



ANNUAL REPORT

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ANNUAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30TH

1960

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OF NEW YORK

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FROM HIGH SCHOOL TO JOB

FROM THE PRESIDENT'S OFFICE

From High School to Job

The annual drama of college admissions will be more exciting this year than last—and more exciting next year than this. Children born during the peak birth rate period of the 1940's are old enough now to be pouring into the colleges, and they promise a jump in enrollments that will stagger our institutions of higher education.

When the college admissions season is at its height, P.T.A. meetings are alive with chatter about the relative merits of this and that college. At family dinner tables there is the familiar tug-of-war between what junior wants and what his parents want. Everyone applauds the boy or girl who wins a National Merit Scholarship. Everyone comforts the young person who is turned down by the college of his first choice and has to accept second or third choice.

The one person who doesn't come in for much discussion is the boy or girl who isn't going to college at all.

In June of this year some 1,873,000 boys and girls will graduate from high school, and approximately 993,000 of these will go on to full- or part-time college work. I want to talk about the 880,000 boys and girls who will not go to college at all—and about an additional 900,000 who dropped out even before high school graduation.

Some of those who end their education short of college have considerable academic talent—undiscovered or unexploited. These have been the subject of much discussion lately. I want to talk about the others—those without such hidden promise, those whose academic limitations justify, at least in part, the termination of their formal schooling.

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The heavy emphasis on college is, of course, very pleasant for those whose abilities and motivations will lead them to complete four years of higher education. Until recently it was considerably less pleasant for those who wished or needed only a year or two beyond high school; but today such youngsters are increasingly well served by junior (or community) colleges, two-year technical institutes, and two-year programs in universities. For all other young people, the emphasis on higher education is apt to be a source of considerable strain. All too many are led to believe that in failing to go on to college they have missed the high road of American life.

This is unfortunate and unnecessary. Properly understood, college or university is merely the instrument of one kind of further education for those whose interests and capacities fit them for that kind of further education. It should not be regarded as the sole means of establishing one's human worth. It should not be seen as the unique key to happiness, self-respect, and inner confidence.

We have all done our bit to foster these misconceptions. The root of the difficulty is our bad habit of assuming that the only meaningful life is the "successful" life, defining success in terms of high personal attainment in the world's eyes. Today attendance at college has become virtually a prerequisite of high attainment in the world's eyes so that it becomes, in the false value framework we have created, the only passport to happiness. No wonder our colleges are crowded.

Confusion of Values

The crowding in our colleges is less regrettable than the confusion in our values. Human dignity and worth should be assessed only in terms of those qualities of mind and spirit that are within the reach of every human being.

This is not to say that we should not value achievement. We should value it exceedingly. It is simply to say that achievement should not be confused with human worth. Our recognition of the dignity and worth of the individual is based on moral imperatives and should be of universal application.

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In contrast, being a college graduate involves qualities of mind that can never be universally possessed. Everyone does not have a “right” to be a college graduate, any more than everyone has a right to run a four-minute mile. The brain surgeon must have a level of intelligence that is rare in the population and must subject himself to roughly twice as much schooling as the average man. That is not a question of rights. It is just a fact of life.

It is not the goal of a democracy that every citizen be the equivalent of a brain surgeon or a top executive. It is the goal of a democracy that every individual fulfill his own potentialities and live a meaningful and satisfying life in the context of those potentialities. The important thing is that he have the kinds of experience and education that will bring out the best that is in him. College will do this for some kinds of people with some kinds of abilities. Other kinds of experience will do it for people with different abilities.

The great prestige that college education has achieved is the source of many false notions, and one of the worst is that it is the only form of continued learning after high school. We assume—quite mistakenly—that the young person either goes to college and continues to learn, or goes to work and stops learning.

Most parents, teachers, and counselors have given little or no thought to the ways of learning and growing that do not involve college. The result is that college appears to be the only path to self-development. No wonder many who lack the qualifications insist on having a try at it. As long as we insist on defining college as the only means of further growth after high school, we shall have increasing—and ultimately unmanageable—pressures for admission of unqualified students. And we shall do needless harm to those who cannot make it.

In short, the false emphasis we place on continued formal schooling has two unfortunate consequences. On the one hand, it exerts pressure on the young person to continue his schooling whether or not he has any taste or aptitude for it. This is often harmful to him; it is always costly to society; and it leads to make-believe education. On the other hand, if he drops out of high school or doesn't go on to college, he is

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led to believe that he has landed on the scrap heap and that further learning or growth is out of the question. This is disastrous for his morale and in the long run dangerous to society. He is caught between alternatives both of which are an affront to his self-respect and neither of which seems to offer an honest promise of self-development. Do we really need to subject him to such indignities? I refuse to believe it. We cannot do anything immediately to alter the fierce overemphasis on continued formal schooling. But we might, if we act resolutely, devise a system that will avoid some of the worst evils that have flowed from that overemphasis.

A New Task for the School

What will such a system look like? For one thing, it will be a system in which such a young person's transition from the formal educational system to the outside world is not an unceremonious rejection, but a carefully planned transfer to a new setting for personal growth. Instead of feeling that he has been rudely dropped on the scrap heap, the youngster should feel that he is being assisted into new and significant experiences. More importantly, it will be a system that begins to prepare for that transition long before it occurs and watches over it long after it takes place.

Of course, our educational system has always been concerned with preparing for the transition from school to the adult world. That is what education is about. The straight academic subjects are central to this objective. The ability to read, write, and reckon, and knowing something about himself and the world around him, are essential to every young person—essential to his fulfillment as an individual and to his usefulness in society. Also important are the many non-intellectual lessons that a good school provides—the learning of good habits of work, of self-discipline, of consideration for others. In addition, vocational programs should be available for the young person who does not want to go on to college but whose abilities fit him for skilled work. Such programs are widely available today, and the best of them are very good indeed.

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While many high schools do a reasonably good—sometimes a very good—job in educating those young people whose abilities fit them for skilled work, very few do a good job with the boys and girls whose abilities do not come up to that standard. Youngsters in the lowest 25 per cent of the population in terms of ability often have capacities so limited that they cannot enter even the vocational courses leading to skilled work. The average high school really doesn't know what to do with such boys and girls. For the most part it simply bears with them until school-leaving age and then turns them out into the streets. There is a great need for the development of practical courses that will prepare these young people for the simple tasks that they can perform.

Setting aside the question of how well the high school *prepares* for the transition, let us ask how effectively it aids the boy or girl in actually making that transition. The answer is that with a few shining exceptions even our best high schools do virtually nothing toward this end.

Once the young person has left school, no one is officially concerned with his educational or vocational future. It is not usually regarded as a responsibility of the school. But it should be. We should not simply turn these boys and girls out on the streets. They need advice. They need jobs. They need to be helped to think constructively about their own abilities and limitations, about job opportunities, and about their further learning and growth. Bright youngsters are not directed to a library and told to get their own education; they are given guidance. Similarly the young people who go out into the world after high school—and even more urgently those who drop out before graduation from high school—should be helped in order to assure that the years immediately ahead will be years of continued self-development.

To be specific, every high school in the land should provide *continuing* vocational and educational counseling for all who leave school short of college. These services should be available until the boy or girl reaches the age of 21. As things stand today the high school does not provide such follow-up.

The personnel responsible for this service should be professionally equipped to appraise the young person's potentialities. They should

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be fully acquainted with the kinds of training available outside the formal system, and thoroughly informed on opportunities for work in the area. Besides offering vocational counseling, some school districts may wish to operate their own employment service. If not, then they should maintain close relations with established employment agencies, particularly the local offices of the State Employment Service. In any case, the high school should keep the student's record in the active file until he reaches 21; and an attempt should be made to keep informed of his progress in whatever activity he undertakes.

It may be objected that such a service would be expensive. It would be an added expense to the schools, but not necessarily to society as a whole. Young people who fail to get jobs or who become juvenile delinquents are a costly burden on the whole community; and every boy or girl whose abilities are not developed is a loss to society. It is better to spend money preventing such outcomes than to spend it later picking up the pieces.

For the most part those responsible for these services would be dealing with boys and girls who had had all the formal schooling they could profit by. But it would be necessary to watch for those whose abilities would permit them to go farther in high school or college than they had chosen to go. Such young people, if properly advised, might reconsider the decision to end their formal schooling. Or, if they insist on ending it, they might consider resuming it after a year or two of work. Particularly in culturally impoverished areas, all too many bright youngsters end their schooling too soon.

Transitional Experiences

For many students the movement from school to job can be facilitated by the existence of various transitional arrangements. These are particularly important for students who drop out before completing high school.

One means of providing an effective transition between school and community is the work-study program, in which the student spends

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part of his day (or week) on a job, and part in school. Such programs deserve far wider adoption than they have had to date.

Equally valuable are arrangements that make it easy for the young person to resume his education at any time under conditions suited to his needs. Many boys and girls who terminate their formal schooling early do not realize until a year or so later that their lack of education is a grievous handicap. The common solution to this problem is the night school. A high proportion of the students in such schools are boys and girls who have ended their formal schooling and have then returned for further education. Night classes in the public schools are breaking all attendance records; and more than one quarter of present attendance is in trade courses for semi-skilled or skilled workers. The courses offer a surprising range of opportunities for the young person who wishes to test his aptitudes and to develop various skills.

The transitional experiences need not be under the auspices of the schools. Today there are increasing numbers of opportunities to combine learning and working. The average young person is unlikely to be aware of these opportunities, but a well-conducted counseling program could make them known to him.

Training programs within industrial corporations have expanded greatly and constitute a respectable proportion of all education today. Apprenticeship systems are not as universal as they used to be in the skilled crafts or trades, but are still in operation in every major industry, and offer wide opportunities for the ambitious youngster. (He must be warned, however, that entry into some of the older crafts and trades is jealously guarded; indeed in some trades in some localities it is held within family lines as a hereditary right.)

Some labor unions have impressive educational programs. Various branches of government offer jobs to high school graduates that involve an opportunity to learn while working. The armed services offer training in a great many occupational specialties.

There also exist considerable numbers of special schools—for designing, photography, nursing, and the like—which the young person not going on to college should consider.

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Correspondence study offers the most flexible opportunities for study beyond high school, but young people who drop out of school usually have little enthusiasm for paper-and-pencil work, and that is what correspondence study amounts to. Those who can overcome this handicap can study a wide range of subjects: accountancy or blueprint reading, creative writing or automotive mechanics, watch repairing or dressmaking, fingerprinting or foreign languages, music or petroleum technology—almost the only limits are one's own interests and abilities.

Educational programs on radio and television continue to expand. In some parts of the country the high school graduate can study a wide variety of subjects through this medium—e.g., salesmanship, typing, composition, reading improvement, and foreign languages.

Of course, jobs themselves are a form of education. In times and places when work is plentiful the young person should look at the jobs available not simply from the standpoint of money and convenience but from the standpoint of his own further growth. Unfortunately jobs are not always plentiful for the boy or girl who does not go on to college. And those who drop out of high school have an even harder time. Neither employers nor organized labor welcome their appearance on the labor market, and juvenile unemployment is a serious problem today, particularly in the big cities. It may become considerably more serious in the years ahead. An ever-increasing number of young men and women will enter the labor market in the 1960's (40 per cent more than in the 1950's); and automation will almost certainly diminish the number of jobs available to these relatively unskilled young people.

Learning Throughout Life

If schools have good vocational programs, if they have well-planned transitional programs of the work-study variety, and if they have first-class counseling services, then they are in a position to answer the puzzling question: "When should the boy or girl be allowed to terminate his full-time formal schooling?" And the answer will be, "At

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whatever point it has been clearly demonstrated to responsible officials that he can gain little by continuing.”

Those who have been most sympathetic to the needs of academically less able children have tended to offer only one solution: more schooling. Sometimes more schooling is the answer, but there comes a time when it is not. And the failure to see constructive alternatives is leading us into deeper and deeper absurdities. It is leading too many of our young people into educational paths that gain them nothing except the conviction that they are misfits. The truth is that in the case of the youngster who is not very talented academically, continuance of formal schooling may simply prolong a situation in which he is doomed to failure.

A number of forward-looking communities (Milwaukee, for example) have demonstrated that there are highly constructive ways of dealing with the transitional experience for young people of limited academic ability. It is high time that every school system in the nation addresses itself to this problem.

The successful transition of young people from school to job will become easier to accomplish as the artificial wall between the schools and the outer world breaks down. Fortunately, that wall has been crumbling for some time, and is certain to disintegrate further. The vast development of industrial, military, and other educational programs outside the formal system is striking evidence of that fact. In some communities the young person may get almost precisely the same course in a school setting or in an industrial setting.

It isn't only the wall between the school and the outer world that is breaking down. Also disintegrating is the notion that education is something that goes forward with no interruptions until it is capped by some sort of graduation ceremony, whereupon it ends forever. We are coming to recognize that education should be lifelong, that it may be interrupted at many points, and that it may take place in many settings.

We should expect it to become an accepted practice for men and women to enroll in one or another kind of educational program inter-

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mittently throughout their lives. The boy who leaves school early may resume his education after a year of work or a period of military service. The mature individual may enroll in an educational program to acquaint himself with new technological developments—or sheerly for his own enjoyment. Women may return to education after their family responsibilities are over. Retired people may resume their education.

When the populace as a whole comes to recognize that education should be an enduring thing in their lives and can take place in a variety of settings, then the artificial emphasis on certain types of education will recede. Emphasis will be on individual fulfillment and personal growth, however they may best be furthered. And they will be sought for all.

A handwritten signature in blue ink, reading "John W. Gardner". The signature is fluid and cursive, with the first name "John" being the most prominent.

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Modernization and the Emerging Nations

In 1950, 54 per cent of the world's land area, 63 per cent of its population, and 70 per cent of its national entities were contained in "underdeveloped" areas. The economic, political, and social emergence of these countries into the modern world is one of the most momentous developments of modern times.

What all these areas share in common—for some of them are "new nations" in the political sense, others will soon become so, and some are in fact old nations—is that the process of modernization lies ahead for them. In highly telescoped fashion, these emerging nations are striving to create modern economic and political structures in the merest fraction of the time it took the West to do so. Their success will represent the best hope for a peaceful world for all of us; if they fail, it will represent failure—and tragedy—for all of us.

The vast problems of rapid modernization, taken together, pose the greatest challenge ever to confront the advanced Western countries. They also represent a singularly fruitful field for foundation activity. Whatever advances can be made in knowledge about the multi-faceted process of modernization can contribute to the formation of sound policy on the part of the United States with respect to the emerging nations. At the same time, the state of the social sciences in the United States will be advanced. As we accumulate data and observations on political, economic, and social phenomena in Africa, the Near East, Asia, and Latin America, something so basic as our knowledge of man himself will be expanded and strengthened.

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During the year under review, a number of Carnegie grants were made for research and action programs on problems of the emerging nations. To the University of Chicago went a five-year grant for research and graduate training to be carried on by the Committee for the Comparative Study of New Nations. The Committee, which includes representatives from the departments of anthropology, education, geography, political science, and sociology, as well as the Law School, will conduct and oversee research on a variety of problems characteristic of the new nations. Its program of teaching is designed to attract students from three general areas: those in the social sciences who are concerned with comparative studies in the new nations; those interested in the study of legal institutions in those countries; and those interested in educational programs, reforms, and the political implications of educational systems in the developing areas.

Two grants to the University of California were made for studies of leadership in emerging nations. One of them, under the direction of Wendell Bell of the Los Angeles campus of the University, will focus on the development and roles of leadership elements in the Federation of the West Indies. The program embodies both research and training: some American Ph.D. candidates will be enabled to write their dissertations as part of the program, and West Indian students who will help with the study in the islands will also pursue work in sociology and anthropology at UCLA.

The other grant to California is for a comparative study of leadership in certain countries of middle Africa to be made by James S. Coleman of UCLA and Carl G. Rosberg of the Berkeley campus. Both men will do actual field work in Africa in their study into the character of political leadership groups in the emerging states.

A study of the role of education and high-level manpower in the modernization process will be made by an inter-university committee under a Carnegie grant to Princeton University. The investigators are John T. Dunlop of Harvard, Frederick Harbison of Princeton, Clark Kerr of the University of California, and Charles A. Myers of the Massachusetts Institute of Technology. They will attempt to find

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ways of making long-range projections of manpower requirements in modernizing countries, and to set up some guideposts for determining patterns of investment in education appropriate to different levels of development. So far our gains in understanding the process of modernization have been chiefly on the economic side, although everyone concerned acknowledges the powerful role which the development of human resources plays in modernization. The inter-university study should supply some missing pieces in the jigsaw puzzle of modernization.

Another study of the role of education in economic and social development, this one focused on Latin America, is being made under a Carnegie grant to the American Universities Field Staff. The research is directed by Kalman Silvert, professor of political science at Tulane University.

Teachers College, Columbia University, received a grant to administer a cooperative Afro-Anglo-American program with respect to teacher education in Africa. This project is described more fully in the section of this report covering the Commonwealth program. One portion of the undertaking will be the establishment, at Teachers College, of a special African unit which will be concerned with training Americans to teach in Africa and will serve as a clearing house for information relating to African education.

Donald E. Smith will conduct research on religion and the state in Asia under a three-year Carnegie grant to the Church Peace Union. Although religion plays a powerful role in social organization in Asia, the interplay between the great Asian religions and the national and international policies of the states has seldom been explored. Dr. Smith's study may help to fill some of the gaps in our knowledge about the religious influences involved in the modernization of emergent nations.

A grant will provide partial support for an international conference on scientific and technological education to be sponsored by the Massachusetts Institute of Technology in April of 1961. The purpose is to examine some of the basic problems of scientific and technological

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education as they affect countries which are at different stages of development.

American resources of information about Africa will be expanded and strengthened by a five-year grant to the Library of Congress for the establishment of an Africana unit. Although the Library possesses enormous holdings of African materials, until receiving the Carnegie funds it lacked the staff to make them available to scholars in the most useful fashion. The unit, which is headed by a scholar in the African field, will acquire new materials for the Library, prepare and publish bibliographies, offer specialized reference services, and stimulate cooperative efforts for the acquisition of Africana by research libraries throughout the country.

A small grant to Yale University will enable Robert E. Lane of the department of political science to make a study of cultural and political processes, with special emphasis on the new nations. Another grant to Yale supports research on large-scale political organization by Karl Deutsch.



International Studies and Exchange

Probably the most effective, natural, and productive communication that takes place across national boundaries is that among scholars. A professional man in one country has as much or more in common with others in his profession in a foreign land as he does with his own compatriots who are not in his field. He and his foreign opposite numbers share the same interests, standards, values, and goals, so in the figurative though not literal sense they can be said to “speak the same language.”

Important as this international scholarly communication has always been, it assumes critical importance now when education and research are a central preoccupation of virtually every modern (and would-be modern) state. The sharing of knowledge and in many cases the pooling of energies toward solving common problems assumes mounting importance in our shrinking world.

Scholarly Communication

Several Carnegie grants during the year went to encourage communication and exchange among scholars. The Council on Higher Education in the American Republics, which was established with Carnegie support early in 1959, received further help through a grant to the Institute of International Education. The Council offers opportunities for leading educators from North and Latin America to meet each other, visit other campuses, and exchange views on problems in

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the development of higher education. Several studies on particular problems are being carried forward under its auspices.

The attendance of American scholars at international meetings or congresses of their respective professional fields is aided by a grant to the Social Science Research Council. The governments of many countries assure that their top scholars are able to attend such conferences through providing funds for travel expenses; this is not true in the United States, with the result that all too often a scholarly association in the U.S. must simply assign a member who happens to be traveling in the vicinity of the meeting as a representative. This practice does not assure that the United States is always represented by the ablest spokesmen. The Social Science Research Council, as the leading organization of social science scholars in this country, identifies important international meetings and selects outstanding scholars to attend.

The Corporation has provided for the travel expenses of American scholars on visits to the Soviet Union under the U.S.-U.S.S.R. Exchange Agreement. The Carnegie grant was made to the American Council of Learned Societies, which was authorized by the U.S. government to arrange exchange of scholars in the humanities and social sciences with the Academy of Sciences for the U.S.S.R.

A small grant to Columbia University helped defray expenses of the travel of some American professors to a conference on the teaching of international relations held in Paris in September. The meeting was sponsored by the Atlantic Treaty Association and the North Atlantic Studies Committee in implementation of the cultural relations provisions of the North Atlantic Treaty.

International Studies

The admissions process in colleges and universities may seem to be merely a routine administrative matter, but it is clear that the admissions policies an institution adopts affect its whole character and future. In the broader sense, they affect the future of the society

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for, in this era when nations must be managed by educated talent, selecting for admission to higher education is in effect selecting for the future exercise of leadership and power.

During the year under review a Carnegie grant was made to the College Entrance Examination Board for a comparative study of university admissions throughout the world to be made by the Board's president, Frank H. Bowles, who is on a two-year leave from the Board. The study is sponsored by an international commission appointed jointly by UNESCO and the International Association of Universities.

Columbia University received a grant for a study of the international rules of judicial procedure to be carried out by its Law School. International rules of judicial procedure have to do with the treaties or other agreements between nations prescribing rules for serving judicial documents, obtaining evidence, and performing other procedural acts in foreign territory; it is generally recognized as being one of the least known and most chaotic areas of law.

The Council on Foreign Relations, which has received Carnegie support for many years, received further aid during the year under review for its research activities, regional committees, and fellowships.

The University of Rochester received Carnegie help to expand its program of Canadian studies. Rochester is probably the only major university in the United States which is devoting more than passing attention to the study of Canada and the problems of Canadian-American relations.

Yale University received a Carnegie grant for the completion of a comparative study of citizenship in modern societies being made by Gabriel Almond.

Undergraduate Study and Work Abroad

Since the words "abroad" and "overseas" are more convenient to use than the phrase "outside the United States" and other awkward but accurate descriptions, we use those words to *mean* outside the United States. And after all, Quebec City and Guadalajara are as foreign to an American undergraduate as are Paris and Madrid.

Traditionally, many overseas summer programs for American undergraduates—or full-year programs, for that matter—have really been tours in essence, covered with a very thin coat of academic varnish. Neither the students involved, nor the professors (if any), took the matter with great seriousness. Recently, however, a number of academic institutions have been experimenting with ways to make "foreign experience" be of true academic worth. Carnegie Corporation, during the year under review, made a few grants to support such experiments.

Language learning is perhaps the most obvious field in which study abroad can be of provable academic value. Several grants were in this area. Oberlin College received funds to expand its summer language programs in Mexico, Austria, and France, and to include students from other colleges and universities through scholarship help. The chairmen of Oberlin's Spanish, French, and German departments direct the nine-week courses, which maintain rigorous academic standards and for which the students receive nine credits. The students live with families in the country in which they are studying, and spend three to four hours a day in class.

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Two institutions in Canada, McGill University in Montreal and Laval University in Quebec City, received grants for their French-language summer schools. Both universities used most of the funds to provide scholarships for American honor students.

The University of Arizona received funds to support an honors program in Spanish at Guadalajara, Mexico, last summer. Twenty top American juniors, who had no fewer than three years of college



Spanish, were selected for the program, which included intensive courses in language and in Mexican and Spanish history and culture. The students lived with families in Guadalajara, and toured other cities of Mexico.

The Inter-University Committee on Travel Grants based at Columbia University received further Carnegie aid for sending another group of American undergraduate students of Russian to the Soviet Union last summer. The first such experiment was conducted during the summer of 1959.

Also in the language field was a small grant to the International Schools Foundation for exploring the possibility of utilizing the resources of some international schools in foreign countries for

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language training for American students. The specific aim is to develop strong programs for American students in Chinese, Japanese, and Arabic at schools in countries where those languages are spoken.

The Rhode Island School of Design received support for a program under which honors students at the School may spend most of their senior year in Italy. The students, all of whom will have had intensive courses in the Italian language before going, will be based in Perugia, and will carry out a design project under the supervision of an Italian artist.

For an overseas work rather than study program, Princeton University received a small grant during the year under review. A few Princeton undergraduates already possessing good knowledge of French language, literature, and culture, are sent to France for the summer to work alongside French workers in French factories or firms, at the going wages. They thus gain the kind of insight into another country which no tourist could.

Public Affairs

The transfer of governmental control from one administration to another, which will be marked by the inauguration of the new President on January 20, is fraught with practical as well as policy problems for the new administration. There are a host of practical matters that the new President must attend to before he can achieve effective direction of the Executive Branch: appointments to be made, staffs to be organized and reorganized, new legislation to be prepared for submission to Congress. Only when he has a firm grasp of priorities and timetables, of the resources available to him, can the President move decisively to push his program forward.

Last spring the Brookings Institution, a private, non-profit research organization in Washington, received a Carnegie grant to study the practical problems involved in the transition. The findings of the study, which dealt with such matters as problems of executive recruitment and the Civil Service, issues of governmental organization, and so on, were made available to both candidates before the election.

Also during the year under review a grant was made to the American Assembly, as administrator of the President's Commission on National Goals, toward support of its study. A series of papers on central public issues has been prepared by the Commission's members.

An experiment designed to test a new way of recruiting able young people into government service is being made under a Carnegie grant to the University of Massachusetts. The plan was developed by that university and Boston University, Harvard University, the Massa-

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achusetts Institute of Technology, and the state government of Massachusetts. Each year five college seniors will be selected to serve the following year as interns in the office of the Commissioner of Administration, which is the fiscal and policy center of the state government. After his internship, each will receive a fellowship for a year of graduate study in one of the participating institutions.

Another grant to the Brookings Institution was for a study of the appointment of federal executives. It is designed to examine the processes of selection and appointment of political executives at the under secretary, deputy secretary, and assistant secretary levels of the federal government.

National Security Policy

It is only in the past few years that national security policy has begun to attract the attention of the academic community as a likely area for scholarly research. In these years, however, a growing number of able university people have begun serious studies of various parts of that complicated field. During the year under review, several Carnegie grants were made for university programs concerned wholly or partially with research on national security problems.

The Johns Hopkins University received aid for the research program of its School of Advanced International Studies, which is located in Washington. Part of the Carnegie funds will be devoted to research on national security policy; the other portion will support research into the international relations of the new nations of Africa and Asia, and Western policy toward them.

Harvard University received a grant toward support of its Defense Policy Seminar, under the direction of Henry Kissinger. The Seminar is a focal point for the fostering of interest in the national security policy field among graduate students in a number of the schools and faculties of Harvard: the Law School, Business School, Graduate School of Public Administration, and the Graduate School of Arts and Sciences. A few Harvard College seniors are also allowed to participate.

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The whole question of disarmament is clearly a central issue in security policy. An important part of the problem is the question of what would be the consequences of disarmament with respect to our domestic economy, an issue which has seldom been subjected to serious and systematic study. A grant was made to the University of Michigan for research on the economic consequences of disarmament to be conducted by Emile Benoit of Columbia University. The study will represent one of the first research ventures developed by the Center for Research on Conflict Resolution at the University of Michigan, which is headed by economist Kenneth Boulding.

Two grants were made to Princeton University in the general field: one for research on internal warfare to be conducted at the Center of International Studies, the other for research in the theory of games and economic behavior to be done by Oskar Morganstern.



Research on Education

Research on education continues to be a strong interest of the Corporation. This rubric can, and does, cover a variety of types of research: on how people think, on the educational system itself, on how it can be financed, on education's relationship with the government.

Research on Higher Mental Processes

What is "knowledge"? How can it be acquired, organized, communicated, learned, and utilized? Answers to these questions depend on studies of perception, learning, memory, thinking, and decision-making. These studies have wide application. For example, the nature of memory—how information is stored and retrieved—has direct relevance for the teacher, for the librarian, for the geneticist studying the mechanisms of inheritance. Many other problems have similar generality.

During the year under review, a grant was made to Harvard University for the establishment of a center for cognitive studies. Scholars from several disciplines who share concern for some of these problems will be enabled to work together and pool their varied talents on research into thought processes.

Carnegie Institute of Technology also received a grant for research on thought processes, in which the electronic computer is used as a tool for the study of thinking. The ability of the computer to process large amounts of information in many complex ways makes it possible

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to construct and test theories of human learning and problem-solving in a manner never before feasible.

The University of California received further support for a study of creativity begun five years ago with Carnegie funds. Although it had been assumed that "creative" people and "effective" people would have similar characteristics, the work done to date at California shows that this is not so; and, in fact, the characteristics of highly creative people also differ from profession to profession. The present Carnegie grant will be used to carry forward studies which the earlier research has shown to be necessary.

Research on the Educational System

Many of the problems of education lead back ultimately to the basic issue of financing. The great educational debate of today is deeply concerned with the economics, politics, and administration of public school financing.

During the year under review, a grant was made to Syracuse University for studies in the financing of public primary and secondary education, to be done under the direction of Jesse Burkhead, professor of economics in the Maxwell Graduate School of Citizenship and Public Affairs. The studies will cover four areas: determinants of educational expenditures and revenues, the utilization of educational resources, state governmental relations in education, and analyses from existing experience of federal aid to education.

To Washington University in St. Louis went a grant for studies on the politics of public education to be directed by Thomas H. Eliot. The studies, to be focused on three or four midwestern states, will be concerned with state legislation and administrative decisions in terms of the underlying institutional framework, traditions, and pressures affecting such decisions.

The Educational Testing Service received another grant for the series of studies of public education being conducted by James B. Conant. Dr. Conant expects to complete his final report next year.

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Community Studies, Inc., received a further grant for a study of student culture at the University of Kansas. The study, directed by sociologist Everett C. Hughes, aims to assess the influence of student attitudes and beliefs on academic effort and achievement.

Higher Education and the Federal Government

In the years since the close of the war the relationships between the federal government and the nation's colleges and universities have grown to a size and complexity that could hardly have been imagined a few years ago. The government often provides direct support for scientific research, specialized training in language and area studies, medical education, and so on; the universities conduct overseas technical assistance projects under contract to the government, and administer large-scale research and development enterprises. Yet until recently both the government and the academic world showed little concern with the issues raised for them by their growing and complicated interrelationships.

During the year under review, two Carnegie grants went for programs in this area. The Carnegie Foundation for the Advancement of Teaching received support for a study of the relationships of the government with higher education, with the aim of identifying the major policy problems which these relationships raise, from the points of view of both the government and the colleges and universities. And the American Assembly received funds for its meeting on "Higher Education and the Federal Government," held at Arden House last spring, and for regional assemblies to follow.

Reading and Reckoning

The teaching of science, mathematics, and reading continued to be of interest in the Corporation's program. During the year, Columbia University received a grant for a study of the role of research in the teaching of reading to be conducted by the Bureau of Applied Social

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Research. Five separate investigations will be carried out as part of the study, with the aim of providing an integrated appraisal of the ideas, methods, sources of support, and modes of communication in reading research.

The American Association for the Advancement of Science received support for a study of certification requirements for teachers of elementary school mathematics and science. The study will be undertaken by scientists and mathematicians on the one hand and representatives of state departments of education, who are concerned with the certification of teachers, on the other.

The College Entrance Examination Board received further support for research and experimentation in elementary mathematics teaching by Catherine Stern. Dr. Stern has completed texts for grades one, two, and three, and the additional Carnegie grant will enable her to prepare and test materials for use in the next three grades.



Self-Teaching Devices

Recently much attention has been given to the development of "automated teaching" techniques. These may or may not involve the use of what are, perhaps unfortunately, called "teaching machines."

By whatever name, the process simply represents a way of presenting a series of written items one at a time to a student. Depending upon the elaborateness of the mechanism, it may also reveal the answer after he has responded, keep his score, and even shift him over to simpler material when he is doing poorly. The "machine" may be nothing more than a specially designed book. The power of the method lies not in the machine or device but in the system of arranging items of information and questions in such order that a student adds systematically to his knowledge and understanding as he moves through the series. A well-designed series or "program" will hold the student's interest as effectively as would a good crossword puzzle. A great deal of the device's efficiency as a teaching aid lies in the fact that it enables each student to proceed at his own pace. He has, in effect, a private tutor.

These devices do not represent short cuts to solve all our educational problems, but they do represent an interesting and significant approach to instruction. They are almost certain to take their place among the important aids to learning in a modern educational system. They will not dominate the system, but neither will they be negligible. The important need now, it is generally agreed, is for

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responsible and intelligent research and experimentation with constructing "programs" for the devices: the sequence in which information is presented. Premature commercialization and early standardization could seriously damage this interesting new development.

During the year under review, three Carnegie grants went for research on programming in various subjects. The Collegiate School in New York City, which had already conducted experimentation in the fields of French and mathematics, received support for developing programs in biology, chemistry, Russian, and more mathematics. Hollins College received a grant for an experiment in teaching foreign languages by means of machines devised by B. F. Skinner of Harvard. And Yale University received support for research on teaching mathematical logic to elementary school pupils by means of automated teaching.

The Better Use of Human Resources

The better use of human resources has been a major goal of the Corporation's program in recent years, as readers of these reports will readily remember. This continued to be a central aim during the year under review, and many of the grants described in other sections of this report could as well be grouped here.

Many studies indicate that, numerically at least, the greatest wastage of human resources in the United States today is the under-utilization of intelligent women. Part—perhaps a major part—of this wastage is unnecessary. The life pattern of intelligent women has changed in recent years. More of them marry; they marry at an earlier age; they have more children; they live longer. If the pattern of their education could be adjusted to meet these conditions, there is every reason to expect that many of these women could use their abilities to the utmost in high level jobs and in their communities.

The University of Minnesota has come forward with what appears to be a promising attack upon one part of the problem. It proposes to make, with Carnegie support, a University-wide effort to place the resources of the institution at the service of women students at whatever stage in their lives they may wish to resume part- or full-time study. Counselling, particularly of superior women students, both undergraduate and adult, will form the heart of the program, because for the most part the University already provides almost unlimited opportunities for women to continue their education in a variety of ways. The trouble is that most women do not know about the op-

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portunities, and, worse yet, are not accustomed to thinking in terms of continuing education and long-term planning. There is reason to hope that if Minnesota is successful its effort will be widely copied.

Although we now know a great deal about what happens to the bright youngster in the course of his school career, there has been little systematic study of the careers of talented individuals after they complete their formal schooling. Some gifted young people realize their promise quickly and brilliantly in later life; others do not. A grant to Columbia University will allow Eli Ginzberg to make a study of two groups: one composed of individuals who were considered highly promising in graduate school ten years ago, the other of individuals of about the same age who are now considered highly successful in their careers, regardless of what their earlier promise may have been.

Also to Columbia University went a grant to carry forward a study, by the Bureau of Applied Social Research, of the educational and career plans of high school seniors. The work had been launched with Carnegie help two years ago.

The Southern Regional Education Board received a grant for a training program in the education of gifted children to be conducted by the University of Virginia. The state departments of education of 11 Southern states are cooperating in the program by releasing staff members to be trained as specialists in the education of the gifted. The states have further agreed that these specialists will then be given opportunities to develop programs in the public schools.

The North Central Association of Colleges and Secondary Schools received another Carnegie grant for a large-scale attack on the problems involved in the identification, motivation, and education of able high school students. The Association's program involves 100 high schools of various sizes, located in many states of the Union.

It is clear that the individual's own efforts are the important element in any formal or informal attempt to make better use of his resources. Ironically, however, a rigidity in our education system often blocks the recognition of such efforts.

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Suppose, for instance, that a college student signs up for elementary French, attends classes for a year, and passes the examinations. He earns a specific number of credits. And suppose that his brother, who has a more intense interest in the language, gets a job with an American firm in France and spends his spare time learning the language. At the end of the year he may know far more French than his stay-at-home brother, but there is usually no way for him to "cash in" on his knowledge in terms of precious college credits.

What we need is a system of credit by examination which will enable any individual to receive credit for the knowledge or skills he has mastered without reference to whether or not he has spent a specific number of hours in a classroom. Such systems may be widely adopted in the years immediately ahead. There are important issues, and dangers, involved in credit by examination; it is important that these issues and dangers be identified early.

During the year under review a grant was made to the Educational Testing Service to investigate the modest efforts which have thus far been made in devising systems of credit by examination, to spotlight the issues which are raised by these efforts, and to determine the requirements of a satisfactory and workable system.



Strengthening Higher Education

Research and graduate education are legitimate and important university roles; the teaching of undergraduates is of equal importance, and is in fact *the* most important role of the colleges. During the year under review a number of Carnegie grants were made for the improvement of undergraduate instruction. The areas in which they fall are not new interests of the Corporation, but have been continuing, and the philosophies underlying them have been given in previous reports.

Non-Western Civilization Programs

Western Michigan University, a state university with a heavy responsibility for teacher training, received support for a program of studies on the non-Western world. The Western Michigan effort is three-pronged. Part of the plan calls for faculty development through the provision of opportunities for study and travel and a program of faculty seminars. A course in non-Western studies for freshmen and sophomores will be developed, which ultimately will be required of all students in their first or second year. Finally, efforts will be made to communicate with public school superintendents, administrators, and teachers in order to stimulate interest in teaching non-Western subjects in the grade and high schools.

The University of Michigan received further support for the development of its undergraduate course on Asia and related training and research. The University, which is often looked to for guidance by other institutions planning to enter the Asian studies field, has had a

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previous Carnegie grant. A new feature will be a broadening of the program to include the training of teachers.

The University of Arizona, which also had received previous Carnegie help for its Oriental studies program, received another grant during the year under review. In addition to providing general support for the program, the Carnegie funds will be used to offer fellowships to outstanding high school social studies teachers from the Arizona public schools so that they may spend a year at the University working in the Oriental studies program.

Honors Programs

The Inter-University Committee on the Superior Student received further Carnegie support for its activities through a grant to the University of Colorado. The Committee, headed by Joseph W. Cohen, has been influential in promoting programs for superior students among the public colleges and universities. It publishes a newsletter, *The Superior Student*, which describes methods various universities use to enrich the academic experiences of their better students.

The University of Kansas, which also had Carnegie support earlier for its work with the gifted, received another grant for the expansion of its program. The imaginative work being done at Kansas is considered to constitute one of the outstanding programs of its type among the large state universities.

It is not only the state universities which believe they must make some provision for their most able students. Many of the private liberal arts colleges have felt the need to do so. A Carnegie grant to Haverford College will provide for a conference of representatives of liberal arts colleges who will discuss the problem.

Enrichment of Instruction

It is a curious fact that in the United States law is almost unrecognized in the undergraduate liberal arts curriculum. Most faculty members who concern themselves with the structure and functioning of human society expose their students to just about every fundamen-

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tal aspect of social organization except law. An experiment in bridging this separation between law on the one hand and the humanities and social sciences on the other has been proposed by Harvard University. It received Carnegie support for fellowships to enable college teachers of the social sciences and humanities to study for a year at the Harvard Law School. The program for each teacher will be worked out on an individual basis; all of them will take certain basic "tool" courses.

Yale University received Carnegie support toward a program of "directed studies" in science—courses in science designed for freshmen and sophomores who do not plan to major in science but who want excellent general education courses in the field.

The California Institute of Technology received a grant for research and teaching in certain humanistic and social science fields. The funds will be used to invite distinguished scholars in those fields to Cal Tech to develop a first-rate program.

Colgate University received further support for its junior and senior "core" programs—an upper class sequence embodying an interdepartmental approach to the study of foreign areas, American ideals and institutions, and American involvement in world affairs.

Academic Administration

The Institute for College and University Administrators, which was established several years ago with Carnegie funds, received additional support during the year under review. The Institute conducts research and training programs in academic administration. Successful experiments with summer institutes for deans of students and for new college and university presidents were followed by similar programs for academic deans, provosts, and vice-presidents. Most recently the Institute has developed short programs for college trustees.

The North Central Association of Colleges and Secondary Schools received further Carnegie support for training workshops for young academic administrators. Fifteen trainees meet together for several sessions during a year, and small groups of them make visits to four or five colleges and universities of varying types.

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The Association of American Colleges received a grant for part of the expenses of its 1961 annual meeting, which it plans to devote to an effort to increase its member presidents' knowledge of a number of the main fields of learning appropriate to the liberal arts college. Outstanding scholars in the humanities, social sciences, and natural sciences will report on the current state of their particular disciplines.

Graduate Education

Apart from the perennial problem of financing, possibly the most serious, baffling, and talked-about problem in American higher education is the recruitment and preparation of college teachers. During the year, the New England Board of Higher Education received a grant for studies and conferences on this problem. The Board has undertaken an appraisal of the problem as it affects New England and the institutional resources available to meet the problem. On the basis of this study it will develop a program for encouraging all of the participating institutions to move toward a solution.

Tulane University received a further Carnegie grant for graduate fellowships in the arts and sciences. Tulane has developed an aggressive program of recruiting promising college seniors into graduate work and gives careful individual consideration to the future plans of each entering graduate student, whether he comes from Tulane or some other institution.

The American Association of Colleges for Teacher Education received funds to hold a conference on graduate training in the field of education. The conference will be based on an elaborate study of the field already made by the Association.

Library Resources

Carnegie Corporation has no major program in the library field, but from time to time it reflects the traditional Carnegie interests in libraries by supporting a few unusual projects in the field. During the year under review, such a grant was made to the American Library Association for the development of standards for state libraries.

A few years ago, it was estimated that some 27 million Americans live in areas without any library service, and that 53 million more live in areas with inadequate service. Since then, funds from the federal and state governments provided under the Library Services Act have helped to bring books to these largely rural areas, but this program has thrown increased responsibility on state libraries which administer the grants. The Library Association plans to make a survey to get more information about the state library's status, functioning, and potential in each of the 50 states. On the basis of this study, a committee of the Association will prepare standards to which the state libraries might reasonably aspire.

Foundation Library Center

The Foundation Library Center, established in 1956 with Carnegie funds, received further Carnegie support during the year under review. Also during this year, with additional funds from the Russell Sage Foundation, the Center completed *The Foundation Directory*,

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a comprehensive directory of American foundations and their fields edited by Ann D. Walton and F. Emerson Andrews. The Russell Sage Foundation published the volume last summer. The purpose of the Center is to serve as a repository of all kinds of information relevant to foundations and their activities, and to make such information available to the public. A coordinate purpose is to promote the development and maintenance of sound standards for public reporting by foundations.

Program in the Commonwealth

"The upsurge of Africa is so dramatic and so powerful that proposals which today appear to be reasonable and sensible will in a few years appear to be shortsighted and timid. One has only to read reports on West African education written fifteen years ago to realize how even wise and experienced men underestimated the pace at which West Africa is growing up." So wrote the members of the Ashby Commission in "Investment in Education," their recent report to the federal government of Nigeria on that country's minimum requirements for higher educational development over the next twenty years. Their survey was supported by a Carnegie grant in 1959. As one of the most thorough assessments of educational needs and priorities ever undertaken for any emerging nation, the report is likely to have far-reaching influence on those concerned with planning for education in other countries of Africa. Beyond this, however, it assumes special significance in its explicit rejection of the cautious approach, which would take into account an estimate of what the country itself can afford. In this the Commission has boldly broken new ground, by facing squarely in its recommendations the absolute necessity of international aid on a truly substantial scale.

The outside world needs little further enlightenment on the crucial nature of the African challenge. The astounding pace of events has done what warning words had failed to do. Nor does one need to press the case for the primacy of education in all planning for development. It is becoming fully accepted that an adequate educational system

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must provide the foundation for economic growth and political stability. The implications of this are great. What has not yet been sufficiently borne in on the world's consciousness is the urgency and magnitude of the cooperative effort required. It is a special virtue of the Ashby report that it pulls no punches in setting out the task in specific terms.

One aspect of the task given highest priority was provision for teacher training. Indeed, the Commission found that the gap between demand and supply in this field constituted a national emergency for Nigeria. All evidence tends to suggest that the problem is one of major proportions in most of the Commonwealth countries of tropical Africa. The upgrading of inadequately prepared teachers at both secondary and primary school levels, no less than the training of new teachers, is an urgent matter for all. In addition, there is the increasing need for teachers of advanced qualifications to staff the various training institutions themselves. Government departments of education are grappling with the shortages on every front. A special responsibility falls on university institutes and departments of education to give preparation to teachers for secondary schools, to conduct research on educational problems, and above all to provide guidance and set standards for teacher training colleges within their countries or areas of influence.

A major project supported by the Corporation during the past year was designed in large part to strengthen the resources of the African university centers for this key role. This was the establishment of an Afro-Anglo-American program of cooperation in the interests of teacher education in Africa through a grant to Teachers College, Columbia University. One component of the plan, mentioned earlier in another section of this report, is the development of a unit on African education at Teachers College which will, among other things, work out jointly with the University of London Institute of Education a course of training for Americans preparing to teach in Africa. In addition, however, the program envisages a series of staff exchanges which will develop further the existing relations between London and

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Columbia and bring six institutions in Africa into a new working relationship with these universities and with each other. The participating institutions in Africa are the Institutes of Education at the University College, Ghana; the University College, Ibadan, Nigeria; Makerere College, Uganda; and the University College of Rhodesia and Nyasaland; and the Departments of Education at Fourah Bay College, Sierra Leone, and the Nigerian College of Arts, Science, and Technology, Zaria, Nigeria.

The influence a program of this kind is likely to exert over the years is obviously difficult to judge. Its basic ingredients are quite



simply people and ideas. It holds promise, however, of having far-reaching effects. It will bring into fruitful contact, at a critical time and at strategic points, specialists in the United States and the United Kingdom who have knowledge relevant to African educational problems and teachers in Africa who have intimate acquaintance with these problems and are anxious to draw on a wide range of experience elsewhere in seeking solutions appropriate to their countries.

Besides the staff exchanges, which will involve both teaching and research, the plan provides for advanced study each year, chiefly at Teachers College, by three Africans who are junior staff members of

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the cooperating institutions or designated to be so appointed. It is hoped that ways may be found through this experiment to bring other institutions of the three continents into cooperative relationship in furthering the development of teacher education in Africa.

One of the cooperating departments of education, that of the Nigerian College at Zaria, serving the populous and educationally underdeveloped Northern Region of the country, has been facing the difficult task of maintaining a rapidly expanding teaching program and at the same time giving effective aid and leadership to education throughout its constituency. A Carnegie grant of the past year will help this department strengthen its links with the schools and teacher training colleges of the Region and expand its contribution to the upgrading of present teachers through in-service courses at Zaria and provincial centers. It will also provide for an educational center equipped with audio-visual aids and a library of model textbooks.

Since this grant was made, the Ashby Commission has recommended that the Nigerian College at Zaria become the nucleus for a university in the Northern Region. If this is accepted, the work of the education department will take on even greater significance.

Another grant went to the University of Nigeria, Nsukka, to make possible a seminar on education to be held in January, 1961. This new institution, which is being assisted in its development by Michigan State University (under contract with the International Cooperation Administration) and by the University of London, is holding a series of seminars which will bring together experts from West Africa, the United Kingdom, and the United States to discuss the character and form of the University's approach to a number of academic and professional fields.

While special attention has been focused on the crucial field of teacher training during the past year, the Corporation has continued to take an active interest in broad educational planning on a cooperative basis. In 1959 a Carnegie grant made possible the establishment under the auspices of the American Council on Education of a Committee for Educational Liaison between the United States and

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the Countries of Sub-Sahara Africa under the chairmanship of J. Lewis Morrill, then president of the University of Minnesota. The immediate purpose of this committee was to provide on this side of the Atlantic a representative group with whom educational leaders in the United Kingdom and in Africa could consult in regard to the role of the United States in the educational development of countries fast moving toward independence. During that year the Committee played a useful part in furthering the mutual understanding which was to lead to the detailed plans for the University of Nigeria.

In the past year or so the astonishing speed of political change in East Africa has upset all timetables for educational advance. Plans for creation of an overall University of East Africa and for a University College in Tanganyika, which might have American government assistance, made it imperative that fresh thinking be given to the ways in which all concerned might work toward a common objective. It became clear that American agencies, public and private, needed greater understanding of the strengths and weaknesses of the present educational pattern in East Africa, and that British authorities and African leaders needed a more realistic conception of the limitations and potentialities of the American participation current and on the horizon.

As a consequence, plans were developed for a conference on education in East Africa to be held at Princeton, New Jersey, in December, 1960, under the auspices of the American Council on Education with the support of Carnegie Corporation. In preparation, members of the Morrill Committee met with the Inter-University Council in London in August and then traveled in East Africa. The meeting will bring educators and government officials from the East African territories and the United Kingdom together with university, government, and foundation representatives of the United States. It is hoped that out of the discussions will come a constructive meeting of minds on the next phase of educational development for East Africa and the most effective forms of American assistance.

Makerere College, at present the one degree-level institution in

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East Africa, has for some time placed special emphasis on its extramural program. In 1955 the Corporation made a grant which enabled the College to extend this work to Kenya. During this year, in recognition of the success of this beginning and of the importance of adult education in the present crucial period of progress toward independence, a further grant has been given the College to step up this activity in Kenya.

One matter which has been very much in the public eye in 1960 has been the granting of scholarship aid to African students. Whatever the conflicting views on the desirability of undergraduate study by substantial numbers of Africans in the United States, it seems likely that the flow will increase greatly in the years ahead. Criticism of existing schemes or individual arrangements have centered on inadequacies of selection, placement, finance, and local sponsorship. A small Carnegie grant of this year to the African-American Institute helped to launch a pilot scholarship scheme for Nigerian students which promised a satisfactory answer to each of these difficulties. Through the efforts of David Henry, director of admissions at Harvard College, 21 top institutions agreed to give full scholarships to 25 Nigerian students to be selected by an ad hoc Nigerian committee under procedures worked out by American admissions officers and the African-American Institute. The Nigerian government agreed to provide fares.

The students, selected from some 1500 applicants, are now in the United States. The plan has been so warmly received on both sides that arrangements are being worked out with the support of the ICA for a greatly expanded operation in 1961 to include other universities here and other African countries. Carnegie Corporation has committed further funds to support a portion of the administrative expenses of the scheme.

The reader will have noted that all the grants mentioned in this section have been concerned with Africa. The Corporation has had a continuing interest in the Commonwealth-related countries of Africa since the first grant was made in Kenya in 1925. In recent years an

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increasing share of the limited income available for the Commonwealth program has been devoted to educational projects in or concerned with tropical Africa. In 1960 this was true of virtually all the grants with the exception of one to York University in Canada and the general appropriation for travel grants.

A list of travel grants awarded appears on page 80 and a complete record of all appropriations on page 66.

Travel grants have continued to be made on the same basis as in other years, although fewer awards were made in Australia. It is not unlikely that this program too will tend in greater measure to reflect the priority given to Africa.

This concentration represents a definite policy decision. It stems from the trustees' and the officers' conviction of the crucial importance of events in Africa over the next few years both for the Commonwealth and the world.

From the Corporation's Journal

Russell Leffingwell, a trustee since 1923, resigned from the board effective at the annual meeting on November 17, 1959. His death on October 2, 1960, was a source of deep sorrow to the trustees and officers of the Corporation.

Mr. Leffingwell was the mentor, friendly critic, and staunch supporter of five Carnegie Corporation presidents. His wisdom, his integrity, and his devotion to liberal education had a profound influence in shaping the program during his 36-year tenure. He was chairman of the board from 1946 to 1955; he served on the finance committee continuously from 1925; and he was a member of the executive committee from 1929 to 1958.

At the annual meeting, Malcolm A. MacIntyre of Scarsdale, N.Y. was elected to be a trustee for a term ending at the close of the annual meeting of 1963. Mr. MacIntyre is president of Eastern Airlines. He is a graduate of Yale University and attended Oxford University as a Rhodes Scholar. After receiving the J.S.D. from Yale, he practiced law in New York City with the firm of Sullivan and Cromwell. From 1957 to 1959 he was Under Secretary of the Air Force.

Also at the annual meeting, Caryl P. Haskins, Margaret Carnegie Miller, and Elihu Root, Jr. were re-elected for five-year terms. Morris Hadley, chairman of the board since 1955, was re-elected to this office.

The executive committee during the year consisted of Frederick Sheffield, chairman; John W. Gardner, Morris Hadley, Devereux C. Josephs, Nicholas Kelley, Frederick Osborn, and Elihu Root, Jr.

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The finance committee consisted of: Mr. Josephs, chairman; Mr. Gardner, Mr. Hadley, Mr. Kelley, and Mr. Root.

The board of trustees held meetings on November 17, 1959; and January 21, March 17, and May 19, 1960.

The executive committee met on October 22 and December 15, 1959; and April 19 and September 21, 1960.

The finance committee held meetings on December 18, 1959; and March 24, June 2, and September 21, 1960.

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The Secretary's Report

During the year ended September 30, 1960, the trustees appropriated \$9,643,770. This figure includes \$649,500 for the program in the British Commonwealth. The Corporation made 63 grants to colleges and universities and 36 grants to other organizations. In addition, three appropriations were made for travel grants and other programs administered by the officers of the Corporation.

As usual, requests outnumbered grants made by about 10 to 1. Of the requests which were declined, many were for library buildings, individual scholarships and grants-in-aid, publication subsidies, general support of educational institutions, and other kinds of assistance which the Corporation, as a matter of established policy, does not provide. A considerable number of the requests, however, were for carefully planned projects of real merit which might have received support had the competition been less severe.

The list of recipients of grants beginning on page 66 includes institutions and organizations to which funds were appropriated during 1959-60, with amounts shown between the blue lines in the first column. Also shown are recipients of grants voted in prior years on which payments were scheduled in 1959-60 or future years.

Although Carnegie Corporation does not put a rigid time limit on the use of its grants, any balance remaining after a project has been completed is normally returned to the Corporation. These refunds are added to the income available for appropriation during the year in which they are received, and listed as "Adjustments of Appropriations" on pages 76 and 79.

Annual Report for 1960

Since many grants are expendable over a period of years, there are about 300 Carnegie-supported programs or projects in operation at all times. The secretary's office is responsible for securing annual progress reports and financial statements on all of these grants.

The Corporation does not itself publish the findings of any studies which it has supported, but about 60 books appeared during 1959-60 under the imprint of commercial or educational presses reporting results of projects financed wholly or in part by Corporation grants.

In 1959, McGraw-Hill Book Company launched the "Carnegie Series in American Education" as part of its regular publishing program. The books in this series are all based on studies financed by the Corporation. Five were issued during the year under review:

The Education of American Businessmen, by Frank C. Pierson *et al.*

The Junior College: Progress and Prospect, by Leland L. Medsker.

The Open Door College: A Case Study, by Burton R. Clark.

The Overseas Americans, by Harlan Cleveland, Gerard J. Mangone, and John Clarke Adams.

The Technical Institute in America, by G. Ross Henninger.

Carnegie-supported studies in higher education resulted in a variety of other publications. From the Institute of Higher Education at Teachers College, Columbia University, have come several monographs dealing with various aspects of liberal education, including:

The Graduate School and the Decline of Liberal Education, by Earl J. McGrath, Bureau of Publications, Teachers College.

And work at the Center for the Study of Higher Education at the University of Michigan provided material for:

Policies and Practices in Higher Education, by Algo D. Henderson, Harper & Brothers.

Public and international affairs, the other major areas in which Corporation grants have been concentrated in recent years, are also well represented in the books appearing this year, such as:

Communist China and Asia: Challenge to American Policy, by A. Doak Barnett, Harper & Brothers (for the Council on Foreign Relations).

The Detailed Record

France, Troubled Ally: De Gaulle's Heritage and Prospects, by Edgar S. Furniss, Jr., Harper & Brothers (for the Council on Foreign Relations).

The May Fourth Movement: Intellectual Revolution in Modern China, by Chow Tse-tsung, Harvard University Press (for the Center for East Asian Studies).

The Soviet Bloc: Unity and Conflict, by Zbigniew K. Brzezinski, Harvard University Press (for the Russian Research Center).

The United States in the World Arena: An Essay in Recent History, by W. W. Rostow, Harper & Brothers.

The Stages of Economic Growth: A Non-Communist Manifesto, by W. W. Rostow, Cambridge University Press.

Manioc in Africa, by William O. Jones, Stanford University Press.

Germany Rejoins the Powers: Mass Opinion, Interest Groups, and Elites in Contemporary German Foreign Policy, by Karl W. Deutsch and Lewis J. Edinger, Stanford University Press.

Some significant books are now appearing as a result of grants made a number of years ago and thus cannot be readily classified within the Corporation's current program. Among them are:

Turmoil and Tradition: A Study of the Life and Times of Henry L. Stimson, by Elting E. Morison, Houghton Mifflin Company.

The Correspondence of Edmund Burke, Vol. II, July 1768-June 1774, edited by Lucy S. Sutherland, University of Chicago Press and Cambridge University Press.

Sources of Chinese Tradition, compiled by William Theodore de Bary, Wing-tsit Chan, and Burton Watson, Columbia University Press.

What College Students Think, by Rose K. Goldsen, Morris Rosenberg, Robin M. Williams, Jr., and Edward A. Suchman, D. Van Nostrand Company.

Many other books published during the year could equally well be listed as significant contributions to knowledge, but space limitations necessitate arbitrary choices.

CARNEGIE CORPORATION OF NEW YORK

Appropriations and Payments

During the Year Ended September 30, 1960

This schedule shows all payments made during the fiscal year 1959-60 from appropriations of that year and of preceding years. Amounts in the first column marked thus (*) are allocations from funds made available in previous years.

United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
Alaska, University of Visiting professors (B2925)		\$105,000	\$35,000	\$70,000
American Academy of Arts and Sciences Conferences on social implications of science (X2808)		42,800	42,800	
Conferences on myth (X2811)	\$3,000*		3,000	
American Alumni Council Pilot issue of magazine on higher education (X2811)	12,000		12,000	
American Assembly, The Assembly on higher education and the federal government (X2819)	85,000		85,000	
Study of national goals (B2996)	100,000		100,000	
American Association for the Advancement of Science Program to improve teaching of science and mathematics in secondary schools (B2921)		166,666	83,333	83,333
Study of certification requirements for teachers of science and mathematics (X2818)	81,000		81,000	
American Association of Colleges for Teacher Education Conference on doctoral degree in the field of education (X2811)	12,500*		12,500	
American Council of Learned Societies General support and fellowships (B2834)		200,000	100,000	100,000
Support of American scholars on visits to Russia (B2995)	50,000		50,000	
American Council on Education Support of Office of Statistical Information and Research (B2819)		75,000	75,000	

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
American Library Association Development of standards for state libraries (X2840)	\$45,000		\$45,000	
American Universities Field Staff Research on role of education in social development in Latin America (B3007)	107,500		50,000	\$57,500
Antioch College Study of educational program and organization of experimental projects (B2720, X2628)		\$7,000	7,000	
Arizona, University of Honors program at Guadalajara (Mexico) Summer School (B2985)	12,100		12,100	
Development of Oriental studies program (B3010)	100,000		33,500	66,500
Association of American Colleges Experimental program at 1961 annual meeting (X2811)	10,000*		10,000	
Boston College Development of honors program (B2892, X2754)		45,000	30,000	15,000
Brookings Institution Support of Conference on the Public Service (X2774)		36,000	18,000	18,000
Study of appointment of federal executives (X2816)	79,200		40,000	39,200
Study of problems involved in changing national administrations (X2849)	75,000		75,000	
Appraisal of methods of federal financial assistance to state and local governments (X2857)	43,220			43,220
Brooklyn College Teaching program on foreign areas (B2892, X2769)		40,000	25,000	15,000
Brown University New courses for juniors and seniors (B2892, X2755)		25,000	25,000	
California Institute of Technology Research and teaching in humanistic and social science fields (B2970)	330,000		110,000	220,000
California, University of Research on creativity (B2797, B2984)	50,000	15,000	40,000	25,000
Research on higher education (B2817, B2871)		400,000	125,000	275,000
Research on reading ability (B2948)		95,000	50,000	45,000
History of the Muslim world (B2892, X2799)		30,500	16,500	14,000
Comparative study of leadership in certain countries of Middle Africa (B2978)	85,000		17,000	68,000
Study of leadership in the Federation of the West Indies (B2977) (see also p. 77)	121,000		33,000	88,000

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
Carnegie Endowment for International Peace Visiting research scholars (X2688)		\$25,000	\$25,000	
Carnegie Foundation for the Advancement of Teaching Study of relationships of federal government with higher education (B3003)	\$100,000		25,000	\$75,000
Carnegie Institute of Technology Research on thought processes (B3005)	175,000		35,000	140,000
Carnegie Institution of Washington Fellowships in natural sciences (B2822)		100,000	50,000	50,000
Chicago, University of Preparation for publication of letters of Edmund Burke (B2645)		4,700	4,700	
Center for Study of American Foreign Policy (B2840)		57,000	28,500	28,500
Preparation of interpretive world history (B2828, X2700)		9,000	9,000	
Study of executives in federal government (B2907)		60,000	33,000	27,000
Research on creativity (X2751)		25,000	25,000	
Training of university extension administrators (B2939)		100,000	25,000	75,000
Study of graduate education (X2811)	6,000*		6,000	
Research and training program on new nations (B2976)	350,000		100,000	250,000
For American participation in a UNESCO conference on social implications of technical change (X2811)	5,800		5,800	
Church Peace Union Research on religion and the state in Asia (B2981)	45,000		15,000	30,000
City College, The (College of the City of New York) Summer program to train college teachers (X2782)		40,000	10,000	30,000
Colgate University Support of "core" courses for juniors and seniors (B2892, X2843)	60,000*		25,000	35,000
College Entrance Examination Board Research and experimentation in elementary mathematics teaching (X2826)	28,000		14,000	14,000
Support of work of Commission on Mathematics (B2829)		20,000	20,000	
Experiment in teaching mathematics in elementary grades (X2795)		16,400	16,400	
Comparative study of university admissions throughout the world (B2980)	250,000		125,000	125,000

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
Collegiate School To develop and test automated teaching materials for secondary schools (X2835)	\$127,000		\$68,000	\$59,000
Colorado College Experimental program in mathematics and science (B2828, X2716)		\$20,000	20,000	
Colorado, University of Inter-University Committee on the Superior Student (X2842)	140,000		84,000	56,000
Columbia University Oral History Research Office (X2620)		15,000	15,000	
Research on national security policies (B2893)		46,000	46,000	
General education program in Asian civilizations (B2883)		114,000	38,000	76,000
Council for Atomic Age Studies (B2953)		84,000	42,000	42,000
Inter-university program of undergraduate study abroad in anthropology (B2949, X2810)		40,500	40,500	
Study of educational and career plans of high school seniors (X2814)	21,850		21,850	
Study of factors associated with success after college (X2813)	91,000		45,500	45,500
Inter-university program in Russian language learning (B2949, X2829)	62,000*		62,000	
Travel expenses of American delegates to conference on teaching of international relations (X2811)	8,000		8,000	
Study of international rules of judicial procedure (X2832)	350,000		125,000	225,000
Study of reading research (B3006)	135,000		45,000	90,000
Completion of book on present state of scientific knowledge of human behavior (X2811)	10,000		10,000	
Teachers College Research on higher education (B2818)		55,000	55,000	
Cooperative Afro-Anglo-American program in African education (B3012) (see also page 77)	225,000		75,000	150,000
Columbia University Press Publication of variorum commentary on poems of John Milton (X2556)		9,000		9,000
Committee on Institutional Cooperation Educational studies (B2940)		174,000	80,000	94,000
Community Studies, Inc. Study of undergraduate students at University of Kansas (B2998)	154,000		67,000	87,000
Cornell University Training and research on South America (B2961)		200,000	50,000	150,000

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
Council for Financial Aid to Education Support (B2884)		\$300,000	\$75,000	\$225,000
Council on Foreign Relations For research, regional committees, and fellowships (B2997)	\$500,000		100,000	400,000
Dartmouth College Experiment in teaching English composition (B2938)		30,000	30,000	
Duke University Commonwealth Studies Center (B2908)		265,000	75,000	190,000
Educational Testing Service Study of a national system of credit by examination (X2834)	20,000		20,000	
Studies of American public education (B3001)	135,000		135,000	
Emory University Graduate Institute of Liberal Arts (B2882)		32,275	32,275	
Foundation Library Center Support (B2848, B2968)	250,000	100,000	100,000	250,000
George Peabody College for Teachers Fellowships and strengthening of liberal arts curriculum (X2643)		30,000	30,000	
Hartford Seminary Foundation Instruction in Kennedy School of Missions (B2824)		48,000	24,000	24,000
Harvard University International studies (B2785)		325,000	125,000	200,000
Research on history of liberty in America (X2732)		120,000	40,000	80,000
Studies of higher education (X2743)		30,000	15,000	15,000
Research on teaching machines (B2951)		50,000	25,000	25,000
Fellowships for college teachers to study at law school (B2991)	150,000		50,000	100,000
Defense Policy Seminar (B2993)	75,000		25,000	50,000
Research in social theory (X2841)	30,000		10,000	20,000
Research on thought processes (B3004)	250,000		50,000	200,000
Harvey Mudd College Development of new curriculum (X2741)		26,000	26,000	
Haverford College Conference on honors work in liberal arts colleges (X2854)	26,500			26,500
Hawaii, University of Visiting professors (B2924)		120,000	40,000	80,000

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
Hollins College				
Experiment in teaching foreign languages by means of teaching machines (B2892, X2828)	\$68,200*		\$29,200	\$39,000
Illinois, University of				
Development of new high school mathematics curriculum (B2919)		\$183,300	101,600	81,700
Development of new elementary school arithmetic curriculum (B2920)		239,850	64,050	175,800
Indiana University				
To investigate possibilities for language study programs in Europe for high school students (X2811)	4,000		4,000	
Institute for College and University Administrators				
Research and training programs in academic administration (B2796, B2890, B3002)	419,000	76,000	76,000	419,000
Research and training relating to college trustees (X2824)	37,600		37,600	
Institute for Defense Analysis				
Conferences on application of game theory to disarmament discussions (X2811)	12,500*		12,500	
Institute of International Education				
Support of Council on Higher Education in American Republics (B3008)	200,000		66,667	133,333
International Schools Foundation				
To investigate possibilities of teaching Chinese, Japanese, and Arabic to Americans in overseas schools (X2811)	5,000* 1,000 }		6,000	
Johns Hopkins University				
Support of research program of School of Advanced International Studies (B2992)	250,000		50,000	200,000
Kansas, University of				
Faculty exchange with University of Costa Rica (B2962)		60,000	20,000	40,000
Undergraduate program for gifted students (B2892, X2844)	45,000*		15,000	30,000
Keuka College				
International relations (B2828, X2730)		10,000	10,000	
Laval University				
Honors program for U. S. students in the French Summer School (B2987, B2985)	10,000		10,000	
Lawrence College				
Sophomore courses (B2720, X2648)		10,000	10,000	
Program of Asian studies (B2892, X2786)		52,000	13,000	39,000
Library of Congress				
To establish an Africana unit (B2973)	200,000		33,500	166,500

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
Louisville, University of Summer school scholarships for superior high school students (B2852)		\$32,000	\$16,000	\$16,000
Massachusetts Institute of Technology Research on sub-Sahara Africa (B2928)		133,333	66,667	66,666
Massachusetts, University of Intern-fellowships in state public service (X2821)	\$145,500		48,500 ^a	97,000
International conference on scientific and engineering education (X2855)	25,000			25,000
Mathematical Association of America To strengthen its program (X2772)		40,000	25,000	15,000
McGill University Honors program for U. S. students in the French Summer School (B2985, X2846)	8,000		8,000	
Research on language learning (X2853)	45,000			45,000
Michigan, University of Center for Japanese Studies (B2842)		25,000	15,000	10,000
Center for Study of Higher Education (B2872)		256,900	86,100	170,800
Development of honors program (B2892, X2756)		3,300	3,300	
Undergraduate Asia course and related training and research (B2972)	140,500		57,000	83,500
Research on economic consequences of disarmament (X2839)	57,000		57,000	
Research on organizations (X2856)	38,000			38,000
Minnesota, University of Support of plan for continuing education of women (X2833)	110,000		34,000	76,000
Modern Language Association of America To strengthen its program (B2950)		35,000	15,000	20,000
Montana State College Experiment in training for overseas service (B2927)		45,000	45,000	
Mount Holyoke College Interdepartmental courses for seniors (B2720, X2605)		12,000	12,000	
National Education Association Consultation service on education of academically talented secondary school students (B2901)		55,000	55,000	
Conferences of National Commission on Teacher Education and Professional Standards (X2783)		12,000	12,000	
National Planning Association Canadian-American Committee (B2896)		50,000	50,000	

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
Nebraska, University of Community education program (X2681)		\$5,000	\$5,000	
North Carolina, University of Program for superior students (B2879)		60,000	20,000	\$40,000
North Central Association of Colleges and Secondary Schools Guidance and motivation of superior high school students (B2969)	\$150,000		150,000	
Training program for academic administrators (B2832, B2999)	61,000	32,700	93,700	
Northwestern University Research and training in international relations (B2839)		70,000	45,000	25,000
Teaching, research, and training in educational psychology (B2952)		70,000	70,000	
Development of new courses in world history (B2892, B2964)		72,000	24,000	48,000
Oberlin College Summer language programs in Austria, France and Mexico (B2949, B2985, B2986)	21,365* 2,285		23,650	
Omaha, University of Scholarships in college business management (B2787, X2785)		50,000	12,000	38,000
Pennsylvania, University of South Asian studies (B2843)		20,000	10,000	10,000
Pittsburgh, University of Study of executive development programs (X2811)	10,400		10,400	
Princeton University Research on learning in mathematics (X2766)		24,000	12,000	12,000
Exploration of uses of simulation techniques (B2930, X2825)	24,200	49,000	37,850	35,350
Council of Humanities (B2942)		150,000	50,000	100,000
Inter-university program of undergraduate study abroad in international relations (B2949, X2809)		75,000	25,000	50,000
Summer work program in non-English- speaking countries (B2985)	6,500		6,500	
Inter-university study of role of education and high-level manpower in modernization process (B2979)	200,000		70,000	130,000
Research on theory of games and economic behavior (X2837)	75,000		15,000	60,000
Research on internal warfare (X2838)	90,000		30,000	60,000
Radcliffe College Study of economic assistance programs (X2765)		66,000	22,000	44,000

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
Reed College Faculty and student exchange with University College of North Staffordshire (B2828, X2729)		\$14,000	\$7,000	\$7,000
Rensselaer Polytechnic Institute Revision of general studies program (B2720, B2828, X2680)		40,000	20,000	20,000
Rhode Island School of Design Senior honors program in Italy (B2985, X2848)	\$75,000		35,000	40,000
Rochester, University of Non-western civilization program (B2892, X2787)		65,000	35,000	30,000
Canadian studies program (B2994)	135,000		35,000	100,000
Rockefeller Institute for Medical Research Summer courses for high school students (X2781)		15,000	15,000	
San Francisco State College Experimental program in international relations (B2828, X2734)		30,000	30,000	
Scripps College Experimental courses (B2720, X2679)		20,000	10,000	10,000
Social Science Research Council Faculty research fellowships (B2690)		65,000	40,000	25,000
Administrative expenses (B2923)		240,000	60,000	180,000
Faculty research grants (B2823)		100,000	50,000	50,000
Conferences on national security policies (X2773)		35,000	35,000	
General fellowship and grant-in-aid program (B2941)		650,000	100,000	550,000
Program to advance research on Latin America (B2960)		130,000	65,000	65,000
Travel expenses of scholars to international meetings (B3009)	180,000		60,000	120,000
Southern Regional Education Board Research and training in higher education (B2831)		180,000	90,000	90,000
Training program in education of gifted children (B2983)	75,000		75,000	
Stanford University Research on economic development of Africa (B2895)		160,000	40,000	120,000
Historical research on higher education (B2799)		10,000	10,000	
Undergraduate honors program in quantitative methods in behavioral sciences (B2875)		64,500	21,500	43,000
Senior seminar courses (B2828, X2728)		80,000	20,000	60,000
Special graduate courses (X2726)		12,000	12,000	

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
Syracuse University				
Training for overseas service (B2926)		\$100,000	\$50,000	\$50,000
Studies in financing of public primary and secondary education (X2822)	\$217,000		75,400	141,600
Tulane University				
Research on development of democratic government in West Africa (X2658)		20,000	20,000	
Graduate fellowships in arts and sciences (B3011)	150,000		50,000	100,000
Vassar College				
International conference on education (X2797)		20,000	5,000	15,000
Compilation of book of readings on social science in higher education (X2811)	1,000*		1,000	
Washington, University of				
Research on Inner Asia (B2841)		60,000	30,000	30,000
Washington University				
Studies on politics of public education (X2815)	90,000		30,000	60,000
Wellesley College				
Experiment in teaching economics (X2763)		5,000	5,000	
Wesleyan University				
To establish two experimental colleges within the University (B2946)		200,000	100,000	100,000
Western College for Women				
Intercultural studies (X2660)		12,000	12,000	
Western Interstate Commission for Higher Education				
To plan and prepare for increased college enrollment (B2873)		72,000	36,000	36,000
Western Michigan University				
Studies on non-Western world (B2982)	144,000		50,200	93,800
Wisconsin, University of				
National security studies program (B2905)		25,000	25,000	
Wyoming, University of				
International affairs program (X2776)		30,000	10,000	20,000
Yale University				
Experimental program of teaching fellowships (B2881)		40,000	40,000	
Research on motivation for academic achievement (X2778)		15,700	7,850	7,850
Research on large-scale political communities (X2817)	55,000		55,000	
Program of directed studies in science (B2971)	100,000		20,000	80,000
Comparative study of citizenship in modern societies (X2823)	50,000		50,000	
Research on teaching of mathematical logic in elementary schools (X2836)	56,500		20,500	36,000
Study of cultural values and political processes (X2811)	12,500		12,500	

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
Studies and Programs Administered by the Officers				
Distribution of American art teaching materials (B2954)		\$263,500	\$10,408	\$253,092
Dissemination of results of Corporation grants (X2693, X2827)	\$75,000	19,697	16,350	78,347
Exploration of new programs for undergraduate study abroad (X2763)		5,458	2,827	2,631
Fellowships and travel grants (X2685, B2909)		232,870	58,050	174,820
Pilot study of governing of higher education (X2763)		740	740	
Study of international content of undergraduate courses (X2798)		29,000	29,000	
Study of motivation for intellectual performance (X2763, X2811)	5,000	3,749		8,749
Funds Made Available but Remaining Unallocated				
Improvement of undergraduate instruction (B2892)		173,950	{ (a) 750(b)	
Programs of undergraduate study abroad (B2949, B2985)		83,365	(a)	
Unallocated	186,115			186,115
Discretionary Fund (X2860)	50,000	50,000	(a)	50,000
TOTAL APPROPRIATED OR ALLOCATED	\$9,300,835			
Less: Allocated from funds voted in previous years as shown (*) above	306,565			
TOTALS: UNITED STATES	<u>\$8,994,270(c)</u>	<u>\$9,420,753</u>	<u>\$7,650,117</u>	<u>\$10,764,906</u>

<i>ADJUSTMENTS OF APPROPRIATIONS</i>	<i>Not required: written off (listed above)</i>	<i>\$ 750</i>
	<i>Refunds from grants made in previous years</i>	
	<i>1931-32 Scholarly Publication Fund, Encyclopaedia of the Social Sciences (B903, B915)</i>	<i>3,812</i>
	<i>1940-41 Grants-in-Aid (B1809)</i>	<i>501</i>
	<i>1950-51 Harvard University (B2500)</i>	<i>19</i>
	<i>1953-54 Harvard University (X2556)</i>	<i>386</i>
	<i>1953-54 Pennsylvania State University (B2679)</i>	<i>193</i>
	<i>1954-55 Columbia University (B2756)</i>	<i>69</i>
	<i>1954-55 Louisville University (B2767)</i>	<i>230</i>
	<i>1955-56 University of Pennsylvania (B2821)</i>	<i>8,551</i>
	<i>1956-57 Pomona College (B2720, X2678)</i>	<i>53,358</i>
	<i>1957-58 Swarthmore College (B2820, B2891)</i>	<i>37,519</i>
	<i>1957-58 Syracuse University (X2721)</i>	<i>882</i>
	<i>1958-59 American Alumni Council (X2763)</i>	<i>12,500</i>
	<i>1958-59 Syracuse University (X2763)</i>	<i>2,188</i>
		<u><i>\$120,958</i></u>

(a) \$307,315 allocated to individual institutions, included in list.

(b) Written off; included in total payments.

(c) Appropriated from current income \$8,473,270; from future income \$521,000.

Appropriations and Payments—British Commonwealth

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
African-American Institute Nigerian student scholarship project (X2812)	\$6,500*		\$6,500	
Alberta, University of Educational research (X2649)		\$6,000	6,000	
American Council on Education Conference on education in East Africa (B3013)	55,000		55,000	
Association of Principals of Teacher-Training Colleges of the High Commission Territories Travel (X2812)	11,500*		11,500	
California, University of Study of leadership in Federation of the West Indies (B2977) (see also p. 67)	12,000		12,000	
Central Advisory Committee for Education in the Atlantic Provinces Program of testing high school students (X2731)		25,100	10,000	\$15,100
Columbia University Teachers College Conference to consider a cooperative program for African education (X2812) Cooperative Afro-Anglo-American program in African education (B3012) (see also p. 69)	6,500* 225,000		6,500 75,000	150,000
Federal Government of Nigeria Study of post-secondary educational requirements (B2956)		30,789	25,030	5,759
Ghana, University College of Seminar on development of selection techniques in West Africa (X2764)		10,000	10,000	
Inter-University Council for Higher Education Overseas Fellowships (B2965)		110,000	28,000	82,000
Laval University Educational research (B2854)		46,000	23,000	23,000
Makerere College (The University College of East Africa) Expansion of extra-mural programs (X2859)	62,000			62,000
McGill University Arctic studies (X2636)		7,000	7,000	

Appropriations and Payments—British Commonwealth

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
National Conference of Canadian Universities Research center for studies of higher education (B2898)		\$40,000	\$40,000	
Nigeria, University of Seminar on education (X2812)	\$10,000		10,000	
Nigerian College of Arts, Science and Technology To strengthen regional service of Department of Education (X2858)	56,000			\$56,000
Rhodesia and Nyasaland, University College of Planning of economic study (X2812)	2,500		2,500	
Rural Training and Demonstration Centre, Asaba, Nigeria Program of village community development (B2503)		25,184	8,500	16,684
Toronto, University of Identification and utilization of talent in high school and college (B2933)		44,000	44,000	
University College, Ibadan, Nigeria Historical research and local travel (X2637) Library training course (B2955)		20,118 65,000	20,118 23,000	42,000
West Indies, University College of the Training in administration (B2897)		105,000	35,000	70,000
York University Curriculum study (X2812)	500* } 12,000 }		12,500	
Studies and Programs Administered by the Officers				
American Book Shelf: distribution of books about the U. S. (X2671)		5,274	44	5,230
Conferences on problems of assistance to tropical African countries (X2764)		232	101	131
Travel grants: 113 allocations (X2770, X2820, X2866)	188,607 } 8,479* }	142,363	175,550	155,420
Funds Made Available but Remaining Unallocated				
Travel grants (X2820)	1,393			1,393
Discretionary Fund (X2861)	25,000	25,000	(a)	25,000
TOTALS APPROPRIATED OR ALLOCATED:	\$682,979			
Less: Allocated from funds voted in previous years as shown (*) above	33,479			
TOTALS: BRITISH COMMONWEALTH	<u>\$649,500</u>	<u>\$707,060</u>	<u>\$646,843</u>	<u>\$709,717</u>

(a) \$25,000 allocated to individual institutions, included in list.

Appropriations and Payments—British Commonwealth

ADJUSTMENTS OF APPROPRIATIONS	Refunds from grants made in previous years	
	1947-48 Canada-United States Committee on Education (B2257)	\$297
	1954-55 Association of Universities of the British Commonwealth (X2616)	3,270
		<u>\$3,567</u>

UNITED STATES AND BRITISH COMMONWEALTH

SUMMARY OF APPROPRIATIONS AND PAYMENTS

	<i>Appropriated or Allocated During 1959-60</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1959-60</i>	<i>Unpaid Balance Carried Forward</i>
FOR PURPOSES IN UNITED STATES	\$8,994,270	\$9,420,753	\$7,650,117	\$10,764,906
FOR PURPOSES IN BRITISH COMMONWEALTH	649,500	707,060	646,843	709,717
TOTALS	<u>\$9,643,770</u>	<u>\$10,127,813</u>	<u>\$8,296,960</u>	<u>\$11,474,623</u>

Grants for Travel Commonwealth Program

During the Year Ended September 30, 1960

From Australia

ENID BISHOP
Assistant Librarian, Oriental Collection, Canberra
University College
Library science and operation of Oriental libraries,
United States

DONALD COCHRANE
Professor of Commerce, University of Melbourne
Teaching of business administration and research
in economic development, United States

R. L. CROCKER
Professor of Botany, University of Sydney
Organization of biology and botany departments,
North America

J. B. DOUGLAS
Associate Professor of Mathematical Statistics,
University of New South Wales, Sydney
Teaching and services of departments of statistics,
North America

R. C. GATES
Senior Lecturer in Economics, University of
Sydney
Teaching of public finance and methods of national
income analysis, North America

PATRICIA LANGLEY HOLMES
Lecturer in Music, Adelaide Teachers College
Music education, North America

J. D. LAWSON
Senior Lecturer in Hydraulic Engineering, Uni-
versity of Melbourne
Teaching, research, and extension service in water
engineering, North America

L. H. MAY
Reader in Plant Physiology, Waite Agricultural
Research Institute, University of Adelaide
Teaching of botany, horticulture, and plant
physiology, North America

MARJORIE JEAN MAYO
Senior Lecturer in Genetics, University of Adelaide
Microbial and physiological genetics, United States

J. P. QUIRK
Reader in Soil Science, Waite Agricultural
Research Institute, University of Adelaide
Teaching and research in soil science, North
America

F. H. ROGERS
Chief Librarian, University of New England,
Armidale
University and college libraries, North America

P. J. SKERMAN
Senior Lecturer in Agriculture, University of
Queensland, Brisbane
Agronomy techniques and arid land development,
North America

B. O. WEST
Senior Lecturer in Chemistry, University of
Adelaide
Teaching of chemistry, United States

From Canada

S. J. COLMAN
Director of Extension, Memorial University of
Newfoundland, St. John's
Adult education and university extension services,
North America

DAVID MUNROE
Director of the Institute of Education, Macdonald
College, McGill University
University departments and Institutes of Edu-
cation, Tropical Africa

MALCOLM G. TAYLOR
Principal-Designate of the Calgary Branch of the
University of Alberta
University administration and patterns of de-
centralization and coordination, United States

Grants for Travel—Commonwealth Program

From Kenya

I. S. LOUPEKINE

Head, Department of Geology, Royal Technical College of East Africa, Nairobi
Teaching and research in geology, United States

EVA RICKETTS

Head, Department of Domestic Science, Royal Technical College of East Africa, Nairobi
Teaching of home economics, North America

C. P. VIVIAN

Senior Lecturer in Civil Engineering, Royal Technical College of East Africa
Civil engineering, United States

RUTH YUDELOWITZ

Staff Artist, East African Literature Bureau, Nairobi
Preparation of materials for fundamental education and adult literacy, United States and Latin America

From Malaya

J. S. BASTIN

Professor of History, University of Malaya, Kuala Lumpur
Teaching of Southeast Asian history, United States

ROBERT HO

Professor of Geography, University of Malaya, Kuala Lumpur
Geography and techniques of aerial mapping, United States

M. J. WICKS

Lecturer in Mathematics, University of Malaya, Singapore
New methods of teaching and teacher training in mathematics, United States

From New Zealand

G. T. ALLEY

Director, National Library Service, Wellington
Library development, North America

J. M. BERTRAM

Senior Lecturer in English Literature, Victoria University of Wellington
Teaching of modern and comparative literature and Oriental civilization, North America

R. H. CLARK

Professor of Geology, Victoria University of Wellington
Graduate teaching and research in geology, North America

MARGARET DALZIEL

Senior Lecturer in English, University of Otago, Dunedin
Teaching of English and the transition from school to university, North America

J. C. GARRETT

Professor of English, University of Canterbury, Christchurch
Teaching of American literature, United States

O. W. PARNABY

Senior Lecturer in History, University of Auckland
Study programs on special areas including the Southwest Pacific, United States

P. W. TAYLOR

Senior Lecturer in Civil Engineering, University of Auckland
Teaching of engineering and research in soil mechanics, United States

From South Africa

E. B. ADAMS

Professor of Medicine, University of Natal, Durban
Teaching of medicine, North America

B. Z. BEINART

Professor of Roman Law, University of Cape Town
Legal education, constitutional and administrative law and civil law systems, United States

J. M. DU TOIT

Professor of Psychology, University of Stellenbosch
Psychophysiological research and student counseling, North America

R. M. DE VILLIERS

Senior Assistant Editor, *Natal Daily News*, Durban
The press, African study programs, and race relations, North America

GREGORIO FIASCONARO

Director, Opera School, University of Cape Town
Techniques of opera production in university and other music schools, North America

Grants for Travel—Commonwealth Program

J. E. B. JENNINGS
Professor of Civil Engineering, University of the
Witwatersrand, Johannesburg
Engineering education, North America

A. C. JORDAN
Lecturer in Bantu Languages, University of Cape
Town
Structural linguistics and language teaching,
United States

A. E. KARK
Professor of Surgery, University of Natal, Durban
Surgical training, United States

L. W. LANHAM
Senior Lecturer in Bantu Languages, Rhodes
University, Grahamstown
Theory and practice of structural linguistics,
United States

T. J. STEYN
Director of Nature Conservation, Transvaal
Provincial Administration, Pretoria
Nature conservation policies, United States

M. S. TALJAARD
Professor of Geology, University of Stellenbosch
Teaching of geology and techniques of under-
ground water supply, United States

L. M. THOMPSON
Professor of History, University of Cape Town
Government, race relations, and historical re-
search, United States

A. J. VAN ZYL
Principal, Pretoria Technical College
Adult education and general education in technical
institutions, United States

A. R. WILLIAMS
Principal, Natal Technical College, Durban
Programs of general education, United States

From Southern Rhodesia

E. S. WHITE
Town Clerk, Bulawayo
Local government and problems of race relations,
United States

From Uganda

C. R. V. BELL
Director of Education, Kampala
Aims and organization of education, United States

HENRY CREASER
Lecturer in Education, Makerere College,
Kampala
Teaching of science, United States

S. J. NTIRO
Lecturer in Art, Makerere College, Kampala
Teaching of art, United States

From the United Kingdom

KENNETH E. ROBINSON
Director, Institute of Commonwealth Studies,
University of London
Historical and social research, East, Central, and
South Africa

From the United States

C. W. DE KIEWIET
President, University of Rochester
Higher education, eastern and southern Africa

C. HARTLEY GRATTAN
Author, Katonah, New York
Lectures and research on U. S. relations with South
Pacific area, Australia and New Zealand

From the West Indies

J. J. FIGUEROA
Professor of Education, University College of the
West Indies, Mona
Post-graduate teacher training and the work of
institutes of education, Tropical Africa

R. N. MURRAY
Education Adviser, Ministry of Labour & Social
Affairs, Federation of the West Indies, Trinidad
Administration, extension work, and summer
courses for teachers, Canada

D. B. STEWART
Professor of Obstetrics and Gynaecology, Univer-
sity College of the West Indies
Medical teaching and hospital services, Tropical
Africa

Institutions Receiving Subsidies to Purchase Color Slides of the Arts of the United States

During the Year Ended September 30, 1960

Readers of previous annual reports will be familiar with the extensive survey of American art which has been made under Carnegie auspices during the past several years. Grants to the University of Georgia resulted in the selection, by a distinguished committee, of art objects in 18 categories to be reproduced in color-slide form for teaching purposes. The slides have been organized into two sets, one of 2,500 slides, the other of 1,500.

During the year under review, the following institutions received subsidies of 50 per cent of the purchase price toward buying the sets:

Sets of 2,500 Slides

Akron Art Institute, Akron, Ohio
Albion College, Albion, Michigan
Bennington College, Bennington, Vermont
Clarke College, Dubuque, Iowa
University of Colorado, Boulder
Cornell University, Ithaca, New York
DePauw University, Greencastle, Indiana
Des Moines Art Center, Des Moines, Iowa
Duke University, Durham, North Carolina
The Florida State University, Tallahassee
University of Florida, Gainesville
Haverford College, Haverford, Pennsylvania
(Jointly with Bryn Mawr College)
Indiana State Teachers College, Terre Haute
Iowa State Teachers College, Cedar Falls
State University of Iowa, Iowa City
Kansas State Teachers College, Emporia
Massachusetts Institute of Technology, Cambridge
University of Minnesota (Duluth Branch)
New York University, New York City
The University of Oklahoma, Norman
Paterson State College, Paterson, New Jersey

University of South Carolina, Columbia
Stanford University, Stanford, California
Wadsworth Atheneum, Hartford, Connecticut
Wesleyan University, Middletown, Connecticut
West Virginia University, Morgantown
College of William and Mary, Williamsburg, Virginia
Witte Memorial Museum, San Antonio, Texas

Sets of 1,500 Slides

University of Cincinnati, Cincinnati, Ohio
Colorado College, Colorado Springs
Fairleigh Dickinson University, Rutherford, New Jersey
Hartwick College, Oneonta, New York
Heidelberg College, Tiffin, Ohio
Lambuth College, Jackson, Tennessee
Mississippi State College for Women, Columbus
Morehouse College, Atlanta, Georgia
Rosary Hill College, Buffalo, New York
Southern Illinois University (Southwestern Illinois Campus), Edwardsville
Union College, Schenectady, New York

The Treasurer's Report

Starting on page 92 are the customary statements of the Corporation's assets and liabilities on September 30, 1960, its income and expenditures for the year ended on that date, a summary of the investments held at the year end and of the changes in investments during the year, and a list of all the securities owned at the year end with their cost and market values. These statements were audited by the independent public accounting firm of Price Waterhouse & Co.; their opinion that the statements present fairly the Corporation's financial position and its income, expenses, and appropriations appears on page 91.

The following comments are intended to supplement the information about the Corporation's financial position and the changes during the year furnished by the audited statements.

The Corporation's assets at cost or book value on September 30, 1960, were classified as follows:

	<i>Sept. 30, 1960</i>	<i>%</i>	<i>Sept. 30, 1959</i>	<i>(+) Increase or (-) Decrease During the Year</i>
Marketable Securities				
U. S. Government Bonds	\$30,285,164	14.15	\$34,370,241	— \$4,085,077
Other Bonds	95,806,680	44.77	76,183,917	+ 19,622,763
Mortgage	6,087,148	2.84	6,281,473	— 194,325
Preferred Stock	4,253,425	1.99	5,542,991	— 1,289,566
Common Stock	74,422,559	34.77	76,423,267	— 2,000,708
Cash	2,205,075	1.03	1,647,153	+ 557,922
Other Assets	954,266	.45	1,060,983	— 106,717
	<u>\$214,014,317</u>	<u>100.00</u>	<u>\$201,510,025</u>	<u>+\$12,504,292</u>

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The book value of all the investments held, bonds, one mortgage, and preferred and common stocks, increased during the year by \$12,053,087. The holdings of corporation bonds were increased substantially; the holdings of government bonds and preferred and common stocks were reduced. The market value of all the marketable securities held decreased during the year by \$5,470,047. The year end total of \$255,774,424 was \$44,919,448 more than cost.

The Corporation's assets as reported include certain items of income not yet paid out. The total of this unspent income is:

	<u>Sept. 30, 1960</u>	<u>(+) Increase or (-) Decrease During the Year</u>
Reserves for Pensions		
Carnegie Foundation	\$1,200,001	
Professors' Annuities	148,537	
	<u>\$1,348,538</u>	+ \$278,343
Appropriations Payable	\$11,474,623	
Less: Payable Out of Future Income	<u>359,959</u>	
	11,114,664	+ 986,851
Unappropriated Income to Date	NIL	- 211,951
	<u>\$12,463,202</u>	+ \$1,053,243

Endowment

Deducting this undisbursed income from total assets leaves a remainder of \$201,551,115. This is the Corporation's capital fund, made up of:

	<u>Sept. 30, 1960</u>	<u>(+) Increase During the Year</u>
Endowment and Legacies	\$135,336,869	
Accumulated Net Gain on Endowment Assets	<u>66,214,246</u>	
	\$201,551,115	+ \$11,451,049

The Detailed Record

The accumulated net gain is set aside in Depreciation Reserve and in Counsel's opinion is not income and is not available for appropriation. It is to provide for possible future losses from sale or redemption of securities, and loss of premiums on bonds or in the recovery of the remaining reversionary interests in the trusts handled by Home Trust Company.

Other Assets

Over 99 per cent of the Corporation's assets is made up of cash and marketable securities at cost. The remainder came mostly from bequests under the wills of Mr. Carnegie and Mrs. Carnegie.

CARNEGIE HOUSE PROPERTIES

The Carnegie House properties were bequeathed to the Corporation by Mrs. Carnegie. They are carried on the Corporation books at the nominal value of \$1. They consist of the land and two buildings located in New York City at 2 East Ninety-first Street and 9 East Ninetieth Street. The properties are leased rent-free until September 30, 1970, to Columbia University and occupied by the New York School of Social Work, an affiliated graduate school of the University. The School of Social Work sublets part of one building to the New York School for Nursery Years.

HOME TRUST COMPANY

The Corporation owns all the capital stock (except directors' qualifying shares) of Home Trust Company, which is carried in the Corporation accounts at its appraised value when acquired in 1925 from Mr. Carnegie's estate. It also owns the reversionary interest in various trusts established by Mr. Carnegie and administered by Home Trust Company.

President of Home Trust Company is C. Herbert Lee, treasurer of Carnegie Corporation; vice president is James A. Perkins, vice president of Carnegie Corporation; secretary is Jerome A. Q. Franks; and treasurer is Walter A. Mahlstedt, vice president of Teachers Insurance

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and Annuity Association. These persons, with William W. Marvel, executive associate of Carnegie Corporation, make up the Trust Company's board of directors.

Home Trust Company was organized in 1901 in New Jersey to care for various of Mr. Carnegie's financial interests after he retired. It became trustee of certain trusts set up by Mr. Carnegie during his lifetime to pay pensions to various people on his private pension list. It acted as executor of Mr. Carnegie's estate and is still trustee of certain trusts established by his will. It has never engaged in a general banking business nor accepted deposits. Since it accepts no new business, its activities have steadily declined owing to the deaths of former recipients of pensions and annuities.

When Mr. Carnegie died in 1919 there were 45 annuitants trusts, and 409 pensioners. There are now 6 annuitants trusts and 19 pensioners. Of Carnegie Corporation's reversionary interest in these trusts, originally \$5,386,133, so far \$4,766,064 has been received as various trusts expired. The present balance is \$620,069.

ADVANCES TO CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING

Through September 30, 1960, the Corporation had advanced \$13,255,000 from income to the Carnegie Foundation for the Advancement of Teaching to enable the Foundation to carry out its obligations for payment of free pensions to retired college and university teachers and their widows. These advances are to be repaid by the Foundation without interest from time to time in the future, from whatever income it has available after the payment of pensions and other expenditures. Their present value is of course dependent on the rate of repayment. There is no way to determine present value now; accordingly, these advances are carried on the Corporation's books at the nominal value of \$1. The Corporation is obligated for advances up to a total not to exceed \$15,000,000. Last year's advances were \$580,000. All the advances to date have been met from income set aside for the purpose. At the present time the Corporation has a reserve of \$1,200,001

The Detailed Record

which was set aside from past income, to meet future advances; the Corporation will set aside a final sum of \$545,000 in 1960-61 for this purpose.

Changes in Investments During the Year

U. S. Government bonds were sold or redeemed and replaced by other Government and Government-guaranteed bonds of generally longer maturity and higher coupons and by long-term high coupon corporation bonds. The proceeds of various redemptions, maturities and sales of corporation bonds and some sales of preferred stocks were used to purchase new issues of corporation bonds with high coupons and long maturities. A considerable amount of common stocks was sold and the proceeds, including the realized net profits, were reinvested partly in other common stocks and partly in long term corporation bonds. The sales of common stocks realized a profit of \$12,683,483 and the sales of bonds and preferred stocks a loss of \$1,203,442. The net profit on all security transactions for the year was \$11,480,041, which was added to Depreciation Reserve. At the year's end the market value of all securities held was \$255,774,424, which was \$44,919,448 more than cost (or book) value. The common stocks had a market value \$50,091,756 greater than cost, but market value was less than cost by \$4,138,540 for bonds, \$629,143 for preferred stocks, and \$404,625 for the Abilene mortgage.

Income and Appropriations

The income received from securities during the year was equal to a return of 4.99 per cent on the cost of securities held at the year end. It was again the largest income in the Corporation's history. The details of income and appropriations are given on the next page. Other income included \$37,462 received as dividends on annuity policies purchased in the past by the Corporation from Teachers Insurance and Annuity Association to supplement allowances for retired college professors provided by the Carnegie Foundation for the Advancement of Teaching. In addition, \$96,041 was received from Home Trust

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Company, principally from the termination of one trust for an annuitant.

	1959-60	1958-59	(+) Increase or (-) Decrease from 1958-59
Dividends and Interest on Securities	\$10,512,987	\$9,812,019	+\$700,968
Other Income	133,503	37,789	+ 95,714
	\$10,646,490	\$9,849,808	+\$796,682
Investment Service and Custody Fee	87,076	95,157	- 8,081
	\$10,559,414	\$9,754,651	+\$804,763
Administrative Expenses	705,422	685,350	+ 20,072
	\$9,853,992	\$9,069,301	+\$784,691
Transferred to reserves	906,657	909,342	- 2,685
	\$8,947,335	\$8,159,959	+\$787,376
Appropriations			
Authorized (excluding those deferred)	9,122,770	8,270,210	+ 852,560
Of previous years for payment in 1958-59		100,000	- 100,000
Excess of appropriations over income for the year	\$175,435	\$210,251	- \$34,816
Appropriations refunded during the year	124,525	108,104	+ 16,421
Unappropriated income brought forward from 1958-59	211,951	314,098	- 102,147
Balance unappropriated and carried forward to 1960-61	\$161,041	\$211,951	- \$50,910
United States	\$197,733	\$156,016	+ \$41,717
British Commonwealth	36,692	55,935	- 92,627

PRICE WATERHOUSE & CO.

56 Pine Street
New York 5
November 3, 1960

TO THE BOARD OF TRUSTEES,
CARNEGIE CORPORATION OF NEW YORK

We have examined the balance sheet of Carnegie Corporation of New York as of September 30, 1960 and the related statements of income, expenses and appropriations for the year then ended and other supporting schedules. 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, including confirmation of cash and securities owned at September 30, 1960 by correspondence with depositaries.

The attached financial statements have been prepared on the accrual basis except that dividend and interest income on securities and administration expenses, including expenditures for furniture and equipment, are reported on the cash basis of accounting. However, if the latter items were stated on the accrual basis of accounting, the effect on net income of the corporation would not be material.

In our opinion, the accompanying statements present fairly, on the basis indicated above which is consistent with that of the preceding year, the financial position of Carnegie Corporation of New York at September 30, 1960, and its income, expenses and appropriations for the year then ended.

PRICE WATERHOUSE & CO.

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

EXHIBIT I B A L A N C E S H E E T

September 30, 1960

Assets

Securities at Book Amount (SCHEDULE A and NOTE 1)

Bonds

U. S. Government

\$30,285,164

Other

95,806,680

Mortgage

6,087,148

Stocks

Preferred

4,253,425

Common

74,422,559

Total (Approximate market quotations \$255,774,424)

\$210,854,976

Cash

2,205,075

Other Assets (NOTE 2)

Reversionary Interests

\$620,069

Home Trust Co., Capital Stock

334,195

Items at nominal value

2

954,266

\$214,014,317

- NOTES
1. Investments in securities are carried generally at cost if purchased or at quoted market value at dates of receipt if acquired by gift.
 2. See pages 87-88.

CARNEGIE CORPORATION OF NEW YORK

EXHIBIT I

BALANCE SHEET

September 30, 1960

Funds, Reserves and Liabilities

Capital Fund				\$125,000,000	
Endowment				10,336,869	
Legacies					
Depreciation Reserve (NOTE 2)					
Balance at beginning of year		\$54,763,197			
Add: Profit on sale of securities		<u>11,480,041</u>			
		\$66,243,238			
Less: Loss on recovery of					
Reversionary Interests		<u>28,992</u>			
Balance at end of year				<u>66,214,246</u>	\$201,551,115
Reserves for Pensions				\$1,200,001	
Carnegie Foundation (NOTE 2)				<u>148,537</u>	
Professors' Annuities					1,348,538
		<i>British</i>	<i>United</i>		
		<i>Commonwealth</i>	<i>States</i>		
Appropriations Authorized					
Current—Payable from income					
received prior to September 30,					
1960	\$709,717	\$10,243,906		\$10,953,623	
Deferred—Payable from income					
of the fiscal years ending					
September 30, 1961		\$148,000			
September 30, 1962		148,000			
September 30, 1963		125,000			
September 30, 1964		<u>100,000</u>			
		\$521,000		<u>521,000</u>	
Totals (see page 79)	<u>\$709,717</u>	<u>\$10,764,906</u>			11,474,623
Appropriations in excess of income to date					323,267
Payable out of future income, United States (EXHIBIT II)					
Appropriations in excess of income to date					36,692
Payable out of future income, British Commonwealth (EXHIBIT III)					<u>\$214,014,317</u>

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

EXHIBIT II

UNITED STATES

Statement of Income, Expenses and Appropriations

For the Year Ended September 30, 1960

and Appropriations Payable Out of Future Income

Income		
Dividends and interest on securities (SCHEDULE A)	\$9,914,681	
Other Income*	133,503	
	<u>\$10,048,184</u>	
Less: Investment service and custody fee	<u>87,076</u>	
		\$9,961,108
Administrative expenses (SCHEDULE C)		<u>660,422</u>
Net Income		\$9,300,686
Transfer to pension reserves		
Carnegie Foundation	\$900,000	
Professors' Annuities	<u>6,657</u>	
		<u>906,657</u>
Income available for appropriations		\$8,394,029
Appropriations authorized during current year (see page 76)	\$8,473,270	
Deduct		
Appropriations refunded or not needed	<u>120,958</u>	<u>8,352,312</u>
Income in excess of appropriations for the year		\$41,717
Balance, unappropriated income October 1, 1959		<u>156,016</u>
Balance, unappropriated income, September 30, 1960		\$197,733
Deduct—Appropriations authorized payable out of future income (SEE EXHIBIT I)		<u>521,000</u>
Appropriations in excess of income to date		
Payable out of future income		<u><u>\$323,267</u></u>

* Other income, see page 89.

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

EXHIBIT III

BRITISH COMMONWEALTH

Statement of Income, Expenses and Appropriations

For the Year Ended September 30, 1960

and Appropriations Payable Out of Future Income

Income		
Dividends and interest on securities (SCHEDULE A)		\$598,306
Administrative expenses (SCHEDULE C)		<u>45,000</u>
Income available for appropriations		\$553,306
Appropriations authorized during current year (see page 78)	\$649,500	
Deduct		
Appropriations refunded or not needed	<u>3,567</u>	<u>645,933</u>
Appropriations in excess of income for the year		\$92,627
Balance, unappropriated income October 1, 1959		<u>55,935</u>
Appropriations in excess of income to date Payable out of future income		<u><u>\$36,692</u></u>

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

SCHEDULE A

Summary of Securities Held

September 30, 1960

and Income for the Year

	<u>Shares</u>	<u>Par</u>	<u>Amount</u>	<u>Approximate Market Quotations</u>	<u>(+) Greater or (-) Less than Book</u>	<u>Income</u>
Bonds						
U. S. Government		\$29,973,000	\$30,285,164	\$30,107,151	— \$178,013	\$1,495,537
Other		<u>94,853,570</u>	<u>95,806,680</u>	<u>91,846,153</u>	— <u>3,960,527</u>	<u>3,259,667</u>
Totals		\$124,826,570	\$126,091,844	\$121,953,304	— \$4,138,540	\$4,755,204
Mortgage		5,981,603	6,087,148	5,682,523	— 404,625	215,918
Stocks						
Preferred	94,019		4,253,425	3,624,282	— 629,143	223,898
Common	<u>2,608,090½</u>		<u>74,422,559</u>	<u>124,514,315</u>	+ <u>50,091,756</u>	<u>5,317,967</u>
Totals, SCHEDULE B	<u>2,702,109½</u>	<u>\$130,808,173</u>	<u>\$210,854,976</u>	<u>\$255,774,424</u>	+ <u>\$44,919,448</u>	
Total Income						<u>\$10,512,987</u>
British Commonwealth—Allocated in accordance with Resolution B2263						\$598,306
United States						<u>9,914,681</u>
						<u>\$10,512,987</u>

Summary of Security Transactions

During Year Ended September 30, 1960

	<u>Rights</u>	<u>Shares</u>	<u>Par</u>	<u>Book Amount</u>
Balance, October 1, 1959		2,675,069	\$115,108,637	\$198,801,889
Purchased, Transferred or Exchanged	<u>105,000</u>	<u>340,880½</u>	<u>39,769,000</u>	<u>45,620,353</u>
Totals	105,000	3,015,949½	\$154,877,637	\$244,422,242
Sold, Redeemed or Exchanged	<u>105,000</u>	<u>313,840</u>	<u>24,069,464</u>	<u>33,567,266</u>
Balance, September 30, 1960		<u>2,702,109½</u>	<u>\$130,808,173</u>	<u>\$210,854,976</u>
Net Profit on Securities Sold, Redeemed or Exchanged				<u>\$11,480,041</u>

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

SCHEDULE B

Statement of Securities

As of September 30, 1960

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
U. S. Government,			
Treasury			
3 $\frac{7}{8}$ s, Nov. 15, 1974	\$1,300,000	\$1,300,000	\$1,310,563
3 $\frac{1}{2}$ s, Feb. 15, 1990	3,800,000	3,910,560	3,529,250
3 $\frac{1}{4}$ s, June 15, 1978-83	3,400,000	3,530,613	3,125,875
2 $\frac{1}{2}$ s, Dec. 15, 1967-72	43,000	37,061	38,082
Treasury Notes			
5s, Ser. B, Aug. 15, 1964	4,500,000	4,500,000	4,730,625
4 $\frac{7}{8}$ s, Ser. C, Nov. 15, 1963	3,430,000	3,485,702	3,573,631
4 $\frac{7}{8}$ s, Ser. C, Nov. 15, 1964	4,750,000	4,782,344	4,975,625
Federal Land Banks			
4 $\frac{5}{8}$ s, July 15, 1969	250,000	252,852	256,250
4 $\frac{3}{8}$ s, March 20, 1969	1,000,000	985,000	1,015,000
4 $\frac{1}{4}$ s, March 20, 1968	1,500,000	1,493,438	1,511,250
3 $\frac{7}{8}$ s, Sept. 15, 1972	1,400,000	1,436,094	1,358,000
Federal National Mortgage Ass'n			
5 $\frac{1}{8}$ s, SM-1972-A, Feb. 10, 1972	1,000,000	996,250	1,075,000
Deb. 4 $\frac{5}{8}$ s, SM-1970-A, April 10, 1970	1,000,000	1,001,250	1,027,500
4 $\frac{1}{8}$ s, SM-1970-B, Sept. 10, 1970	2,600,000	2,574,000	2,580,500
Totals	<u>\$29,973,000</u>	<u>\$30,285,164</u>	<u>\$30,107,151</u>
 Alabama Power Co.,			
1st 5s, April 1, 1990	\$1,000,000	\$993,265	\$1,045,000
Allied Chemical & Dye Corp.,			
Deb. 3 $\frac{1}{2}$ s, April 1, 1978 (Registered)	1,100,000	1,089,000	1,034,000
Aluminum Co. of Canada, Ltd.,			
S. F. Deb. 4 $\frac{1}{2}$ s, April 1, 1980	1,000,000	1,022,540	1,000,000
S. F. Deb. 3 $\frac{7}{8}$ s, May 1, 1970	842,000	854,630	831,475
American Can Co.,			
Deb. 4 $\frac{3}{4}$ s, July 15, 1990	1,000,000	1,008,000	1,020,000
American Telephone & Telegraph Co.,			
Deb. 5 $\frac{3}{8}$ s, Nov. 1, 1986	1,000,000	1,022,500	1,070,000
Deb. 5s, Nov. 1, 1983	1,000,000	1,014,610	1,061,250
Deb. 4 $\frac{3}{8}$ s, April 1, 1985	1,000,000	1,012,140	987,500
Deb. 3 $\frac{7}{8}$ s, July 1, 1990	1,000,000	1,027,500	916,250
Deb. 3 $\frac{3}{8}$ s, Dec. 1, 1973	1,023,000	1,038,659	928,373
Deb. 2 $\frac{7}{8}$ s, June 1, 1987	275,000	279,875	211,750
Deb. 2 $\frac{3}{4}$ s, Feb. 1, 1971	1,000,000	1,007,970	870,000
Deb. 2 $\frac{3}{4}$ s, Oct. 1, 1975	560,000	557,939	469,000
Deb. 2 $\frac{3}{4}$ s, Aug. 1, 1980	215,000	215,000	169,850

Statement of Securities—*continued*

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Associates Investment Co., Deb. 5¼s, Aug. 1, 1977	\$775,000	\$807,938	\$813,750
Bethlehem Steel Corp., Cons. S. F. 2¾s, Ser. I, July 15, 1970	275,000	279,813	242,344
Carolina, Clinchfield & Ohio Ry. Co., 1st 4s, Ser. A, Sept. 1, 1965	174,000	178,475	169,650
Chicago, Burlington & Quincy R. R. Co., Eq. 3¼s, Ser. B, Nov. 1, 1960 to May 1, 1967	946,783	922,356	908,912
Chicago & Western Indiana R. R. Co., 1st S. F. 4¾s, Ser. A, May 1, 1982	467,000	476,807	448,320
C. I. T. Financial Corp., Deb. 4¾s, July 1, 1970	2,000,000	1,978,750	2,070,000
Deb. 3½s, Sept. 1, 1970	500,000	492,875	474,375
Columbia Gas System, Inc., Deb. 3¾s, Ser. F, April 1, 1981	750,000	748,164	675,000
Commonwealth Edison Co., 1st 3s, Ser. L, Feb. 1, 1977	250,000	260,625	210,625
S. F. Deb. 3s, April 1, 1999	392,000	404,544	292,530
Consolidated Edison Co. of New York, Inc., 1st & Ref. 5¼s, Ser. Q, Dec. 1, 1989	1,000,000	995,866	1,070,000
1st & Ref. 5s, Ser. N, Oct. 1, 1987	1,000,000	1,007,770	1,050,000
1st & Ref. 4¾s, Ser. R, June 1, 1990	1,000,000	1,007,990	1,030,000
1st & Ref. 3s, Ser. D, Nov. 1, 1972	290,000	293,045	253,025
1st & Ref. 2¾s, Ser. C, June 1, 1972	275,000	280,500	235,813
Consolidated Natural Gas Co., Deb. 5s, Feb. 1, 1985	1,000,000	1,008,875	1,045,000
Consumers Power Co., 4¾s, Oct. 1, 1987	792,000	797,061	817,740
Deere & Co., Deb. 2¾s, April 1, 1965	350,000	357,000	326,375
Detroit Edison Co., Gen. & Ref. 4¾s, Ser. P, Aug. 15, 1987 (Registered)	1,000,000	1,000,000	1,057,500
Duke Power Co., 1st & Ref. 5½s, Feb. 1, 1990	1,000,000	1,024,000	1,052,500
Duquesne Light Co., S. F. Deb. 5s, March 1, 2010	1,000,000	1,009,220	1,060,000
Florida Power Corp., 1st 3¾s, July 1, 1986	1,010,000	1,024,850	929,200
Food Machinery Corp., S. F. Deb. 2½s, March 15, 1962	350,000	353,063	348,250
Ford Motor Co., Promissory Notes 4s, Nov. 1, 1976 (Registered)	2,500,000	2,500,000	2,387,500

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Four Corners Pipe Line, Inc., Notes 5s, Sept. 1, 1982 (Registered)	\$978,000	\$978,000	\$1,011,056
General Electric Co., Deb. 3½s, May 1, 1976	2,000,000	2,010,000	1,885,000
General Electric Credit Co., Deb. 4½s, Dec. 31, 1966 (Registered)	2,000,000	2,000,000	2,016,200
General Motors Acceptance Corp., Deb. 5s, March 15, 1981	775,000	771,125	802,125
Deb. 3⅞s, Sept. 15, 1961	2,016,000	2,005,930	2,027,340
Deb. 3⅝s, Sept. 1, 1975	600,000	594,500	543,000
Goodrich Co., B. F., Promissory Notes 3¼s, Sept. 1, 1977 (Registered)	1,425,000	1,425,000	1,254,000
Gulf States Utilities Co., 1st 4⅞s, July 1, 1990	1,000,000	1,008,670	1,046,250
Household Finance Corp., S. F. Deb. 2¾s, July 1, 1970	425,000	427,550	369,750
International Bank for Reconstruction & Development, 4¾s, Nov. 1, 1980	500,000	498,263	507,500
4½s, Dec. 1, 1973	1,000,000	1,007,313	1,000,000
4¼s, May 1, 1978	1,000,000	985,000	970,000
3¾s, May 15, 1968	500,000	476,797	482,500
3s, July 15, 1972	766,000	766,000	674,080
International Harvester Credit Corp., Deb. 4⅝s, Ser. A, Nov. 1, 1979	1,000,000	995,000	998,750
Long Island Lighting Co., 1st 5¼s, Ser. K, July 1, 1989	700,000	716,037	733,250
Louisiana Power & Light Co., 1st 5s, April 1, 1990	1,000,000	979,250	1,037,500
Louisville & Nashville R. R. Co., 1st & Ref. 3⅞s, Ser. I, April 1, 2003	965,000	962,875	685,150
Metropolitan Edison Co., 1st 2⅞s, Nov. 1, 1974	250,000	253,438	208,750
Minnesota Mining & Manufacturing Co., S. F. Deb. 2¾s, Oct. 1, 1967	257,000	258,928	221,020
Minnesota Power & Light Co., 1st 3⅞s, Sept. 1, 1975	285,000	293,725	242,250
Missouri Pacific R. R. Co., Conditional Sale Agreement 5.70%, Ser. A, Nov. 1, 1974	1,000,000	1,000,000	1,065,000
Montgomery Ward Credit Corp., Deb. 4⅞s, July 1, 1980	1,000,000	995,000	1,020,000
New England Telephone & Telegraph Co., Deb. 3s, Oct. 1, 1982	330,000	335,363	273,900

Statement of Securities—*continued*

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
New York & Pennsylvania Co., Inc., 1st 3¼s, Oct. 1, 1965 (Registered)	\$447,000	\$447,000	\$405,831
New York Steam Corp., 1st 3½s, July 1, 1963	225,000	238,781	218,250
New York Telephone Co., Ref. 4½s, Ser. J, May 15, 1991	1,000,000	991,250	1,002,500
Northern States Power Co., 1st 2¾s, Oct. 1, 1975	250,000	255,137	206,563
Oklahoma Gas & Electric Co., 1st 2¾s, Feb. 1, 1975	300,000	305,215	251,250
Oregon-Washington R. R. & Navigation Co., Ref. 3s, Ser. A, Oct. 1, 1960	652,000	671,165	650,981
Pacific Gas & Electric Co., 1st & Ref. 3¾s, Ser. Y, Dec. 1, 1987	1,000,000	1,027,500	865,000
1st & Ref. 3s, Ser. L, June 1, 1974	250,000	260,000	214,063
1st & Ref. 3s, Ser. M, Dec. 1, 1979	575,000	622,281	471,500
1st & Ref. 2⅞s, Ser. Q, Dec. 1, 1980	275,000	271,344	222,406
Pacific Power & Light Co., 1st 5¾s, Sept. 1, 1987	500,000	519,630	525,000
Pacific Telephone & Telegraph Co., Deb. 5½s, Feb. 1, 1993	1,000,000	1,011,980	1,052,500
Deb. 4¾s, Aug. 15, 1988	1,000,000	1,025,300	980,000
Deb. 3⅞s, Oct. 1, 1987	295,000	298,680	237,475
Panhandle Eastern Pipe Line Co., Deb. 2¼s, May 1, 1961	167,000	161,795	164,495
Pennsylvania R. R. Co., Eq. Tr. Ctfs. 2⅞s, Ser. S, July 1, 1962	200,000	191,901	192,880
Philadelphia Electric Co., 1st & Ref. 2⅞s, Feb. 1, 1978	275,000	272,938	220,688
1st & Ref. 2¾s, Nov. 1, 1967	273,000	274,883	248,430
Potomac Electric Power Co., S. F. Deb. 4½s, Feb. 15, 1982	500,000	480,000	490,000
Public Service Co. of Indiana, Inc., 1st 4⅞s, Ser. L, Oct. 1, 1987 (Registered)	1,000,000	1,000,000	1,042,300
1st 3⅞s, Ser. F, Sept. 1, 1975	245,000	251,027	210,700
Public Service Co. of Oklahoma, 1st 2¾s, Ser. A, July 1, 1975	225,000	230,388	183,375
Public Service Electric & Gas Co., Deb. 4½s, Sept. 1, 1977	500,000	485,000	510,000
Deb. 3½s, Oct. 1, 1975	1,000,000	1,027,500	907,500
Quebec Hydroelectric Commission, Deb. 5s, Ser. X, July 15, 1984	1,000,000	1,000,000	1,050,000
Sears Roebuck & Co., S. F. Deb. 4¾s, Aug. 1, 1983	1,500,000	1,500,000	1,545,000
Sears Roebuck Acceptance Corp., Sub. Deb. 4½s, May 1, 1977	1,400,000	1,386,000	1,358,000

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Shell Caribbean Petroleum Co., 4s, Oct. 1, 1968 (Registered)	\$3,600,000	\$3,600,000	\$3,492,000
Simpsons-Sears Acceptance Co., Ltd., Deb. 5½s, Ser. C, Feb. 1, 1980 (Registered)	1,000,000	1,000,000	1,045,000
Sinclair Oil Corp., Conv. Deb. 4¾s, Dec. 1, 1986	1,000,000	1,103,803	971,250
Skelly Oil Co., Deb. 2¾s, July 1, 1965	370,000	376,475	338,550
Southern Bell Telephone & Telegraph Co., Deb. 4s, Oct. 1, 1983	1,000,000	1,005,450	955,000
Southern Electric Generating Co., 1st 5¼s, June 1, 1992	1,000,000	1,007,750	1,041,250
Southern Pacific Co., Eq. Tr. Ctfs. 3½s, Ser. UU, Aug. 1, 1967	200,000	201,345	190,420
Eq. Tr. Ctfs. 3½s, Ser. UU, Aug. 1, 1968	200,000	201,444	188,680
Eq. Tr. Ctfs. 3½s, Ser. UU, Aug. 1, 1969	200,000	201,540	186,860
Eq. Tr. Ctfs. 3½s, Ser. UU, Aug. 1, 1970	200,000	201,633	184,200
Eq. Tr. Ctfs. 3½s, Ser. UU, Aug. 1, 1971	200,000	201,722	183,000
Southern Ry. Co., 1st Cons. 5s, July 1, 1994	1,000,000	1,333,176	1,045,000
Participation in sale agreement covering railway equipment 2.95s, Oct. 1, 1959-61	210,787	210,787	209,206
Standard Oil Co. (N. J.), Deb. 2¾s, July 15, 1974	850,000	854,250	722,500
Superior Oil Co., Deb. 3¾s, July 1, 1981	1,000,000	1,000,000	910,000
Swift & Co., Deb. 2½s, Jan. 1, 1972	101,000	101,505	84,966
Tennessee Gas Transmission Co., Deb. 4½s, Jan. 1, 1977	1,000,000	1,022,701	930,000
Deb. 4½s, Sept. 1, 1974	935,000	991,147	869,550
1st 3½s, Sept. 1, 1971	471,000	470,689	428,610
1st 2¾s, April 1, 1966	219,000	222,285	197,100
Texas Eastern Transmission Corp., 1st 5½s, Sept. 1, 1977	481,000	491,090	488,215
1st 4½s, April 1, 1979	1,000,000	972,813	987,500
Texas Electric Service Co., 1st 2¾s, March 1, 1975	285,000	287,850	236,550
Tidewater Associated Oil Co., S. F. Deb. 3½s, April 1, 1986	1,000,000	1,000,000	847,500
Trunkline Gas Co., 1st 3½s, Nov. 1, 1975 (Registered)	883,000	883,000	803,530
Union Carbide Corp., S. F. Notes 4½s, Dec. 31, 1996 (Registered)	3,000,000	3,000,000	2,872,500

Statement of Securities—*continued*

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
United Biscuit Co. of America, Deb. 2¾s, April 1, 1966	\$135,000	\$137,888	\$122,850
U. S. Steel Corp., S. F. Deb. 4s, July 15, 1983	500,000	502,500	476,250
Utah Oil Refining Co., Promissory Notes 3.05s, March 1, 1970 (Registered)	1,000,000	1,000,000	911,200
Virginia Electric & Power Co., 1st & Ref. 2¾s, Ser. E, March 1, 1975	275,000	279,813	228,250
Washington Gas Light Co., Ref. 5¼s, June 15, 1985	1,000,000	1,006,950	1,048,750
West Penn Power Co., 1st 3½s, Ser. I, Jan. 1, 1966	325,000	344,775	313,625
1st 3s, Ser. L, May 1, 1974	275,000	288,625	232,376
Woolworth Co., F. W., Promissory Notes 5s, Dec. 1, 1982 (Registered)	1,000,000	1,000,000	1,020,000
Totals	\$94,853,570	\$95,806,680	\$91,846,153
Totals, Bonds	\$124,826,570	\$126,091,844	\$121,953,304

Mortgage

Abilene AFB Housing, Inc., 4% Mortgage Notes, 1960-82	\$5,981,603	\$6,087,148	\$5,682,523
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<i>Preferred Stocks</i>	<i>Shares</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Appalachian Power Co., (cum.) 4½%	1,859	\$212,151	\$169,634
Atchison, Topeka & Santa Fe Ry. Co., (non-cum.) 5%	30,000	271,487	288,750
Carrier Corp., (cum.) 4½%	5,700	302,091	235,125
Connecticut Light & Power Co., (cum.) \$2.	5,500	295,354	226,875
Dayton Power & Light Co., (cum.) "A" 3.75%	440	44,000	34,320
Monongahela Power Co., (cum.) 4.40%	2,750	306,795	244,750
New York State Electric & Gas Corp., (cum.) 3.75%	2,700	265,725	205,200
Niagara Mohawk Power Corp., (cum.) 3.90%	2,140	222,560	167,990
(cum.) 3.60%	2,300	236,555	166,175
Northern States Power Co., (cum.) \$3.60	1,130	116,108	83,338
Ohio Power Co., (cum.) 4½%	1,300	148,830	121,550
Pacific Gas & Electric Co., (cum.) 1st 5% Redeemable	21,000	552,493	530,250
Public Service Co. of Colorado, (cum.) 4¼%	1,400	140,000	118,475
Public Service Co. of Oklahoma, (cum.) 4%	1,500	154,125	116,625
South Carolina Electric & Gas Co., (cum.) 5%	3,300	173,468	155,100
Southern California Edison Co., (cum.) 4.32%	6,200	178,350	138,725
Union Electric Co., (cum.) \$4.50	1,300	148,782	120,900
U. S. Steel Corp., (cum.) 7%	3,500	484,551	500,500
Totals, Preferred Stocks	94,019	\$4,253,425	\$3,624,282

<i>Common Stocks</i>	<i>Shares</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Air Reduction Co.	6,500	\$472,817	\$411,125
Allied Chemical Corp.	15,522	328,343	743,116
American Electric Power Co., Inc.	20,000	275,078	1,065,000
American Machine & Foundry Co.	19,000	419,546	1,182,750
American Telephone & Telegraph Co.	62,400	3,012,969	5,639,400
Bankers Trust Co.	25,000	687,343	1,128,125
Beneficial Finance Co.	15,000	388,783	408,750
Bethlehem Steel Corp.	32,000	534,459	1,308,000
Caterpillar Tractor Co.	62,400	361,083	1,552,200
Central & South West Corp.	103,200	1,477,289	3,612,000
Champion Paper & Fibre Co.	23,000	671,542	644,000
Chesapeake & Ohio Ry. Co.	19,300	1,340,770	1,097,688
Christiana Securities Co.	115	640,320	1,368,500
Coca-Cola Co.	1,000	64,066	63,875
Consolidated Edison Co. of New York, Inc.	33,000	1,605,944	2,050,125
Continental Can Co., Inc.	27,500	943,781	990,000
Continental Illinois National Bank & Trust Co. (Chicago)	6,200	633,061	697,500
Continental Insurance Co.	11,775	648,163	559,313
Continental Oil Co.	25,000	522,282	1,265,625
Crown Zellerbach Corp.	13,000	303,809	585,000
Dow Chemical Co.	10,824	372,157	792,858
Du Pont de Nemours & Co., E. I.	2,500	107,788	462,188
Eastern Gas & Fuel Associates	26,010	941,793	738,034
Eastman Kodak Co.	16,800	224,750	1,864,800
Farbenfabriken Bayer A.G., A.D.R.	4,000	387,471	382,000
Firestone Tire & Rubber Co.	31,206	419,509	1,076,607
First National Bank of Boston	9,625	651,363	680,969
First National City Bank of New York	9,180	673,772	687,353
Florida Power & Light Co.	54,800	646,114	3,130,450
Ford Motor Co.	43,500	3,337,558	2,794,875
General Electric Co.	60,000	653,461	4,402,500
General Mills, Inc.	20,200	411,288	578,225
General Motors Corp.	60,000	489,419	2,550,000
General Portland Cement Co.	36,200	1,014,141	1,289,625
Goodrich Co., B. F.	18,000	181,260	945,000
Goodyear Tire & Rubber Co.	37,439	660,238	1,301,005
Gulf Oil Corp.	50,614	730,781	1,486,786
Halliburton Oil Well Cementing Co.	15,000	297,430	551,250
Home Insurance Co.	9,100	507,815	495,950
Ingersoll-Rand Co.	14,000	230,776	952,000
Inland Steel Co.	46,500	835,704	1,813,500
International Business Machines Corp.	2,075	357,174	1,070,700
International Nickel Co. of Canada, Ltd.	18,000	439,204	882,000
International Paper Co.	8,096	402,957	710,424
Island Creek Coal Co.	15,000	790,071	330,000
Johns-Manville Corp.	27,000	529,693	1,387,125
Kaiser Aluminum & Chemical Corp.	40,000	417,465	1,370,000
Kennecott Copper Corp.	20,800	944,678	1,580,800
Lehigh Portland Cement Co.	36,000	1,322,503	999,000
Libbey-Owens-Ford Glass Co.	12,000	110,150	582,000
Louisiana Land & Exploration Co.	38,000	859,955	1,890,500
Merck & Co., Inc.	6,000	414,877	486,000
Monsanto Chemical Co.	15,300	377,514	564,188
Montana Power Co.	63,000	702,737	1,811,250

Statement of Securities—*continued*

<i>Common Stocks</i>	<i>Shares</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
National Bank of Detroit	6,626	\$392,890	\$359,461
National Gypsum Co.	21,456	991,922	1,134,486
National Lead Co.	8,000	42,876	658,000
Newmont Mining Corp.	15,605	1,147,845	920,695
New York State Electric & Gas Corp.	53,500	1,267,985	1,524,750
Niagara Mohawk Power Corp.	48,100	1,486,225	1,755,650
Norfolk & Western Ry. Co.	20,000	1,354,071	1,870,000
Northwest Bancorporation	14,850	360,771	475,200
Ohio Oil Co.	19,500	743,951	650,813
Pacific Gas & Electric Co.	30,000	1,247,996	1,912,500
Panhandle Eastern Pipe Line Co.	37,700	739,900	1,639,950
Parke, Davis & Co.	15,000	389,510	596,250
Phelps Dodge Corp.	42,200	1,006,914	1,925,375
Philip's Gloeilampenfabrieken (1,000 florins)	1,102½	1,252,550	1,755,025
Public Service Electric & Gas Co.	55,700	2,269,032	2,214,075
Puget Sound Power & Light Co.	30,500	766,984	1,044,625
Republic Steel Corp.	14,200	1,009,754	789,875
Revere Copper & Brass, Inc.	24,000	1,102,049	822,000
San Diego Gas & Electric Co.	35,000	835,718	1,023,750
Schering Corp.	7,000	350,736	350,000
Sears, Roebuck & Co.	20,000	149,784	995,000
Shell Oil Co.	17,600	289,073	660,000
Sinclair Oil Corp.	21,500	1,159,396	731,000
Socony Mobil Oil Co., Inc.	60,300	1,947,805	2,283,863
Southern California Edison Co.	15,000	675,320	879,375
Southern Co.	20,000	745,390	877,500
Southern Ry. Co.	6,500	318,740	268,125
Southwestern Public Service Co.	50,000	686,997	1,368,750
Spencer Chemical Co.	20,000	575,722	575,000
Square D Co.	43,096	1,291,411	1,152,818
Standard Oil Co. of California	24,500	748,194	1,041,250
Standard Oil Co. of Indiana	20,000	1,022,159	772,500
Standard Oil Co. (N. J.)	80,573	826,428	3,283,350
Texaco, Inc.	26,010	307,965	1,905,233
Texas Utilities Co.	10,000	379,515	760,000
Unilever N. V. (1,000 florins)	725	1,518,540	1,508,000
Union Carbide Corp.	12,000	256,842	1,338,000
Union Electric Co.	84,000	1,588,211	3,108,000
U. S. Foil Co. Inc. "B"	24,786	650,202	740,482
U. S. Plywood Corp.	22,980	682,513	1,080,060
U. S. Steel Corp.	47,000	1,160,306	3,460,375
Utah Power & Light Co.	28,000	690,039	980,000
West Virginia Pulp & Paper Co.	10,400	613,287	392,600
Westinghouse Electric Corp.	20,000	235,922	982,500
Weyerhaeuser Co.	10,000	77,198	320,000
Wisconsin Electric Power Co.	15,400	290,907	616,000
Totals, Common Stocks	<u>2,608,090½</u>	<u>\$74,422,559</u>	<u>\$124,514,315</u>

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

SCHEDULE C

Administrative Expenses

For the Year Ended September 30, 1960

Salaries	\$374,029
Employee Benefits and Insurance	76,356
Rent	69,959
Annual and Quarterly Reports	43,469
Travel	38,325
Conferences and Consultations	22,904
Pensions	17,461
Telephone, Telegraph and Postage	17,137
Office Equipment and Maintenance	11,885
Office Supplies and Expense	11,442
Professional Services	10,935
Duplicating Services	3,662
Periodicals, Publications and Subscriptions	2,990
Trustee Expenses	803
Miscellaneous	4,065
Total	<u>\$705,422</u>
Charged to United States	\$660,422
Charged to British Commonwealth	45,000
	<u>\$705,422</u>

THE CARNEGIE PHILANTHROPIES

Andrew Carnegie set out to give away \$300 million. He gave away \$311 million.

Gifts to hundreds of communities in the English-speaking world helped to make his idea of the free public library as the people's university a reality. In all, 2,507 libraries were built with Carnegie funds. His endowment of the Carnegie Institute in Pittsburgh brought important educational and cultural benefits to the community in which he had made his fortune. From experience he knew the importance of science applied to commerce and industry, and he provided for technical training through the Carnegie Institute of Technology. By establishing the Carnegie Institution of Washington he helped to stimulate the growth of knowledge through providing facilities for basic research in science.

He set up the Carnegie Trust for the Universities of Scotland to assist needy students and to promote research in science, medicine, and the humanities. For the betterment of social conditions in his native town of Dunfermline, Scotland, he set up the Carnegie Dunfermline Trust. To improve the well-being of the people of Great Britain and Ireland, he established the Carnegie United Kingdom Trust.

In the United States, he created the Carnegie Foundation for the Advancement of Teaching, primarily as a pension fund for college teachers, to lessen some of the economic hazards of this profession. To work for the abolition of war, he established the Carnegie Endowment for International Peace. And to recognize heroism in the peaceful walks of life as being as worthy as valor in battle, he created funds in the United States, the United Kingdom, and nine European countries to make awards for acts of heroism. In contributing to the construction of the Peace Palace at The Hague, the Pan American Union building in Washington, and the Central American Court of Justice in Costa Rica, he further expressed his belief in arbitration and conciliation as substitutes for war.

In 1911, having worked steadily at his task of giving away one of the world's great fortunes, he created Carnegie Corporation of New York, a separate foundation as large as all his other trusts combined, to carry on his spirit and system of giving. The terms of this trust are broad: to promote the advancement and diffusion of knowledge and understanding among the people of the United States and certain parts of the British Commonwealth. The Corporation was the culmination of his program of giving.

Each of the Carnegie agencies has its own funds and trustees. Each is independently managed, with the exception of the Carnegie Foundation for the Advancement of Teaching, which shares Carnegie Corporation's offices and has the same officers.

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