

1957

ANNUAL REPORT

THE TWENTIETH

CENTURY FUND

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The drawing on the cover is the façade of the Fund's new headquarters
at 41 East Seventieth Street, New York City.

THE TWENTIETH CENTURY FUND

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

WASHINGTON OFFICE

711 FOURTEENTH STREET N. W. • WASHINGTON 5 • D. C.

The Twentieth Century Fund

FOUNDED IN 1919 BY EDWARD A. FILENE

THE TWENTIETH CENTURY FUND is a nonprofit, philanthropic foundation whose broad purposes as expressed in the Certificate of Incorporation are:

. . . promoting the improvement of economic, industrial, civic and educational conditions. It shall be within the purpose of such corporation to use any means to such ends as may from time to time seem expedient . . . including study, investigation, research, publication, publicity, instruction, the organization of charitable or educational activities, agencies and institutions, and the aid of any such activities, agencies and institutions already established.

The Fund has functioned for the past twenty years, not in the usual foundation pattern of making grants to agencies or individuals, but as an operating research institution conducting its own program of economic and social studies and publishing and disseminating the results.

The founder of the Fund was Edward A. Filene, Boston merchant and civic leader, who made a series of gifts that now constitute the Fund's capital assets of approximately \$13 million. Income from this endowment is used solely to support the activities of the Twentieth Century Fund.

From its inception in 1919, Mr. Filene served as President of the Fund and was active on the Board of Trustees until his death in 1937. Associated with him from the early days were two close personal friends, John H. Fahey and Henry S. Dennison, who did much to shape the direction and content of the Fund's activities. Mr. Dennison served on the Board of Trustees from 1922 until his passing in 1952. Mr. Fahey

followed Mr. Filene as head of the Fund in 1938 and served until his death in 1950, when he was succeeded by the present Chairman of the Board, Adolf A. Berle, Jr. The first Executive Director of the Fund was Evans Clark, who was appointed in 1928 and served for twenty-five years until his retirement in 1953. He was succeeded by J. Frederic Dewhurst and, on January 1, 1956, by August Heckscher as Director.

The Fund's usual practice is to appoint a special research director for each new project. In addition, the Fund sometimes appoints a special committee of qualified citizens to review the research findings and to prepare its own report of recommendations for dealing with the problems disclosed by the study. Completed research reports are published in book form by the Fund under its own imprint, and the findings are further disseminated through a wide variety of public education activities. Fuller details of the background and program of the Fund are given in an institutional leaflet, "The Work of the Twentieth Century Fund," which is available on request.

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Production for What?

A FOREWORD BY THE DIRECTOR

THE Twentieth Century Fund through recent years has focused several projects upon productivity. It has examined and taken the measure of the American economic system, with its unprecedented capacity for turning out goods and distributing them through a vast population. In other studies the Fund has sought to determine in what degree and by what methods the techniques that have made America so productive could be adapted elsewhere. Certainly this ability of the United States to produce and distribute is one of the essential elements of its strength. But major developments have recently posed in an accentuated form some questions of which sensitive observers have long been conscious when confronted by the prospect of America's huge material abundance. In these circumstances I am tempted to venture a few reflections upon production — some aspects of its relation to the country's power and to its true welfare.

The occurrences during 1957 which have given the country pause are two: the launching of the Soviet satellites before Americans could match the performance, and the gradual economic recession which began in the same year. The satellites made the United States suddenly ask itself whether its vaunted ability to turn out consumer goods was really serving the nation's highest interests. And the recession made it ask whether even the ability to turn out goods could be sustained on a consistently expanding basis.

That the spectacular industrial production of the United States is a major source of wartime strength has often been stressed. The output

of its factories and farms has been taken as proof that in a great national test the country would not be found wanting. But with thermonuclear weapons came prospects which made these comforting assumptions seem dangerously out of date. It became clear that any all-out war would in all probability be brief, that it would be fought with weapons already at hand at its outbreak, and would provide no interval during which a nation could mobilize its strength and convert its industries to war use.

The immense technological and scientific leap symbolized by the satellite launchings brought an even deeper challenge to current thinking. In their light was revealed how large a discrepancy lies between ordinary production and the kind of pioneering required by the genuinely creative achievements of today's technology. In the second world war automobile factories could be converted without too much difficulty to the manufacture of tanks, and the peaceful watchmaker remained a symbol of potential defense resources. But in the world of the satellites a growing gap exists between ordinary production and the fantastically complex production of war. The long cars and the shiny refrigerators seem to have less and less to do with security. Indeed, in the uncertain months of last autumn, when American tests were being carried on amid discouraging setbacks, it seemed possible that these gadgets of our ease had fatally distracted us from the serious occupations and the educational prerequisites of the really great tasks to be done.

No less significantly, the recession was at the same time raising doubts about the people's true interest in the products of our massive technology. If this plethora of things was not related to security, might it not also prove something less than vital to our welfare? An immense effort and ingenuity had been expended in creating wants, in persuading people that they needed for their happiness a variety of objects they never heard of before. It now appeared that they could do without many of them, at least for the time being. Not only did demand fall off

in sectors of the economy; there was an additional striking fact. Where production lagged, no one at first seemed particularly worried by the unused capacity. It would not be entirely an exaggeration to say that a characteristic first reaction was a kind of relief in the relaxation of pressure, with the compulsion to absorb an inexhaustible stream of goods and materials being temporarily reduced.

Such a mood must seem paradoxical considering how generally it has been taken for granted that production is in itself a good — that the more there is of it, the better and stronger a nation is. If people really believe this, why has there not been a wider outcry and a greater sense of dismay at the sight of a steel industry producing far below its potentiality? Why has there not been a more general concern at the thought of output falling below its top level? There has been dismay and concern, to be sure; but this has been due primarily to the unemployment accompanying the economic slowdown. The country feels, understandably, that it cannot tolerate the hardship to individual men and women which lack of a job entails. To alleviate this hardship no measures seem too strong. As an editorial in a national magazine puts it at this writing: "Unemployment is the chief reason for trying to end the recession." If it were simply a matter of faltering production, the recession, we may presume, could be allowed to run its course.

It is important not to overstate this point. The sight of plants lying idle and resources going to waste would come to seem a hideous anomaly in any prolonged depression. The country would feel not only that it was losing out disastrously in the rivalry which a cold war imposes, but that it was being denied many of the material advantages which are the citizens' due. Yet it remains true, I suggest, that the present pause in our extraordinarily rapid rate of economic growth has become an opportunity to ask afresh to what degree the production of consumer goods is by itself an ultimate objective. The accepted emphasis on production has given way to a question: Production for what? Abundance . . . yes; but abundance consisting of what kinds of benefits and rewards?

The question is sharpened by an awareness of the many areas of the national life in which dearth and even poverty are all too evident. While the more glittering kinds of consumer goods have been pouring off the production lines, the country has remained notably deficient in key areas of the intellectual and creative life. Our automobiles are better than our education; our kitchen gadgetry more central to our preoccupations than the form and livability of our cities. Most of the public needs of the American community are supported marginally, often haphazardly; institutions which have in their keeping the intellectual and artistic resources of the community scrape along on budgets raised precariously after private individuals have responded to all the lures and seductions to which a dazzling merchandise subjects them. Moreover, public enterprises, when they are undertaken on a large scale, are usually justified in terms of some secondary benefit, not for their own sakes but as a means of countering unemployment or getting money into the pockets of consumers so that they may be restored as quickly as possible to their function as insatiable absorbers of goods. Thus the Department of Agriculture's "soil bank" was presented to the nation as a quick and relatively harmless way of adding to the farmers' income, hardly at all as a measure necessary to the conservation of an irreplaceable natural resource. The construction of roads and public buildings is put forward as a palliative to a faltering economic system rather than as the satisfaction of needs which a rich society can well afford.

To re-examine the dogma that production by itself makes a nation virtuous and strong is to open a window upon all sorts of subsidiary issues. Thus our society has been in the habit of deliberately shaping and stimulating the wants of private consumers; perhaps the same resourcefulness should be devoted by public leaders to stirring up the wants of people as citizens — to making them aware of deficiencies and opportunities in the public sphere. For several decades our society has accepted the principle of "compensatory action," expecting the government to embark on major tasks only when the private economy

falls off, and then primarily with the idea of restoring purchasing power. May the United States not come instead to admit sanely and even proudly that great tasks wait to be done, and that these can be undertaken, without apology or excuse, by a people as rich as it is capable? The new awareness of the role which education plays in a people's true progress may well be accompanied by readiness to accept a somewhat altered balance between the private and public sectors of the economy.

Considering in this light some of the projects described on the following pages, one can see that along with the importance which the Fund continues to attach to production has gone a tendency to look at some of the deeper implications. The year 1957 saw published *U.S.A. in New Dimensions*,* with its hopeful picture of America's virtually unlimited capacities. The same year saw going forward in several areas studies which ask collateral questions about the purposes and methods of the economic system. Calvin B. Hoover, for example, has been examining present-day economic systems with an eye to their mutations and transformations, showing how resilient capitalism can be in adjusting itself to new requirements. Jean Gottmann has been looking at the city in its classic American form — the great city which more strikingly than anything else suggests the discrepancy between private wealth and public penury, between the effective satisfaction of private needs and the necessitous conditions existing in such areas as housing, transportation, recreation and government. Mr. Rosinski considers the relation of industrial power to defense; Mr. Cox considers "the capacity to consume" in connection with modern methods of distribution. Finally, the Fund's study on leisure cannot but raise the fundamental issue of the value placed by men and women upon more production as contrasted with the satisfaction of other kinds of basic wants.

*By Thomas R. Carskadon and George Soule, with graphics by Rudolf Modley; based on *America's Needs and Resources*, by J. Frederic Dewhurst and associates; The Macmillan Company, publishers.

Such studies, at best, could hope to provide but the merest glint of light in areas where a good deal of murkiness prevails. In its largest sense the re-examination must go forward not by research but through the developing ideas and values of millions of individual human beings. Through their response to the pressures and challenges that surround them, through their choices as consumers and also as citizens, they determine what relative importance is to be attached to different kinds of goods — material goods and those other goods of the mind and spirit which are involved in education, in constructive leisure and in shared undertakings for the public weal. There are many indications that the basic choices must be made afresh, in the light of new conditions.

The Americans today do not have to choose between butter and guns; they can undoubtedly have, if they insist, both tail fins on their cars and satellites in their sky. What they cannot afford is to be so bewitched by the tail fins that they forget about the sky — or at least forget that every worth-while human achievement has involved the cultivation of hard thought and the habits of self-denial and disciplined conduct.

* * *

For the rest, the recent work of the Twentieth Century Fund is described in the following pages. Two studies in addition to *U.S.A. in New Dimensions* were completed and published during the year. Another study, on the effects of technological changes, with Irving H. Siegel as research director, was completed and alternate plans for publication are being explored. Four new studies were set in motion. The main work goes forward in a heavy schedule of separate projects, located in the United States, in Western Europe and in Asia and involving for the research directors journeys to many areas, including Africa and the USSR.

AUGUST HECKSCHER, *Director*

March 1958

Studies Published in 1957

GREECE: AMERICAN AID IN ACTION

RÉVOLUTION À L'OUEST

Greece: American Aid in Action, 1947-1956

Author: WILLIAM H. MCNEILL

Associate Professor of History, University of Chicago

IN 1948 THE Fund brought out *Report on the Greeks*, a study of a key area in the cold war and of a nation torn by the struggle of conflicting ideologies that threatened to destroy it. Since that report was issued, Greece has become a free nation with a popularly elected government. It has apparently made heartening, if not always steady, progress toward its goal of political and economic stability.

This progress suggested to the Fund that it take a second look at Greece. It had in mind to determine more specifically not only how Greece has fared, but also to learn something of the road ahead and to gauge the impact of American aid on Greece.

The author of the study was William H. McNeill, who had been a co-author, along with Frank Smothers and Elizabeth McNeill, of the earlier book on Greece. Mr. McNeill's new report, *Greece: American Aid in Action, 1947-1956*, was published by the Fund in 1957.

For his new study Mr. McNeill visited the same villages which he had seen ten years earlier. Life in the hill villages, Mr. McNeill points out, is hard and the population is peculiarly receptive to revolutionary movements. These villages are likely to be a critical factor in the future political history of Greece.

Mr. McNeill's central conclusion is that Greece has been brought

within reach of a new era of social stability and economic growth, as well as saved from communism, something made possible by American economic aid in combination with Greek effort. A key question Mr. McNeill discusses is whether Greece should become a mainly agricultural or a mainly industrial nation. He expresses strong reservations about joint Greek-American planning which places greater emphasis on industrialism than on specialized agricultural production aimed at international markets.

In reporting on the aid program, the study notes that perhaps the greatest frustration to the American representatives was the failure of Greek officials to enact the stringent governmental economy measures which the Americans felt were necessary. This problem in itself was tied up with what Mr. McNeill sees as a continuing hobble to Greek recovery — an overburdened governmental bureaucracy, entwined in red tape, and highly inadequate to meet the urgent problems of a country fighting for its economic and political betterment. In combating governmental apathy, inefficiency or even obstruction to the program, American aid officials at times did exert considerable political or economic pressure in Greece, Mr. McNeill notes.

In concluding Mr. McNeill points out that, while there is much to do yet, Greek and American effort has made the difference in the present status of the country. It is no mean achievement, he says, and is one in which both nations may properly take pride.

Révolution À L'Ouest

Authors: JEAN FOURASTIÉ

*Professor, National Conservatory of Arts and Trades,
Paris; President, Labor Commission, French Commissariat
for the Modernization Plan*

ANDRÉ LALEUF

*On leave while working on the study from the Bureau
of the Budget of the French Ministry of Finance*

IN THIS BOOK, published for the Fund by Presses Universitaires de France in 1957, two French economists discuss American methods of achieving higher productivity which might, with appropriate modifications, be adopted in France. Writing in French in a book addressed to their own countrymen, they say their study of the United States economy brought them to the conclusion that it is not the technical factors which are mainly responsible for America's high rate of productivity, but rather social attitudes.

"To increase productivity to its maximum, which is the only way of increasing purchasing power to its maximum, all factors of productivity must be augmented," say the authors of the study. "But these factors are innumerable. . . . Technical factors clearly have a large place in the list, and their link with the result is so direct that practical men tend to grant them preponderant weight. However, careful reflection leads one to think that, instead, it is cultural factors which are preponderant and that in the end nothing is less technical than the causes of technical progress."

Thus the quiet revolution, as the authors have termed the rapid progress of industry in the West, has been a revolution in the attitude of the individual as employer, worker, consumer and citizen, in his concept of the world. The authors analyze the creative forces in the American economy which have carried forward this economic and social change, and they find that the essential quality of American enterprise is its creative spirit. The pioneer spirit of management, as they put it, is the carburetor of the American economy.

Throughout, the authors analyze those elements of the economy — particularly the nontechnical ones — which they feel might apply to France and which might be useful to France and other nations of Western Europe in achieving a higher rate of productivity. The Fund undertook the work for the contribution it might make to the European economy, recognizing the close interrelationship of economic developments in Europe and the United States.

The authors of the book are Jean Fourastié, a well-known French economist and a faculty member of the Sorbonne, and André Laleuf, of the French Ministry of Finance. Mr. Fourastié has a broad acquaintanceship with America, having traveled extensively in the United States studying various aspects of the economy. Mr. Laleuf made a special trip to the United States in connection with the writing of the book.

Research Projects in Progress

ANTITRUST POLICIES AND ENFORCEMENT

CIVIL-MILITARY RELATIONS

DISTRIBUTION COSTS AND METHODS

ECONOMIC AND POLITICAL SYSTEMS

EUROPEAN COAL AND STEEL COMMUNITY

EUROPE'S NEEDS AND RESOURCES

HONDURAS

MEGALOPOLIS

NUCLEAR ENERGY

PENSION AND WELFARE FUNDS

POWER AND PEACE

SOUTHEAST ASIA

TIME, WORK AND LEISURE

TROPICAL AFRICA

YUGOSLAVIA

Antitrust Policies and Enforcement

Research Director: SIMON N. WHITNEY

Chief Economist and Director of the Bureau of Economics of the Federal Trade Commission; formerly Chief, Research Department, Twentieth Century Fund

WHEN President Benjamin Harrison signed the Sherman Antitrust Act on July 2, 1890, he could hardly have envisioned the immense number of court decisions which would be needed to interpret that statute, or the dominating position it would come to occupy in the regulation of the nation's economy. For today antitrust legislation clearly ranks in importance with legislation on public utilities and transportation, on currency and banking, corporate finance, taxation, labor relations, agriculture or foreign trade. It may be said to have a central significance, since it sets the rules within which most business is conducted and most Americans earn their living."

In these words Simon N. Whitney introduces the study on antitrust policies and enforcement which he has just completed for the Fund and which will be published in 1958. Mr. Whitney is Chief Economist and Director of the Bureau of Economics of the Federal Trade Commission and was formerly Chief of the Twentieth Century Fund's Research Department.

The book surveys the economic effects of the antitrust laws and of trade practices in twenty industries. It examines the trend of concentra-

tion and the competitive status of these industries, with particular attention to the impact of antitrust legislation and court decisions. The Fund hopes that the study may provide some guidelines for future policy in this field so vital to our economy. A special Committee on Antitrust Policy was appointed by the Fund to serve for the duration of the study.

Commenting on certain aspects of the contrast between pure competition and competition among monopolies which constitutes a central theme of his study, Mr. Whitney says: "The pure competition of small firms, each producing as much as it can at a cost below the prevailing market price, and meeting that price, would not be dynamic or progressive. . . . While monopolies have been shown to possess grave defects . . . the *hope* of winning profits which certain kinds of monopolistic position provide is a driving force for both business firm and individual without which our economy might well stagnate. The firm or the individual may seek a profitable patent, the success that comes from making the most popular product, or the extra reward of special skill and efficiency; both are inspired to their efforts by something far different from the hope of earning a 'normal return' under pure competition. Not competition alone, but the combined force supplied by competition and by the striving to circumvent it, will make a progressive economy."

COMMITTEE ON ANTITRUST POLICY

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Hugh B. Cox Lawyer, Covington and Burling	Edward H. Levi Dean, University of Chicago Law School
Goldthwaite H. Dorr Lawyer, Dorr, Hand, Whittaker & Peet	Edward S. Mason Dean, Graduate School of Public Administration, Harvard University
Edwin B. George Director of Economics, Dun and Bradstreet, Inc.	

Civil-Military Relations

Research Director: HAROLD STEIN
Visiting Lecturer at Princeton University;
formerly Deputy Director of the Office of
War Mobilization and Reconversion

PERHAPS no year in recent history has highlighted so compellingly the inseparability of military and diplomatic considerations in the affairs of the nation as has 1957. When Sputnik was shot into the sky its orbit was followed with as much awe and uncertainty by the soldier as by the statesman. It underlined the vital interrelationship of military and civil considerations which have become increasingly important and complex since the end of World War II, a period which has brought the United States into the most extensive involvement in world affairs in its history.

Since 1953 the Fund has been conducting a broad study of civil-military considerations in government policy. It is hoped this study will shed light on a field gaining special importance in view of our widespread military commitments — United States troops stationed in every part of the world, major military alliances in Europe and Asia, and our obligations under the United Nations. The director of the study is Harold Stein, visiting lecturer at Princeton University and formerly Deputy Director of the Office of War Mobilization and Reconversion. Working with him have been a number of collaborators who prepared a series of case studies. During 1956 Walter Millis, the journalist and military historian, was brought into the study. He was commissioned

to prepare a historical review of postwar developments in United States civil-military relations, including an examination of the agencies and institutions which have grown up to deal with these matters. A similar survey, in shorter and more condensed form, of the years from 1930 to the end of World War II, was undertaken by Professor Harvey Mansfield of Ohio State University.

Writing of the Millis-Mansfield historical review was completed in 1957, with publication set for 1958. Case histories of decisions in which both civil and military considerations figured will subsequently be made available.

Mr. Millis, in the survey volume, touches on a main theme of the work and expresses the basic significance of the new challenge: "The civil and military elements in our society 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. There are no adequate standards by which either the military officer demanding greater defense efforts or the congressman resisting these demands in the interests of tax reduction can gauge the real effect of either position on the national security. The civil administration, supposed to be the regulator standing between the two, and today holding the real power of the purse which ultimately controls, is likewise without adequate standards by which to discharge its mission. It is this situation which presents the true problem of civil-military relations in the mid-twentieth century."

Distribution Costs and Methods

Research Director: REAVIS COX

*Food Fair Stores Foundation Professor of
Marketing, Wharton School of Finance and
Commerce, University of Pennsylvania*

Assistant Research Directors:

THOMAS C. FICHANDLER

Research Associate, Twentieth Century Fund

CHARLES S. GOODMAN

*Associate Professor of Marketing, Wharton
School of Finance and Commerce,
University of Pennsylvania*

THE FUND in 1953 initiated a study of distribution in the United States which has two different but related objectives. One — strictly quantitative in nature — seeks a meaningful answer to the question: How large a part does distribution play in the American economy? The second, emphasizing qualitative judgments, takes as its problem the question: How effectively does distribution perform its appointed role in the economy?

Does Distribution Cost Too Much?, an earlier study published by the Fund in 1939, reached a quite specific answer to the quantitative problem. Since then, vastly improved data have become available. These, together with more refined concepts and more complete re-

search methods, have made possible considerably more reliable estimates of the way the consumer divides his dollar between distribution and production.

The director of the present study is Reavis Cox, an authority in the field and a professor of marketing at the Wharton School of Finance and Commerce, University of Pennsylvania. Assistant research directors are Thomas C. Fichandler, Research Associate of the Fund, and Charles S. Goodman, Associate Professor of Marketing, Wharton School of Finance and Commerce. The report is scheduled for publication in 1959.

“The results thus far obtained from applying improved procedures to better data,” Mr. Cox wrote in an interim report on his project, “make it clear that no one, simple, definitive answer can be given to the quantitative question. On the contrary, one can readily set up a very wide range of estimates, each of them reasonable and defensible. At one extreme of this range, distribution dwindles to become an almost negligible percentage of the economy. At the other extreme, it expands to absorb virtually the entire economy. The location of a particular estimate in the range is determined mainly by the definitions given to ‘distribution’ and ‘marketing.’”

Evaluation of the effectiveness of distribution poses considerable difficulties. Here again the study has moved in two directions. One leads to a concern with the efficiency of distribution, the other to a consideration of what may be called its utility. The essential concept in measurements of efficiency is the comparison of output with input, these terms being defined conventionally without raising the questions of value systems implicit in them. Evaluation of productivity or utility, on the other hand, concentrates its attention upon the value systems themselves. Its central concern is that distribution should join all other aspects of the economy in contributing as effectively as possible to the efforts of people to achieve a good life in some meaningful sense.

Economic and Political Systems

Research Director: CALVIN B. HOOVER

Professor of Economics, Duke University

THE TWENTIETH CENTURY opened with capitalism and democracy widely in the ascendant, and with general expectations that these related systems of politics and economics would command the stage during the next chapter of man's progress. History, however, had other plans. Capitalism was challenged by the Russian revolution; freedom underwent severe setbacks in the Communist and Fascist regimes. Even in the countries of the West where the classic forms of democracy and capitalism had their home, the effects of these shocks were deeply felt. Developments within capitalism itself, intensified during the great depression of the thirties, caused change and reform. The result has been an evolution of the traditional arrangements, so that today capitalism can hardly be said to exist in its pure form anywhere, while socialism conforms no more closely to the inherited Marxist dogma.

In 1955 Calvin B. Hoover began work on a study for the Fund which would embody his own reflections upon these changes. Professor Hoover was admirably fitted for the task. He had followed, often at first hand, the transitions of Soviet society since the revolution. He had been one of the first close observers of the political and economic situation in Germany following Hitler's coming to power, and had written discerningly upon some of the economic problems of his own country

and of his own region of the South. As Professor of Economics at Duke University Mr. Hoover had been in a position to think continuously about the shifting relationships between the economy, liberty and the state.

The study is laid out on a broad scale, carrying capitalism from the classic formulation with which the century opened through the upheavals of the ensuing decades. Mr. Hoover not only has brought to bear his accumulated knowledge and experience, but in 1956 made a special trip to the Soviet Union and is planning a second trip to Eastern Europe and the USSR in 1958. In connection with his work he stimulated economists in Western Europe to make special studies of the transformations which capitalism has undergone in these countries. With the help of the Fund these are being published in two volumes by the List Society in Basel, Switzerland.

Mr. Hoover's study was completed in its main outlines by the close of 1957; the Fund plans to bring it out as a volume early in 1959. The author's conclusions may be said to be moderately hopeful. He sees the problems which are created by the new forms of economic organization; yet he recognizes that the economy, like democracy itself, must adapt itself to circumstances as well as to the changing needs and desires of men. He keeps the concept of liberty at the core of his thinking and in its light evaluates a wide area of economic and political experience.

European Coal and Steel Community

Research Director: LOUIS LISTER

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

THE EUROPEAN Coal and Steel Community (often called the Schuman Plan) has recently reached the end of what is termed its transitional period, a period in which some of the major goals of the fifty-year treaty were scheduled to be achieved.

The extent to which these goals have been attained and the experience gained in pursuing them have a significance well beyond the immediate success of the six-nation Community. This new political and economic entity was set up to encourage efficient use of human and material resources through the free and competitive circulation of coal and steel among its members — Belgium, France, West Germany, Italy, Luxembourg and the Netherlands. At a time when plans for European economic unity are moving with considerable speed and vigor, the record of the Schuman Plan has a special significance.

Taking these broader implications into account, as well as the aspects of American foreign policy that involve European economic conditions, the Fund decided in 1955 to make a study of the Community in order to assess its progress within the initial, critical period.

Louis Lister, with headquarters in Paris, has been at work on this project. An economist, Mr. Lister was a member of the United States

delegation to the European Coal and Steel Community in 1952-1953. He also has represented the United States in other international organizations and was Chief of the Coal Branch of the Economic Cooperation Administration in Washington in 1948-1951.

The need for evaluation of the Schuman Plan in relation to the now rapidly developing European Economic Community and Euratom, together with unforeseen revisions in the Plan's treaty, have extended the study's duration. The manuscript is now scheduled for completion late in 1958.

Taking a look ahead at the idea of European unity in the light of current progress exemplified in the Schuman Plan, Euratom and the Common Market, Mr. Lister still sees Europe at only the start of an uncharted course. "The destiny of the 'European idea,' " he says, "is to keep redefining itself. Although the idea is old, each generation that has sought to overcome particularism has had to do so in the context of its own problems. Far from coming to an end with the beginning of European unity, this process now becomes acute.

"In the meantime, the national state, in response to democratic social and economic values, has become an increasingly positive force for promoting political and economic integration within the national territory. As Europe moves toward unity, it will need to redefine and integrate these two main conditions of contemporary life, the positive achievements of the national state, which it hopes eventually to displace, and its external relations to the free world, where Europe, far from being able to exercise hegemony, will have to work for equality of partnership and avoid the pitfalls of regionalism at their worst."

Europe's Needs and Resources

Research Director: J. FREDERIC DEWHURST
Economic Adviser, Twentieth Century Fund; formerly Executive Director, Twentieth Century Fund

Associate Research Director:

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

THE PACE OF European economic recovery and expansion has brought into view new horizons of prosperity hardly even dreamed of in the desolation of postwar Europe. There appear to be few barriers to slow this pace, but one may be the traditional thinking along lines of limited economic growth which has oftentimes made Europe slow to appreciate fully its own potential. European scholars and leaders have observed that Europe seems to need even now a full appreciation of its own strength and a confident outlook for the future. A study of Europe's economy as a whole — somewhat along the lines of the Fund's major work on the American economy, *America's Needs and Resources: A New Survey*, by J. Frederic Dewhurst and associates — might make a contribution in providing a factual base for approaching the future, economists in both Europe and the United States suggested.

Accordingly the Twentieth Century Fund decided in 1955 to make

a study of Europe's needs and resources which will attempt to measure and project into the future, in relation to expected growth of population, the basic trends in demand for various classes of consumer goods and services, capital equipment and government services. The European study will measure actual performance of individual countries of Western Europe and of that region as a whole.

The director of the study is J. Frederic Dewhurst, formerly Executive Director of the Fund, who resigned from that position in order to undertake this project. Mr. Dewhurst is working from the Fund's European headquarters in Geneva. He is being assisted by John O. Coppock, formerly Deputy Chief, Central European Division, Foreign Operations Administration, Washington, D. C., and by a small staff and a number of European contributors who are experts in various fields.

Writing from Geneva, Mr. Dewhurst sees a new dimension given the project with ratification of the treaties for a European Economic Community and a European Atomic Energy Community among France, Italy, West Germany, Belgium, the Netherlands and Luxembourg. For the European economy the new treaties hold a promise of still indefinable extent. These common-market countries account for about 55 per cent of Europe's population, Mr. Dewhurst notes.

Despite the hopeful prospects, Mr. Dewhurst sees substantial problems ahead in working out arrangements for a common market. Will the common market be really competitive, or will cartel arrangements rob the experiment of its vitality? Will the various countries be able to harmonize national fiscal and monetary policies? And will adjustment of domestic policies to the larger international considerations be made with sufficient speed and vigor?

Possibly just as significant as the common market in the long run, Mr. Dewhurst says, is Britain's advocacy of a European free-trade area which would include not only the six countries of the common market but also the United Kingdom, Switzerland, Denmark, Norway, Sweden and perhaps other countries of free Europe.

Honduras

Research Director: VINCENT CHECCHI
Checchi and Company, Consulting Economists

FOLLOWING AN interest in Latin America which has already been expressed in studies of Brazil and Costa Rica, the Fund embarked in 1957 on a study of Honduras. The Fund's decision to do so was bolstered by the emphasis on economic factors which Honduras is bringing to the blueprints it is making for its future.

Honduras is among those smaller countries which appear to be at a turning point, one marked by the aspirations of its people for a higher standard of living. With other countries struggling to enter the stream of industrial and technological development which is a central force of the twentieth century, Honduras looks to ways in which it may more fully use the resources of men and nature at its disposal.

The study is to be carried out by a staff headed by Vincent Checchi, formerly an economist handling loan applications from Latin American countries for the International Bank for Reconstruction and Development. Mr. Checchi also served as the economist and chief of the East-West Trade Branch of the Economic Cooperation Administration (Marshall Plan) and was the chief of the Marshall Plan Mission to the Philippines.

Assisting Mr. Checchi in the work will be Harry G. Clement, an adviser on industrial and tourist development to the U. S. Department of Commerce, and former director of industrial development programs in the Far East, Europe and Latin America for the International Co-

operation Administration. Mr. Checchi is head of Checchi and Company, consulting economists, and Mr. Clement is a member of the firm.

The research staff sees as among the major concerns of Honduras at this time problems involving the improvement of education, health and sanitation; of improving the system of transportation within the country; and of aiding agriculture with scientific processes and new equipment as well as by discovering means to simplify a complex land tenure pattern and to increase credit. The important role of the United Fruit Company in Honduras has suggested to the research staff the importance of discussing the general effects of the company's operations there.

The report will explore the possibilities of opening up entirely new areas of economic activity. It will also examine Honduras' position with the rest of the world, evaluating new possibilities which may exist for working with the Organization of American States and the United Nations Economic Commission for Latin America, and the possibilities of extended trade agreements with neighboring countries as well as of participation in some kind of Central American customs union and other forms of economic and political cooperation with nearby countries.

The study is set for completion early in 1959. In the course of the work Mr. Checchi and his associates expect to make several trips to Latin America.

Megalopolis

Research Director: JEAN GOTTMANN

*Member, Institute for Advanced Study, Princeton,
New Jersey; Professor, School of Political Science,
University of Paris (on leave)*

MEGALOPOLIS — the name given that continuous stretch of cities and suburban areas extending from north of Boston to the southwest of Washington, D. C. — is a unique phenomenon in its mass and continuity. It extends in length over some six hundred miles, has a population of close to thirty million and a concentration of industry, commerce and cultural activities unknown elsewhere in this country. Although nothing else quite like it exists at present, its development carries important guideposts to the expanding new frontier of the American economy: the urbanization of the land and the growth of other large urban regions.

In 1956, the Fund decided to make a study of Megalopolis, a study which would evaluate its unique character and would provide an insight into the trends and problems ahead, exploring the effects of the modern form of urban development on the way people live, their recreation and their work, and the implications for methods of government and taxation.

Chosen to make the study is Jean Gottmann, a French scholar and a geographer of international repute. Mr. Gottmann is at present on leave from the School of Political Science, University of Paris, and is a member of the Institute for Advanced Study at Princeton. He has made

other regional surveys in the United States and is the author of *A Geography of Europe* and other works.

While Mr. Gottmann feels it is too early to draw any broad conclusions from his study, his preliminary researches, backed by his long experience in this field, have given him a generally optimistic view on urbanization. "Well-planned and well-managed urbanization could bring to our world an unprecedented economic expansion and prosperity," Mr. Gottmann says. "While many voices are raised today to bemoan the 'evil' of urbanization, it already seems obvious to us at this stage that Megalopolis in fact performs the function other cities performed in the past, fostering a more *urbane* kind of people and way of life. The defects of present planning, the weaknesses of many solutions attempted here for pressing problems, should not obscure the fact that in this laboratory a better though more urbanized society and landscape can be and ought to be prepared."

A special section of this Annual Report is devoted to an interim report — illustrated by a number of specially drawn maps — on the study of Megalopolis.

Nuclear Energy

Research Director: PHILIP MULLENBACH

*Formerly Director of Research, Nuclear Energy
Project, National Planning Association*

AMERICA'S BREAKTHROUGH into the atomic age gave her a power for peace as well as for war. It gave the nation the promise of a new and vital force in its own economy. It also imposed a historic opportunity and obligation, an obligation the President acknowledged in a speech to the United Nations on December 8, 1953 in which he emphasized this country's responsibility for world leadership in the peaceful application of nuclear energy through international cooperation.

But today there are doubts both of any rapid and extensive development of nuclear energy for the United States economy and of fulfilling American obligations for world leadership in this field. These doubts persist despite indications of stepped-up progress in recent months.

It is true that the nation's resources in raw uranium, enriched fuel for reactors, and scientific and technical personnel are great. Still, owing to the absence of an urgent demand for nuclear power in the United States, there is danger that the present research and development phase will be so long and the prospect for domestic commercial markets so remote that American private industry will not have the production experience necessary to enable it to supply tested large-scale reactors for some time to come.

Some companies have either retrenched or dropped out of power reactor development and most are urging heavy governmental assistance.

The form and scale of such further assistance is an issue of increasing economic importance. Related to it is the long-standing controversy between advocates of private and public power.

Abroad the heartening progress made toward Euratom (the European Atomic Energy Community), the implications and events surrounding Suez, the destruction of pipelines from Middle East oil fields, and the continuing political instability that seems in prospect there, underlie the expressed needs of Western Europe, Japan and other countries for a new source of energy and the technology it requires. In the underdeveloped areas the availability of economical nuclear power would also have special significance.

A combining of United States resources and foreign needs has appealed to most persons as a logical prospect to encourage, not merely in order to support the country's Atoms for Peace program but also in order to strengthen a faltering domestic development program. One of the key economic issues is how to remove the disparity that now exists between our domestic reactor program, based on very limited needs at home, and the responsibilities of the United States world position in nuclear energy.

In 1957 the Fund embarked on a study of nuclear energy to examine some of the pressing problems involved in its development. In addition to setting forth the facts identifying the major economic issues in nuclear energy development, the study will attempt to bring out the contrast between the foreign and the domestic needs for a new energy source and to describe the interrelations of our foreign and domestic policies in the field of nuclear energy.

The research director for the study is Philip Mullenbach, formerly with the Atomic Energy Commission in Washington as an economist. Most recently Mr. Mullenbach served as Director of Research of the National Planning Association Project on the Productive Uses of Nuclear Energy.

Pension and Welfare Funds

Research Director: PAUL L. HOWELL
Economic Consultant

A FORCE OF rapidly increasing power in the national economy is the vast accumulation of reserves being built up by pension and welfare funds, those of industry as well as unions. These funds have become a new financial giant in today's capital markets. They are growing at the rate of nearly \$4 billion a year and currently aggregate about \$35 billion.

Insurance companies hold \$13.5 billion of these funds, bank trustee administered funds amount to \$17 billion, corporate self-administered funds to \$2.5 billion and union administered funds to \$2 billion.

Their importance, of course, goes beyond their size and relates tellingly to our social structure as it is evolving and to the compellingly human problem of providing an ever greater measure of security to our senior citizens.

These funds are important, too, from the point of view of increased wage costs; and they also indicate a possible shifting of some measure of industrial control, as well as a redirection of the flow of savings. That funds of such magnitude can exert far-reaching influence on the economy as a whole cannot be doubted. But just how great is this influence and what is the nature of its impact? What does it signify for the future? How are these funds being controlled? How are their investment policies managed? Are there adequate safeguards to protect them and the rights of the employees for whose benefit they are being accumulated?

With these questions in mind, and with the conviction that an overall look at this new force would be useful, the Fund undertook a study of pension and welfare funds. Preliminary work on the study has been under the direction of Paul L. Howell, an economic consultant and Adjunct Professor of Finance at the Graduate Schools of Business Administration at New York and Columbia Universities.

Power and Peace

Author: HERBERT ROSINSKI

*Lecturer and Consultant, Industrial College of the Armed
Forces, Naval War College and Army War College*

AS MODERN industrial civilization spreads outward from its centers to embrace all cultures and peoples, and to increase rapidly — sometimes violently — the sum total of spiritual and material forces generated, mankind finds itself confronted with so abrupt an expansion of its potentialities for good or ill that its ability to keep control over the process becomes increasingly a serious question.

Thus Herbert Rosinski describes an underlying theme of a work on power and peace which the Fund has asked him to undertake. The work will seek to define and elucidate the nature of power in the context of the modern world, particularly with respect to the complex issues of defense in the nuclear age. A further objective of the study is to establish the widest possible common ground between the specifically American point of view and the other national and regional viewpoints with which some accommodation must be found if these transcendent problems are to be capable of solution at all.

Mr. Rosinski is the author of a history of the German army and its relation to the general history and movement of the nation which is considered a landmark in military-political writing. He has long been a student of naval and military history within a broad frame of contemporary world civilization.

The basic elements of Mr. Rosinski's study will fall into three main

parts. The first will survey the broad political-cultural framework of the "global-nuclear" age as it relates to the fundamental problem of turning power from war to peace.

The second part will treat the nuclear age in its narrower strategic and technical setting. It will face such questions as disarmament, the extent to which it is possible to maintain an equilibrium of national power based on a stalemate arising out of mutual terror; and the question of how, in effect, war can be avoided when the processes of world development will give rise to continuing frictions of a kind which previously could have been resolved only by war.

The final section will consider the broad objective: peace. It will attempt to differentiate between the concept of peace as merely the absence of military conflicts and the concept of peace as an effort at economic cooperation and cultural integration. It will explore the problem of preserving man's spiritual integrity, and his capacity for coherent political action, if the desired state of peace is in fact attained. The study is not a detailed survey but rather one that grows out of Mr. Rosinski's reflections of many years. It is planned for completion in 1958.

Southeast Asia

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

WITH THE COLONIAL ties of Southeast Asia broken, many of the individual countries that have sprung up find themselves poorly integrated in the world as a whole and with many inadequately developed relations with each other. And yet this is a vital time in their lives, as free nations; perhaps a decisive one. Furthermore, the ways in which this area develops will, of course, be of major concern to the United States and to the rest of the world as the skein of interrelated world interests becomes ever tighter.

In 1957 the Fund began work on a study of the resources and future prospects of Southeast Asia. The study will center on the economic, cultural and political interrelationships of the countries of that region with each other and with the rest of the world. After analyzing population, production and investment trends in individual countries, the study will give special consideration to problems of the region as a whole and the conflicting tendencies toward integration and disintegration that result from current trends and national policies.

Undertaking this study is Gunnar Myrdal. Mr. Myrdal was, until his recent resignation, Executive Secretary of the United Nations Economic Commission for Europe, which has its headquarters in Geneva. Previously he was Minister of Trade and Commerce in Sweden, and he

has held the rank of Professor of Political Economy at the University of Stockholm since 1933. He is perhaps best known in the United States as the author of *An American Dilemma*, a study of the American Negro, published in 1944. Among his other writings is *An International Economy: Problems and Prospects*, published in 1956.

Mr. Myrdal will be assisted by two Danish economists, Mogens and Esther Boserup, a husband-and-wife team, as well as by economists and specialists in the countries being studied. Mr. Myrdal's plans call for extensive travel in Southeast Asia from the headquarters which have been set up in New Delhi.

During 1957, before beginning his study in November, Mr. Myrdal visited the Soviet Central Asian republics and Australia, completing what he calls his explorations of the wings of the stage. On other occasions he has had the opportunity of seeing Southeast Asia in other perspectives from his extensive travels and study in America, the Near East and Europe.

Completion of the study of Southeast Asia is set for late 1960, with publication in 1961.

Time, Work and Leisure

Associate Research Directors:

AUGUST HECKSCHER
Director, Twentieth Century Fund

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

Assistant Research Director:

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

THE ERA of technology has seen significant changes in the way people work and in the way they spend their free time. As part of the Fund's concern with transformations in American life, the Trustees in 1957 authorized a study of work and leisure, their nature in the present-day context and their relation to one another. August Heckscher, the Director of the Fund, is in charge of the study with Sebastian de Grazia, who has been a consultant to various industries on problems in job definition and morale, and whose book *The Political Community* explored the values which can give purpose and cohesion to a society. They are assisted by Thomas C. Fichandler, Research Associate of the Fund. Mr. Fichandler, who worked with Mr. Dewhurst on *America's Needs and Resources: A New Survey*, is preparing the basic statistics for the present study.

There are obviously many contradictions and paradoxes in the

American concern with leisure. At a time when our society is challenged by the rate of Soviet advance, the United States appears to be yielding to the temptation to work less. Yet the Americans have traditionally been among the busiest of people, and even now the phrase "active leisure" has had to be coined to describe their state in their off-hours. Actually the pressure for shorter hours turns out in part to be linked with the drive for higher wages, and a surprising number of those whose hours are reduced use their freedom to secure a second job. Many common assumptions about working hours need to be examined: for example, it appears that the statistics which are usually cited to show a decline in the work week are heavily influenced by the fact that an increasing number of the population, particularly women, have entered the work force with part-time jobs. Thus the *average* work week is lowered, though those with full-time jobs may not find their working hours substantially changed.

Taken in terms of the life span, however, there is a striking amount of free time for the average person. Youths enter late into the working force; older people retire earlier and also live longer. Lengthened vacations permit an unprecedented amount of travel. This availability of time opens up new choices and possibilities for the population, and affects the way people think and work. The ideal of leisure seems to be prevalent in our society, even when the use of leisure still raises uncertainties and inhibitions; and this ideal is in part responsible for the amenities which are increasingly a part of the industrial plant, as well as for today's work patterns. The Fund's study will explore leisure in this broad sense: as a quality which can pervade the social order and give it a distinctive character.

Tropical Africa

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

TROPICAL AFRICA admits of few generalizations. It can no longer be characterized as dark, if indeed it was ever as dark as our ignorance of it; nor can it now be dubbed dangerous, for it is possible to live a lifetime in the Belgian Congo without so much as seeing a snake or a mosquito. It cannot even be described as hot, for parts are cool.

But this much is true of large parts of it — they have changed quite a bit since the days of Livingstone and Stanley. Then, few Africans had been outside of their tribal limits; and of those that had, fewer had returned to tell the tale. Life was parochial, timeless and static. Today, the African is footloose. The roads are full of Africans, some walking, some riding bicycles, some riding trucks and cars. Where two roads meet there is a village where the African may slake his thirst with bottled drinks, buy canned goods, cigarettes and European-style clothes, listen to the rhythms of Tin Pan Alley (strangely like his own), and hear the latest news from Cairo and the Kremlin.

The African is on his way, though as yet nobody is quite sure which way. This sense of surge — of optimistic if still unsteady progress — toward a new world is something no modern traveler can miss. It is his first and constant impression. He meets it on the land (the African's growing interest in better farms, roads, wells, etc.), in the villages and

towns (the African's interest in literacy campaigns, trade training, child welfare clinics, etc.), in politics and government (the African's interest in nationalism and freedom), and even in detention camps. All of which is perhaps another way of saying that large parts of tropical Africa are in the throes of a revolution — "the revolution of rising expectations."

These words reflect the thinking of George H. T. Kimble, author and formerly director of the American Geographical Society, who was asked by the Fund in 1953 to direct a major survey of tropical Africa. It is a survey designed to illuminate the dramatic forward surge of the peoples of that region and to provide us in this country with a greater knowledge and understanding of a continent destined without doubt to play an ever greater role in our own history.

The report will be published in two volumes. The first will deal with the economy of tropical Africa, providing general information as well as a detailed examination of agriculture, mineral exploitation, industrialization, transportation, trade and population trends. The second volume will cover the changing society and polity of tropical Africa — colonial policies, native administration, the rise of nationalism; art and music; education and mass communications; health and disease, as well as many other facets of African life. Mr. Kimble is scheduled to make a third trip to Africa in 1958 in connection with the study, and publication is planned for 1959. Augmenting Mr. Kimble's own observations in the preparation of this work are contributions from some fifty experts on particular subjects.

Yugoslavia

Research Directors: GEORGE W. HOFFMAN
Associate Professor of Geography,
University of Texas

FRED W. NEAL
Associate Professor of International Relations
and Government, Claremont Graduate School,
California

YUGOSLAVIA'S ATTEMPT to create a socialist society independent of the Soviet Union has implications that go well beyond the borders of one Balkan nation. It throws light on one of the compelling political questions of our day — the ability of countries within the Soviet sphere of influence to regain their own identity, and the reaction of the Soviets toward such attempts. Yugoslavia's experience, therefore, is not only of vital importance to those countries within the Soviet orbit, but it also bears critically on foreign policy for the United States and the Western democracies.

In an attempt to assess the meaning of the Yugoslavian experience and to relate it to world political currents, the Fund arranged to have undertaken a study of this country. The study will analyze the emergence of the new society in Yugoslavia, and provide a detailed analysis of the political and economic developments and the geographic and social-historic factors involved.

The directors of the study are George W. Hoffman and Fred W. Neal. Mr. Hoffman, Associate Professor of Geography, University of

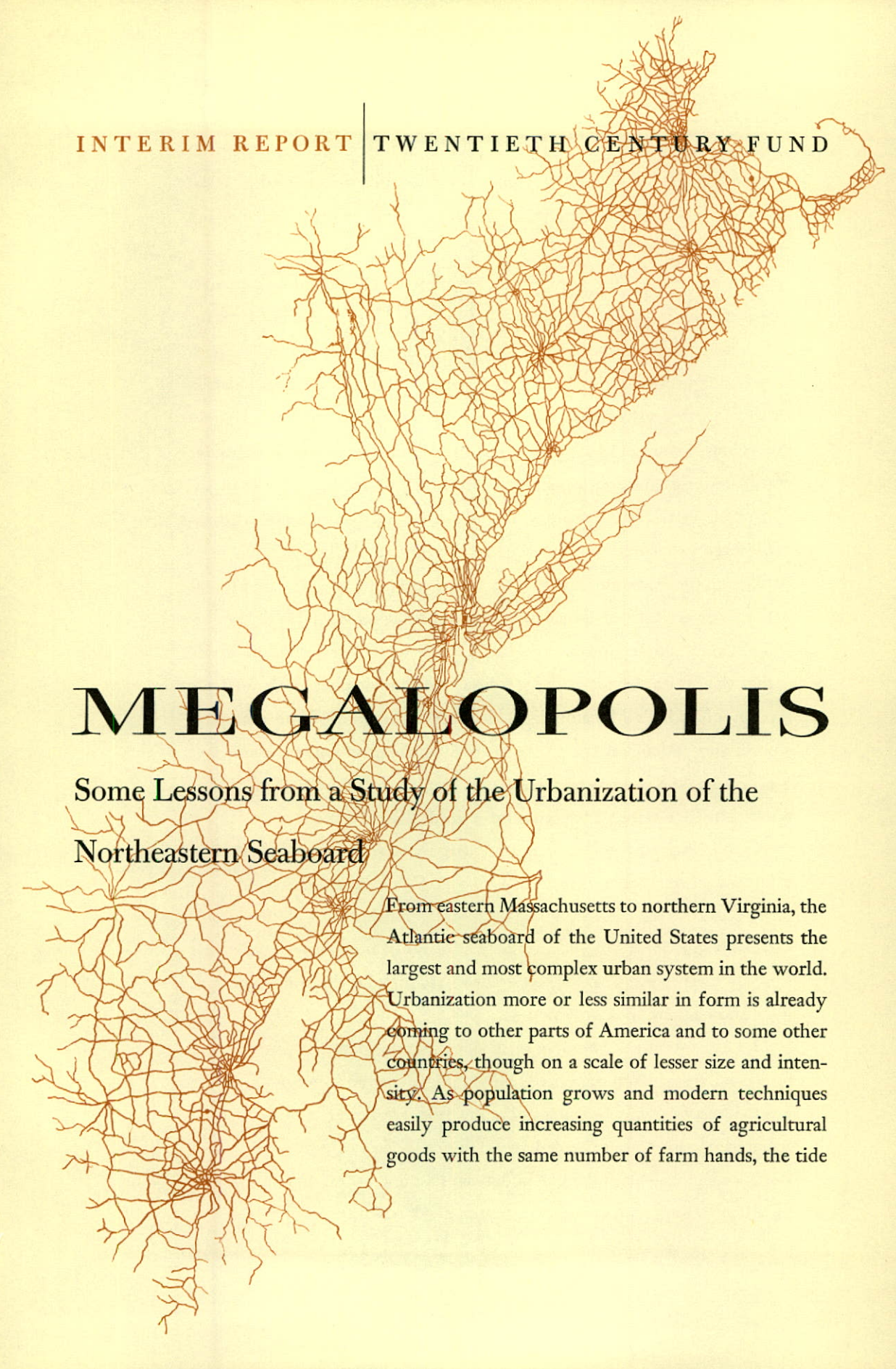
Texas, has undertaken research work in Yugoslavia sponsored by the Social Science Research Council and the Research Institute of the University of Texas. He most recently visited Yugoslavia in 1957 while traveling in Europe on a grant from the American Philosophical Society.

Mr. Neal, Associate Professor of International Relations and Government, Claremont Graduate School, California, was formerly a Washington and foreign correspondent for the *Wall Street Journal*, a consultant on Russian Affairs and Chief of Foreign Research on Eastern Europe, U. S. Department of State. In 1954-1955 he was in Yugoslavia as an Associate of the American Universities Field Staff.

Both men have written extensively in a wide range of publications on foreign affairs. They expect to spend part of the summer of 1958 in Yugoslavia working on their study.

In addition to analyzing the important implications of the Yugoslavian political experience, the study will join those the Fund has already done on Greece and Turkey in providing a comprehensive picture of the land, economy and society of a Balkan country.

Completion of the study is scheduled for 1960.



INTERIM REPORT | TWENTIETH CENTURY FUND

MEGALOPOLIS

Some Lessons from a Study of the Urbanization of the
Northeastern Seaboard

From eastern Massachusetts to northern Virginia, the Atlantic seaboard of the United States presents the largest and most complex urban system in the world. Urbanization more or less similar in form is already coming to other parts of America and to some other countries, though on a scale of lesser size and intensity. As population grows and modern techniques easily produce increasing quantities of agricultural goods with the same number of farm hands, the tide

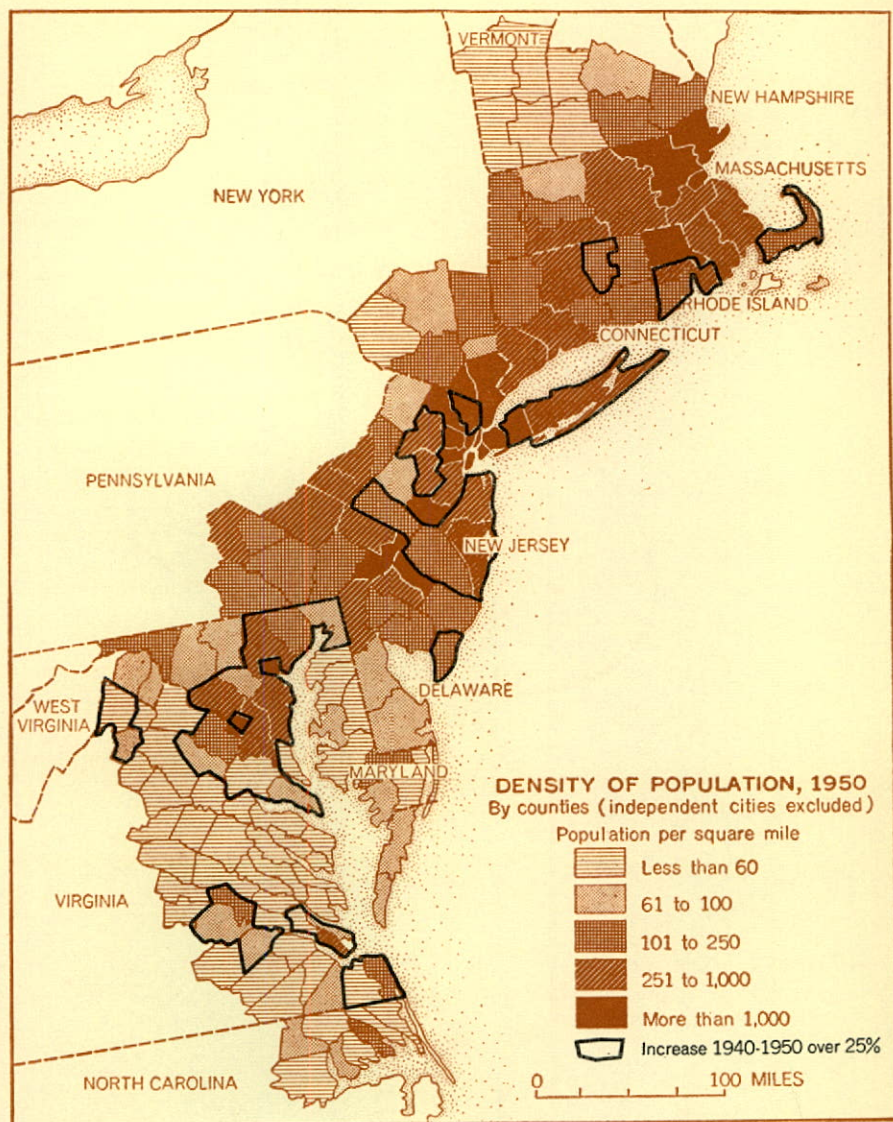
of upcoming generations is bound to turn toward nonfarm, i.e., urban, activities. Cities and suburbs are destined to expand.

A careful analysis of the past and present of Megalopolis may help in understanding this process. Research for this study progressed in 1957, and a few preliminary lessons may be drawn, or at least hinted at, from some of the results already achieved.

Many features of the present state of affairs in Megalopolis have been mapped, mainly by use of statistical data from U. S. Census reports for each county in the area. Comparison of several such maps reveals certain trends and curious coincidences. For example, the density of population in 1950 shows an irregular pattern; by superimposing over this map lines encircling those counties with population increases of more than one fourth from 1940 to 1950, we find that major growths occurred at some distance from the larger cities and more in the southern than in the northern sections of Megalopolis (Map 1). Westward the growth has been broken up by the mountains (Map 2). The recent progress of suburbanization between cities can be demonstrated by the same method (Map 3).

The areas from Boston to Philadelphia were "megalopolitanized" earlier than the areas south and southwest of Philadelphia. This northern section of today's Megalopolis is, indeed, the cradle of the emerging system and perhaps of the entire process of urbanization in America. It is noteworthy that many of the features mapped for the whole of Megalopolis are emphasized or concentrated in this northern section. Wealth seems to be better distributed and population better educated there than in the southern reaches of the area (Map 4). While rural farm population has been crowded out in this northern area, housing in 1950 was rather better there (Map 5). Some circular highways of new design, aiding the flow of metropolitan traffic, were also first built in the north, such as Route 128 around Boston (Map 6).

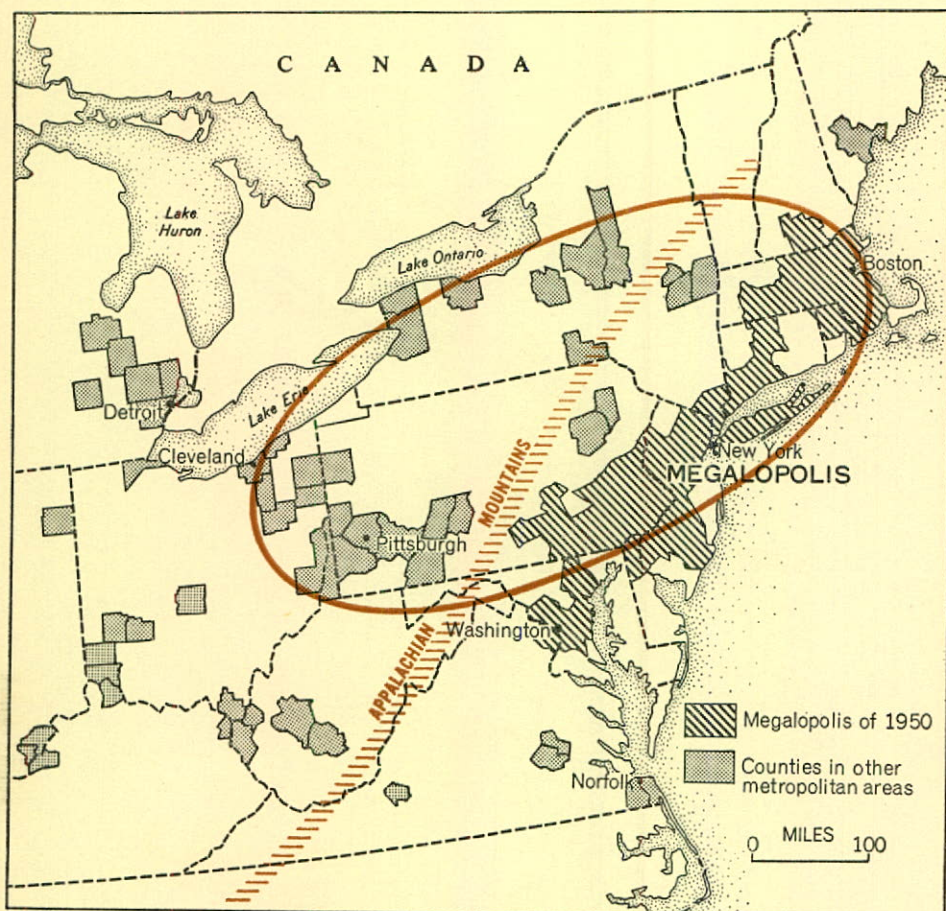
The analysis of Megalopolis may demonstrate, despite some popular beliefs inherited from the nineteenth century, that all is not evil in great urban areas: income, housing and education are better, and better distributed, in the more crowded areas. Big cities do not necessarily mean slums and mobs. With proper understanding and foresight, the process of urbanization could create even better standards of living.



MAP I

Megalopolis – Population and Growth

The degree of shading indicates the density of population per square mile in each county: the darker the shading, the greater the crowding. Since 1950 the density of residential occupation has increased almost everywhere except in the central districts of cities (such as Manhattan). Superimposed black lines mark out counties with a population increase of over 25 per cent in the period 1940-1950.



MAP 2

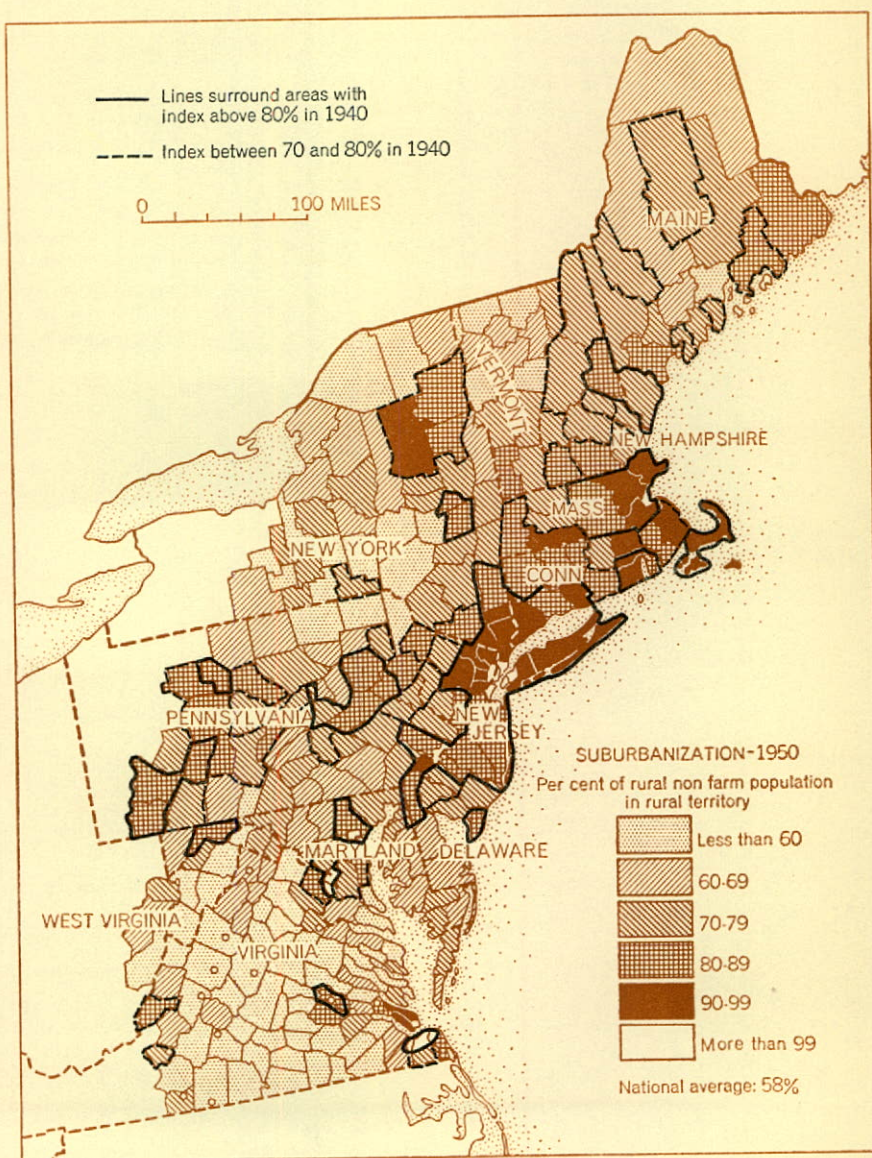
A Ring of Urban Growth

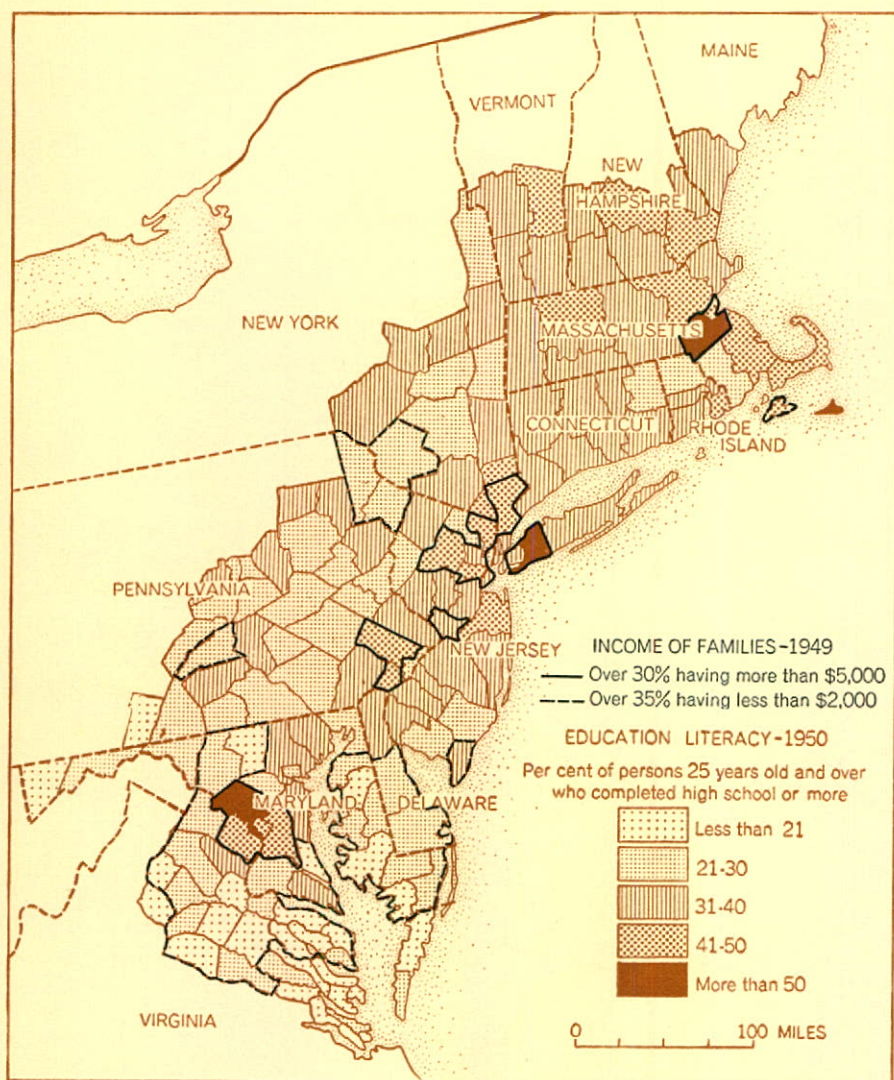
The seaboard ribbon of counties with a metropolitan economy (according to a statistical definition of the U. S. Bureau of the Census in 1950) is consolidated from the vicinity of Boston to Washington, D. C. The scattering of metropolitan areas in the northeast as a whole suggests other possible consolidations in the future. One is already taking shape from Cleveland, Ohio, to east of Pittsburgh, Pa. A future ellipse (hinted at by the solid line) may develop, overcoming the barrier of the Appalachian ranges, the axis of which (shaded line) still cuts off the Atlantic Megalopolis from the Midwest.

Where Suburbia Grows

Most of Megalopolis is not city land but *suburbanized*. Contrary to some expectations, Megalopolis is not in the main a single city. It is suburbanized land. There is no established way of determining what is suburban land, but a simple index of suburbanization is the percentage of nonfarm population, living from nonagricultural pursuits, which is to be found in *rural areas* (i.e., outside what the U. S. Census calls "urban territory"). The shading on this map shows that this index was often above 70 per cent by 1950. Black lines surround areas already well suburbanized by 1940. An increase in suburbanization from 1940 to 1950 is obvious in most areas.

MAP 3





MAP 4

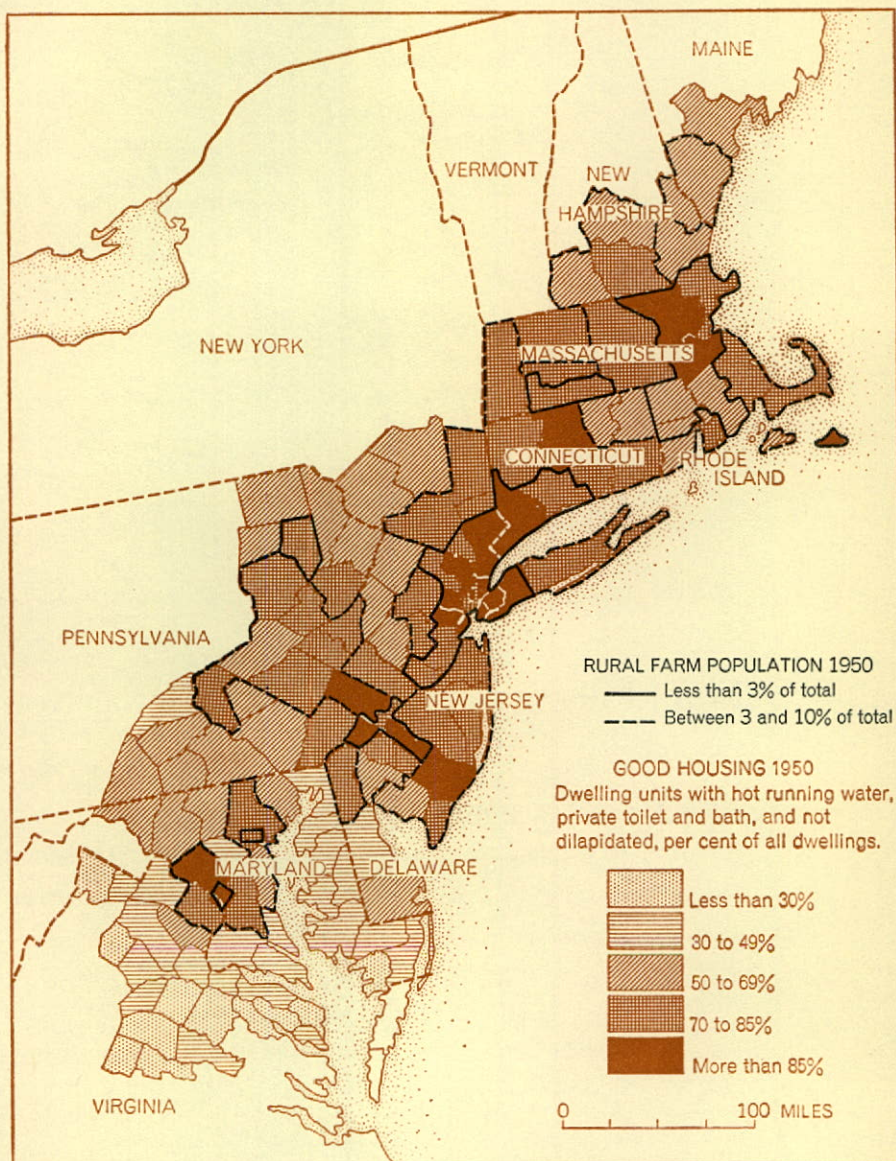
Education and Income

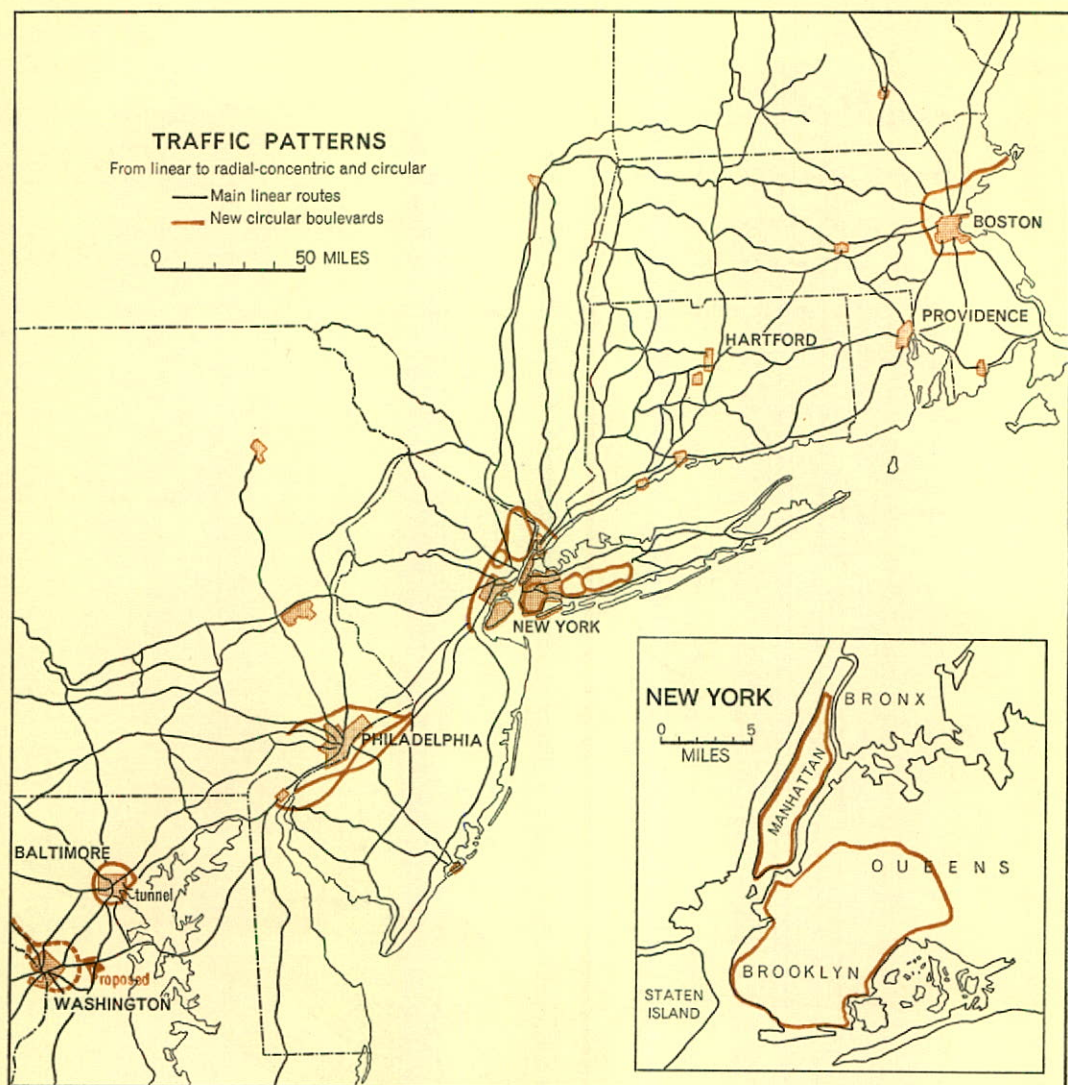
Shadings show the percentage, by county, of persons 25 years and over having at least completed high school. This measure serves as a simple index of good literacy. High percentages generally coincide with the areas of relatively high family income (marked by solid black lines), while areas of poor education coincide with the areas of poverty (marked by dotted lines).

Cities and Housing

The percentage of well-kept and well-equipped dwelling units serves as one index of good housing; the shadings show its distribution. Superimposed lines surround the more urbanized areas (those having less than 3 per cent rural farm population). Urbanization appears to coincide with better housing on the whole.

MAP 5





MAP 6

From Intercity to Radial and Circular Routes

Megalopolis between Boston and Washington grew along the Fall Line and U. S. Route 1. The new growth of suburbs and interconnections between the towns required more than a linear pattern of communication. "Downtowns" became points of road convergence, and a starlike or radial-concentric pattern centered on them. Now circular boulevards are needed (brown lines) to channel the traffic of the outer rings, and more are being built or planned. "Downtowns" may also benefit by such circular arteries, as has been true in New York City (see inset).

THE TWENTIETH CENTURY FUND

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Educational Activities

A MAJOR AIM of the 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. The economic and social questions studied by the Fund are of such importance to national policy, in both the domestic and international fields, that they are likely to be of imminent concern to this wider public. To reach it the Fund carries on an active program of dissemination through the press, radio and television, movies, the Fund's own Newsletter and other channels of communication.

Motion Pictures

THE INCREASED USE of films by schools, business and civic groups and in adult education programs has provided the Fund with an effective opportunity of bringing findings from its studies before the public. With the release of two new films in 1957, the total number of Fund films in circulation is brought to nine, each based on a Fund work. The Fund has found that films not only convey information with clarity and impact but also serve especially well to awaken interest in a subject and stimulate discussion.

One of the films produced in 1957 was based on *Can We Solve the Farm Problem?: An Analysis of Federal Aid to Agriculture*, by Murray R. Benedict, and the other on *American Imports*, by Don D. Humphrey. While other Fund films have been shown on television occasionally, these two new films have been used extensively on television. Each received one hundred or more showings in different parts of the country.

CAN WE SOLVE THE FARM PROBLEM?

This film focuses on the core of the complex farm problem: surplus production. It shows in human terms how the problem of agricultural surpluses developed and grew; where we now stand in our efforts to solve it. The film gives the background of price supports, first as they were brought in to bolster sagging agriculture during the depression of the 1930s and next as a means to stimulate production during World War II. Today completely changed conditions confront us and new thinking is called for. The film suggests a future course for dealing with the farm problem which follows the recommendations framed by the

Fund's Committee on Agricultural Policy, a committee drawn from among the nation's leaders in the field.

"Can We Solve the Farm Problem?" is a 16mm., one-reel, sound film in color with a running time of ten minutes. It is available for purchase from the Public Service Network, Inc., Princeton, New Jersey.

A pocket-size brochure, illustrated with scenes from the film, has been prepared for use as a discussion aid.

AMERICAN IMPORTS: A NEW LOOK

"American Imports: A New Look" is a film which centers on the complex and far-reaching questions involved in the nation's international-trade policy. It delineates the issues lucidly by depicting a "town meeting," attended by various community leaders and their guest, a European businessman. Through the contrasting viewpoints and exchange of ideas among these people the question of imports is removed from theory and abstraction and linked directly to the concerns of everyday life. Tariff laws, quota systems, the "invisible tariff," presidential and congressional trade policy, injured industries — all are discussed from the viewpoints of business, labor, agriculture and consumer.

"American Imports" stresses the value and necessity of import trade, while recognizing the need for measures to aid the business that may be injured in the process. It is based on a study jointly sponsored by the Twentieth Century Fund and the National Planning Association and written by Professor Don D. Humphrey of Duke University, a recognized expert on international trade.

"American Imports: A New Look" is a 16mm., one-reel, sound film in color with a running time of twelve minutes. It also is available from Public Service Network, Inc., and a discussion booklet is also available.

OTHER FILMS

Among the most popular of the Fund films is "The Living City," based on the Fund study *Renewing Our Cities*, by Miles L. Colean. It

EDUCATIONAL ACTIVITIES

depicts the cycle of city growth, decay and — with dramatic emphasis, the final and often unfulfilled part of the cycle — renewal.

Another film that has caused considerable interest is "Look to the Land," derived from a chapter of *America's Needs and Resources: A New Survey*, by J. Frederic Dewhurst and associates. This film is a color documentary on the nation's wealth in natural resources, and the ways this heritage can be preserved for future use or restored where there has been destructive waste.

Fund films from previous years that are in current circulation are: "Distributing America's Goods" (1946), "Productivity: Key to Plenty" (1949), "Round Trip: The U.S.A. in World Trade" (1952), "Working Together: A Case History of Labor-Management Cooperation" (1952) and "Inflation" (1953). These films are distributed, for rental or sale, by Encyclopaedia Britannica Films, Inc., through its head office in Wilmette, Illinois, and its nationwide group of branch offices.

Radio

THE Fund's series of six radio programs, "Threescore and Five," originally produced in the summer of 1956 in cooperation with the National Broadcasting Company, was given a second airing over the NBC network in the late spring of 1957. H. V. Kaltenborn acts as narrator for this series, which is adapted from the Fund's study of *Economic Needs of Older People*, by John J. Corson and John W. McConnell. The programs are produced in documentary style, with many vivid bits of recorded conversation in which older persons describe the circumstances, joys and problems of their lives. Toward the end of the year the programs were submitted to the evaluating committee of the radio network of educational broadcasting stations, with the hope that

arrangements could be made for the educational stations to broadcast the programs in 1958. The Fund has prepared a pamphlet, "Threescore and Five," containing the text of the six programs, which is sold at cost to listeners who write in for it. The series is available on tape recordings as a discussion and teaching device — but not for broadcasting — through the Audio-Visual Center, Kent State University, Kent, Ohio.

Television

THE FUND made arrangements to produce a special program summarizing some of the main conclusions of its report *U. S. A. in New Dimensions* for distribution to educational television stations. The primary agreement was made with the Educational Television and Radio Center, Ann Arbor, Michigan, which subcontracted with Station WGBH-TV in Boston for the actual production. A script was prepared and special drawings and animated charts were planned to enhance the visual interest of the program. At the end of the year, work was progressing on the visual materials and other details, and production was scheduled for early in 1958. The program is to be produced "live" before the television cameras of WGBH and then distributed on kinescope recording through the facilities of the Center to the twenty-five or more educational television stations now operating in the United States.

Newsletter and Clipsheet

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 fifteen thousand institutions and individuals, including leaders in industry, education, government and

EDUCATIONAL ACTIVITIES

welfare. It provides information on new works the Fund may be undertaking and frequently gives excerpts from published works, presenting at times charts or graphs based on Fund studies.

With each edition of the Newsletter the Fund issues a Clipsheet, made up of short items from its studies and designed for "filler" use by a wide variety of publications. Clippings of several thousand of these items are received each year. The Newsletter and Clipsheet are sent without cost to any individual or organization wishing to receive them.

Special Educational Activities

U. S. A. IN NEW DIMENSIONS

A popular, illustrated summary of highlights from the Fund's major study *America's Needs and Resources: A New Survey*, by J. Frederic Dewhurst and associates, was published for the Fund by the Macmillan Company in July 1957 under the title *U. S. A. in New Dimensions*. This paperbound book, with its bright-colored cover and many charts, diagrams and drawings, presents in simple text and illustration a broad view of the American economic system with stress on its past achievements and its potential for the future.

U. S. A. in New Dimensions was written by Thomas R. Carskadon, Associate Director of the Fund, and George Soule, economist and writer, with graphics by Rudolf Modley. It has been bought extensively for use in high schools. The United States government placed several large orders for its use in the libraries and information centers it has set up in all parts of the world. The book received wide press coverage, and the Fund based a one-minute news film on it which was shown on television stations across the nation.

WORKING PAPERS

As part of its educational activities in 1957, the Fund moved to try a new type of informational publication which it thinks of as a working paper. This type of paper does not result from a formally organized research project, nor does it embody or interpret findings from one of the Fund's regular studies. Rather, it is thought of as an informal report on a subject in which the Fund is interested and of which it later may make a more intensive study.

The first of these working papers deals with the European Atomic Energy Community (Euratom) and describes its origin, aims and program. The author of the paper is Ben T. Moore, Associate Director of the Fund and formerly a State Department specialist in European affairs. During the summer Mr. Moore attended the conference on the North Atlantic Community at Bruges, Belgium, and while abroad conferred with European leaders associated with Euratom.

The member nations of this organization are France, Italy, West Germany, Belgium, the Netherlands and Luxembourg. The success of Euratom, according to Mr. Moore, will have implications for the integration of the European economy, which has been a major foreign-policy objective of the United States since the start of the Marshall Plan. In this working paper Mr. Moore, in addition to analyzing and describing the organization, delineates its probable impact on the United States and the contribution this country might make toward its success.

Single copies of the paper are available from the Fund on request, without charge.

GRAPHICS

As a means of bringing findings from Fund studies to an ever wider group of persons whose interests are in fields touching its activities, the Fund has issued a number of graphic series, embodying the main findings from such studies as *American Imports*, by Don D. Humphrey, and *Approaches to Economic Development*, by Norman S. Buchanan and Howard S. Ellis.

EDUCATIONAL ACTIVITIES

These "graphics," printed on a 12" by 16" sheet, combine brief text with extensive use of diagrams and pictures in order to communicate with simplicity and clarity some of the major elements of Fund studies. Some fifty thousand of these charts were requested in 1957 by civic groups, high schools and colleges, business and labor groups, and adult education classes.

The graphics are available without cost for single copies and at one cent each in quantity orders.

FEATURE ARTICLES

Feature stories based on Fund reports are circulated through *Feature*, a publication which services some five thousand general magazines, labor and business publications, newspapers and house organs. More than one thousand of these publications have requested the articles offered by the Fund through *Feature*. The stories were "Bright New Future for Americans," based on *America's Needs and Resources: A New Survey*; "Elections — What They Mean to Us," based on *World Commerce and Governments*; "The Economics of Growing Old," based on *Economic Needs of Older People*; and "Americans at Mid-Century," based on *U. S. A. in New Dimensions*.

News releases on all plans for Fund studies, and on studies in progress, are issued by the Fund itself throughout the year. Clippings received indicate a wide use of these releases.

Publishing Activities

FUND STUDIES are initially made available to the public in book form under its own imprint. In 1957 book sales exceeded 22,000, with cumulative sales of all Fund works totaling over 500,000 volumes. Fund books are priced simply to return their manufacturing and distribution costs. The major expenses of research are 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 about 5 per cent of all books sold — are handled by W. S. Hall & Co. for Europe and the British Isles, and by Feffer and Simons, Inc., for other parts of the world outside the United States and Canada. England, Japan and Indonesia constituted the chief foreign customers for Fund works in 1957.

Fund books have appeared in French, Portuguese, Japanese and German. During 1957 Persian and Arabic translations of the Fund's *Approaches to Economic Development*, by Norman S. Buchanan and Howard S. Ellis, were under way. A Japanese publisher is also bringing this book out, and another Fund study going into Japanese is *Can We Solve the Farm Problem?*, by Murray R. Benedict.

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.

The titles of books published by the Fund, and their sales, for 1930 through 1957 are listed in the table following.

Sales of Publications, 1930-1957

TITLE	PUBLISHED	1957 SALES	TOTAL SALES TO END OF 1957
✓ Financing the Consumer	1930	*	3,068
Boycotts and Peace	1932	*	674
How to Budget Health	1933	*	828
The Internal Debts of the United States	1933	*	1,879
✓ Stock Market Control	1934	*	1,268
Labor and the Government	1935	*	1,369
The Security Markets	1935	*	1,812
The Townsend Crusade	1936	*	1,075
✓ Big Business: Its Growth and Its Place	1937	*	2,543
✓ Facing the Tax Problem	1937	*	4,538
How Profitable Is Big Business?	1937	*	1,640
The National Debt and Government Credit	1937	*	1,675
More Security for Old Age	1937	*	1,135
Studies in Current Tax Problems	1937	*	1,242
✓ Debts and Recovery	1938	*	1,557
A Memorandum on the Problem of Big Business	1939	*	2,010
✓ Does Distribution Cost Too Much?	1939	*	8,591
Housing for Defense	1940	*	2,412
Labor and National Defense	1941	*	3,071
Postwar Planning in the United States, No. 1	1942	*	7,091
✓ The Road We Are Traveling	1942	*	38,921
How Collective Bargaining Works	1942	*	4,632
✓ Goals for America	1942	*	33,764
Wartime Facts and Postwar Problems	1943	*	16,048
✓ Postwar Planning in the United States, No. 2	1943	*	5,992

NOTE: The first seven titles in this table were issued originally by other publishers; the Fund later took over the distribution.

TITLE	PUBLISHED	1957 SALES	TOTAL SALES TO END OF 1957
✓ Postwar Plans of the United Nations	1943	*	6,163
✓ Where's the Money Coming From?	1943	*	38,105
✓ The Power Industry and the Public Interest	1944	15	2,635
✓ American Housing	1944	*	10,636
Postwar Planning in the United States, No. 3	1944	*	4,390
✓ Democracy Under Pressure	1945	29*	42,482
✓ Financing American Prosperity	1945	25	7,014
✓ Tomorrow's Trade	1945	26	20,989
✓ Trends in Collective Bargaining	1945	50	14,386
✓ For This We Fought	1946	15	19,586
✓ Cartels in Action	1946	94	6,134
✓ America's Needs and Resources (first edition)	1947	*	22,129
✓ Rebuilding the World Economy	1947	34	8,766
✓ Electric Power and Government Policy	1948	22	1,640
✓ Cartels or Competition?	1948	68	4,283
✓ Report on the Greeks	1948	51	4,833
✓ Partners in Production	1949	80	9,919
✓ Turkey: An Economic Appraisal	1949	29	2,946
U.S.A.: Measure of a Nation	1949	292 ^a	55,633
✓ Brazil: An Expanding Economy	1949	42	3,272
✓ America's Capital Requirements	1950	*	1,278
✓ Monopoly and Free Enterprise	1951	253	8,281
✓ Defense Without Inflation	1951	25	7,227
✓ Financing Defense	1951	16	4,342
✓ British Planning and Nationalization	1952	124	4,897

* Out of print.

a. Reported sold by Macmillan in 1957 for which royalty payments have been received.

TITLE	PUBLISHED	1957 SALES	TOTAL SALES TO END OF 1957
✓ Costa Rica: A Study in Economic Development	1952	72	2,184
✓ The Federal Debt	1953	39	2,432
✓ Farm Policies of the United States, 1790-1950	1953	357	3,538
✓ Employment and Wages in the United States	1953	169	4,498
✓ Defense and the Dollar	1953	26	3,692
✓ Economic Controls and Defense	1953	52	3,723
✓ Renewing Our Cities	1953	198	5,539
✓ World Population and Production	1953	461	7,131
✓ Foreign Exchange in the Postwar World	1954	413	3,381
✓ Approaches to Economic Development	1955	1,539	6,799
✓ America's Needs and Resources: A New Survey	1955	356	9,255
✓ American Imports	1955	285	2,557
✓ Can We Solve the Farm Problem?	1955	307	2,952
✓ World Commerce and Governments	1955	429	2,839
✓ Economic Needs of Older People	1956	365	4,575
✓ The Agricultural Commodity Programs	1956	833	1,546
✓ U.S.A. in New Dimensions	1957	12,379	12,379
✓ Greece: American Aid in Action	1957	2,532	2,532
Total		<u>22,102</u>	<u>542,353</u>

Administration

HEADQUARTERS STAFF

FINANCIAL STATEMENTS

DETAILED STATEMENT OF ASSETS

Headquarters Staff, 1957

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*

ANNA THAU, *Secretary to the Associate Director*

SECRETARIAL AND CLERICAL

IDA CARLOMAGNE, ARLENE FELDMAN, HUGO FOSCO, RITA GOTTMANN, DOROTHY A. PEPPER, EILEEN REGELMANN, SADIE ROSENFELD, *SANDRA SELTZER, ROSE SOLASZ, ETHEL A. STEIDLER

* Resigned during year.

Finances

FINANCIAL STATEMENTS

DECEMBER 31, 1957

WITH COMPARATIVE FIGURES AT DECEMBER 31, 1956

Statement of Assets and Principal

	DECEMBER 31	
	1957	1956
CASH	\$ 354,402.67	\$ 433,527.24
INVESTMENTS, AT INDICATED MARKET VALUE:		
United States government bonds	996,587.50	966,907.50
Authority and revenue bonds	28,650.00	26,400.00
Public utility bonds	228,775.00	—
Preferred stocks	2,088,465.00	2,210,752.50
Common stocks	8,903,501.86	9,394,984.50
Total investments (see note)	<u>\$12,245,979.36</u>	<u>\$12,599,044.50</u>
HEADQUARTERS PROPERTY, AT COST	351,190.94	300,000.00
PRINCIPAL OF FUND	<u>\$12,951,572.97</u>	<u>\$13,332,571.74</u>

Statement of Changes in Principal

	YEAR ENDED DECEMBER 31	
	1957	1956
OPERATING RECEIPTS AND DISBURSEMENTS:		
Operating receipts:		
Interest and dividends on investments	\$ 612,020.95	\$ 597,529.28
Sales of publications	49,723.36	78,531.53
Sales and rentals of films	1,798.93	1,605.28
Total operating receipts	<u>\$ 663,543.24</u>	<u>\$ 677,666.09</u>
Operating disbursements	605,173.37	538,263.69
Excess of operating receipts over disbursements	<u>\$ 58,369.87</u>	<u>\$ 139,402.40</u>
CHANGES IN INVESTMENT HOLDINGS:		
Decrease in indicated market value of investments held throughout the year	\$ (444,944.01)	\$ (587,022.50)
Increase (decrease) in indicated market value from purchase cost of investments purchased during the year	12,228.28	(50,419.73)
Loss on sales of investments based on indicated market value at beginning of year or purchase price during year	(6,652.91)	(82,685.25)
Decrease in principal resulting from changes in investment holdings	\$ (439,368.64)	\$ (720,127.48)
Net decrease in principal	<u>\$ (380,998.77)</u>	<u>\$ (580,725.08)</u>
BALANCE OF PRINCIPAL AT BEGINNING OF YEAR	13,332,571.74	13,913,296.82
BALANCE OF PRINCIPAL AT END OF YEAR	<u>\$12,951,572.97</u>	<u>\$13,332,571.74</u>

NOTE: Though the books of the Fund are maintained on a cash basis, the above statements show the investments owned by the Fund at their indicated market values.

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, 1957. 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, 1957 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 24, 1958

Total Operating Expenditures for the Year 1957: \$598,800

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

60 % PRODUCTION

23 % DISSEMINATION

17 % ADMINISTRATION

PRODUCTION OF RESEARCH FINDINGS: 60 %

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

DISSEMINATION OF RESEARCH FINDINGS

TO THE PUBLIC: 23 %

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

ADMINISTRATION: 17 %

General administration.

Cash Transactions, 1957

SUMMARY

Cash Balance January 1	\$ 433,528
Total Receipts	<u>1,328,208</u>
Total Receipts and Cash Balance	\$1,761,736
Total Disbursements	<u>1,407,333</u>
Cash Balance December 31, 1957	<u>\$ 354,403</u>

RECEIPTS

Interest and Dividends from Investments	\$ 612,020
Sales of Publications	49,723
Sales and Rentals of Films	1,799
Proceeds from Sale of Investments	<u>664,666</u>
Total Receipts	<u>\$1,328,208</u>

DISBURSEMENTS

Headquarters Activities	\$ 308,893
Research Projects	191,445
New Appraisal of Greece	\$ 2,894
Antitrust Policies and Enforcement	161
Technological Changes	1,208
Civil-Military Relations	4,068
Tropical Africa	20,637
European Coal-Steel Community	19,554
Distribution Costs and Methods	9,383
French Productivity	919
Megalopolis	34,757
Economic and Political Systems	7,758
Pension and Welfare Funds	3,811
Peacetime Uses of Nuclear Energy – exploratory	286
Peacetime Uses of Nuclear Energy – main study	5,288
Europe's Needs and Resources	39,853
Power and Peace	12,574
Southeast Asia	8,845
Time, Work, Leisure	12,732
Honduras	6,667
Yugoslavia	50
Special Projects	26,346
Maritain Grant	\$ 4,500
American Society for Political and Legal Philosophy	250
Lynd Grant	13,596
Smith Award	8,000

Cash Transactions (*continued*)

Publishing Subsidies		
French Productivity		2,500
Publishing of Survey Reports		37,797
Education and Dissemination		31,828
Motion Pictures and Filmstrips	\$21,610	
Radio and Television	2,418	
Translation of Fund Books	2,750	
Special Dissemination	5,050	
Total Operating Expenses		<u>\$ 598,809</u>
New Headquarters Renovation Expenses		57,555
Purchase of Investments		<u>750,969</u>
Total Disbursements		<u><u>\$1,407,333</u></u>

Detailed Statement of Assets

DECEMBER 31, 1957 AND DECEMBER 31, 1956

	AS OF DECEMBER 31, 1957		AS OF DECEMBER 31, 1956	
	<i>par value</i>	<i>market value</i>	<i>par value</i>	<i>market value</i>
BONDS				
Authority and Revenue Bonds:				
New Jersey Turnpike Authority				
3% Second Series, July 1, 1988	\$ 30,000	\$ 28,650	\$ 30,000	\$ 26,400
Total Authority and Revenue Bonds	0.2%	\$ 28,650	0.2%	\$ 26,400
Public Utility Bonds:				
El Paso Natural Gas Company				
5¼% cv. debentures, September 1, 1977	\$115,000	\$ 121,900		
General Telephone Corporation				
4½% cv. debentures, June 1, 1977	100,000	106,875		
Total Public Utility Bonds	1.8%	\$ 228,775	0.0%	
United States Government Bonds:				
Savings Defense Bonds:				
Series G 2½% July 1, 1960	\$ 20,000	\$ 19,460	\$ 20,000	\$ 19,340
Series G 2½% November 1, 1960	80,000	77,840	80,000	77,360
Series G 2½% May 1, 1961	55,000	53,350	55,000	53,020
Treasury 2¾% September 15, 1961	500,000	499,375	500,000	480,625
Treasury 2½% November 15, 1961	250,000	246,562	250,000	236,563
Treasury 2¾% April 1, 1980-75	100,000	100,000	100,000	100,000
Total Government Bonds	7.9%	\$ 996,587	7.5%	\$ 966,908
PREFERRED STOCKS				
	<i>shares</i>		<i>shares</i>	
American Bank Note Company 6%			1,000	\$ 62,000
American Brake Shoe Company 4% cv.			1,000	110,000
Atchison, Topeka & Santa Fe Railway Company 5%	5,000	\$ 45,625	5,000	51,875
Celutex Corporation 5%	2,000	35,000	2,000	35,500
Central Maine Power Company 3½%	1,000	66,500	1,000	66,625
El Paso Natural Gas Company 5.65%	1,000	93,000	1,000	100,500
Empire District Electric Company 5%	500	47,000	500	47,000
General Cigar Company 7%			1,000	125,000
Gulf States Utilities Company \$4.44	650	60,450	650	59,800
Helme (George W.) Company 7% n-c	1,000	32,500	1,000	34,000

PREFERRED STOCKS — <i>continued</i>	AS OF DECEMBER 31, 1957		AS OF DECEMBER 31, 1956	
	<i>shares</i>	<i>market value</i>	<i>shares</i>	<i>market value</i>
Interchemical Corporation 4½%	1,000	\$ 86,000	1,000	\$ 88,000
Jersey Central Power & Light Company 4%	760	63,840	760	67,640
Monongahela Power Company 4.40%	1,000	89,500	1,000	89,000
Pacific Gas & Electric Company 5% 1st	1,500	38,438	1,500	37,875
Philip Morris, Inc. 4%	1,000	74,750	1,000	75,500
Radio Corporation of America \$3.50 1st	1,500	105,375	1,500	107,438
Reynolds Metals Company 4¾% "A"	2,000	82,500	2,000	85,000
Royal McBee Corporation 4½% "A"	500	37,500	500	46,500
South Carolina Electric & Gas Company 5%	1,400	64,925	1,400	63,000
Tennessee Gas Transmission Company 4.90%	1,200	96,600		
Tennessee Gas Transmission Company 5.25%	1,000	87,000	1,000	88,000
Toledo Edison Company 4.25%	925	81,400	925	78,625
Tri-Continental Corporation \$2.70	6,000	327,000	4,000	211,000
United States Rubber Company 8% n-c	1,000	146,000	1,000	145,000
United States Steel Corporation 7%	1,000	149,500	1,000	145,500
United States Tobacco Company 7% n-c	1,500	52,875	1,500	51,000
Virginian Railway Company 6%	3,750	42,187	1,500	43,875
Ward Baking Company 5½%	1,000	83,000	1,000	95,500
Total Preferred Stocks	16.6%	\$ 2,088,465	17.1%	\$ 2,210,753

COMMON STOCKS

American Chicle Company	550	\$ 34,237	550	\$ 30,662
American Cyanamid Company	2,000	87,750	1,000	79,500
American Gas & Electric Company	4,590	180,731	4,590	170,978
American Natural Gas Company	1,100	52,800	1,000	64,000
American Telephone & Telegraph Company	2,900	485,750	2,200	377,025
American Tobacco Company	1,000	76,875	1,000	73,375
Atchison, Topeka & Santa Fe Railway Company	7,500	127,500	7,500	196,875
Bank of New York & Fifth Avenue Bank	300	85,500	300	82,800
Beech-Nut Life Savers, Inc.	2,000	56,250	2,000	63,500
Boston Edison Company	2,000	98,000	2,000	99,750
Brooklyn Union Gas Company	1,500	52,500	1,500	52,125
Canadian Pacific Railway Company	3,000	63,750	3,000	98,625
Central Illinois Light Company	2,200	105,600	2,200	118,800
Chase Manhattan Bank	1,350	63,787	1,350	67,331
Christiana Securities Company	10	121,000	10	134,000

COMMON STOCKS— <i>continued</i>	AS OF DECEMBER 31, 1957		AS OF DECEMBER 31, 1956	
	<i>shares</i>	<i>market value</i>	<i>shares</i>	<i>market value</i>
Columbus & Southern Ohio Electric Company	3,000	\$ 96,000	3,000	\$ 85,875
Consolidated Edison Company of New York	2,500	110,938	2,500	112,500
Consolidated Natural Gas Company	2,100	92,400	2,100	86,625
Consumers Power Company	3,880	188,180	3,638	167,348
Corn Products Refining Company	1,500	51,000	1,500	44,437
Dayton Power & Light Company	2,251	100,732	2,000	98,000
Federated Department Stores	99,500	2,997,438	100,000	3,062,500
First National Bank of Boston	1,077	68,524	1,077	70,813
General Electric Company	2,000	123,000	2,000	120,500
General Motors Corporation			4,000	176,000
Guaranty Trust Company of New York	1,200	79,350	1,000	85,750
Gulf States Utilities Company	1,500	60,750	1,500	53,437
Kansas City Power & Light Company	3,000	115,500	3,000	117,375
McGraw-Hill Publishing Company	2,500	99,375	2,500	88,750
Mississippi River Fuel Corporation	4,000	110,500	4,000	134,500
National Biscuit Company	1,000	42,000	1,000	35,000
National Dairy Products Corporation	1,000	38,375	1,000	38,250
New York Trust Company	1,000	72,500	1,000	68,750
Niagara Mohawk Power Corporation	3,500	103,250	3,500	106,313
Northwest Bancorporation	1,000	63,500	1,000	77,500
Ohio Edison Company	3,631	185,635	3,300	165,000
Otis Elevator Company	4,000	163,000	4,000	176,000
Pacific Gas & Electric Company	3,150	150,413	3,150	155,925
Pacific Lighting Corporation	3,000	120,750	3,000	107,625
Pacific Telephone & Telegraph Company	1,400	164,850	1,200	148,800
Potomac Electric Power Company	5,775	132,103	5,775	124,162
Public Service Company of Indiana	2,000	75,000	2,000	74,750
Public Service Electric & Gas Company	3,000	89,250	3,000	94,500
Reynolds (R. J.) Tobacco Company "B"	2,000	130,000	2,000	109,500
Rochester Gas & Electric Corporation	6,000	171,000	6,000	171,000
Socony Mobil Oil Company	2,750	130,625	2,500	137,500
Southern Natural Gas Company	2,000	64,500	2,000	79,750
Southern Pacific Company	2,000	68,000	2,000	89,750
Southern Railway Company	2,500	76,250	2,500	111,875
Standard Oil Company of California	2,000	91,750	3,150	155,138

COMMON STOCKS— <i>continued</i>	AS OF DECEMBER 31, 1957		AS OF DECEMBER 31, 1956	
	<i>shares</i>	<i>market value</i>	<i>shares</i>	<i>market value</i>
Standard Oil Company (Indiana)	3,000	\$ 107,625	3,000	\$ 186,375
Standard Oil Company (New Jersey)	3,190	159,101	3,046	178,952
Standard Oil Company (Ohio)	1,800	76,950	1,800	102,600
Texas Company	2,040	127,245	2,000	119,750
Union Carbide Corporation	500	47,500	500	57,875
Union Electric Company	3,000	82,125	3,000	79,125
Union Oil Company of California	1,100	45,238	1,100	65,587
Union Pacific Railroad Company	2,500	61,250	2,500	75,625
Wrigley (Wm.) Jr. Company	1,000	78,000	1,000	88,250
Total Common Stocks	<u>70.7%</u>	<u>\$ 8,903,502</u>	<u>72.8%</u>	<u>\$ 9,394,983</u>
NEW HEADQUARTERS PROPERTY — at cost	<u>2.8%</u>	<u>351,191</u>	<u>2.4%</u>	<u>300,000</u>
TOTAL OF ALL INVESTMENTS	<u>100.0%</u>	<u>\$12,597,170</u>	<u>100.0%</u>	<u>\$12,899,044</u>
CASH		<u>354,403</u>		<u>433,528</u>
GRAND TOTAL OF ASSETS		<u>\$12,951,573</u>		<u>\$13,332,572</u>

T H E S P I R A L P R E S S · N E W Y O R K

THE TWENTIETH CENTURY FUND