Walinsky, Chief Economic Adviser to the Government of Burma from 1953 to 1958. Mr. Walinsky held this position in his capacity as Chief Economist of the Robert R. Nathan Advisory Group, which was responsible for the major part of the planning and implementation of the development program embarked upon after the war.

At the beginning of 1961 Mr. Walinsky made a trip to Burma for the purpose of familiarizing himself at first hand with developments in the area that had occurred since his earlier period of residence. He was impressed by how much of the Burmese experience has general application to problems of economic development in other countries, and particularly for emerging Africa, which shares many of the background conditions that profoundly influenced Burma.

# LATIN AMERICA

*Research Director:*
ALBERT O. HIRSCHMAN
*Professor of International Economic Relations, Columbia University*

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

Increasing political and social unrest in Latin America has brought recognition in recent years of the need for economic aid and of the United States' responsibility to contribute toward it. A prerequisite for such aid, however, must be the creation of imaginative and effective economic programs within the countries themselves so that the aid can be effectively utilized. In 1960 the Twentieth Century Fund, which has long had an interest in Latin American affairs, launched a study of economic policy-making in Latin America which could make a contribution to this objective. The study will center on a limited number of economic problems which would have a wide relevance throughout Latin America.

Albert Hirschman, director of the research, expects to study specific problems in five countries, choosing those which have a protracted and well-documented history. They are: foreign investments in Mexico; land reform in Colombia; inflation in Chile; the promotion of petroleum and steel production in Argentina; and the lag of the northeastern region in the development of Brazil.

In approaching the study, Professor Hirschman, who is the author of *Strategy of Economic Development*, has given a good deal of consideration to the processes of economic development themselves. "Economic development constantly confronts public and private decision-makers with a variety of policy problems, and the successful promotion of development clearly depends in large measure on the way in which these problems are handled," he recently wrote. "How then do developing societies typically come to grips and cope with their economic policy problems?"

"The question is simple and obviously important; yet it has received little attention. Social scientists usually analyze problems such as inflation and land tenure from the outside, like certain doctors who engage in a strict minimum of conversation with the patient. They seldom investigate such questions as: When and how were inflation or land reform first perceived as problems? What actions were taken as a first attempt at solution? Were new insights or learning acquired about the nature of the problem in the process of wrestling with it? How do new groups acquire an interest in solving the problem or find a way of adjusting to it? Are there problems which lend themselves to piecemeal approaches and gradual reforms, while others are typically tackled in an environment of revolutionary brinkmanship or upheaval? Such questions will stand in the center of the present inquiry into the process of economic policy-making in Latin America."

Charles E. Lindblom, Professor of Economics at Yale University and a writer on policy-making and policy analysis, will be special consultant for the project. The study is expected to be completed in 1962. The Fund expects to publish meanwhile some of the working papers for the study.

# ARGENTINA

*Research Director:*

MERWIN L. BOHAN

*Formerly United States Representative to the Inter-American Economic and Social Council of the Organization of American States*

The ousting in 1955 of the authoritarian Peron government revealed in Argentina the existence of serious economic and financial problems. Uncontrolled inflation, recurring deficits in the balance of payments coupled with a decline in the external value of the peso, stagnation in the vital agricultural sector of the economy, decapitalization of the power and transportation industries and chronic labor unrest were among the more obvious symptoms.

Argentina had, in short, reaped the unhappy harvest of those years with an economy badly out of balance and an urgent need for economic reform to bolster political stability. Today Argentina is facing the familiar economic dilemma of the underdeveloped countries. It must accelerate the process of economic development and at the same time restrain the mounting inflation which is in turn a reflection of inadequate economic growth and of efforts to overcome it. The Argentine government has been attempting to achieve both of these objectives through an economic stabilization and development program, supported by financial assistance from abroad and guidance from international agencies.

Viewing the Argentine dilemma, and in line with its general interest in the problems of development, the Twentieth Century Fund began a study designed to examine the major questions of economic and financial policy presented by the Argentine situation and the possibilities of achieving stability and growth. The Fund hopes that the project will have usefulness as a case study of the policy of economic development in general, since Argentina's problem is one familiar to many of the countries that are working toward more productive use of their resources. It hopes, in addition, that the study will have immediate practical value in Argentina.

The director of the study is Merwin L. Bohan, a writer and diplomat with long experience in South America. He was formerly United States Representative to the Inter-American Economic and Social Council of the Organization of American States. At the present time Mr. Bohan is a member of the group appointed jointly by the United Nations Economic Commission for Latin America and the Organization of American States to study the role of private foreign capital in the Latin American Free Trade Association. Assisting Mr. Bohan in the Argentine study is Joseph J. Magurn, Washington economist with Checchi and Company. The study of Argentina is expected to be finished in 1961.

# MEGALOPOLIS

*Research Director:*
JEAN GOTTMANN
*Professor, Ecole Pratique des Hautes Etudes and Institut d'Etudes Politiques, University of Paris*

Megalopolis is the name given by Professor Jean Gottmann to the continuous stretch of cities and suburban areas extending from north of Boston to south of Washington, D. C. It represents one of the major evolutions in land use in the world's history and strikingly expresses the rapid shifts in patterns of living that are now developing in our system. The Fund's study, directed by Dr. Gottmann, a French scholar and geographer of international repute, will not only explore the phenomenon as a new way of social organization but will give attention to the implications of the changes for methods of government, political organization and taxation.

The manuscript was substantially complete in early fall 1960. At that time Dr. Gottmann left for a trip through the Middle East and Europe and to assume his post at the University of Paris, from which he had been on leave. Returning early in 1961 for final work on his manuscript, Dr. Gottmann said that his travels had convinced him anew of the value of *Megalopolis* as a pioneer study, and of the region as a laboratory, indirectly forecasting trends of general interest both in the United States and in all parts of the civilized world.

"Among these trends now apparent on the continent of

Europe," he commented, "are the rapid extension, one toward the other, of large, not-too-distant metropolitan areas and the concentration of formerly rural and urban habitat and activities. Residences and industrial production scatter around the land as farms used to do. A new nebulous structure results for land use and population distribution, creating many new problems in various fields.

"The contemporary process of urbanization in the civilized world calls for a good deal of imaginative leadership, so vast and so quick are the changes thus coming upon masses populating the many regions already involved in it. The old forms of planning even of the more comprehensive kind, may not be satisfactory any more. Visiting a few weeks ago the ancient site of Megalopolis in the Peloponnesus and the small village which has survived to this day, I reflected upon the fragility and fallacy of great plans: even though brilliant and wisely drawn, they build only for short periods, as history marches on. If our modern Megalopolis has withstood as well as it has the march of time for three centuries since its beginnings, this must be ascribed to an exceptional degree of diffused and stubborn dynamism. It is to such a spirit, which endures only in a free and changing society, that one should look for the key to successful growth and development of an urban region. Local natural endowment, the brilliance of leading experts, the logical excellence of proposed plans are of little value without that spirit diffused among the people."

Publication of the work is set for late 1961.

# TIME, WORK AND LEISURE

*Research Directors:*

SEBASTIAN DE GRAZIA
*Political scientist and consultant; author of* The Political Community

AUGUST HECKSCHER
*Director, Twentieth Century Fund*

*Associate Research Director:*

THOMAS C. FICHANDLER
*Formerly Research Associate, Twentieth Century Fund*

Whatever the new American leisure is – if indeed it is leisure at all in the accepted sense – its quality has been formed by the history of the nation in which it has been created. When the country was founded, work had become the dominant social ethic. There were immense tasks waiting to be done in creating a nation and opening a continent and in building an industrial machine. By the twentieth century, however, a new element had emerged. The happy years before World War I found a nation ready to relax, look about and see what life might hold. Even the Great Depression brought new concepts of leisure as government programs introduced new elements into leisure activities and gave currency to ideas based on the machine and technology.

The post-World War II period found many of the old tendencies ripened. Technocracy had matured into automation. But a bigger thing had happened than the mere extension of free time. The quality of civilization had been altered by the automobile, the mass media, the suburbs – so that free time came to have an altogether different significance and content. It may be said that leisure was becoming an end in itself, not a means; a pervasive influence and not a random interlude. We began to have a leisure civilization, changing our whole style of life – our architecture, clothes, landscape, etc. At the same time the United States found itself in a world of great challenge and heavy requirements; for Russia was using the machine for a different motive, and had introduced it into its life at a different state of development.

Thus the issue in regard to leisure is no longer merely to enlarge or extend it; it is finding how a leisure society can meet the needs of the day and create a civilization at home which will have meaning, not only for ourselves, but as an example to others.



The Twentieth Century Fund's study expects then to concern itself with the broader implications of leisure. It takes into account the fact that what a society does with its free time must lead quickly to questions about the rest of its time. The two kinds of time may be indistinguishable for some persons; or the one may compensate for the other. For the subject of leisure, an approach with breadth and perspective seemed called for, the kind of study that takes the whole community as its concern, bringing together the findings of the pertinent sciences, and not hesitating to ask fundamental questions. This is the way of the political philosopher, and as the work has developed it can best be described as a study of the political philosophy of leisure.

In the past year, the major share of the work has been carried by Sebastian de Grazia and he will be the author of the book *Time, Work and Leisure*, which will be published early in 1962. The Fund hopes that this will prove to be one of several studies in this field.

## DISTRIBUTION COSTS AND METHODS

*Research Director:*
REAVIS COX
*Food Fair Stores Foundation Professor of Marketing, Wharton School of Finance and Commerce, University of Pennsylvania*

For a good many years distribution (or what many students today prefer to call marketing) has been an obtrusive paradox in the American economy.

The complex activities designated by this term have absorbed a large part of the energy devoted to economic affairs. Producers and merchants have not hesitated to spend massive sums on the marketing of goods and services. Consumers have shown no great reluctance to pay the resultant charges

*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 Pennsylvania*

embodied in the prices of what they buy. In fact, observers of the American scene often criticize consumers severely for accepting the system with blithe thoughtlessness. By the test of acceptance in the open market, distribution has come off very well indeed.

Nevertheless, among those who pride themselves on thinking about what goes on in this process, rather than merely participating in it, many express serious doubts as to whether distribution delivers full value for what it charges. Some of them will concede that much – perhaps even most – of what distribution does is useful; but does it really need to cost so much?

It is the paradox of distribution which the Twentieth Century Fund is interested in exploring, recognizing that whatever the role distribution plays, it is one of immense importance in the economy and in our daily lives – whether in changing our eating or shopping habits by way of frozen foods or the supermarket or in affecting us, or our pocketbooks, in less obvious ways through the mechanization of materials handling or the automation of inventory control.

The Fund first explored the role of distribution in its study *Does Distribution Cost Too Much?*, published in 1939. The new study will be wider in scope and will look at the role and significance of distribution in its broadest sense – as a highly complex process in the organization of our economic and social life. It will aim to make apparent the social and private significance of distribution; to offer meaningful measurements of the work distribution does and the results it achieves; to evaluate the effectiveness of the distribution system and to shape such recommendations as may be appropriate. The recommendations and analyses will derive from a foundation of research which has been carried on over a period of some six years since the start of the new work.

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

Professor Cox, research director for the study, has had wide experience in research and as a writer and teacher in the field of distribution. He is a former President of the American Marketing Association. Professor Cox has met with several delays in completing the manuscript, originally scheduled for an earlier date, and now hopes to have it completed by the summer of 1961.

# CIVIL-MILITARY RELATIONS

*Research Director:*

HAROLD STEIN

*Professor of Public and International Affairs at the Woodrow Wilson School of Public and International Affairs, Princeton University; formerly Deputy Director of the Office of War Mobilization and Reconversion*

Events in this second half of the twentieth century have led to a balance between the threat of military force and the hopes offered by negotiation. Implicit in this balance has been a new relationship between the military and the civil elements of government, a relationship particularly novel in the United States where tradition has for so long proclaimed the civilian element dominant. Indeed, during most of the nation's history the currents of world affairs, together with our own governmental processes and institutions, permitted a clear separation of military and civilian controls.

Today, with military expenditures taking the major share of the national budget and with every diplomatic decision shadowing a military possibility of often fearful proportions, we are faced with problems of a new nature in civil-military relationships.

Toward gaining a better understanding of these problems and conditions, the Twentieth Century Fund undertook a survey of civil-military relations, the first part of which was published in 1958 under the title *Arms and the State.* This study, by Walter Millis with Harvey C. Mansfield and Harold Stein, provides a review of civil-military relations from the time of the Manchurian crisis in 1931 to the end of

World War II, exploring the various elements of civil-military life in our society. It is a society, says Mr. Millis, in which "the civil and military elements have become so deeply intermeshed that neither the uniformed officers nor the administrative bureaucracy nor the representative legislature speak from any firm, independent position of principle or policy."

Currently the Fund is completing the final undertaking of this project, the preparation of a series of case studies of certain major decisions in the realm of civil-military affairs in recent decades. These give a detailed narrative of the events, often of seemingly minor importance in themselves, in the course of which an administrator or administrative group arrived at policy decisions.

The case studies expected to be included will be: Aid to Russia: The First Year; Birth and Death of the M-Day Plan; Directives for the Occupation of Germany: The Washington Controversy; Super-Carriers and B-36 Bombers; Appropriations, Strategy and Politics; To the Yalu and Back; Bases in Spain; The American Decision to Rearm Germany; The Italian Armistice; The Movement of the Fleet to Pearl Harbor; The Far Eastern Crisis of 1931-32.

Harold Stein, director of the project on civil-military relations, has supervised the preparation of this collection of cases and has edited it. The case studies have been contributed by Marvin D. Bernstein, Albert A. Blum, Paul Y. Hammond, Martin Lichterman, Francis Loewenheim, T. J. Lowi, L. W. Martin, Robert J. Quinlan and Michael D. Reagan.

# NUCLEAR ENERGY

*Research Director:*

PHILIP MULLENBACH

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

Under the Atomic Energy Act of 1954, the national effort to develop the peaceful atom has progressed, in six short years, from "excessive hopes" at the outset to "disillusioned skepticism" somewhat later and now to "chastened resignation." This changing opinion has taken into account the demanding realities of an unfulfilled technology, of economic boundaries and of social acceptability.

In an effort to explore the new realism in regard to peaceful uses of the atom, the Twentieth Century Fund has under way a study on nuclear energy. Philip Mullenbach, research director for the study, hopes to suggest realistic foundations upon which the United States might now base a program and to provide guidelines for its development.

"The 'new reality,' " says Mr. Mullenbach, "is evidenced throughout the national program for nuclear power. Industry and government have together accepted the need for a long, costly ten-year development program, requiring federal expenditures of more than $200 million annually. Former administration policy imposing responsibility for 'taking the initiative' on the private utilities and industry had to be modified. Measures to force private development have given way to greater use of public investment and assistance in reactor research and prototype plant construction. Also, the early pretentiousness of the Atoms-for-Peace Program has yielded to a more constrained view of the peaceful atom's contribution to American foreign policy, to economic progress of less developed countries, and to the deficiencies of high-cost energy in industrialized nations. In addition, the techno-legal complexities of power reactor hazards and safety, including the politically charged issues of international safeguards to help prevent diversions to military purposes, have proved less tractable than was assumed in 1954.

Finally, industry and government executives, confronted by world surpluses of conventional fuels for power, notably in Western Europe, are no longer optimistic that experimental nuclear power can soon cross the competitive-cost threshold."

Nevertheless, there are compelling reasons for sustaining a present effort in the field of nuclear development. These include the possibilities, long term though they may be, for developing competitive sources of energy from nuclear power. Mr. Mullenbach, recognizing the continuing need for the military development of nuclear weapons, is convinced that the nation would suffer, in moral and political stature, were our strong military program of atomic energy not to be complemented by a forceful civilian program. Furthermore, through its recognized advantage in resources and diversified reactor technology, the United States possesses an unequaled opportunity to provide effective world leadership in both control and promotion of nuclear power development.

Mr. Mullenbach was formerly an economist with the Atomic Energy Commission in Washington. He is working on the final stages of his study, which is set for publication in 1962.

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A study on the financial management of pension funds by Paul L. Howell has been terminated.

# Special Projects

ARMS CONTROL

POLITICAL THEORY

POWER AND PEACE

THE GERMAN MILITARY IN WORLD WAR II

OTHER PROJECTS

# SPECIAL PROJECTS

## ARMS CONTROL

A conference to explore new roads to arms control, taking into account political and sociological as well as technical considerations, was held during the summer of 1960 under the auspices of the American Academy of Arts and Sciences with financing from the Twentieth Century Fund. One of the purposes of the study was to investigate the basic premises and conditions which must underlie effective control of armaments and to formulate several approaches which might be considered under varying conditions. Two Fund publications grew out of this conference, *Strategy and Arms Control*, by Thomas C. Schelling and Morton H. Halperin, an analysis of basic concepts, especially as they relate to military strategy; and *Arms Reduction: Program and Issues*, edited by David H. Frisch, a collection of papers discussing aspects of timing and questions of policy that might arise in putting a system of arms control into operation. The first book is being issued in paperback format and in hard covers, the second in paperback only.

Another volume that used the meetings of the summer study group as a starting point and then went on to develop the author's personal theses, Arthur T. Hadley's *The Nation's Safety and Arms Control*, was published by the Viking Press in March 1961.

In *Strategy and Arms Control* Messrs. Schelling and Halperin find that in a world facing the danger of nuclear war, arms control can be an effective and realistic way of increasing our national security and carrying out our military objectives. "We believe that arms control is a promising, but still only dimly perceived, enlargement of the scope of our military strategy," say the authors of the work. "It rests essentially on the recognition that our military relationship 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."

Exploring ways of relieving some of the intolerable pressures that now bear upon potential enemies, Messrs. Schelling and Halperin say: "If both Soviet and American forces should succeed, through cooperative measures or unilaterally, in developing reasonably invulnerable retaliatory systems, so that neither could disarm the other in a sudden attack and neither needed to be obsessed with the imminence of attack, a large reduction in numbers might come naturally. Certainly nothing like the nuclear-energy delivery capability of our present bomber force would be needed if the entire force were reasonably secure against attack and if Soviet forces were similarly secure against our attack."

The authors say that to provide secure and well-controlled nuclear forces, together with secure command arrangements and communications to back them up, capable of retaliating no matter how great the initial destruction of enemy attack and not dependent on hasty response to ambiguous warning, could well mean an increase in arms expenditure – and would not contradict the spirit of arms control.

Commenting on the paradox of approaching stabilized arms control by expanding rather than contracting our total military program, Messrs. Schelling and Halperin say: "If both sides can profit from improved military communications, from more expensive military forces that are less prone to accident, from expensive redeployments that minimize the danger of misinterpretation and false alarm, arms control may cost more not less. It may by some criteria seem to involve more armament not less."

## POLITICAL THEORY

In 1960 the Fund continued payments on a grant to Carl J. Friedrich, Eaton Professor of the Science of Government and a member of the Graduate School of Arts and Sciences as well as that of Public Administration, Harvard University, to complete work on a major study of political theory, the basic concepts of which have been developing through a distinguished career of writing and teaching.

A grant was made for a Conference on Economics and Mankind, sponsored by the Committee for the Study of Mankind. The Committee is composed of a group of scholars whose central concern is the problems facing mankind as a whole – the threat of nuclear war, expanding population, food supply, automation, the rights of the individual, the dilemma of the aged, to mention only a few – and the ways in which these problems can be dealt with universally, rather than in segments according to nations or religions or particular philosophies. It is the Committee's object to study these problems with mankind as the predominant idea, instead of permitting the idea of mankind to be subordinated to other considerations as it too frequently is in the exploration of such universal questions. The Committee has held conferences, starting in 1959, on Philosophy and Mankind, Education and Mankind, Science and Mankind, Law and Mankind and, with a grant from the Twentieth Century Fund, Economics and Mankind. Other conferences and publications based on them are projected for the future by the Committee.

The conference on Economics and Mankind was held at the Massachusetts Institute of Technology in November 1960. Gerhard Hirschfeld is Executive Director of the Committee and Quincy Wright, Professor of International Law, University of Virginia, is Chairman of the Board.

## POWER AND PEACE

A study by Herbert Rosinski, originally undertaken by the Fund in 1957, examines the nature of power in the modern world, with the implications of novel forms and aggregations of power for the peaceful development of nations. Mr. Rosinski is now completing his work in German for European publication.

## 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 from the Twentieth Century Fund which Mr. Taylor expects to use in the extensive research required for his project. 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.

## OTHER PROJECTS

Other special projects of the Fund in the field of political science include an installment on a grant to the American Society for Political and Legal Philosophy toward the publication of papers presented at its annual meetings. Three volumes have been published, Authority, Community and Responsibility; a fourth and a fifth are to come.

A grant was made to E. H. Carr, of Cambridge University, to aid him in his work, *The History of Soviet Russia.* The Fund made payments on a grant to enable Professor Jacques Maritain to pursue his political and philosophical studies.

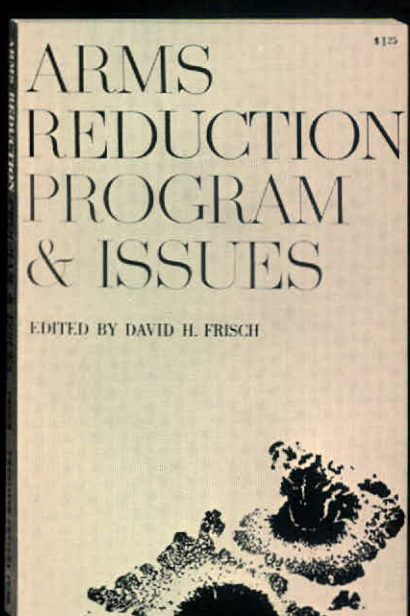
# THE BOOKS AND GRAPHIC WORK OF THE FUND A PORTFOLIO

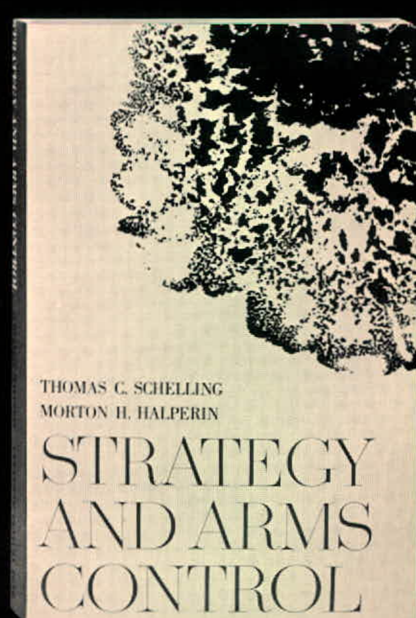
The Twentieth Century Fund for more than twenty-five years has been publishing in book form the results of its studies and researches. In this it differs from most foundations, which are prepared to leave to others the responsibility for bringing before the public the work they have sponsored or supported. Experience has convinced the Fund that in preparing its own books for the printer, seeing them through the press and attending to all details of their circulation, it can most effectively maintain high standards and insure maximum impact.

On these pages are shown representative volumes from among those recently published under the Fund imprint. Certain other examples of the Fund's graphic program are illustrated, including a current photographic exhibition and a selection of the Fund's informational leaflets.

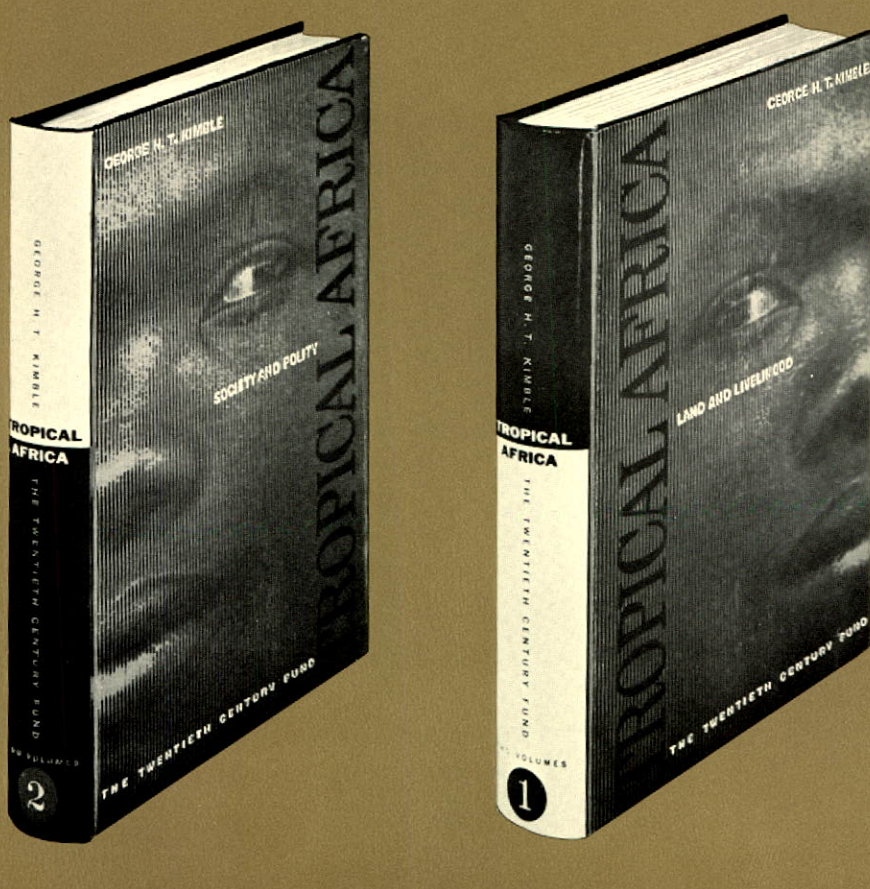
The Fund has aimed at high standards of design and manufacture in the books that appear under its name. The typography in recent years has been in the hands of Joseph Blumenthal, whose Spiral Press, in New York City, maintains standards of workmanship and individuality rarely found today. The design of book jackets and of other pieces of display has been by Charles Forberg Associates.

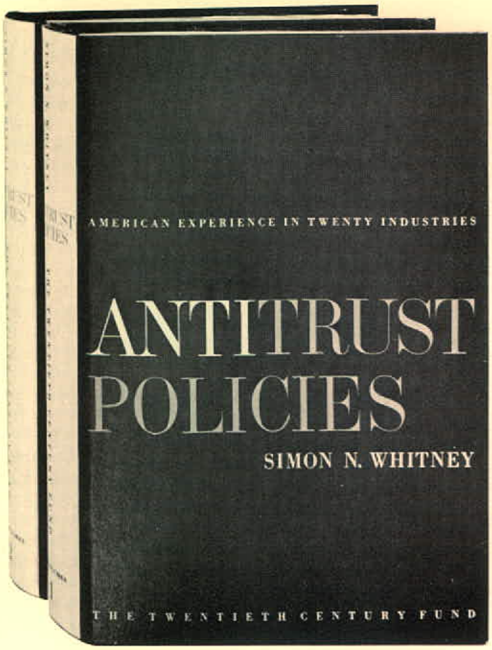
The book on **Pension Funds,** among those illustrated here, was chosen by the American Institute of Graphic Arts for the "Fifty Books of the Year" exhibition in 1960.




The study of **Tropical Africa,** seven years in the making, was a major publication of 1960. The work is in two volumes, of more than 1,100 pages, containing numerous maps, charts and photographs. Above is the circulating exhibition which was prepared from photographs taken in Africa especially for the work.

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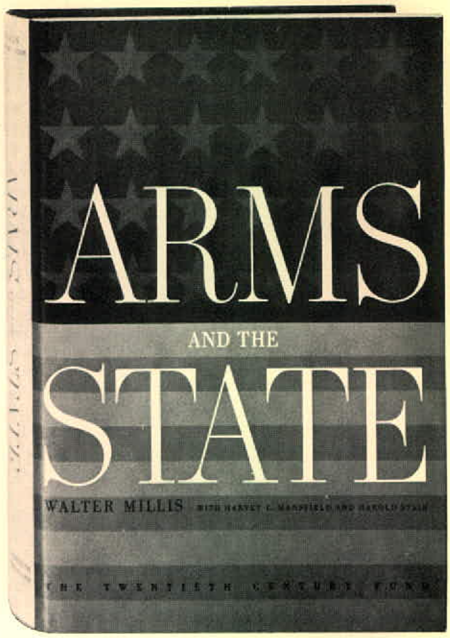
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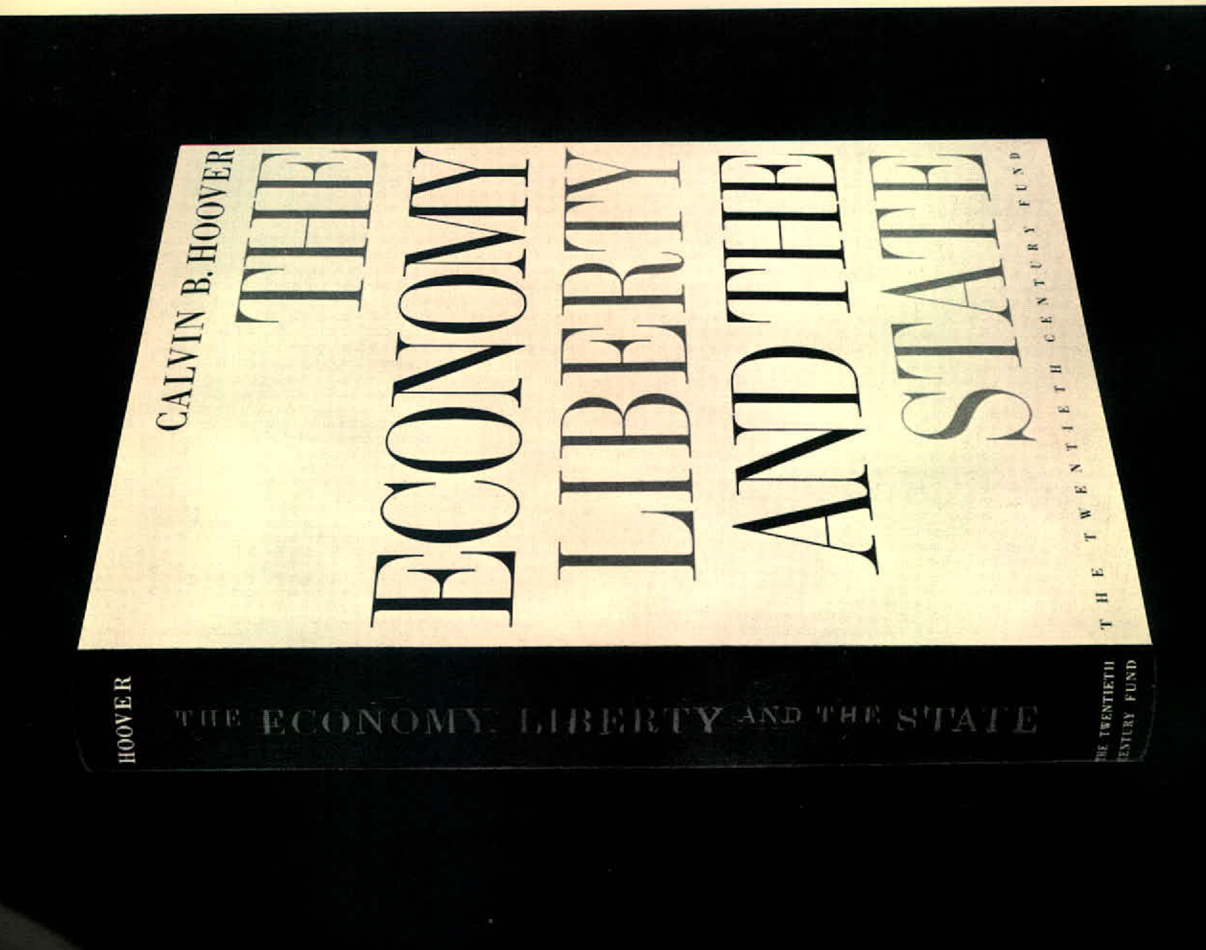
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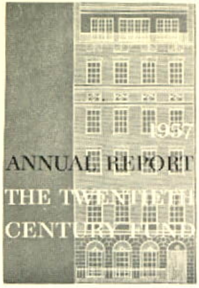
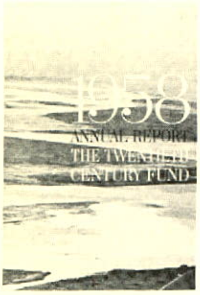
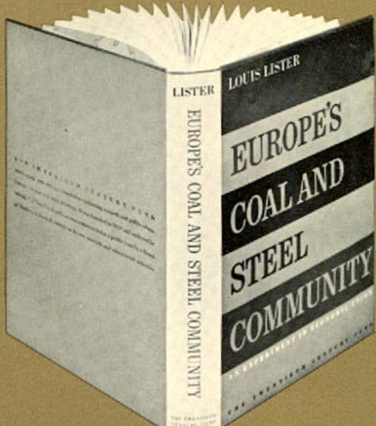


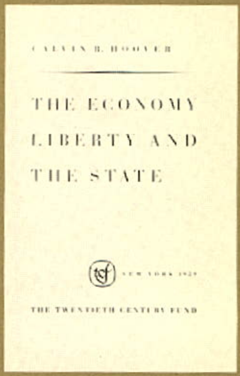



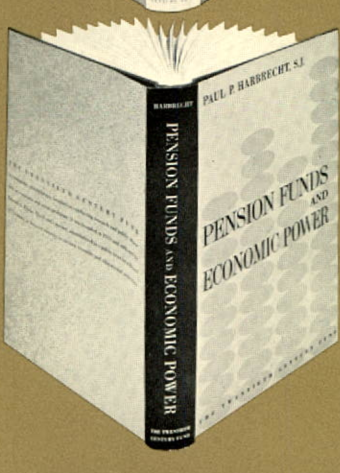


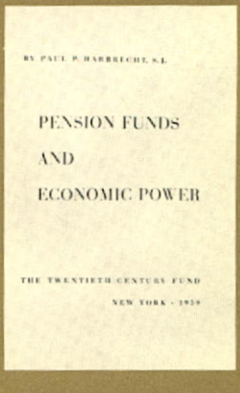
Many works of the Fund have presented highly complex problems of editing, design and composition. Texts running to more than a thousand pages, charts and tables of great intricacy, occur frequently. The task of publishing involves not only bringing these studies to those who are directly concerned with the research, but making their general conclusions familiar to a wide public.

Fund books are sold through booksellers or may be purchased directly from the Twentieth Century Fund. In the last year twenty per cent of the books sold through booksellers were in the foreign market. In addition, many Fund books are translated and published in foreign countries.

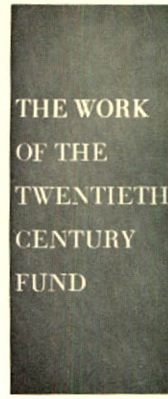


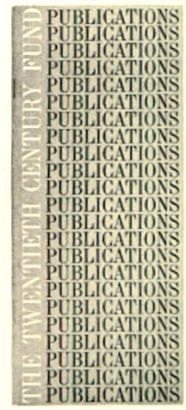



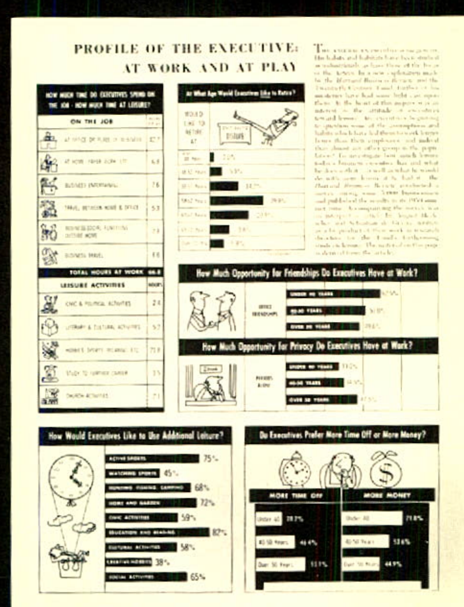



The Fund has long made a point of reaching an audience larger than that which exists for technical and scholarly works. Its **Newsletter,** illustrated below, goes out to schools and colleges, newspaper editors and interested citizens in all areas of the national life. Shown on the reverse page of a recent issue of the **Newsletter** is a graphic treatment of a problem under study by the Fund —in this case Leisure among businessmen and executives. These charts are reprinted and made available to schools; their circulation has reached as high as 50,000 copies per chart. The Fund was among the first foundations to make a full account of its work available to the public through an Annual Report. A booklet, "The Work of the Fund," is available on request.







# 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.

# EDUCATIONAL ACTIVITIES

## MOTION PICTURES

Plans have been made for a film based on the Fund's study of Megalopolis, to be jointly produced by the Fund and Encyclopaedia Britannica Films. Work on the film has awaited completion of the manuscript and its release is expected to coincide with publication of the study in late 1961.

The Fund has found that films are useful in presenting some central findings or in outlining the nature and dimensions of a problem being studied. Usually a film is not designed primarily to convey detailed information (in most cases the printed page offers a better medium for this purpose), but it can have value in catching attention, arousing interest in a given subject and implanting in the viewer a desire to know more about it. Thus films have helped the Fund to reach a wider audience with the findings of its scholarly research. The use of audio-visual aids, including films, is constantly increasing in schools and colleges and in adult education.

The Fund now has nine films in circulation. Two one-reel films in color, "Can We Solve the Farm Problem?" and "American Imports: A New Look," are designed especially for use by discussion groups. They are distributed through Stanley Neal Productions, Inc., in New York City.

The remaining pictures are distributed by Encyclopaedia Britannica Films, which has headquarters in Wilmette, Illinois, and branches throughout the country where Fund films are available for purchase or rental. Sales figures during 1960 indicated that the greatest current interest was in "Look to the Land," a film originally released in 1954 which deals with the conservation and efficient use of land and natural resources. A film made in 1953, "Inflation," also continues to be of present-day concern. It deals with the fundamental factors that apply to any inflationary situation. Other films that had good circulation during the year were "Productivity: Key to Plenty," "Distributing America's Goods" and "The Living City," which deals with the problems of urban renewal.

## FILMSTRIP

The increased use of visual aids in teaching suggested to the Fund the possibility of making filmstrips based on its reports. The most recent series was based on the Fund's major study *America's Needs and Resources: A New Survey* and the popular paperback summary *U.S.A. in New Dimensions.* This filmstrip series, "America's New Dimensions," contains six 35mm. color filmstrips and is being distributed by The Macmillan Company, including a manual, at $6 per individual filmstrip or $30 for the set of six. The filmstrips were produced for the Fund by the William P. Gottlieb Company.

## TELEVISION

In the past few years the Fund has participated in several experimental ventures in the field of television, especially educational television, recognizing the presence of an audience which is becoming increasingly aware of the potentialities of television in the realm of ideas and facts. Findings from such studies as *Farm Policies of the United States: 1790-1950*, *America's Needs and Resources: A New Survey*, *Approaches to Economic Development*, *Renewing Our Cities* and *Partners in Production* have all been utilized in television programs of one kind or another, sometimes forming the basis of the presentation. The high production costs in television and the complexity of television programming have limited the Fund to relatively modest exploratory projects thus far. The burgeoning number of educational television stations and the innovations, such as video tape, however, make the future look more promising, and the Fund expects to continue its explorations wherever an opportunity opens.

One way the Fund has found to keep in close touch with activities in the field of educational television is through its association with WGBH-TV Filene Educational Channel 2. A Trustee of the Twentieth Century Fund is present on the Board of Trustees of both the Lowell Institute Cooperative Broadcasting Council and Station WGBH, which operates with the advice and cooperation of the Institute. The Fund made a contribution to the station's construction in 1953 in memory of Edward A. Filene, founder of the Fund.

In the fall of 1960 the Fund produced, in collaboration with the National Educational Television and Radio Center, a half-hour television program on film based on Father Paul P. Harbrecht's study for the Fund, *Pension Funds and Economic Power*. The program is titled "The Paraproprietal Society" and Father Harbrecht himself appears in it. Final editing of the film was completed early in 1961 and plans were made to distribute the program to the fifty-four educational television stations in the country later in the year.

## NEWSLETTER

Persons interested in the work of the Fund are kept informed of its activities through a Newsletter which appears three times a year. The Newsletter regularly goes to about twenty thousand institutions and individuals, including leaders in industry, education, government and welfare. It provides information on new studies the Fund may be undertaking and frequently gives excerpts from published works. In addition, the Newsletter often includes one or two special features prepared for students and others interested in basic findings of Fund research studies.

As certain studies emerge, the Fund issues a Clipsheet, made up of short factual items from these studies and designed for "filler" use by a wide variety of publications.

## GRAPHICS

As a means of presenting vital elements of Fund studies in summary and clear form, combining brief text with extensive use of diagrams and pictures, the Fund has issued a series of "graphics." These charts have embodied main findings from such studies as *American Imports*, by Don D. Humphrey, *Approaches to Economic Development*, by Norman S. Buchanan and Howard S. Ellis, *U. S. A. in New Dimensions*, by Thomas R. Carskadon and George Soule, and *Can We Solve the Farm Problem?*, by Murray R. Benedict. Recently issued graphics have included "U. S. in the World Economy: Challenge and Opportunity," based on material from several Fund studies, with new material from Ben T. Moore, Associate Director of the Fund; and "Pension Funds: A New Force in the Economy."

Users of these graphics have ranged from high school and college classes to civic organizations and men's and women's clubs and study groups. The graphics also have been used as exhibits in libraries, transferred to slides for use by lecturers and on educational television programs, and reprinted in magazines and other publications. Continued demand has required a reprinting of the graphics on American Imports and Approaches to Economic Development. Over one hundred thousand copies have been supplied in response to requests.

The graphics are generally printed on a 12" by 16" sheet, available without cost for single copies and at one cent each in quantity orders. The chart on Pension Funds was printed in a smaller format.

## SPECIAL ARTICLES

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

One of the means by which the Fund has reached this wider audience has been through *Feature*, a publication which lists the availability of special articles and material for some five thousand specialized and general magazines, labor and business publications, house organs and newspapers. During 1960 an article called "Tropical Africa – Land in Ferment," adapted from the Fund study *Tropical Africa* by George H. T. Kimble, was in heavy demand through *Feature* with over two hundred and fifty publications requesting the full text.

## WORKING PAPERS

From time to time the Fund issues a working paper, an interim report on a study under way, or a paper based on an already published work.

In 1960 the Fund published a booklet, "Toward the Paraproprietal Society," based on the Fund's work *Pension Funds and Economic Power.* The booklet contained material from the original study dealing with the pension funds as a force in the evolution of a new American capitalism, together with a commentary by Adolf A. Berle, Chairman of the Board of Trustees of the Twentieth Century Fund and a frequent writer on the American corporation and the development of the American economy. This booklet was widely distributed. Requests for it came from across the nation and from abroad and quantity orders indicated its use in university classrooms.

The Fund also issued during the year "One Round Trip," a pamphlet comprising a series of four newspaper articles, originally written for the *Citizen-Advertiser* of Auburn, New York, by the Fund's Director upon his return from travels in connection with the South Asian and European studies.

# Publishing Activities

Fund Studies are initially made available to the public in book form under the Fund's own imprint. In 1960 book sales were 16,647. Cumulative sales of all Fund works totaled 635,838 volumes to the end of the year. Fund books are priced to return their manufacturing and distribution costs, the major expenses of research being covered by income from the Fund 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 just over 20 per cent of all books sold to bookstores – 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, India and Germany were among the chief foreign countries interested in Fund works in 1960. Fund books and materials were included in book exhibits in Argentina, Germany, Poland, Uruguay and Yugoslavia.

Translations of Fund studies are under way in a number of languages and recently foreign publishing houses have brought out *The Economy, Liberty and the State*, by Calvin B. Hoover, in Spanish and Japanese editions and *Renewing Our Cities*, by Miles L. Colean, in a Spanish edition.

Paperback editions of Fund works have been published from time to time either under the Fund's imprint or by other publishers. Most recently Doubleday and Company published a paperback edition of the Fund's study *The Economy, Liberty and the State* in its Anchor series.

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 1960 and their cumulative sales are listed in the table following.

## Sales of Current Publications

| TITLE | YEAR PUBLISHED | TOTAL SALES TO END OF 1960 |
|---|---|---|
| The Power Industry and the Public Interest | 1944 | 2,669 |
| Financing American Prosperity | 1945 | 7,066 |
| Tomorrow's Trade | 1945 | 21,045 |
| Trends in Collective Bargaining | 1945 | 14,454 |
| For This We Fought | 1946 | 19,631 |
| Rebuilding the World Economy | 1947 | 8,830 |
| Electric Power and Government Policy | 1948 | 1,685 |
| Report on the Greeks | 1948 | 4,890 |
| Partners in Production | 1949 | 9,961 |
| U.S.A.: Measure of a Nation | 1949 | 55,796[a] |
| Brazil: An Expanding Economy | 1949 | 3,398 |
| Defense Without Inflation | 1951 | 7,301 |
| Financing Defense | 1951 | 4,390 |
| Costa Rica: A Study in Economic Development | 1952 | 2,389 |
| The Federal Debt | 1953 | 2,554 |
| Farm Policies of the United States, 1790-1950 | 1953 | 4,090 |
| Employment and Wages in the United States | 1953 | 4,962 |
| Defense and the Dollar | 1953 | 3,760 |
| Economic Controls and Defense | 1953 | 3,848 |
| World Population and Production | 1953 | 7,939 |
| Foreign Exchange in the Postwar World | 1954 | 3,976 |
| Approaches to Economic Development | 1955 | 9,337 |
| America's Needs and Resources: A New Survey | 1955 | 9,963 |
| American Imports | 1955 | 2,779 |
| Can We Solve the Farm Problem? | 1955 | 3,427 |
| World Commerce and Governments | 1955 | 3,379 |
| Economic Needs of Older People | 1956 | 5,031 |

[a] Sold by Macmillan.

| TITLE | YEAR PUBLISHED | TOTAL SALES TO END OF 1960 |
|---|---|---|
| The Agricultural Commodity Programs | 1956 | 1,755 |
| U.S.A. in New Dimensions | 1957 | 71,237[a] |
| Greece: American Aid in Action | 1957 | 2,824 |
| Antitrust Policies: American Experience in Twenty Industries | 1958 | 3,316 |
| Arms and the State | 1958 | 5,663 |
| Honduras: A Problem in Economic Development [Limited distribution] | 1959 | |
| The Economy, Liberty and the State | 1959 | 5,500 |
| Pension Funds and Economic Power | 1959 | 4,456 |
| Europe's Coal and Steel Community | 1960 | 1,477 |
| Tropical Africa | 1960 | 3,665 |

# Administration

HEADQUARTERS STAFF

FINANCIAL STATEMENTS

DETAILED STATEMENT OF ASSETS

# Headquarters Staff, 1960

AUGUST HECKSCHER, *Director*

THOMAS R. CARSKADON, *Associate Director*

BEN T. MOORE, *Associate Director*

ELIZABETH BLACKERT, *Editorial Planning and Assistant to the Director*

*THOMAS C. FICHANDLER, *Research Associate*

LOUISE FIELD, *Research Associate*

JOHN E. BOOTH, *Education Associate*

CAROL KIER, *Book Manufacturing and Sales*

BETTY R. HIRSCH, *Bursar*

HELEN M. DOYLE, *Office Manager*

FRANCES KLAFTER, *Research Assistant*

RUTH ROCKER, *Copy Editor*

AUDREY BRENTLINGER, *Secretary to the Director*

ALICE MENTEL, *Secretary to the Associate Director*

BETTE M. TARAN, *Secretary to the Associate Director*

## SECRETARIAL AND CLERICAL

IDA CARLOMAGNE, *ESTHER ETO, ARLENE FARRELL, HUGO FOSCO, NETTIE M. GERDUK, *HELEN L. GOLDBERG, *ERMA T. GRABILL, MYRNA GREENSTEIN, *RITA LONG, EILEEN REGELMANN, SADIE ROSENFELD, JOAN SCHERER, ETHEL A. STEIDLER

*Resigned during year.

# Finances

## FINANCIAL STATEMENTS

DECEMBER 31, 1960

WITH COMPARATIVE FIGURES FOR 1959

### *Statement of Assets and Principal*

| | December 31 1960 | December 31 1959 |
|---|---|---|
| CASH | $ 219,859 | $ 351,398 |
| INVESTMENTS, AT INDICATED MARKET VALUE: | | |
| United States Government bonds | 4,168,270 | 1,909,459 |
| Industrial bonds | 49,500 | — |
| Public utility bonds | 593,773 | 125,350 |
| Railroad bonds | 49,403 | 48,595 |
| Preferred stocks | 1,792,757 | 1,864,265 |
| Common stocks | 12,871,950 | 14,306,231 |
| Total investments | $19,525,653 | $18,253,900 |
| HEADQUARTERS PROPERTY, AT COST | 495,000 | 495,000 |
| PRINCIPAL OF FUND | $20,240,512 | $19,100,298 |

### *Statement of Changes in Principal*

| | Year ended December 31 1960 | Year ended December 31 1959 |
|---|---|---|
| OPERATING RECEIPTS AND DISBURSEMENTS: | | |
| Operating receipts: | | |
| Interest and dividends on investments | $ 724,388 | $ 665,623 |
| Sales of publications | 59,207 | 54,977 |
| Sales and rentals of films | 974 | 1,225 |
| Total operating receipts | $ 784,569 | $ 721,825 |
| Operating disbursements | 801,284 | 663,786 |
| Excess or (deficiency) of operating receipts over disbursements | (16,715) | 58,039 |
| CHANGES IN INVESTMENT HOLDINGS: | | |
| Increase in indicated market value of investments held throughout the year | 986,368 | 1,356,015 |
| Increase in indicated market value from purchase cost of investments purchased during the year | 65,133 | 41,247 |
| Gain on sales of investments based on indicated market value at beginning of year or purchase price during year | 105,428 | 92,556 |
| Increase in principal resulting from changes in investment holdings | $ 1,156,929 | $ 1,489,818 |
| Net increase in principal | $ 1,140,214 | $ 1,547,857 |
| BALANCE OF PRINCIPAL AT BEGINNING OF YEAR | 19,100,298 | 17,552,441 |
| BALANCE OF PRINCIPAL AT END OF YEAR | $20,240,512 | $19,100,298 |

NOTE: Although the books of the Fund are maintained on a cash basis, the differences between such basis and the accrual basis are relatively immaterial.

# Report of Independent Accountants and Auditors

The Board of Trustees
Twentieth Century Fund, Inc.:

We have examined the financial statements of Twentieth Century Fund, Inc. — December 31, 1960. 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.

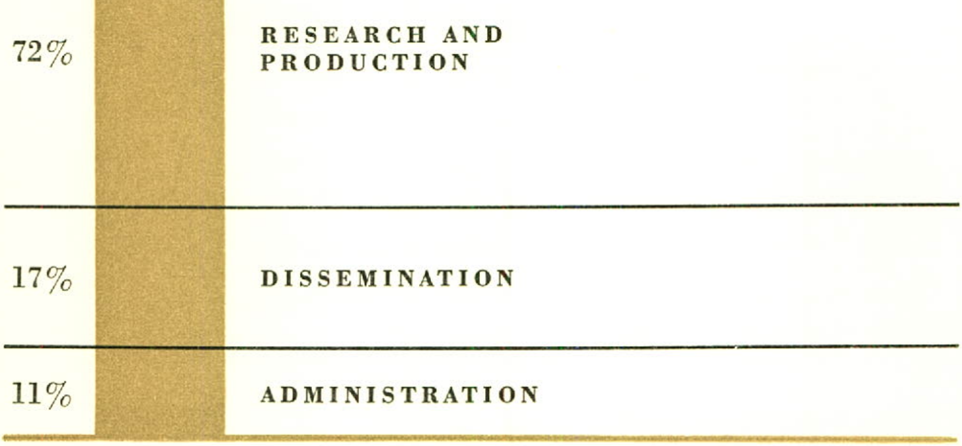
In our opinion, the accompanying financial statements present fairly the financial position of Twentieth Century Fund, Inc. at December 31, 1960 and the changes in its principal for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

(signed) PEAT, MARWICK, MITCHELL & CO.

New York, N. Y., January 27, 1961

# Total Operating Expenditures for the Year 1960: $801,284

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: 72%**

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: 17%**

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: 11%**

General administration.

# Cash Transactions, 1960

## SUMMARY

| | |
|---|---|
| Cash Balance January 1, 1960 | $ 351,398 |
| Total Receipts | 3,886,367 |
| Total Receipts and Cash Balance | $4,237,765 |
| Total Disbursements | 4,017,906 |
| Cash Balance December 31, 1960 | $ 219,859 |

## RECEIPTS

| | |
|---|---|
| Interest and Dividends from Investments | $ 724,388 |
| Sales of Publications | 59,207 |
| Sales and Rentals of Films | 974 |
| Proceeds from Sale of Investments | 3,101,798 |
| Total Receipts | $3,886,367 |

## DISBURSEMENTS

| | | |
|---|---|---|
| Headquarters Activities | | $ 306,356 |
| Research Projects | | 306,341 |
| Terminal account | $ 2,839 | |
| Civil-Military Relations | 572 | |
| Distribution Costs and Methods | 310 | |
| Megalopolis | 23,973 | |
| Nuclear Energy | 1,321 | |
| Europe's Needs and Resources | 20,478 | |
| South Asia | 35,796 | |
| Time, Work, Leisure | 28,320 | |
| Yugoslavia | 1,844 | |
| European and Atlantic Economic Cooperation – exploratory | 45 | |
| Economic Cooperation in Relation to the Underdeveloped Countries | 12,000 | |
| Accounting – exploratory | 175 | |
| Armaments: | | |
| Exploratory | 574 | |
| Summer Study Group | 102,995 | |
| Latin America: | | |
| Conference | 9,649 | |
| Main Study | 19,637 | |
| Revolution in American Agriculture – exploratory | 1,053 | |
| No. Atlantic Agricultural Policy | 10,559 | |
| Burma | 21,379 | |
| State Tax Problems – exploratory | 611 | |
| Costs of Discrimination – exploratory | 4,107 | |
| Argentina | 8,104 | |
| Special Projects | | 67,878 |

# Cash Transactions (*continued*)

| | | |
|---|---|---|
| Jacques Maritain Grant | $ 4,500 | |
| American Society for Political and Legal Philosophy | 1,250 | |
| Carl Friedrich Grant | 6,000 | |
| Telford Taylor Grant | 128 | |
| Arena Stage | 50,000 | |
| Tapestry | 2,000 | |
| Study of Mankind | 3,000 | |
| Edward Carr Grant | 1,000 | |
| Publishing Subsidies | | 1,439 |
| Publishing of Survey Reports | | 84,816 |
| Education and Dissemination | | 34,454 |
| Motion Pictures and Television | $ 38 | |
| Foreign Language Translations | 1,170 | |
| Special Dissemination | 7,295 | |
| Working Papers | 3,509 | |
| Institutional Literature | 22,442 | |
| Total Operating Expenses | | $ 801,284 |
| Purchase of Investments | | 3,216,622 |
| Total Disbursements | | $4,017,906 |

# Detailed Statement of Assets

DECEMBER 31, 1960 AND DECEMBER 31, 1959

| BONDS | As of December 31, 1960 par value | As of December 31, 1960 market value | As of December 31, 1959 par value | As of December 31, 1959 market value |
|---|---|---|---|---|
| United States Government Obligations: | | | | |
| Treasury Notes | | | | |
| 4¾% Series A, May 15, 1964 | $ 100,000 | $ 104,500 | $ 100,000 | $ 99,813 |
| 5% Series B, August 15, 1964 | 1,360,000 | 1,436,500 | 1,360,000 | 1,370,200 |
| 4⅞% Series A, November 15, 1964 | 960,000 | 1,010,400 | | |
| 4⅝% May 15, 1965 | 882,000 | 923,344 | | |
| Treasury Bills | | | | |
| March 9, 1961 | 150,000 | 149,167 | 120,000 | 119,686 |
| Treasury Bonds | | | | |
| 3⅞% May 15, 1968 | 100,000 | 101,437 | | |
| 4% October 1, 1969 | 55,000 | 56,547 | | |
| 2¾% April 1, 1980-1975 | 100,000 | 100,000 | 100,000 | 100,000 |
| 4% February 15, 1980 | 100,000 | 102,500 | | |
| 3¼% May 5, 1985 | 200,000 | 183,875 | 200,000 | 165,750 |
| Savings Defense Bonds | | | | |
| Series G 2½% May 1, 1961 | | | 55,000 | 54,010 |
| Total Government Obligations | | $ 4,168,270<br>20.8% | | $ 1,909,459<br>10.2% |
| Corporate: | | | | |
| Industrials | | | | |
| Youngstown Sheet & Tube | | | | |
| 1st 4½% October 1, 1990 | $ 50,000 | $ 49,500<br>0.2% | | |
| Railroads | | | | |
| Virginian Railway | | | | |
| Deb. 6% August 1, 2008 | 43,100 | $ 49,403<br>0.2% | $ 43,100 | $ 48,595<br>0.2% |
| Utilities | | | | |
| American Telephone & Telegraph | | | | |
| Deb. 4¾% November 1, 1992 | 200,000 | 203,750 | | |
| El Paso Natural Gas | | | | |
| Cv 5¼% October 1, 1977 | 115,000 | 137,712 | 115,000 | $ 125,350 |
| Louisville Gas & Electric | | | | |
| 1st 4⅞% October 1, 1987 | 50,000 | 52,500 | | |
| Public Service Electric & Gas | | | | |
| 1st 4¾% September 1, 1990 | 50,000 | 50,437 | | |
| Rochester Telephone | | | | |
| 1st 4¾% September 1, 1993 | 50,000 | 50,312 | | |
| Southern California Edison | | | | |
| 1st 4⅜% September 1, 1985 | 50,000 | 48,562 | | |
| Union Electric | | | | |
| 1st 4¾% September 1, 1990 | 50,000 | 50,500 | | |
| Total Utilities | | $ 593,773<br>3.0% | | $ 125,350<br>0.7% |

| | AS OF DECEMBER 31, 1960 | | AS OF DECEMBER 31, 1959 | |
|---|---|---|---|---|
| PREFERRED STOCKS | *shares* | *market value* | *shares* | *market value* |
| Atchison, Topeka & Santa Fe Railway 5% | 5,000 | $ 47,500 | 5,000 | $ 47,500 |
| Celotex Corp. 5% | 2,000 | 34,500 | 2,000 | 35,500 |
| Central Maine Power 3.50% | 1,000 | 65,000 | 1,000 | 64,000 |
| El Paso Natural Gas 5.65% | 800 | 80,800 | 800 | 79,200 |
| Empire District Electric 5% | 500 | 47,000 | 500 | 45,500 |
| Gulf States Utilities $4.44 | 650 | 57,200 | 650 | 57,850 |
| Helme (George W.) 7% n-c | 1,000 | 33,500 | 1,000 | 33,000 |
| Interchemical 4½% | 1,000 | 90,500 | 1,000 | 89,000 |
| Jersey Central Power & Light 4% | 760 | 61,370 | 760 | 58,330 |
| Monongahela Power 4.40% | 1,000 | 83,000 | 1,000 | 81,000 |
| Northwest Bancorporation 4.50% | | | 63 | 9,135 |
| Pacific Gas & Electric 5% 1st | 1,500 | 37,875 | 1,500 | 37,125 |
| Radio Corp. of America $3.50 1st | | | 1,500 | 100,875 |
| Reynolds Metals 4¾% "A" | 2,000 | 95,000 | 2,000 | 86,000 |
| Reynolds Metals 4½% cv. 2nd | | | 250 | 36,625 |
| Royal McBee 4½% "A" | 500 | 35,000 | 500 | 34,000 |
| South Carolina Electric & Gas 5% | 1,400 | 69,475 | 1,400 | 64,050 |
| Tennessee Gas Transmission 4.90% | 1,200 | 112,800 | 1,200 | 103,800 |
| Tennessee Gas Transmission 5.25% | 1,000 | 100,000 | 1,000 | 93,000 |
| Toledo Edison 4.25% | 925 | 77,237 | 925 | 72,150 |
| Tri-Continental $2.70 | 6,000 | 321,000 | 6,000 | 302,250 |
| United States Rubber 8% n-c | 1,000 | 149,500 | 1,000 | 144,250 |
| United States Steel 7% | 1,000 | 142,000 | 1,000 | 139,125 |
| United States Tobacco 7% | 1,500 | 52,500 | 1,500 | 51,000 |
| Total Preferred Stocks | | $ 1,792,757<br>9.0% | | $ 1,864,265<br>9.9% |
| COMMON STOCKS | | | | |
| American Can | 3,000 | $ 106,125 | 3,000 | $ 129,750 |
| American Natural Gas | 1,331 | 109,974 | 1,331 | 77,864 |
| American Telephone & Telegraph | 5,000 | 535,625 | 9,666 | 770,863 |
| American Tobacco | 2,000 | 130,500 | 1,000 | 106,625 |
| Atchison, Topeka & Santa Fe Railway | 7,500 | 165,000 | 7,500 | 204,375 |
| Bank of New York | 300 | 100,800 | 506 | 164,450 |
| Beech-Nut Life Savers | 1,000 | 50,625 | 2,000 | 71,000 |
| Bethlehem Steel | 6,000 | 237,750 | 4,000 | 218,000 |
| Boston Edison | 4,400 | 299,200 | 4,400 | 273,350 |
| Brooklyn Union Gas | 4,000 | 124,000 | 4,000 | 111,500 |
| Canadian Pacific Railway | 3,000 | 64,875 | 3,000 | 74,625 |
| Central Illinois Light | 4,400 | 171,600 | 4,400 | 147,950 |
| Chase Manhattan Bank | 1,000 | 63,625 | 1,500 | 103,313 |
| Chemical Bank New York Trust | 1,750 | 103,250 | 1,750 | 119,000 |
| Christiana Securities | 10 | 136,000 | 10 | 173,000 |
| Consolidated Edison of New York | 2,500 | 171,875 | 2,500 | 146,563 |
| Consolidated Natural Gas | 2,310 | 118,099 | 2,310 | 111,457 |
| Consumers Power | 3,880 | 240,560 | 3,880 | 209,035 |
| Corn Products | 500 | 39,937 | 1,500 | 84,750 |
| Dayton Power & Light | 2,251 | 124,930 | 2,251 | 114,801 |

| COMMON STOCKS—*continued* | AS OF DECEMBER 31, 1960 *shares* | *market value* | AS OF DECEMBER 31, 1959 *shares* | *market value* |
|---|---|---|---|---|
| Federated Department Stores | 150,000 | $ 5,737,500 | 83,000 | $ 5,851,500 |
| First National Bank of Boston | 1,000 | 70,500 | 1,100 | 105,050 |
| Ford Motors | 1,000 | 64,125 | 1,000 | 90,750 |
| General Motors | 2,000 | 81,250 | 2,000 | 110,000 |
| Kansas City Power & Light | 3,000 | 178,500 | 3,000 | 142,500 |
| Mississippi River Fuel | 4,000 | 136,500 | 4,000 | 133,000 |
| Morgan Guaranty Trust, New York | 1,200 | 122,100 | 1,200 | 138,900 |
| National Biscuit | 1,500 | 111,187 | 2,500 | 140,000 |
| National Dairy Products | | | 1,000 | 47,750 |
| Niagara Mohawk Power | 5,000 | 195,000 | 5,000 | 175,625 |
| Northwest Bancorporation | 750 | 25,500 | 3,000 | 111,000 |
| Ohio Edison | 7,262 | 259,616 | 3,631 | 214,683 |
| Otis Elevator | 2,000 | 119,000 | 4,000 | 346,000 |
| Pacific Gas & Electric | 3,250 | 246,187 | 3,250 | 208,812 |
| Pacific Lighting | 3,000 | 159,000 | 3,000 | 147,750 |
| Pacific Telephone & Telegraph | | | 11,025 | 315,591 |
| Potomac Electric Power | 6,930 | 237,352 | 6,930 | 187,976 |
| Public Service of Indiana | 5,000 | 243,750 | 5,000 | 216,250 |
| Public Service Electric & Gas | 3,000 | 133,125 | 3,000 | 112,500 |
| Reynolds (R.J.) Tobacco | | | 4,000 | 240,000 |
| Socony Mobil Oil | 2,750 | 107,937 | 2,750 | 114,125 |
| Southern Natural Gas | 2,000 | 76,750 | 2,000 | 71,250 |
| Southern Pacific | 6,000 | 126,000 | 6,000 | 138,750 |
| Southern Railway | 2,500 | 124,687 | 2,500 | 133,125 |
| Standard Oil of California | 2,000 | 96,250 | 2,000 | 100,500 |
| Standard Oil of Indiana | 3,000 | 141,375 | 3,000 | 132,375 |
| Standard Oil of New Jersey | 3,284 | 135,465 | 3,238 | 160,686 |
| Standard Oil of Ohio | 2,000 | 108,000 | 2,000 | 111,500 |
| Texaco, Inc. | 2,121 | 181,132 | 2,080 | 178,100 |
| Union Carbide | | | 1,000 | 147,000 |
| Union Electric | 6,600 | 259,875 | 6,600 | 212,850 |
| Union Pacific Railroad | 2,500 | 67,812 | 2,500 | 76,562 |
| Wrigley (Wm.) Jr. | 1,000 | 99,000 | 1,000 | 82,000 |
| Youngstown Sheet & Tube | 1,500 | 133,125 | 1,500 | 199,500 |
| Total Common Stocks | | $12,871,950 64.3% | | $14,306,231 76.3% |
| HEADQUARTERS PROPERTY — at cost | | 495,000 2.5% | | 495,000 2.7% |
| TOTAL OF ALL INVESTMENTS | | $20,020,653 100% | | $18,748,900 100% |
| CASH | | 219,859 | | 351,398 |
| GRAND TOTAL OF ASSETS | | $20,240,512 | | $19,100,298 |

THE TWENTIETH CENTURY FUND