

Alfred P. Sloan Foundation

ANNUAL REPORTS



ALFRED P. SLOAN, JR.

"I am endowing this Foundation with the hope of promoting a broader as well as a better understanding of the economic principles and national policies which have characterized American enterprise down through the years."—ALFRED P. SLOAN, JR., 1937

ALFRED P. SLOAN FOUNDATION, Inc.

REPORT *for* 1947-1948



ALFRED P. SLOAN FOUNDATION, INC.

30 ROCKEFELLER PLAZA

NEW YORK 20, N. Y.

A LIMITED EDITION OF THIS REPORT IS BOUND
IN BOARDS FOR THE CONVENIENCE OF THOSE WHO
KEEP A PERMANENT FILE OF SUCH DOCUMENTS

COPYRIGHTED 1949 BY ALFRED P. SLOAN FOUNDATION, INC.
PRINTED IN THE UNITED STATES
PRESS OF JOSEPH D. MCGUIRE

PREFACE

THE ALFRED P. SLOAN FOUNDATION, INC., administers a private fund for the benefit of the public. It accordingly recognizes the responsibility of making periodic reports to the public on the management of this fund. This report has been prepared by direction of the Foundation's Trustees for the biennium 1947-1948. Since the Foundation confines its activity to the making of grants for the support of approved projects administered by educational and other non-profit welfare institutions, the following pages identify the recipients of these grants, the sums involved and the nature of the various undertakings which the grants have financed. In addition, an attempt is made to explain the principles and policies which are observed by the Foundation's administrative staff and the Trustees in deciding which of the hundreds of worthy projects, annually brought to their attention, shall receive favorable consideration.

BOARD OF TRUSTEES

- ALFRED P. SLOAN, JR.
Chairman of the Board, General Motors Corporation
- WILLIAM B. BELL
President, American Cyanamid Company
- JOHN L. COLLYER*
President, B. F. Goodrich Company
- KARL T. COMPTON
Chairman, Research and Development Board, National Military Establishment
- JAMES B. CONANT
President, Harvard University
- LEWIS W. DOUGLAS
Chairman of the Board, Mutual Life Insurance Company; United States Ambassador to the United Kingdom
- FRANK A. HOWARD*
Industrial research consultant; former president, Standard Oil Development Company
- JOHN L. PRATT
Former vice-president, General Motors Corporation; engineer and philanthropist
- HARRY E. WARD
Honorary Chairman, Irving Trust Company
- GEORGE WHITNEY
President, J. P. Morgan and Company

OFFICERS

- ALFRED P. SLOAN, JR. *President*
- ARNOLD J. ZURCHER *Vice-President and Executive Director*
- JAMES F. KENNEY *Secretary and Treasurer*
- GENEVIEVE M. KING *Assistant Treasurer*
- CECILE STIERLI *Assistant Secretary*

*Elected April 6, 1949

TABLE OF CONTENTS

	Page
<i>Private Foundations in a Free Society</i>	7
<i>Summary of the Corporation's Activities</i>	10
<i>Additions to the Foundation's Principal Fund</i>	13
<i>General Motors Dealers Appreciation Fund for Cancer and Medical Research</i>	14
<i>The Foundation's Trustees</i>	16
<i>Educational Radio Programs</i>	21
The University of Chicago Round Table of the Air New Jersey State Teachers College, Montclair, N. J.	
<i>Economic Education Through Motion Pictures</i>	26
Harding College, Searcy, Ark.	
<i>Applied Economics</i>	29
University of Florida, Gainesville, Fla. American Association of Colleges for Teacher Education	
<i>Economic Research</i>	37
The Brookings Institution, Washington, D. C.	
<i>Projects in Automotive Traffic Research and Highway Safety</i>	39
Automotive Safety Foundation, Washington, D. C. Yale University, New Haven, Conn.	
<i>Educational Programs for Economic Leadership</i>	41
Massachusetts Institute of Technology, Cambridge, Mass. American University, Washington, D. C. University of Denver, Denver, Colo. University of California, Berkeley, Cal. University of Southern California, Los Angeles, Cal.	
<i>The Sloan-Kettering Institute for Cancer Research</i>	47
Memorial Hospital for the Treatment of Cancer and Allied Diseases, New York, N. Y.	
<i>History of the Foundation—Fields of Activity</i>	52
With Notes on Foundation Operation Policy	
<i>Financial Section</i>	55



Private Foundations in a Free Society

THE past quarter century has witnessed a phenomenal increase in the type of public trust under private management such as this corporation administers. Indeed many well-known organizations of this character have been set up in the short span of years since 1934 when the Foundation was established as the SLOAN FOUNDATION, INC. Like this corporation, the majority of these newer organizations have assets of moderate size; a few others have responsibility for resources of considerable magnitude. It is conservatively estimated that the total resources presently under the control of America's private foundations approximate two billion dollars and that they annually contribute a sum to philanthropic causes close to one hundred million dollars.

• That these private foundations are a desirable, indeed a necessary, adjunct to our type of society is beyond question. The hallmark of any free society is the pluralistic structure of its institutions, economic, political and cultural. Equally important attributes of such a society are the diversity of its enterprise, the large degree of spontaneous individual and

group initiative which gives that enterprise direction and momentum, and the toleration exhibited for all shades of opinion. In the maintenance of that type of society, especially in the maintenance of such a society's cultural values, our privately managed foundations have played, and will continue to play a major role. Their multiplicity and the variety of their special fields of interest at once reflect and nourish that cultural pluralism which is the very anatomy of freedom. They are, moreover, among our chief initiators of progress since their primary purpose is to risk funds for experimentation in every creditable avenue of cultural endeavor and to advance research frontiers in the sciences, arts and professions.

· In a world that turns increasingly to the state to mobilize resources through taxation for the support of education, the arts, scientific research, and social welfare, our foundations can render a service even more significant than in the past. There is a current tendency to discount the liabilities of governmental intervention in cultural areas hitherto deemed private. Even so, it is exceedingly difficult to remove apprehension that this type of governmental enterprise, because of its traditional fondness for bureaucratic routine and regimentation, can avoid being somewhat hostile to new ideas or indifferent to valid criticism. Nor can the suspicion quite be dissipated that public cultural enterprise will be unable to maintain its integrity against the incursions of political partisanship or of interested pressure groups.

· For such potential liabilities of public cultural enterprise, our private foundations can, in part at least, provide an antidote. In many fields of proposed governmental activity—for example, in the field of education—the private foundations may exert their influence in establishing valid premises and objectives, in maintaining satisfactory administrative standards, and in assuring a maximum of freedom of action for the recipients of public aid. As in the past, moreover, they may direct their attention to those frontiers of investigation and research which other agencies, including government, may neglect and thus promote cultural advance on the widest possible front.

· To render this service, however, the private foundations must measure up to their own best traditions. They must discharge fully the obligations to the public inherent in the terms of the gift of capital funds of their respective donors, in the legislation establishing their legal existence, and in the public policy of exempting foundation income from all taxation. Among these obligations perhaps the principal one is that of expending their income as rapidly as opportunities for philanthropic service arise.

· At the same time they must also exercise discretion in choosing those opportunities. It is imperative, for example, that they eschew the policy of scattering their beneficence over an ever-widening circle of projects thereby dissipating their opportunity for constructive and progressive action. Nor

must they allow considerations of sentiment or tradition to beguile them into supplementing the resources of established and accepted institutions and activities, support for which should properly come from the government or from the community at large. Their primary area of interest must continue to be the frontiers of knowledge. They must seek to underwrite new patterns of action, investigation and research which promise much for the public welfare and which can find no other source of support. For such projects a foundation should be willing to supply funds in a measure consistent with the project's needs and the foundation's own resources and supply those funds for a period long enough to assure thorough exploration.

SUMMARY OF THE CORPORATION'S ACTIVITIES

IN its operations the ALFRED P. SLOAN FOUNDATION, INC., has sought, to the best of its ability, to implement such policies as the foregoing. Approximately two million dollars have actually been expended during the biennium, 1947-1948, covered by this report. Of this sum, 93 per cent was disbursed to educational and other welfare institutions in the form of new grants or in payment of grants made in previous years. Approximately 7 per cent was applied to the Foundation's own operational and administrative expenses. From 1936, when the Foundation was established under its present name, down to the end of 1948, it is estimated that commitments in the form of grants totalled \$9,000,000 and that actual expenditures on these commitments have amounted to \$7,149,000.

This expenditure is considerably in excess of all income from invested securities received by the Foundation during the twelve-year period since 1936, much of it having been drawn from the Foundation's principal fund and from special gifts.

· During the biennium immediately under review about 48 per cent of the total expenditure represents payments made on commitments of previous years for the support of the Sloan-Kettering Institute for Cancer Research at Memorial Hospital, New York City. The remaining 52 per cent, or about a million dollars, was applied to projects in the field of economics. Projects in this field may be conveniently grouped in three classes: (1) educational programs in economics of a popular type; (2) projects the purpose of which is to train prospective leaders in academic, professional and managerial fields; and (3) economic research.

· Since its inception, the Foundation has been chiefly interested in the first of these classes of projects, that is, in educational projects designed to widen understanding of economic facts and principles and in mass-dissemination media appropriate to such projects. This general area of action seemed particularly challenging. Widespread popular misunderstanding of the principles upon which the economy operates and popular indifference towards economic problems in general and towards the proposed solutions of those problems, emphasized the need for bold and constructive educational leadership. Moreover, the mere development of

effective instrumentalities and techniques of communication to reach millions of people at the "grass-roots" level itself opened up an opportunity for constructive pioneering. It was for these reasons that the founder expressed the primary objective of the Foundation as

expansion of mass understanding of the simple economic truths by which we live.

• Diffusion of economic knowledge has become even more important since the end of World War II. Great issues of domestic and international policy, which may affect the very foundations of the American system of economics and government, have arisen; and people generally, in their capacity as voters and as citizens, must face the implications of these issues with greater understanding and objectivity than has sometimes characterized popular discussion in the past. The wisdom of the Foundation's original decision to concentrate in the field of popular economic education has thus been re-emphasized and dramatized by the trend of events in recent years.

• An analysis of the expenditures in the field of economics during 1947-1948 clearly reveals this emphasis on "popularization." Approximately \$607,000, or 66 per cent of the total, was devoted to projects of the popular type. For leadership training, the amount expended was \$197,000 or 21 per cent of the total; and for research projects in economics or closely allied fields, the amount was \$116,000, or 13 per cent of the total. Thus, in the economic field, it may be said that the

Foundation is currently pursuing the policy of devoting about two-thirds of its appropriations to popular education and the remaining third to academic education and research.

• Descriptions of each project currently receiving support, which begin on page 21 of this report, demonstrate that the Foundation seeks to concentrate its efforts in a limited number of channels, a policy appropriate to its relatively modest resources and to its desire to develop a small number of significant "patterns" of activity, especially in the area of popular education. Although financial commitments to any project are rarely made for a period longer than one year, it will be noted that several of the activities described have been given annual renewal grants over a relatively long period—in at least one instance, for a decade. In other words the Foundation has not hesitated to invest its funds in a particular project over a protracted period where it could be demonstrated that the project was inherently meritorious and that a considerable period of time was necessary for its development and to prove its value to the public. Neither, it may be added, has there been any hesitation in withdrawing support from any project once further investment of Foundation funds seemed of questionable value.

ADDITIONS TO THE FOUNDATION'S PRINCIPAL FUND

SUBSTANTIAL additions to the Foundation's capital resources occurred during the two-year period under review. In December, 1947, Mr. and Mrs. Alfred P. Sloan, Jr. transferred

to the Foundation, by gift, securities valued at approximately \$5,000,000. This constitutes the fourth major gift by these donors of the funds of the Foundation. It brought the market value of its assets, at December 31, 1948, to about \$14,500,000. When augmented early in 1949 by the General Motors dealers' gift of \$1,525,000, described below, the Foundation's assets exceeded \$16,000,000.

GENERAL MOTORS DEALERS APPRECIATION FUND
FOR CANCER AND MEDICAL RESEARCH

ON September 24, 1948, the Trustees formally accepted on behalf of the Foundation, a gift in excess of a million and a half dollars from the General Motors dealers in the United States. This munificent sum had been voluntarily contributed by the General Motors dealers in honor of Mr. Alfred P. Sloan, Jr., President of the Foundation.

The actual presentation of the gift took place at the Waldorf-Astoria Hotel in New York City on the night of February 7, 1949. In the extraordinary tribute paid Mr. Sloan that evening, Mr. David E. Castles, chairman of the fund-raising committee stated he represented many thousands of General Motors automotive dealers who had sought, through the creation of this fund, to demonstrate their appreciation of the many considerations they had received from Mr. Sloan during the years of his active direction of the General Motors Corporation. In presenting the fund to Mr. Sloan, Mr. Castles said: "We, the dealers, feel privileged and honored to join with you in the work of cancer research and to feel



MR. DAVID E. CASTLES (left) representing the General Motors dealers presents Mr. ALFRED P. SLOAN, JR. with the sum of \$1,525,000, the fund given the Foundation for cancer and medical research. Also in the picture are Mr. FLOYD D. AKERS (second from right) of Washington, chairman of the dinner at which the fund was presented, and Dr. CHARLES F. KETTERING, Research Consultant to General Motors Corporation.

that our contributions will be mingled with and become a part of the funds that you have dedicated to this work. It is our desire that it be expended as you and the Trustees of the Foundation shall direct. We ask that you accept it as evidence of the appreciation, the admiration and genuine affection that is held for you by each and every General Motors dealer."

In his remarks accepting the award, Mr. Sloan declared that this impressive act of generosity on the part of the General Motors dealers indicated that there "is something more in business than business itself. There are human fac-

tors of confidence, cooperation and appreciation. Those factors, properly founded, faithfully protected, and carefully nourished, can exert a powerful influence in advancing the interests of all." Mr. Sloan expressed the wish that such human factors might become more universal. "I cannot help but reflect," he said, "upon what a different world this could be and what it might mean to untold millions if we could inject some of these same human factors into the consideration of the world's problems in these chaotic times. Right here at home we too often see selfishness, group pressure, lust for power, and economic ignorance limiting the great possibilities open to us." In concluding his remarks, Mr. Sloan declared that the fund was a public trust and pledged himself and his fellow Trustees of the Foundation to use it for the effective advancement of the public welfare.

· The gift will be known officially as the General Motors Dealers Appreciation Fund for Cancer and Medical Research. Its administration will constitute a separate division of the Foundation and principal and income will be expended for scientific research directed at the control of cancer and of other diseases.

THE FOUNDATION'S TRUSTEES

NOTEWORTHY additions have recently been made to the membership of the Foundation's Board of Trustees. For the past three years, the Board has consisted of six members. In addition to Mr. Alfred P. Sloan, Jr., the President, the membership included Dr. Karl T. Compton, former president of

[16]



DR. KARL T. COMPTON



ALFRED P. SLOAN, JR.



LEWIS W. DOUGLAS

TRUSTEES OF THE FOUNDATION, 1947



JOHN L. PRATT



HARRY E. WARD



GEORGE WHITNEY



WILLIAM B. BELL



JOHN L. COLLYER

ADDITIONAL FOUNDATION TRUSTEES
ELECTED 1948-1949



DR. JAMES B. CONANT



FRANK A. HOWARD

the Massachusetts Institute of Technology and at present chairman of the Research and Development Board of the National Military Establishment; Mr. Lewis W. Douglas, chairman of the board of the Mutual Life Insurance Company of New York and currently United States Ambassador to the Court of St. James; Mr. John L. Pratt, former vice-president of General Motors Corporation and philanthropist; Mr. Harry E. Ward, honorary chairman of the Irving Trust Company; and Mr. George Whitney, president of J. P. Morgan & Co., Incorporated. On December 17, 1948, this group was joined by the noted industrialist, Mr. William B. Bell, president of the American Cyanamid Company and by Harvard University's distinguished president, Dr. James Bryant Conant. Early in 1949, two additional Trustees were elected. They are Mr. John L. Collyer, president of The B. F. Goodrich Company and Mr. Frank A. Howard, former president, Standard Oil Development Company and presently industrial research consultant for Standard Oil Company (N. J.) and other industries.

A governing body of ten leaders such as these with records of distinguished achievement in the fields of industry, public administration, education, pure and applied research, and banking and finance, provides every assurance that a high order of managerial ability will be brought to bear on the general conduct of the Foundation's affairs and that proposals for the commitment of the Foundation's funds will receive the most careful and objective consideration.



Educational Radio Programs

THE UNIVERSITY OF CHICAGO ROUND TABLE OF THE AIR

THE year 1948 rounded out a decade of Foundation support for the University of Chicago's Round Table of the Air. This program has thus acquired the distinction of having received financial assistance from the Foundation for a longer period than any other project.

This long continued interest in the Round Table has been predicated on various practical considerations. The first of these is the fact that the project provides a most appropriate and successful medium for carrying forward the Foundation's primary aim of popular education in public affairs. The Round Table's weekly discussion programs, which originate in Chicago, New York, Washington and other cities and occasionally outside the United States, are broadcast over approximately 100 stations affiliated with the National Broadcasting Company. These reach an audience conservatively estimated at several millions. The topics discussed on the Round Table relate primarily to current domestic and international economic and political issues although, during 1948, such subjects as educational policy, scientific and medical research, child psychology, legal reform, and governmental organization, also provided part of the fare. Uniformly, care is taken to discuss those topics, currently in the news of the day, that have a fundamental and long-term bearing on public policy. Moreover, in selecting participants for a broadcast—who may include representatives of the academic, public, professional and commercial life of the nation—a serious effort is made to present outstanding experts and, in the case of controversial issues, to select spokesmen of divergent points of view. The audience to which the program is di-

rected are those among the general public who seek to keep informed about the problems of the day and who have more than a superficial or transient interest in the disposition which may be made of these problems. Hence the Round Table seeks to satisfy the demand for expert intellectual leadership and dispassionate discussion upon which public opinion in a free, democratic society such as America's must be nourished. Such an objective is preeminently one to which this Foundation is dedicated.

• Another reason for the prolonged Foundation support of the Round Table is the peculiar difficulty of making financial provision for a project of this sort, however successfully it may fulfill its purpose, in the normal budgetary outlays of a formal educational institution. Although the University of Chicago has generously provided many forms of assistance to the Round Table, that institution is no more able than any other university to provide the considerable funds needed for the kind of extra-mural educational function which the Round Table performs. In other words, assuming that an educational service such as that rendered by the Round Table should be provided, it is impracticable to expect that the necessary funds will come from the budget of the educational institution which sponsors and directs it. University funds are usually earmarked for the intramural educational and research activities traditional in an American university. Lacking any feasible alternative, therefore, the Foundation has perforce continued its subsidies to the Round Table even though, in the case of most projects, such subsidies are normally withdrawn within a period considerably less than a decade.

• It is appropriate, at this point, to record that what the Foundation has provided for this program has been duplicated, at least in kind, by the contributions of the National Broadcasting Company and its affiliated stations which place the Round Table on the air. For almost sixteen years, that is, since the time the Round Table was established, this network and its stations have made it a sustaining program and have provided free time and facilities for broadcasting it to the American public.



A display of recently published transcripts of the University of Chicago Round Table.

• Independent testimony as to the value of the Round Table continues to come from various sources. During 1948, for example, it received an award in the Eleventh American Exhibition of Educational Radio Programs at the Institute for Education by Radio at Ohio State University. The citation reads as follows: "For sustained quality of presentation, rational approach, and sustained level of interest, in discussions of modern problems consistently well chosen for their timeliness and importance." This is not the first such award to the program either from this or from other organizations interested in maintaining the highest standards for educational programs over the air.

• One of the by-products of the Round Table's activity is the transcript of the radio discussion. The transcript goes to the listening public and to schools, colleges and other educational institutions all over the world. During the period under review, the University closed a contract with the United States Navy according to which more than 6,000 copies are sent weekly to ships and naval installations. It is estimated

that the monthly distribution of transcripts is over 40,000 units. The transcripts are competently illustrated, attractively bound, and carry various appendices including bibliographies and extracts from standard books and articles which are relevant to the content of the printed discussion. These incidental features increase the usefulness of the transcript as an educational medium and make it a most valuable booklet on contemporary problems.

• Another noteworthy recent development has been the integration of the Round Table into the home-study courses offered by the University College, that is, the extension department of the University of Chicago. Two such courses, one on contemporary economic problems and one on world affairs, both using the transcripts of current Round Table broadcasts in addition to other relevant reading matter, have been developed by the University authorities. The announcement that such courses would be offered was carried over the stations of the National Broadcasting Company on January 30, 1949. The home-study courses by radio have the enthusiastic endorsement of station managers of the National Broadcasting Company's network. The courses illustrate another way in which imaginative educational pioneering by one of America's leading universities has enhanced the contribution which this project can make towards increasing public understanding of the complex problems with which our society is faced at this midpoint of the twentieth century.

Radio Programs by Transcription

NEW JERSEY STATE TEACHERS COLLEGE, MONTCLAIR, N. J.

ANOTHER venture in popular economic education through the medium of radio, begun some years ago under the auspices of the New Jersey State Teachers College of Montclair, New Jersey, has continued to receive the financial support of the Foundation during the past two years. This venture takes the form of a "platter" or "disk" program; that is, the material of the program is recorded and is subsequently reproduced over the air by transcription. The entire series

of such recorded programs has the title "Keeping Up With the Wigglesworths." They are designed to illustrate or otherwise demonstrate the significance of some economic fact or principle by dramatizing relevant episodes or situations in the life of a fictitious family in an American city of medium size.

• In dramatic quality and entertainment value, the programs represent better than average radio fare; as instruments for enlightening the public on relatively abstruse and reputedly difficult economic concepts, they occupy a rather unique niche in radio broadcasting. Some of the more recent platters have featured such economic topics as the following: the causes of inflation; the value of imports; the contribution of high educational levels to economic prosperity; the economic value of machines to labor and the consumer; the importance of small business in the American economy; and the world economic position of the United States.

• A special unit of the College, known as the New Tools for Learning Bureau, produces these platters in conjunction with a professional script writer and producer. Each production employs the services of a professional cast. Broadcasting rights for the program are sold for a nominal fee to individual stations which broadcast them on a sustaining basis or with local sponsorship. More than a hundred platters had been produced by the end of 1948 and they were being broadcast by approximately 150 stations throughout the United States. When broadcasting rights in the platters have expired, the College may make them available for local use in schools and colleges and some distribution of this sort has been secured.



Economic Education Through Motion Pictures

HARDING COLLEGE, SEARCY, ARK.

IN its effort to develop educational programs in economics for mass audiences, the Foundation has always favored the motion picture as a medium. The most ambitious Foundation program, involving this medium, was inaugurated in 1946. It called for the creation of a series of short cartoon films, in color, which would portray simple economic truths about the American system of production and distribution in an interesting and entertaining manner. In other words, the purpose was to provide lessons in economics in films having high entertainment value. The hope was that these films would enjoy public acceptance both because of their educational content and because of the sheer entertainment which they would afford. The plan called for the production of the films by the best available professional talent and their distribution both through regular commercial theatres and through educational or non-theatrical channels.

• Harding College of Searcy, Arkansas, an institution with considerable experience in adult educational programs of national scope, became the agency for carrying this film program into effect and a series of Foundation grants were made to Harding College for this purpose. The College in turn contracted with John Sutherland Productions, Inc., of Los Angeles, California, for the actual production of the films. As of December, 1948, four films had actually been produced; a fifth had been approved for production; and a contract had been made between the College and the producer for an outline or "story-board sketch" of a proposed sixth film.

[26]

• The first of the four films which had been produced by the end of 1948 bears the title "Make Mine Freedom." It treats of the accomplishments of the American system of production and distribution and the advantages of maintaining traditional American freedoms. The other three films, respectively entitled, "Going Places," "Meet King Joe" and "Why Play Leapfrog," treat of such subjects as the element of risk in business and the function of profits in expanding enterprise; the economic consequences of the technological revolution wrought in American industry during the past century; and the importance of increased productivity in developing a high level of real income for the American workman.

• Upon the completion of the first of these films, that is, "Make Mine Freedom," the Foundation's grantee, Harding College, contracted to distribute it through Loew's Inc., one of the nation's major film producers and distributors; and "Make Mine Freedom" made its debut in the regular theatres of the country in April, 1948. During subsequent months it was exhibited in many thousands of theatres and it is estimated that within the next few years, more than 25 million persons will have seen it in the United States and abroad. Similar arrangements have been made by Harding College with Loew's Inc., for the theatrical release of another of the four completed pictures, viz., "Meet King Joe," which features America's technological advance. Release of this cartoon will occur early in the summer of 1949.

• After the expiration of contractual rights to exhibit these cartoons in the regular theatres, Harding College expects to distribute 16 mm. prints through non-theatrical educational channels. Experimental 16 mm. distribution of at least one of these films, entitled "Going Places," has already been attempted by the College and reports indicate the highest degree of acceptance.

• The idea of using the animated cartoon as an instructional medium in the field of economics, is, to say the least, rather novel. At this stage neither the Foundation nor the College feels that the development of this idea has gone beyond the experimental phase. At the same time

[27]

it may be pointed out that many of the technical and other practical difficulties envisioned by those who launched this project have been surmounted and that many anticipated hurdles have been overcome. It is now fairly obvious that instruction and entertainment can be successfully combined in a film of the animated cartoon type provided a high degree of competence, artistic and technical, is brought to bear upon its production; that films produced according to this formula meet technical standards required for theatrical exhibition; and that these films have a high degree of audience acceptance. It also seems reasonably certain that most of these films will find a theatrical market; that such as do not, as well as those that do, can be successfully exhibited in non-theatrical channels; and that each film will eventually find an audience of several million persons—in some cases an audience conservatively estimated at 25 or 30 million.

• That others are convinced of the merit of this animated cartoon project and are impressed by the relative success already achieved, was demonstrated recently when the Maurice and Laura Falk Foundation of Pittsburgh made a grant of \$75,000 for its support. This considerable sum was given as a contribution to help defray the relatively heavy developmental expense of the program which the ALFRED P. SLOAN FOUNDATION, INC., has assumed through its various grants to Harding College during the past two years.



Applied Economics

UNIVERSITY OF FLORIDA, GAINESVILLE, FLA.

AMERICAN ASSN. OF COLLEGES FOR TEACHER EDUCATION

ONE of the first ventures undertaken by the Foundation after its organization was an experimental educational project which has come to be known as the "project in applied economics." Grants for one or another phase of this project have been made since 1939; and the total amount expended to date approximates a half million dollars.

• The general purpose of this experiment has been to raise living standards, particularly in low-income areas, through appropriate instruction in the schools and through changes in the school curriculum. Various techniques have been used. One of the principal ones has been the preparation and publication of numerous texts or of supplementary reading materials, especially for elementary classes, in which stress was laid on such subjects as the proper cultivation of home gardens, good agricultural practices, and improvement in various aspects of home economics. Singled out among the latter were the care and preservation of food, the constituents of a balanced diet, disease prevention, and the care and repair of wearing apparel. Attention was also directed towards the observance of safety procedures and standards in schools and homes. Appropriate "workshops" were developed for teachers and encouragement was given to extra-curricular programs in the schools in which children were encouraged to "learn by doing." Whatever the precise techniques pursued, the fundamental purpose was to teach children, and particularly underprivileged children, and through them the parents, how to apply freely available

skills and knowledge of a practical sort to the conditions of their environment—to teach them how to make the most of existing resources and thereby to improve their condition and that of their homes and communities.

• The original Foundation grantees under this project were the schools of education of three state universities, viz., Kentucky, Florida, and Vermont. The staffs of these institutions prepared the teaching materials, particularly the special text books and supplementary pamphlets, and selected and supervised experimental schools where an intensive application of the philosophy and techniques of the project might be made. The universities also identified control schools which might serve as yardsticks of progress in the experimental schools, devised numerous elaborate questionnaires for measuring purposes, and conducted periodic investigations and surveys.

• Various external factors beyond the control of those in charge of the project, particularly the advent of war and the repercussions of the war on community life, hampered efforts to gain a clear picture of achievements. Nevertheless, available evidence points to the conclusion that wherever this project has operated, the results have justified at least conservative expectations. This conclusion has been supported by various scholarly investigations and community measurements, an example of which is described in a recent article appearing in *Educational and Psychological Measurement* (vol. VIII, no. 4, Winter, 1948) entitled "Measurement in Rural Housing—A Progress Report," written by Mr. C. L. Durrance, Jr. of the University of Florida. Moreover, educational experts throughout the United States have been most favorably impressed by the results, have uniformly praised the project, and have asserted that it is one of the more significant educational experiments of our time. Testimony to this effect has been recorded in numerous professional journals. Evidence of the importance of the project to professional educators is to be discerned in the series of articles which appeared in the *National Education Association Journal*, official organ of the National Education Association, during the four months, January to April, 1947.

• In 1947, after an extended review of this project and its accomplishments, the Trustees of the Foundation decided that its experimental phase ought to be brought to a close and the cooperating institutions were so advised. At the same time it was felt that the Foundation's interest should be maintained, at least temporarily, in what may be called the diffusion phase of the project, that is, in efforts to make the results and materials of the experiment available to the widest possible constituency. Grants were accordingly made for this purpose and a diffusion and distribution apparatus was organized.

• Since 1947, therefore, the entire emphasis has been shifted to diffusing the results and accomplishments of the applied economics project. Three major instrumentalities of diffusion have been set up and have been operating for some months. The first of these is a text- and pamphlet-distribution agency, headed by Professor H. E. Nutter, of the University of Florida, which has charge of the sale, throughout the country, of the considerable inventory of specialized curricular materials developed by the three experimental projects over the past ten years. It is estimated that the special texts, teachers' guides, and incidental pamphlets include some 150 titles. Sales of these materials to educational institutions approach a sizable volume—in the neighborhood of 25,000 pieces per annum. The price of these materials is fixed at the cost of printing and manufacture plus a slight overhead. The Foundation provides a subsidy for administrative overhead and for occasional new materials which are added to the existing list. This phase of the diffusion project is centered at the University of Florida and is officially under the jurisdiction of that institution.

• The second instrumentality of diffusion is a field consultant, operating under the auspices of the Committee on Standards and Surveys of the American Association of Colleges for Teacher Education, a department of the National Education Association. The consultant's primary function is to work with teacher-training institutions throughout the United States to develop curricula that embrace the philosophy and techniques of the Foundation's applied economics project. Currently the consultant, Mr. Stewart B. Hamblen, is working in-



Some of the 150 separate booklets for school use distributed by the Federal Extension Service.

tensively with some eight such institutions and less intensively with about a dozen more. He is securing excellent cooperation from the administrative authorities and faculties of the institutions involved.

• To support the work of the consultant as well as of the materials-distribution agency, a third instrumentality of diffusion has been developed, also under the auspices of the American Association of Colleges for Teacher Education. This is a monthly bulletin, entitled *Applied Economics for Better Living*, published in New York City.



DR. R. C. COOK, President of Mississippi Southern College, Hattiesburg, Mississippi, presents Mrs. H. A. HOWELL of Jayess, Mississippi, with check representing first prize in a contest among American teachers to develop school readers exemplifying the basic principles of applied economics. Contest was sponsored by American Association of Colleges for Teacher Education. At the right, PROFESSOR JOHN M. FRAZIER, coordinator of the project in applied economics at Mississippi Southern College.

Its editor is Mr. Richmond Page. It features articles and editorial comment on all phases of the project in applied economics, invites comment from interested educators, which it often subsequently publishes, and gives descriptions of curricular projects and materials which develop out of activities related to the general project. Monthly distribution of this bulletin, which is sent gratis to leading educators in the United States and abroad, approximates 4,000 copies.

• During 1948, the pages of this bulletin featured a contest among teachers and students in teacher-training institutions throughout the country in which prizes were offered for the best manuscripts, suitable for school readers, on some phase of the work of the project in applied economics. More than thirty manuscripts were submitted. A board of judges, headed by Dr. Harold F. Clark of Teachers College, Columbia University, eventually awarded prizes totalling \$1,000 to five of the contestants. The first prize went to Mrs. Henri Andrews Howell of Jayess, Mississippi, and her manuscript "Muddy Waters" will shortly be published by the project.

• Annual grants for the support of the work of the consultant and for the bulletin are given to the American Association of Colleges for Teacher Education and the expenditure of these grants is administered by the officers of this association.

• Every effort has been made during the past year to integrate the various units involved in this diffusion campaign and to stimulate cooperative action on the part of the participants. These efforts have been attended with considerable success. Much of the material illustrative of the theory and techniques of the project are being channelled into the pedagogy and curricular structure of elementary education, particularly in rural areas. Considerable interest is also being manifested in the project by teacher-training institutions and the purposes and principles of the project are exerting a significant influence upon the curriculum of these institutions. In recent months, moreover, numerous expressions of interest in the applied economics project have been

received from the educational administrators of foreign governments and from the directors of the Clearing House for Fundamental Education of the United Nations Educational, Scientific and Cultural Organization.

• There is reason to hope, therefore, that the momentum generated by the Foundation's long support of the project will carry interest in its methods and results beyond the time when subsidies are terminated and that various institutions will continue to sponsor and support its basic purpose on their own initiative.

Regional Conference on Applied Economics attended by teachers and school administrators from the New England area, held at Keene Teachers College, Keene, New Hampshire, May, 1947.



Economic Research

THE BROOKINGS INSTITUTION, WASHINGTON, D. C.

A MAJOR research project of the Brookings Institution has recently received financial support from this Foundation. This is a study of industrial concentration in the United States, underwritten jointly by this Foundation and the Falk Foundation of Pittsburgh, Pennsylvania. The study is to continue for a period of three years.

• Those engaged in the project intend to make a comprehensive and factual analysis, based on first-hand observation, of the structure and operation of American business with special reference to the place of large-scale enterprise in that structure. Investigation will be made into the form and relative extent of concentration in various branches of industry, the economic and other forces which favor physical expansion of single enterprises, the relation of big business to small concerns and those of intermediate size, and the factors which promote or hinder competition in the contemporary business structure. Special attention will be devoted to the question of the relative efficiency of business units of various sizes in financing production, utilizing manpower, developing markets and promoting technological progress. This phase of the investigation will embrace an examination of the intra-corporate structure of large-scale business with reference particularly to the degree of autonomy given separate divisions or plants and the co-ordination of managerial authority at the top.

• In addition, the researchers will evaluate the social performance of large corporations. In this phase of their efforts, they will give con-

sideration to the wage levels and living standards of employees of such corporations, their pricing policies, the relative stability of their employment record, their record in technological progress, their effect upon the scope of the individual's economic opportunity, the effect of their operations on secular trends and cyclical fluctuations, and their relation to the problem of national security.

• It is anticipated that an objective and systematic study of this sort, to be published in a multiple-volume report, will contribute towards a more realistic understanding of the structure and processes of American enterprise in our day and conceivably modify some of the orthodox premises upon which most contemporary business studies, particularly studies of large-scale enterprise, are based.

• A second project undertaken by the Brookings Institution with Foundation support is an investigation of the historical development of public planning, public controls of economic life, and other instrumentalities of the collective state. It is anticipated that this study will be completed by the staff of the Institution and published in book form during 1949.



Projects in Automotive Traffic Research and Highway Safety

AUTOMOTIVE SAFETY FOUNDATION, WASHINGTON, D. C.
YALE UNIVERSITY, NEW HAVEN, CONN.

DURING 1948, the Foundation made a grant of \$18,000 to the Automotive Safety Foundation of Washington, D. C., for research in highway administration and to promote highway safety. The larger portion of this grant was earmarked for a study of the administrative relationships, the policies and the technical practices of states and local agencies in regulating highway and street traffic. The study is centered in the Bureau of Highway Traffic at Yale University, New Haven, Connecticut, and is under the supervision of Mr. Theodore M. Matson, Director of the Bureau. It is anticipated that out of this study will come practical suggestions for a better articulation of the administrative relationships of state and local governments in handling the problems of highway traffic regulation. In turn, more efficient regulation should contribute to higher standards of efficiency and safety in automotive transportation.

• The smaller portion of this grant to the Automotive Safety Foundation was retained by that organization to finance a highway safety campaign through the use of radio. For this purpose the Automotive Safety Foundation established a series of awards which are to be presented to the radio industry in the United States during 1949 for services rendered in the cause of highway safety. The awards, to be known as the Alfred P. Sloan Awards for Highway Safety, will be presented to stations and networks for programs which make an effective educational effort in promoting safety on the highways. The

programs may be either commercial or sustaining and they may take the form of dramatizations, musical or variety shows, skits, lectures, speeches, panel discussions, quiz programs, spot safety messages, and safety news reporting. In case a commercial program is chosen for an award, a special citation will go to the sponsor. Recipients of the awards, which will take the form of suitably engraved plaques, will be chosen by a panel of educators, leaders in the radio industry, and heads of organizations interested in promoting highway safety.

• The Automotive Safety Foundation indicated early in December, 1948, that unusual interest had been manifested in the awards by radio stations and that approximately 50 stations had expressed their intention of entering the contest at that time. Recently, moreover, the project received the endorsement of the President of the United States who commended the Foundation for its practical interest in helping to reduce traffic hazards on the highways. The Foundation believes that the funds given for this project will go far towards securing public cooperation in efforts to reduce the death and accident toll on the highways, a toll which long ago reached the proportions of a national scandal.



[40]

Greatly reduced reproduction of the plaque awarded by the Automotive Safety Foundation to winners of Alfred P. Sloan Radio Awards for Highway Safety.



Educational Programs for Economic Leadership

MASSACHUSETTS INSTITUTE OF TECHNOLOGY, CAMBRIDGE
 AMERICAN UNIVERSITY, WASHINGTON, D. C.
 UNIVERSITY OF DENVER, DENVER, COLO.
 UNIVERSITY OF CALIFORNIA, BERKELEY, CAL.
 UNIVERSITY OF SOUTHERN CALIFORNIA, LOS ANGELES, CAL.

FOUNDATION projects in economics, described earlier in this report, have either been concerned with educational projects of a popular type or with formal research. Funds have also been given for a third type of project, viz., educational programs for economic leadership.

• An outstanding example of this type of project is the Sloan Fellowship Program for Executive Development at the Massachusetts Institute of Technology. This project represents a continuation, with minor changes, of a program for training young executives which the Institute developed before World War II and suspended during the war years.

• As re-established, the program brings to Cambridge annually about a dozen young industrial executives for a year of intensive work in the techniques and responsibilities of business management. Participants in the program are chosen in a nation-wide competition which embraces candidates employed in every type of industrial establishment, large and small, and located in any part of continental United States. Nominations for the competition are usually made by the head of the establishment in which the contestant is employed.

[41]

• Invariably the winners in this competition are young executives whose past performance has demonstrated that they have innate managerial capacity, an awareness of the social implications of industry, and a willingness to make the sacrifices of time and effort needed to improve their administrative skills and develop their aptitudes for executive leadership. Those chosen secure leaves of absence from their existing business connections and are granted stipends from the funds provided by the Foundation to finance a year's residence at the Institute. There they pursue an intensive curriculum which, in addition to the various formal courses in business administration, finance and economics, embraces seminars and field trips that bring them into contact with the operational problems of industrial concerns and with some of the nation's outstanding leaders in government, labor and business management.

• In a report submitted by Dr. Karl T. Compton just prior to his resignation of the presidency of the Institute and his assumption of the chairmanship of the National Military Establishment's Research and Development Board, he commented as follows on the Sloan Fellowship Program: "We are convinced, by testimony and results, that this has been the outstanding program in the country for expediting the development of promising young executives."¹ The Foundation believes that the program, now being revived under the leadership of President James R. Killian, Jr. and Professor Gerald B. Tallman, will maintain the high standards of achievement which it established in the years before the war.

Teaching Institutes of Economics

A SECOND type of leadership-training program, currently receiving support from the Foundation, is illustrated by the teaching institutes of economics located in four of the country's leading universities. These are the American University, Washington, D. C., the University of Denver, Denver, Colorado, the University of Southern California, Los Angeles, California, and the University of California, Berkeley, California.

¹Report of the President, Massachusetts Institute of Technology (1948), p. 16.

• Unlike the program at the Massachusetts Institute of Technology, these teaching institutes provide no fellowships for attending students; nor is the training which they afford designed to appeal to any particular constituency. The aim of the institutes is to broaden the competence of prospective teachers of economics, of forum leaders and participants in discussion groups, and of various kinds of specialists who may wish to secure an expanded background in theoretical economics and in the application of economic theory to business and the professions. Each of the teaching institutes conducts one or more seminars in which both non-credit students and regularly matriculated graduate students from the university participate. In addition, each of the institutes uses its resources, both in the way of experienced personnel and equipment, in the development of an extra-mural extension program. Occasionally, one or more of the institutes issue reports in mimeographed or printed form which enjoy limited distribution.

• The universities in which the teaching institutes are located make available special quarters on the campus for the administrative and teaching needs of the institutes and have placed the duties of the directorship in the hands of a member of their economics faculties. Directors at present are as follows: at American University, Professor Joseph E. Loftus; at the University of Denver, Professor Alonzo G. May, head of the department of economics; at the University of Southern California, Professor Robert B. Pettengill; and at the Berkeley campus of the University of California, Professor John B. Condliffe. The Foundation's funds are expended for the salaries of the director and staff, for stenographic assistance, for the services of specialists who are occasionally invited to lecture to the students, and for books, periodicals and other teaching equipment.

• The seminar at the University of California concerns itself exclusively with aspects of America's international commercial relations and international trade policy. During the past two years, this institute seminar has included in its curriculum such topics as the European recovery plan, the International Trade Organization, the reciprocal

trade agreements policy, and the economic condition of selected foreign areas, including Indonesia and Latin America. The seminar at this institute, consisting of about two dozen students per term, was often interdepartmental in composition and included students whose major fields of concentration at the university were in physical science and engineering.

• Extension activities at the Berkeley Institute included participation in several public conferences on world trade and commercial policy held either at Berkeley or elsewhere in the San Francisco Bay area or in other California cities. Occasional features of these conferences were radio broadcasts on economic topics in which the director of the institute and his assistants or students participated.

• The remaining three teaching institutes, those at Denver, Southern California, and American University, have devoted their seminars to an intensive examination of a variety of issues or problems of current interest in the realm of formal economics, industrial relations, or management. Course syllabi of these institute seminars have recently related to the following major topics among others: "Economic

Dr. EDWIN G. NOURSE, chairman of the Council of Economic Advisers, and Prof. JOHN B. CONDLIFFE, director of the Teaching Institute of Economics, University of California, participating in a broadcast sponsored by the Institute and other organizations.



Seminar of the Teaching Institute of Economics, University of Denver, Denver, Colo.

Aspects of Atomic Energy Utilization," "The Problems of Small Business," "Price Policies," "International Cartels and Public Policy," "Labor Relations," and "The Economics of Management." In addition to their seminars, these institutes have engaged in various other related enterprises. Among these have been the production of charts and slides on economic topics, an especially noteworthy development at the Denver Institute, the conduct of regional conferences for teachers of economics and of special conferences for undergraduates from other colleges and universities, and the development of community clubs, informal discussion groups and radio forums devoted to an examination of some aspect of economic or public affairs.

• About 150 students are enrolled in the graduate seminars of these four teaching institutes of economics each academic term. In providing instruction for these students and in rendering various other types of services, particularly the extension and extra-mural services to which reference has already been made, the Foundation believes that these teaching institutes make an important educational contribution in economic affairs. The end results of the institutes' activities are more competent teachers, better informed specialists in business and the professions and, in the community which each institute serves, a better understanding by various segments of the population of some of the more complex public issues of our time.



The Sloan-Kettering Institute for Cancer Research

MEMORIAL HOSPITAL FOR THE TREATMENT OF
CANCER AND ALLIED DISEASES, NEW YORK, N. Y.

CEREMONIES marking the formal opening of the fourteen-story Sloan-Kettering Institute for Cancer Research at Memorial Hospital in New York City took place on Friday, April 16, 1948. The opening exercises were attended by a distinguished group of guests including Sir Henry Hallett Dale, Nobel Laureate in Medicine, Dr. Alexander Haddow of the Chester Beatty Research Institute of the Royal Cancer Hospital, Dr. Thomas Parran, Dr. James Bryant Conant, and a host of others prominent in the medical, scientific and educational worlds.

• The opening of the Institute marked the culmination of one phase of the most extensive project ever undertaken by the Foundation. The original grant of \$4,000,000 for the Institute was first announced by Mr. Alfred P. Sloan, Jr. on August 8, 1945. Subsequently additional grants were made in the amount of \$562,500. Thus the total commitment for this project at the end of 1948 was \$4,562,500. Of this total \$2,562,500 was allocated to the construction costs of the Institute; the remainder, \$2,000,000, is a commitment towards meeting part of the cost of operation of the Institute. This commitment is to run over a period of ten years at the rate of \$200,000 per annum. As of December 31, 1948, the unpaid portion of this commitment for the partial maintenance of the Institute was \$1,400,000.

[47]

(Foreground) The newly constructed building of the Sloan-Kettering Institute, Memorial Hospital, New York.

• All of Memorial Hospital's clinical and other facilities are to be made available for the research work of the Institute and the Hospital's director, Dr. Cornelius P. Rhoads, also serves as director of the Institute. The Institute, however, enjoys a semi-autonomous status and its control and management is vested in its own board of trustees. This board now consists of eleven members, six of whom are nominated by the Hospital and five by the ALFRED P. SLOAN FOUNDATION, INC. The present members of the board are as follows: Mr. Alfred P. Sloan, Jr., Chairman, Dr. Karl T. Compton, Dr. Charles F. Kettering, Mr. John L. Pratt, and Mr. George Whitney, representing the Foundation; and Dr. James B. Conant, Mr. Reginald G. Coombe, Mr. Edward C. Delafield, Dr. Joseph C. Hinsey, Mr. Frank A. Howard, and Dr. James B. Murphy, representing Memorial Hospital.

• In recommending the original grant for this project to his fellow Trustees of the Foundation, Mr. Sloan was prompted by the consideration that, previous to World War II, this area of medical research was receiving an appallingly small amount of money in relation to need. In his opinion there was at that time really no institution properly equipped with plant facilities and scientific talent on a scale commensurate with the importance and the relative complexity of the problem to be solved. Both Dr. Kettering and he thought there was merit in the co-ordinated approach to research as practiced in industry; and that this approach might be applied to research in cancer without in any way limiting the freedom and initiative of the scientific mind. While such an approach is not generally approved by medical authorities, nevertheless both the Institute's management and its Board of Trustees are quite convinced that it is sound in this instance and that it can insure a highly effective attack on a problem as complex and as significant as that presented by research on cancer.

• The Institute is supported by grants from private individuals, foundations, various government sources, and other organizations. Its expense budget for 1948 was over one million dollars. The facilities available to the staff will enable it to explore the whole field of science for a concerted attack on the problems of cancer and allied diseases.



Cutting the tape on the occasion of the opening of the 14-story Sloan-Kettering Institute building. In the picture, left to right: MR. REGINALD G. COOMBE, MR. ALFRED P. SLOAN, JR. and DR. CHARLES F. KETTERING.

The purpose and promise of the new Institute have been ably set forth by Dr. Rhoads, the director, in his most recent public report:

• "A generous and public spirited citizen has now implemented the will of a number of men and women at Memorial Hospital to band together in a scientific enterprise directed against neoplastic disease. These men and women are individuals of varied skills, united in a sense of service, committed to further a common cause. This is their wish, their right and their joy, their choice and their decision.

• "A definite plan has been followed in the development of the research program at the Memorial Hospital and in its special sub-division for research, the Sloan-Kettering Institute. The guiding principle is that certain scientific areas justify intensive exploration in an institution committed to the study of cancer in man. Certain other areas of research, though wholly pertinent to the cancer problem, are more competently handled elsewhere. It is manifestly impossible to cover even superficially every aspect of biologic science in any one institution, or even any considerable number of important facets. Cancer as a whole embraces almost every field of scientific endeavor."

• At the time of this writing approximately four years have passed since the inception of this Foundation grant and the establishment of the Institute. Much has been accomplished. Ample facilities have been provided. A staff of competent scientists and technicians has been assembled and organized. A scientific program has been inaugurated. An Institute Committee on Scientific Policy has been established consisting of Drs. Compton, Conant, and Kettering and Mr. Howard, all on the Institute's Board of Trustees. This Committee reviews the Institute's scientific procedure at frequent intervals and its determinations are made in collaboration with a group of technical consultants, each an authority in his particular field. In all fairness it may well be said that the Institute has established itself as a leader in the field of cancer research.

• In commenting recently on the program of the Institute and its progress, Mr. Sloan said:

• "The problem of cancer, as I see it from a layman's point of view, might well be said to involve a three-point attack. First, we must seek simple but effective means of establishing the presence of cancer. Second, we must search for chemical compounds that will alleviate and control cancerous growth. Third, we must investigate the primary causes of abnormal growth—why does it occur?"

• "Each one of these three components involves the other two. All

are interwoven into the problem as a whole. Progress is being made, I believe, on all three counts. But perhaps the most significant developments have occurred in the case of count two. Here, in some instances, dramatic results have been obtained. I am of the firm conviction that it has been scientifically demonstrated that specific compounds have, under certain circumstances, a definite effect on various types of cancerous growth. That being the case, the problem then is to seek out of the generalities those specifics that promise to be the most effective agents. No one knows what they may be. No one knows their limitations when established. No one knows when this may be accomplished. For such is research. The fact, however, that it appears possible has created both a scientific and emotional incentive of the highest order for continuous all-out effort."



History of the Foundation— Fields of Activity

WITH NOTES ON FOUNDATION OPERATION POLICY

THIS Foundation was organized under the name of the Sloan Foundation, Inc., on August 2, 1934 under the laws of the State of Delaware. At that time Mr. and Mrs. Alfred P. Sloan, Jr. made an original gift to the Foundation of securities valued at \$500,000. It is a non-profit membership corporation.

• An amendment to the Certificate of Incorporation on July 8, 1936 changed the name of the Corporation to the ALFRED P. SLOAN FOUNDATION, INC., but in all other respects the Certificate remained as originally filed. Additional securities were then set aside for transfer to the Foundation. Subsequently, in December, 1937, these transfers were consummated at the market prices then obtaining. Other gifts have been made as the activities of the Foundation have expanded. These gifts have been made public in the published reports of the Foundation.

• The Certificate of Incorporation clearly imposes certain restrictions upon the activities of the Foundation. Operations are confined to those of a religious, charitable, scientific, literary, or educational nature; individuals having a personal interest in the affairs of the Foundation are forbidden to receive any benefit from its operations, and no activities designed to influence legislation or of a propaganda nature are permitted.

• Within this restricted area wide latitude is allowed. Grants and donations, as well as other expenditures, may be made either from accumulated income or from any other funds of the Corporation. The Corporation may enter into contracts, employ staff personnel, establish offices, and in general carry on all activities necessary or desirable properly to conduct its affairs.

• On January 1, 1938, the Foundation's Board of Trustees decided to devote its resources primarily to the field of American economic education and research. Except for one grant of major proportions for research in cancer, this policy has been followed up to the present. In the future, however, it is likely that the Foundation's interest in cancer and medical research will be extended because of the establishment of the General Motors dealers' fund to which reference is made on a previous page. The Foundation acts only as a grant-making agency. It conducts no educational work on its own account, nor does it engage directly in research. Its activities consist of granting financial aid for specific projects carried on by fully accredited educational and welfare institutions within the borders of the United States.

• Accepted projects usually receive grants-in-aid on a budgetary basis for a one-year period. At the end of the year a certified accounting is made to the Foundation, and all unused funds are returned. Requests for renewal are considered far enough in advance of the expiration date of an existing grant to assure uninterrupted progress of activities if a renewal should be made; or to permit of orderly liquidation if the Trustees should decide not to renew. In rare instances, unrestricted funds are granted to outstanding educational institutions engaged exclusively in economic education and research. Independent endowments, however, are not considered at the present time.

• As indicated earlier in this report, the Foundation considers its function to be that of assuming the risks of new enterprises which, because of their experimental character, would prove an unwarranted burden upon the regular administrative budgets of the sponsoring institutions. Hence, at the outset, the initial expenses of an acceptable

project are absorbed and the necessary equipment is furnished. But in underwriting any project, the Foundation normally makes a financial commitment for a period of not more than one year and it makes no implied promise or assumes no obligation for a longer period of time. It is expected, however, that the rather limited number of projects to which the Foundation grants financial support will be evaluated from time to time and if interim results are satisfactory, support may be continued for a term of years until the projects' maximum usefulness has been demonstrated or until they have become self-sustaining or their cost has been absorbed in the regular budget of the institutions of which they are a part.

• In no case does the Foundation assume responsibility for the administration of the projects which it sponsors, nor does it feel called upon either to affirm or to refute the ultimate pronouncements of findings of its donees.

• The Foundation welcomes constructive criticisms and suggestions. Qualified institutions in sympathy with the ideas herein set forth should feel free to submit projects which fall within the scope of the Foundation's fields of activity and fit in with its program. Conscientious attention and careful thought are given all such communications.

• Specific projects submitted for consideration should first be definitely formulated in a brief, written memorandum. The objectives should be clearly stated, the proposed procedures outlined, and an estimate given of the probable expense involved. Routine is greatly facilitated by settling as much as possible by correspondence. Conferences and field investigations, demanding, as they do, a considerable amount of time and expense, properly come last in the course of negotiations.



Financial Section

COMPARATIVE balance sheets of the Foundation as of December 31, 1947 and 1948 are displayed on page 57. The assets are of four categories: cash, United States bonds, marketable stocks and an interest in New Castle Corporation. The latter is an investment trust otherwise owned by the founders of the Foundation. The portfolio of New Castle Corporation consists of marketable securities in the foremost industrial enterprises.

• Aggregate assets at market value as of December 31, 1948 were \$14,512,259.11. Not included in this total is the General Motors Dealers Appreciation Fund, amounting to \$1,525,000 described heretofore in these pages. This fund was not transferred to the Foundation's custody until early in 1949; therefore, it does not appear in the records of 1948. If this fund were added, the total assets of the Foundation at the close of the year, at market value, would be \$16,037,259.11. Aggregate liabilities as of December 31, 1948, comprising all grants made but not yet due for payment, were \$1,690,050.00. The details are shown on page 61. Including the General Motors Dealers Appreciation Fund, the unrestricted assets of the Foundation valued at market as of December 31, 1948 were \$14,347,209.11.

• The income account for the years 1947 and 1948 is displayed on page 58. Income is of two classes: dividends or interest from investments and gifts for current use. Expense is defined as payments made against grants and cost of operation. It is the general policy of the Foundation to distribute yearly its entire income earned by its invest-

ments as well as gifts designated for current use. Unusually large gifts coming near the close of 1948 made this policy impracticable for that year. However, since the inception of the Foundation, grants and expenses have exceeded aggregate income, resulting in a reduction of capital funds amounting to \$1,821,603.75.

* A summary of General Fund Reserve is displayed on page 59. This summary does not include the General Motors Dealers Appreciation Fund, for reasons already stated. The balance in the Income Section consists of unexpended income for the year 1948 decreased by the amount of the deficit for the year 1947.

BALANCE SHEETS

AS OF DECEMBER 31, 1948 AND 1947

ASSETS

	1948	1947
Cash	\$ 885,750.33	\$ 450,910.97
Investments:		
At market quotation values, December 31:		
Obligations of the United States	199,987.00	199,981.00
Marketable stocks	7,716,365.63	7,672,986.00
At market quotation values of proportionate share of underlying net assets, December 31:		
New Castle Corporation stocks	<u>5,710,156.15</u>	<u>5,662,057.52</u>
Total	<u>\$14,512,259.11</u>	<u>\$13,985,935.49</u>

GENERAL FUND RESERVE

Grants authorized for future payment	\$ 1,690,050.00	\$ 2,128,317.15
Net unrealized appreciation of investments over book values	1,903,381.60	1,875,772.08
Remainder, unencumbered principal and income	<u>10,918,827.51</u>	<u>9,981,846.26</u>
Total	<u>\$14,512,259.11</u>	<u>\$13,985,935.49</u>

INCOME ACCOUNT

FOR THE YEARS ENDED DECEMBER 31, 1948 AND 1947

	1948	1947
Income:		
Dividends and interest	\$ 862,830.60	\$ 420,148.86
Gifts designated for current use	550,000.00	417,000.00
Refunds of unexpended grants	<u>17,999.03</u>	<u>18,143.25</u>
Total	<u>\$ 1,430,829.63</u>	<u>\$ 855,292.11</u>
Expenses:		
Grants in support of sponsored projects	\$ 1,003,435.33	\$ 1,029,914.99
Less—Payment received from Falk Foundation	<u>75,000.00</u>	<u> </u>
	\$ 928,435.33	\$ 1,029,914.99
Maintenance of the Foundation	<u>60,043.07</u>	<u>63,455.94</u>
Total	<u>\$ 988,478.40</u>	<u>\$ 1,093,370.93</u>
Net income (deficit) for the year	<u>\$ 442,351.23</u>	<u>\$ 238,078.82</u>

SUMMARY OF GENERAL FUND RESERVE

FOR THE YEARS ENDED DECEMBER 31, 1948 AND 1947

	1948	1947
Principal balance at beginning of year	\$12,348,242.23	\$ 7,285,926.27
Gifts designated as principal		5,053,183.86
Profit on sale of securities	<u>56,362.87</u>	<u>9,132.10</u>
Principal balance at end of year	<u>\$12,404,605.10</u>	<u>\$12,348,242.23</u>
Income balance (deficit) at beginning of year	\$ 238,078.82	
Net income (deficit) for the year	<u>442,351.23</u>	<u>\$ 238,078.82</u>
Income balance (deficit) at end of year	<u>\$ 204,272.41</u>	<u>\$ 238,078.82</u>
Total	<u>\$12,608,877.51</u>	<u>\$12,110,163.41</u>
Less—Grants authorized for future payment	<u>1,690,050.00</u>	<u>2,128,317.15</u>
Remainder, unencumbered principal and income at end of year	<u>\$10,918,827.51</u>	<u>\$ 9,981,846.26</u>

NOTE: Grants appropriated but unpaid at January 1, 1948 were restored to principal reserve by a resolution of the Board of Trustees to recognize, effective January 1, 1948, grants as an expense when paid instead of when appropriated. As of January 1, 1947 the Trustees directed that principal and income be separated. The 1947 figures shown in these statements have been adjusted to facilitate comparison with 1948.

TOTAL GRANTS AND PAY FOR SPONSORED PROJECTS
FOR THE YEAR DECEMBER 31, 1948

	UNPAID AT DECEMBER 31, 1947	AUTHORIZED IN 1948	PAID IN 1948	DUE AFTER DECEMBER 31, 1948
The Sloan-Kettering Institute for Cancer Research	\$1,762,500.00		\$ 362,500.00	\$1,400,000.00
The American Association of Colleges for Teacher Education	25,000.00	\$ 25,000.00	25,000.00	25,000.00
The American University	7,750.00	14,000.00	14,750.00	7,000.00
The Arthritis and Rheumatism Foundation		5,000.00	5,000.00	
Automotive Safety Foundation	7,500.00	3,000.00	10,500.00	
The Brookings Institution	100,000.00		50,000.00	50,000.00
University of California	5,000.00	19,000.00	19,250.00	4,750.00
University of Chicago	28,362.00	52,000.00	54,362.00	26,000.00
University of Denver	3,750.00	18,500.00	18,625.00	3,625.00
University of Florida	5,133.33	9,000.00	9,633.33	4,500.00
Foundation for Economic Education, Inc.		10,000.00	10,000.00	
Harding College	58,000.00	247,200.00	228,200.00	77,000.00
University of Kentucky	11,050.00	4,550.00	12,050.00	3,550.00
Massachusetts Institute of Technology	71,666.00	75,000.00	96,666.00	50,000.00
New Jersey State Teachers College at Montclair	3,000.00	62,000.00	34,000.00	31,000.00
New York University	15,000.00		15,000.00	
University of Southern California	7,924.00	15,250.00	15,549.00	7,625.00
Individuals—Grants for economic studies	16,681.82	5,668.18	22,350.00	
Total	<u>\$2,128,317.15</u>	<u>\$ 565,168.18</u>	<u>\$1,003,435.33</u>	<u>\$1,690,050.00</u>

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

1 EAST 44TH STREET
NEW YORK 17

June 29, 1949

ALFRED P. SLOAN FOUNDATION, INC.:

We have examined the balance sheets of Alfred P. Sloan Foundation, Inc. as of December 31, 1948 and 1947 and the related income account and summary of general fund reserve for the two years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets, income account and summary of general fund reserve present fairly the financial position of the Foundation at December 31, 1948 and 1947 and the results of its operations for the two years then ended, in conformity with generally accepted accounting principles on the cash basis of accounting. As of January 1, 1948 the Foundation changed the recording of grants in support of sponsored projects by charging them to expense as paid instead of when authorized. As of January 1, 1947 the Trustees directed that principal and income be separated. The 1947 figures shown in the accompanying statements have been adjusted to facilitate comparison with 1948. With these exceptions, which have our approval, the financial statements have been prepared on a basis consistent with the preceding year.

HASKINS & SELLS



ALFRED P. SLOAN, JR.

"I am endowing this Foundation with the hope of promoting a broader as well as a better understanding of the economic principles and national policies which have characterized American enterprise down through the years."—ALFRED P. SLOAN, JR., 1937



ALFRED P. SLOAN FOUNDATION, INC.

REPORT for 1949-1950

30 ROCKEFELLER PLAZA, NEW YORK 20, N. Y.

CONTENTS

PAGE

Frontispiece—ALFRED P. SLOAN, JR.

List of the Board of Trustees and Officers iv

Preface v

The Foundation—Organization and Operation 1

The Foundation Concept 2

Summary of Operations 4

Descriptions of Individual Projects

 Advancement of Industrial Management 9

 Industrial Research 13

 Economic Research 15

 Economic Education at the Popular Level 18

 Economic Leadership 28

 Applied Economics in the School Curriculum 33

 Medical Research 37

 Automotive Traffic Research and Highway Safety 43

 Additional Projects 46

History of the Foundation 49

Financial Section 53

BOARD OF TRUSTEES

- ALFRED P. SLOAN, JR.
Chairman of the Board, General Motors Corporation
- WILLIAM B. BELL*
President, American Cyanamid Company
- JOHN L. COLLYER
Chairman of the Board and President, The B. F. Goodrich Company
- KARL T. COMPTON
Chairman of the Corporation, Massachusetts Institute of Technology
- JAMES B. CONANT
President, Harvard University
- LEWIS W. DOUGLAS
*Chairman of the Board, Mutual Life Insurance Company;
Chairman of the Board, Southern Arizona Bank & Trust Company*
- FRANK A. HOWARD
*Industrial research consultant; former President,
Standard Oil Development Company*
- JOHN L. PRATT
*Former Vice-President, General Motors Corporation;
engineer and philanthropist*
- LAURANCE S. ROCKEFELLER**
President, Memorial Center for Cancer and Allied Diseases
- HARRY E. WARD
Honorary Chairman, Irving Trust Company
- GEORGE WHITNEY
Chairman, J. P. Morgan & Co., Incorporated

OFFICERS

- ALFRED P. SLOAN, JR. *President*
- ARNOLD J. ZURCHER *Vice-President and Executive Director*
- JAMES F. KENNEY *Secretary and Treasurer*
- GENEVIEVE M. KING *Assistant Treasurer*
- CECILE STIERLI *Assistant Secretary*

*Deceased December 21, 1950

**Elected March 9, 1950

PREFACE

THE ALFRED P. SLOAN FOUNDATION, INC., administers a private fund for the benefit of the public. It accordingly recognizes the responsibility of making periodic reports to the public on the management of this fund. This report has been prepared by direction of the Foundation's Trustees for the biennium 1949-1950. Since the Foundation confines its activity to the making of grants for the support of approved projects administered by educational and other non-profit welfare institutions, the following pages identify the recipients of these grants, the sums involved and the nature of the various undertakings which the grants have financed. In addition, an attempt is made to explain the principles and policies which are observed by the Foundation's administrative staff and the Trustees in deciding which of the hundreds of worthy projects, annually brought to their attention, shall receive favorable consideration.



A. F. Sauer Photo

Foundation Library and Board Room.



The Foundation— Organization and Operation

THE BOARD OF TRUSTEES

THE FOUNDATION is to be congratulated on the outstanding leadership of its Board of Trustees in whom general powers of direction are vested. It is a governing board of distinction, representing the fields of industry, public administration, education, pure and applied science, and banking and finance. As thus constituted, the Board provides every assurance that a high order of administrative ability will be brought to bear on the general conduct of the Foundation's affairs and that proposals for the commitment of Foundation funds will receive broad and objective consideration in line with the concept upon which the Foundation was established.

The Board membership presently consists of ten members. In addition to Mr. Alfred P. Sloan, Jr., President and founder, other members who have been associated with the Board for some time include Dr. Karl T. Compton, former President and presently Chairman of the Corporation of the Massachusetts Institute of Technology; Mr. Lewis W. Douglas, Chairman of the Board of the Mutual Life Insurance Company; Mr. John L. Pratt, former Vice-President of General Motors Corporation, engineer and philanthropist; Mr. Harry E. Ward, Honorary Chairman of the Irving Trust Company; and Mr. George Whitney, Chairman of J. P. Morgan & Co., Incorporated. In December, 1948, Harvard University's President, Dr. James Bryant Conant, joined the Board. Mr. John L. Collyer, Chairman of the Board and President of The B. F. Goodrich Company and Mr. Frank A. Howard, industrial research consultant and former President of the Standard Oil Development Company, became members in 1949.

In March, 1950, the Board was increased by the election of Mr. Laurance S. Rockefeller as a Trustee. Mr. Rockefeller brings to the Foundation a broad experience in industry, business and philanthropy. He will contribute importantly to the Foundation's progress.

The Board of Trustees suffered a severe loss through the death of Mr. William B. Bell on December 21, 1950. Mr. Bell had served as a Trustee since December 17, 1948, and had brought into the Foundation's counsels a wide experience in national and business affairs. As President of the American Cyanamid Company he also had specific knowledge concerning one of the Foundation's most important projects. Mr. Bell will be greatly missed.

THE FOUNDATION CONCEPT

In issuing this report for the years 1949-50, the Alfred P. Sloan Foundation, Inc. carries the published record of its activities through its sixteenth year of existence. During that period, the Foundation has appropriated for disbursement more than seventeen million dollars. Appropriations for disbursement have thus averaged more than one million dollars per annum. Over the course of this sixteen-year period, grants and expenses have exceeded income from investments by almost nine million dollars. In other words, the Foundation has spent or pledged all of its investment income and has used income from gifts and principal in order to meet over half of its commitments.

In expending this considerable sum, the Foundation has been guided by certain basic policies. One of these policies has been to concentrate gifts in a few areas, preferably in the field of economic education and, more recently, in the medical area, notably in cancer research. Not only have the areas of expenditure been limited but an effort has also been made to concentrate upon relatively few projects of considerable scope. This has been done in the belief that more good can be accomplished by concentrating available resources upon a few valid and promising projects than by diffusing such resources for the benefit of many projects. In its sixteen-year existence, two of the Foundation's projects have received grants in excess of five million dollars and several have approached totals of a half-million dollars. The validity of this policy of concentrating rather than diffusing grants may be challenged by some; but it was an essential part of the conception of a Foundation entertained by Mr. and Mrs. Alfred P. Sloan, Jr. when they set up this organization; and, up to the present at least, it has appeared to be a valid policy to the Foundation's Trustees.

Another principal ingredient of the broad policy pursued by this Foundation since its inception is its emphasis upon experimentalism.

The Foundation believes that the funds committed to its stewardship are, in a peculiar sense, part of the risk capital of society. It believes that foundation resources should be used to finance new patterns of action, investigation and research which promise much in the way of cultural and scientific advance but which are not likely to find support either from government or from private philanthropic organizations which support well-established activities. In other words, the Trustees of this Foundation believe that if it, and comparable organizations, are to justify their corporate existence and the special favors, such as tax-exemption, which the public currently affords them, such justification is to be found in their role as "risk-takers" on man's cultural and intellectual frontiers. It is to be found in their ability to supply initiative and funds for accomplishing the unusual, the untried, and even the debatable, if there is substantial reason to anticipate results beneficial to society as a whole. Such a policy of deliberately incurring risks can, and often does, lead to failure. That, of course, is the essence of the risk involved. Financial losses which may thus be incurred are to be expected; but they can be more than recouped if some of the experiments "pay off" in terms of the advancement of knowledge and of human welfare.

Although public support of research and education grows apace in the contemporary world, private foundations pursuing such policies as the foregoing continue to fulfill important cultural and scientific needs. Indeed, for various reasons, the value to society of the private foundations may be said to increase as a direct result of the expansion of tax-supported cultural and scientific activities. For one thing the private foundations can supply an antidote for certain anticipated weaknesses of publicly supported enterprises in the scientific and cultural field. By their example foundations can reduce the possibility of incursions of political pressure groups and the influence of partisanship on tax-supported projects. Again, in various fields of proposed cultural activity, and especially in those upon which government may enter in the future, foundations may assist greatly in establishing valid premises and objectives for projects, in maintaining satisfactory administrative standards, and in insuring a maximum of freedom of action for the recipients of financial assistance. Finally, the private foundations can continue in the van of investigation and research, underwriting projects which other agencies, including government, may neglect; and thereby promote scientific and cultural advance on the widest possible front.



Summary of Operations

SUBSTANTIAL GIFTS were made to the Foundation by the original donors, Mr. and Mrs. Alfred P. Sloan, Jr., during the two years immediately under review. The total of these gifts, involving both cash and securities valued as of the date of gift, was \$7,279,312. On December 31, 1950, the Foundation's unallocated assets at market were \$24,114,125 after allowing for commitments in the sum of \$4,873,510 not yet due. Hence the aggregate assets as of that date were \$28,987,635. The Foundation is the ultimate beneficiary of five trusts, subject to certain life interests, the market value of which, as of December 31, 1950, was \$8,970,494. These trusts are not recognized in the Foundation's accounts.

During the two years under review grants were made to the total amount of \$8,333,622. Since the inception of the Foundation total grants have aggregated \$17,182,000. During the two years covered by this report, payments were made for grants in cash and securities in the amount of \$5,150,162. From the beginning of the Foundation's activities to December 31, 1950, grants and expenses of administration have exceeded investment income by \$8,790,299.

Reference was made in detail in the report of 1947-48 to the establishment of a second and separate fund within the Foundation scheme of things. This fund is called the General Motors Dealers Appreciation Fund for Cancer and Medical Research. It was a gift made to Mr. Sloan by about 12,000 dealers of the General Motors Corporation in appreciation of his work with them when chief executive officer of that corporation. The purpose was to support Mr. Sloan's interest in cancer research to which the fund is dedicated. Both principal and income are subject to Mr. Sloan's directions. Should he at any time be incapable of acting, the responsibility passes to the Trustees of the Foundation. The value of the General Motors Dealers Appreciation Fund as of December 31, 1950, at market, was \$2,506,709. In view of the fact that the fund did not come into the possession of the Foundation until February 7, 1949, it appears for the first time in this report.

The single gift of \$5,250,000 to the Massachusetts Institute of Technology for a new School of Industrial Management overshadows any other grant made during the period under review. A second grant was made to that institution to establish the Alfred P. Sloan Metals Laboratory. This amounted to \$1,000,000.

A contract made in 1945 between the Foundation and the Sloan-Kettering Institute for Cancer Research provided, among other things, that the Foundation would grant a sum of \$200,000 per year for ten years. This has been amended and the contract now contemplates a continuing obligation to provide \$300,000 per year, this obligation being subject to termination upon five-years' notice. The purpose of this change was to recognize the important expansion in the Institute's research programs, with resulting financial needs, and to assure continuity of future support for at least five years. Supplementing its regular grants in support of the Sloan-Kettering Institute for Cancer Research, the Foundation provided substantial amounts to both the Institute and Memorial Center for Cancer and Allied Diseases for fellowships. These are to supply funds for medical education and training in the field of cancer at the professional level, and for the training of nurses in the care of patients both in the Institute's research clinics and in Memorial Hospital itself.

Grants were made during the period to a variety of projects in the economic area, heretofore the Foundation's principal interest. The majority of these grants were devoted to economic education and research projects on economic or closely related problems.

In its programs of economic education the Foundation continues to be interested primarily at the "grass-roots" level. It seeks to simplify certain fundamental concepts about the American economic society and the means by which we live, and to provide the broadest possible understanding of such concepts on a mass educational level. To that end it encourages the exploitation of various channels of communication, particularly those made available by our contemporary technology, such as the motion picture, the radio, and television in order to reach the greatest number of people.

In line with this general policy grants were made for the continuation and expansion of the cartoon motion-picture program established

in collaboration with Harding College, Searcy, Arkansas in 1945. Funds were also made available during 1949 for the establishment of a popular publication on economics at New York University. This publication partakes of the aspects of both a periodical and a pamphlet. During 1950 plans were elaborated with the National Broadcasting Company for a public-service television program designed to dramatize and develop expert analyses, at the "grass-roots" level, of contemporary public problems including those of a predominantly economic nature.

All the Foundation's projects, some of which have been thus generally described, are discussed in greater detail on the following pages.

**Descriptions
of
Individual Projects**



The Alfred P. Sloan Building at Cambridge which will house the new School of Industrial Management.



Projects for the Advancement of Industrial Management

SCHOOL OF INDUSTRIAL MANAGEMENT

ATTENTION was called earlier in this report to the most recent large-scale commitment of the Foundation; viz., the grant of more than five million dollars to the Massachusetts Institute of Technology for the establishment of a School of Industrial Management. Announcement of the grant was made jointly by the Institute and the Foundation on December 20, 1950.

More than one half of the grant will be paid to the Institute over the next ten years in annual instalments of \$275,000. The annual instalment serves to underwrite in part the operational expenses of the school. The remainder of the grant, \$2,500,000, was paid to the Institute at the time the project was announced and was included in the disbursements of the Foundation for the year 1950. This sum will be used to purchase and equip a building already existing in Cambridge, Massachusetts, which will provide the essential facilities for the new school. The building will be renamed the Alfred P. Sloan Building. It is a modern, six story, air-conditioned structure facing Memorial Drive in Cambridge. It stands on a large plot of ground immediately adjacent to the Institute campus and is harmonious in architecture and landscaping with the main group of Institute buildings. It is well adapted for the purposes of the school. Very few changes will be required to transform it effectively for the purpose contemplated. The availability of this structure to house the School of Industrial Management was especially gratifying since it avoided the necessity of new construction at a time when first consideration must be given to the economic demands of the nation's preparedness program.

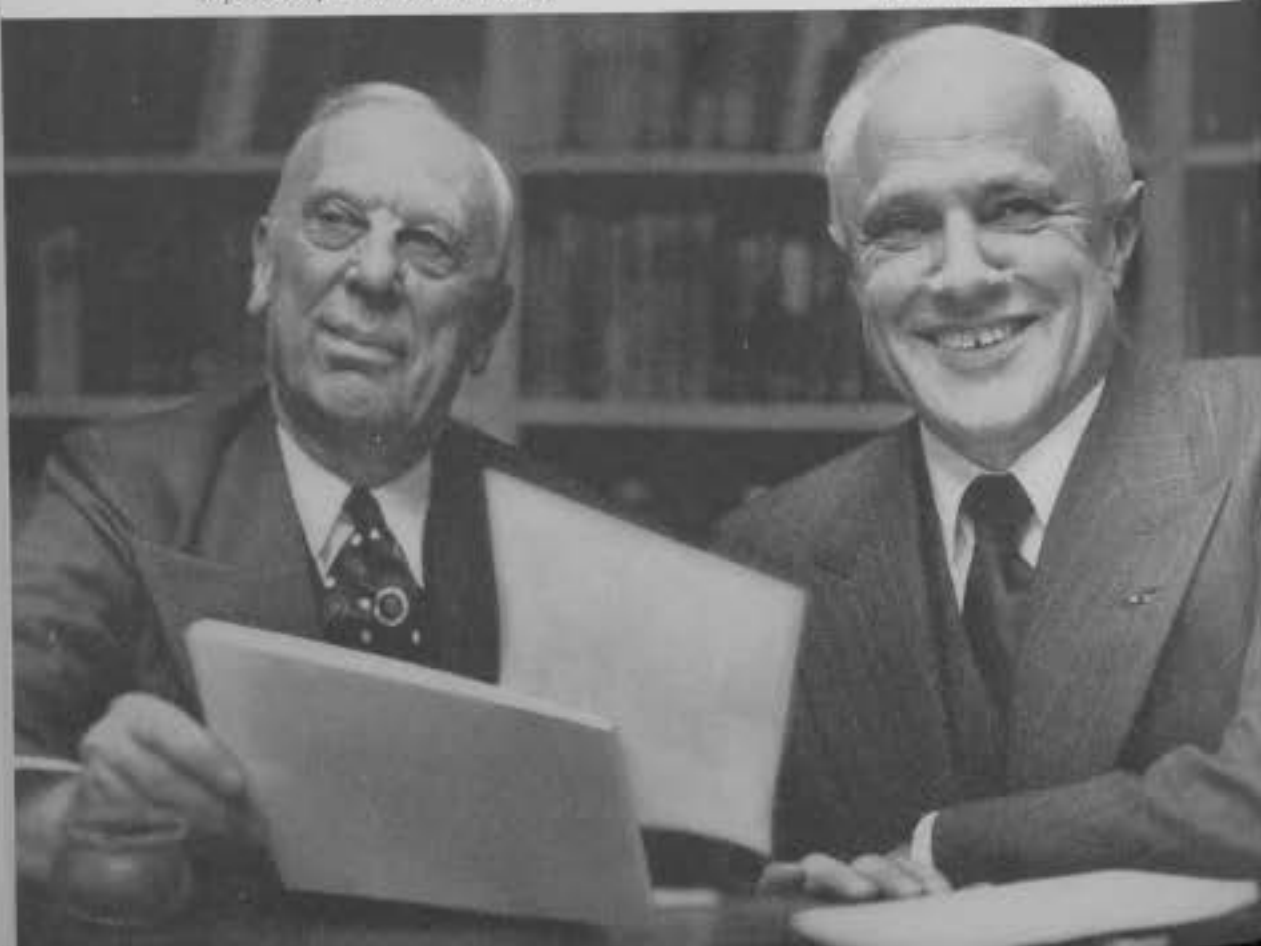
In announcing the gift, Mr. Alfred P. Sloan, Jr., President of the Foundation, declared that the idea of the new school grew out of his personal conviction, fortified by his experience in American industry,

that industrial executives with a background of science and engineering are especially well qualified to deal with the intricate problems of technical management in our industrial society. Mr. Sloan further emphasized that while sound business judgment, imagination, and ambition will always be essential qualities of a successful industrial executive, such qualities can invariably be made more effective by a proper coordination with the scientific approach to management problems. He believes this is especially true of large-scale enterprise; hence it seemed entirely logical to him that the projected school should be established as a unit in one of the nation's leading centers of scientific education and technical research.

Views similar to Mr. Sloan's on the need for such a school and its potential value to society have been expressed by Dr. Karl T. Compton, Chairman of the Corporation of the Institute and by Dr. James R. Killian, Jr., President of the Institute. In their joint statement, accept-

MR. ALFRED P. SLOAN, JR. (left) and DR. KARL T. COMPTON of the Massachusetts Institute of Technology, announcing gift for the new School of Industrial Management at press conference Dec. 20, 1950.

Herald Tribune-Warman Photo



ing the grant for the school from the Foundation, they declared that our technological age is based upon the "concept of fundamental knowledge gained through scientific research together with the technique of applying this knowledge through managerial skill and inventiveness." They pointed out that technological advances have resulted in our great industries whose productivity and service to the public depend upon administrative leadership "which must increasingly represent a union of scientific knowledge and the know-how of its application for managerial ends." In their statement the Institute's leaders also affirmed their conviction that industrial management is a profession and their belief that it is a subject which can be developed and taught.

According to existing plans, the new enterprise will become the fifth school at the Institute and will take its place alongside existing schools of science, engineering, and architecture and a recently established school of humanities and social studies. It will thus become one of the major divisions of the Institute. The curriculum will include both undergraduate and graduate programs and special stress will be placed upon adequate research in all phases of industrial enterprise. The school's undergraduate division will involve an expansion, both as respects teaching personnel and curriculum, of the special program in business and engineering administration which was established at the Institute in 1914 and now has an undergraduate enrolment of 300 students. This division will offer the baccalaureate degree in business and engineering administration. Contemplated graduate programs will lead to the degree of Master of Industrial Management. In time the Ph.D. degree may also be awarded to qualified candidates for the successful completion of a graduate program set up by the proposed new school and other schools of the Institute.

In consonance with the curricular implications and objectives of the new School of Industrial Management, considerable attention is to be given to providing effective liaison with the industrial world. Leading business executives and managerial experts will be invited to form a management advisory council and leading industrialists will be invited to lecture or become associated with the school in other capacities. The Institute also plans to develop student cooperative or internship arrangements with industry and to extend the fellowship program for executive development which was begun with the support of this Foundation several years ago¹. Whatever the instrumen-

¹See p. 28.

talities, the purpose of this effort at liaison with industry will be to emphasize the intangibles that constitute business judgment and experience, and bring these to bear upon the school's teaching and research programs; and to promote intellectual cross-fertilization between successful men active in industry, the school's research and teaching personnel, and the potential executives of the future.

Institute officials have stressed that although the proposed new school will emphasize industrial management as distinct from finance or other types of business activity, its program will be as broad as possible. In other words, though polarized around industrial management, the treatment of this subject will include the human aspects and the place of productive enterprise in society at large. This broader concept of the problem of management will therefore be three-fold: (1) the engineering and technological aspects of the problem; (2) the relation of competitive industry to the body politic and to the economy as a whole; and (3) the human aspects of the problem as approached through the social sciences and the humanities. An approach of this breadth ought to insure a program that will merit public support generally and develop professional significance and competence.



Projects in Industrial Research

ALFRED P. SLOAN METALS LABORATORY

AS A PART of the Development Program of the Massachusetts Institute of Technology, the Foundation made a grant to that institution of \$1,000,000 to construct and equip a laboratory for fundamental research in metallurgy, the processing of metals, and problems related thereto. The grant was made in September, 1949.

The efficiency of production in the mechanical arts is affected, among other factors, by the physical characteristics of the metals involved, the fabricating equipment, and the tooling employed in any specific operation. Enormous advances have been made and are continually being made in each of these areas. This is reflected in the remarkable accomplishment of American industry in constantly increasing the dollar volume of its products; and in making available to the consumer useful devices of expanding variety, in forms formerly impossible, and at prices that insure mass usage. The modern motor car and its evolution is a dramatic illustration of such accomplish-

Alfred P. Sloan Metals Laboratory, Massachusetts Institute of Technology.



ments. Particularly is this so because there is embodied in the motor car's structure a great variety of materials, a wide scope of productive processes, and the opportunities afforded by high volume of production.

Notwithstanding all this, as science moves forward and at an accelerated pace, new and broader vistas of opportunity appear on the horizon. The problem of keeping production efficient is constantly intensified; hence the need of a broader understanding of the fundamentals in the field of metals and metallurgy becomes imperative if we are to maintain in the future the rate of progress of the past. And that we must do. It may well be that we are at the threshold of an era in which we shall enjoy far wider ability to adapt the physical character of metals to the needs of the mechanical arts; and, in particular, to develop new metals with characteristics which will better enable them to meet engineering requirements heretofore considered impossible.

There is without doubt an opportunity of high potential for investigation of these fundamentals at the top scientific level. Such is the purpose of the new laboratory and the objective to which its resources are dedicated.



Projects in Economic Research

BROOKINGS INSTITUTION STUDIES

THE POLICY of this Foundation, as already stated in this and earlier reports, is to make grants to existing institutions in order that they may develop projects which, in the judgment of the Foundation's Board of Trustees, will contribute to a better order of things. This policy has been implemented in two general areas: first, through search for fundamental knowledge in economics, the medical sciences, the physical sciences, and the science of industrial management, by means of the instrumentality of research; second, through the clarification and better understanding of the simple economic facts by which we live, by means of projects making use of the processes of mass, or popular, education. Expressed otherwise, the Foundation seeks to expand and support worthy institutions and organized bodies already active in one or both of these two areas rather than create instrumentalities of its own.

Among such institutions is the Brookings Institution of Washington, D. C., an operating organization in the area of economics and related disciplines, with which the Foundation has co-operated over a period of many years.

THE SOCIAL, ECONOMIC AND POLITICAL CONSEQUENCES OF LARGE-SCALE ENTERPRISE

In the report for 1947-48¹, reference was made to a joint grant of this Foundation and the Maurice and Laura Falk Foundation of Pittsburgh, Pennsylvania, to the Brookings Institution for a long-range study of business concentration in the United States. Expressed in the vernacular, the grant contemplates fundamental research on what is frequently referred to as "Big Business."

¹ See Report of the Foundation, 1947-1948, p. 37.

Those engaged in the project intend to make a comprehensive and factual analysis, based on first-hand observation, of the structure and operation of American business with special reference to the place of large-scale enterprise in that structure. Investigation will be made into the form and relative extent of concentration in various branches of industry, the economic and other forces which favor physical expansion of single enterprises, the relation of big business to small concerns and those of intermediate size, and the factors which promote or hinder competition in the contemporary business structure. Special attention will be devoted to the question of the relative efficiency of business units of various sizes in financing production, utilizing manpower, developing markets and promoting technological progress. This phase of the investigation will embrace an examination of the intra-corporate structure of large-scale business with reference particularly to the degree of autonomy given separate divisions or plants and the co-ordination of managerial authority at the top.

In addition, the researchers will evaluate the social performance of large corporations. In this phase of their efforts, they will give consideration to the wage levels and living standards of employees of such corporations, their pricing policies, the relative stability of their employment record, their record in technological progress, their effect upon the scope of the individual's economic opportunity, the effect of their operations on secular trends and cyclical fluctuations, and their relation to the problem of national security.

It is anticipated that an objective and systematic study of this sort, to be published in a multiple-volume report, will contribute towards a more realistic understanding of the structure and processes of American enterprise in our day and conceivably modify some of the orthodox premises upon which most contemporary business studies, particularly studies of large-scale enterprise, are based.

It was contemplated that this research project would extend over a period of three years. At the end of 1950 work was substantially completed and in all probability the results will be published in 1951. These results, when published, will unquestionably constitute one of the most authentic and comprehensive surveys of the subject ever undertaken.

AUTHORITARIANISM AND INDIVIDUAL FREEDOM

A second grant, made to Brookings Institution, contemplated an investigation of the impact of governmentally controlled societies upon the lives and welfare of individuals. Results of this investigation appeared in a volume published by the Institution in 1950, entitled *Authoritarianism and the Individual*. Its authors, in some 371 pages, trace the history of various kinds of authoritarian societies, medieval and modern, and discuss their effect upon free institutions and personal liberty. Reviewers in professional journals have given the study a favorable appraisal and apparently regard it as a substantial contribution to the understanding of one of the major issues affecting social organization and behavior in our time.

MISCELLANEOUS GRANTS

Further grants have been made to the Brookings Institution for projects as follows: (1) an investigation to determine the extent to which government may be said to have assumed functions heretofore performed by private enterprise in the United States; (2) a study of certain administrative and economic aspects of the European Recovery Plan in relation to the broad objectives of American foreign policy; and (3) a survey of certain aspects of the problem of popular economic education.

The last of these studies has been completed and the results are available. The survey is primarily concerned with developments in popular economic education since 1940, and examines the relevant activities of a variety of organizations, including academic institutions and foundations. In many respects it supplements a similar survey undertaken by the Brookings Institution with Foundation financial assistance in 1937. This earlier study was published under the title, *Preliminary Analysis for a Program of Economic Education*.

It is anticipated that the other two projects will be completed during 1951 although, because of changing circumstances, the study of the European Recovery Plan will assume a somewhat different form than originally contemplated.



Projects in Economic Education at the Popular Level

CARTOON MOTION-PICTURE PROGRAM

ADDITIONAL FUNDS have been committed by the Foundation over the past two years to expand an animated cartoon motion-picture project in economics initiated at Harding College, Searcy, Arkansas, in 1945. New grants for all phases of this project, including both the production and distribution of pictures, amounted to \$211,095, making a grand total of \$597,870 since the project's inception. This is one of the most important areas in which the Foundation is currently operating.

The purpose of this project has been to develop a series of one-reel animated cartoons, each depicting some process of America's competitive economy and explaining the manner in which economic problems are resolved. All subjects are treated in the semi-humorous manner characteristic of the cartoon medium. From the outset the best professional services have been employed in developing the economic background of each film, in preparing the script, and in producing the necessary drawings and directing the production. Provision has also been made for a satisfactory process to reproduce prints of each title in color. It has been the hope of those originally concerned with these films that they would enjoy widespread public acceptance not only because of their educational content but also because of their sheer entertainment value. It has also been anticipated that if satisfactory standards were maintained in the production of the films, they might be exhibited both in the regular commercial theatres and through various non-theatrical channels.

When judged by available criteria, this film program seems to have come up to expectations and to have enjoyed a large measure of success. Six cartoons have actually been produced and released since 1946; a seventh is about to be released; and three more are in various

stages of production. All subjects have been created by John Sutherland Productions, Inc. who produce the films under a contract with Harding College, the Foundation's grantee. In all pictures, the color process of the Technicolor Company has been used.

The first title to be produced was "Make Mine Freedom." It appeared in 1948. Subsequent titles, the last of which appeared in 1950, include "Going Places," "Meet King Joe," "Why Play Leapfrog," "Albert in Blunderland," and "Fresh Laid Plans." The various films treat of such economic topics as the element of risk in business; the role of profits in expanding enterprise; the economic consequences of technology both on employment and productivity; the relation between the latter phenomenon and a high income level for jobholders; the relation of wages and prices; the nature of employment in a totalitarian economy; and the dangers involved in applying political controls to a free-market economy.

Considerable success has also attended efforts of the College to secure adequate distribution of the pictures. Contractual arrangements between the College and Loew's Incorporated, one of the nation's leading film producers and distributors, have made it possible to secure theatrical release for five of the six cartoons so far produced. The first of the cartoons, "Make Mine Freedom," was released by Loew's Incorporated in April, 1948, and in subsequent months played at more than 15,000 theatres. The second cartoon, "Meet King Joe," was released for theatrical distribution in January, 1949, and by September, 1950, had been exhibited in some 11,000 theatres. Cartoon number three, "Why Play Leapfrog," released in June, 1949, had played at more than 5,000 theatres by the end of 1950. The two remaining titles, "Albert in Blunderland" and "Fresh Laid Plans," were also placed in the theatres between July, 1950, and January, 1951. Each of the five films is expected to achieve the record of theatrical exhibition already attained by the first, that is, bookings in at least 15,000 theatres; and each will be exhibited to a theatre audience which is conservatively estimated at 40 million persons.

As the possibility of additional theatrical exhibition of the existing cartoons declines, 16 mm. prints are made of the various titles and further distribution is secured through non-theatrical channels. Exhibitors include schools, colleges, churches, service organizations,



1. Joe, an American factory worker, is king of the workers of the world, because...



2. He can buy much more with his wages than any other worker on the globe.



3. And enjoy the fruits of this age of automation.



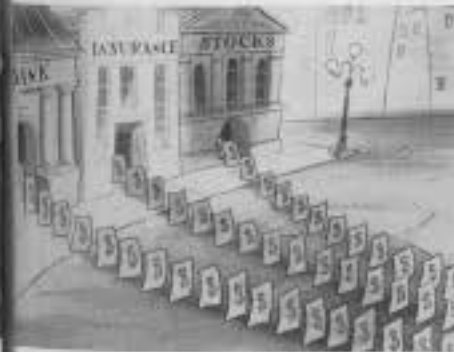
4. To measure his progress we don't need to go back to the era of cave dwellers...



5. Only back one century, to the days when Joe's grandfather worked in a carriage shop, using hand tools.



6. Joe, in a modern factory, operates a giant machine, with hundreds of horsepower to multiply his strength.



7. This progress is due partly to the use of people's savings in loans to business by banks and insurance companies.



8. When money went into such a new enterprise as a motor car factory, Joe's grandfather saw carriage shops close...



9. But he and others got work in auto plants and as the industry grew, jobs far exceeded those in carriage shops.



10. In free competition, companies in all industries try to improve their products; only the progressive survive.



11. A plain example of progress is in railroads: for every worker \$20,000 is invested in equipment.



12. The teamwork of labor, management and capital makes America the world's industrial leader.

Reproductions of "stills" with appropriate commentary on the Harding College cartoon "Meet King Joe."

industrial establishments and others. Harding College sells prints to potential exhibitors or loans them without charge. At this writing, prints of the first three of the cartoons, namely, "Make Mine Freedom," "Going Places," and "Meet King Joe" have been made available to non-theatrical exhibitors. Approximately 1,500 sixteen-millimeter prints of these three titles have been placed in circulation and they have been exhibited to an audience conservatively estimated at two million. Two additional cartoons will probably become available for non-theatrical exhibition during 1951.

Reviewers of the various cartoons and other observers generally agree that an unusual degree of success has attended the development of this project to improve economic understanding among the American people. Any nine-minute motion picture must necessarily simplify subject matter and restrict development of a topic; and these pictures are not immune to such practical limitations. At the same time, it would appear to have been demonstrated that relatively abstract economic ideas can be made more meaningful and understandable by means of an animated cartoon of nine minutes' duration than by a live-action picture of equal length. Experience with this project also indicates that, through the use of the animated cartoon, humor and other entertainment values may be included in a picture without jeopardizing seriously its instructional objective; indeed, for the average audience, such values may enhance the picture's pedagogical significance. The reception given the various titles by theatre audiences throughout the land also indicates a high degree of acceptability. In turn this betokens the observance of high technical standards by artists and animators.

Following a precedent set in 1948, the Maurice and Laura Falk Foundation of Pittsburgh again contributed \$75,000 to the cartoon motion-picture program. The Alfred P. Sloan Foundation, Inc. expects to continue making grants for this project and anticipates that sizable sums will be appropriated both for production and distribution in the future.

OTHER VISUAL-AID PROJECTS

Interest in motion pictures as a medium of economic education prompted the Foundation to make grants totalling \$38,000 to the Cambridge Educational Film Foundation during 1949 and 1950. This

organization, a recently established educational venture, consists of certain faculty members of the Massachusetts Institute of Technology and of Harvard's Graduate School of Business Administration and two or three other persons interested in using visual media, particularly motion pictures, to explain problems of business economics and to explore possible solutions. Problems may relate to the creation of markets, investments, internal management of business enterprise, the impact of technological improvement upon business and labor, and consumer and labor relations.

Several outlines of motion-picture scripts have been developed and at least one complete script for a feature motion picture was created during 1950. Materials for scripts are drawn from actual case histories of business enterprise; hence the problems selected for treatment are likely to be of a practical nature and the solutions proposed highly empirical. As in the case of the cartoons, already described, motion-picture scripts planned and developed by this project are designed not only for film productions that instruct but that entertain as well. An effort is made in each script to exploit the dramatic possibilities of the true-to-life situations derived from the case materials upon which this project relies.

The address of the Cambridge Educational Film Foundation is 1416 Massachusetts Avenue, Cambridge 38, Massachusetts. Its executive director is Professor J. Sterling Livingston of the faculty of the Graduate School of Business Administration at Harvard University.

POPULAR ECONOMIC PUBLICATIONS

Early in 1950, the Foundation made a grant of \$80,000 to the Institute of Economic Affairs at New York University for the production of a monthly publication to be known as *Popular Economics*. The venture was inaugurated in February and the first issue came off the press in September, 1950. Up to this writing, some six issues have been produced. Editorial responsibilities for the publication have been assumed by Mr. Clayton Hoagland, for many years an editorial writer for the *New York Sun* and a lecturer in journalism at New York University. Other executive responsibilities, including promotion and circulation, are in the hands of Mr. Haig Babian, a former member of the faculty at Long Island University.



Various recent issues of "Popular Economics" published by New York University.

The publication is essentially a "pocket-size" magazine. Format and content are intended to appeal to the general reader. The publication is attractively bound and is generously illustrated with half-tones and line drawings, many of the latter being especially prepared for each issue. Approximately half of the available space in each number of the publication is devoted to a leading article on some major economic issue of current interest. These leading articles, in the issues so far released or projected, relate to the following topics: achievements of the American economic system; conditions required to maintain economic prosperity in the United States; the role of small business in the American economy; the problem of inflation; the impact of the Marshall Plan upon various aspects of the economies of selected European states; problems raised by controls in a free economy; and the story of how chemurgy has promoted co-operation between farm and factory in developing various new synthetics and other products. The remainder of the publication is devoted to certain special articles and departments which feature inventions; scientific advances and technological improvements; new consumer products; biographies of scientists, inventors and business men; reviews of selected recent books; and the history of some industry or of some major industrial process.

The University regards this project as a public educational and information service. Like all Foundation-supported projects in popular economic education, it is intended to appeal to the interest of the ordinary layman. The publication's format, materials selected for inclusion, and the way in which these materials are treated, are all designed to enlist the interest of the man-in-the-street and provide him with objective information on current economic issues. In order to reach him, every effort is made to secure distribution of the publication through channels which normally reach a mass consumer market. It is also anticipated that the publication will find extensive use in schools, service clubs, forums, industry, labor unions, and similar organizations.

TELEVISION PROJECTS

For approximately a decade the Foundation made annual grants for the support of the public-affairs radio program known as the *University of Chicago Round Table* which has been a public-service feature of the National Broadcasting Company. Support for this program terminated during 1950 and the Foundation thereupon turned its attention to the promotion of an educational venture which would exploit the medium of television.

For this purpose the Foundation's Trustees recently made a grant of \$87,500 to a non-profit corporation, known as Teleprograms Inc. With the generous assistance of the National Broadcasting Company, which has agreed to supply studio facilities, technical personnel and equipment, Teleprograms Inc. plans to produce not less than 26 half-hour educational programs, suitable for televising, during 1951. These programs will be televised over National Broadcasting Company stations as a public service, the company providing the necessary station facilities and time. The National Broadcasting Company has also agreed to make the programs available to interconnected networks of television stations when interconnection facilities are available and the interconnected stations request the program. The proposed series of programs has been tentatively entitled "American Inventory."

Commitments for this project, both on the part of the Foundation and the National Broadcasting Company, are limited to one calendar year. During that time the director-producer of Teleprograms Inc. hopes to experiment with telecasts of various types. Some may feature

a lecture by a leading educator or other authority; some may consist of a round-table discussion by various experts or exploit the question-and-answer technique and perhaps encourage limited participation by a studio audience. Again other programs may document a problem on film and still others may provide a dramatic vehicle on film for the identification of some problem and its possible solution. A limited number of the programs will relate to current economic problems; the subject matter of all programs will relate to the issues and problems of the day, whether in the narrow field of economics or in the broader area of public affairs.

Typical television scene at NBC's Studio at 105 East 106th Street, New York City, where Teleprograms will telecast a major portion of its Adult Education Series.

NBC Photo



Those in charge of this project hope to enlist the co-operation of leading educators, professional men, and business and labor leaders. They also hope to interest several universities whose radio and communications departments have already engaged in significant pioneer work with television as an educational medium. All parties involved are relatively confident that out of this period of frank, and rather radical, experimentation, a form of public-service educational program can be developed which will exploit in maximum degree the unique educational advantages of the television medium.

OTHER ACTIVITIES INVOLVING TELEVISION

In addition to its interest in the proposed activities of Teleprograms Inc., the Foundation has carried on certain experiments of its own during the past twelve months involving the use of television as an educational medium. Through John Sutherland Productions, Inc. of Los Angeles, producers of the Harding College cartoon series, and Radio Program Production Company of New York, it has financed the writing of various experimental scripts to determine if it would be feasible to dramatize the problems of a small business man in a series of motion picture "shorts" suitable for televising. Several of these scripts have been written and at least one has seemed to hold sufficient promise, as a model for a series of television films, to warrant its production. The film based on the experimental script will become available during 1951.



Projects in Economic Leadership

EXECUTIVE TRAINING

PROVISION for the training of managerial personnel for business at the new School of Industrial Management, described in a preceding section of this report, may well be considered the latest and most important phase of a long-established Foundation policy. Over the years, various projects have been developed, some of which are still maintained, to train individuals for executive responsibility in the business world or to train for leadership in other economic areas.

Oldest and best-established of such projects is the Sloan Fellowship Program for Executive Development at the Massachusetts Institute of Technology. Begun in 1937, this project was suspended after 1942 because of wartime difficulties and then revived in 1948. Currently it is a project of sizable scope operating on an average annual budget of \$75,000 furnished by this Foundation. By far the larger portion of this sum goes to provide fellowships for young business executives who are selected by the Institute to spend a year pursuing an intensive post-graduate course in economics and business management. Part of the course consists of relatively routine class work; much of it, however, is of an informal nature consisting of conferences with leading executives, group field trips, and seminars and other activities especially developed for the course.

The aim of the project is not to produce experts in particular phases of business or industry but to develop competence in handling problems, both human and technical, that arise out of various phases of a business enterprise; and to deal with such problems in the light of the socio-economic conditions underlying enterprise. In short, as the name of the project implies, the basic aim is to give a student with experience and innate ability a chance to enhance his competence in the managerial realm.

In order to qualify as an applicant for a fellowship, a young man must be nominated by the business establishment in which he is employed and his employers must agree to give him a leave of absence. Applications for the program invariably exceed greatly the number of places to be filled and they come from all over the United States and from every type of business. An effort is made to provide geographical distribution and to make awards to candidates recommended by small, as well as by large, business enterprises; but such considerations are not allowed to prevail against the primary qualifications of the successful candidate. These are proven capacity to assume responsibility and discharge it effectively in the business world, and assurance, derived from the candidate's record and the opinions of superiors and associates, that he can profit in maximum degree from the proposed course of training at the Institute.

With the new School of Industrial Management in operation in Cambridge¹, it is anticipated that the Sloan Fellowship Program for Executive Development will be assimilated to its curriculum and become one of the projects of the graduate division of the School.

TEACHING PROJECTS

Other activities to promote the training of leaders, although not necessarily in the business world, have been carried on for the past several years through the various Foundation-supported Teaching Institutes of Economics. Originally such institutes were established at five universities. In 1950, however, only three of them were continuing to receive support from the Foundation. They were the teaching institutes established at the Universities of California (Berkeley), Southern California and Denver.

These institutes have been concerned chiefly with the conduct of a graduate seminar in which the subject matter of discussion for a term, or for the entire academic year, revolved about some major economic problem. The object has been to canvass the impact of the problem upon national economic policy and to suggest possible solutions. Thus the institutes have sought to stimulate the application of economic theory to a consideration of public problems in somewhat the same way that economic theory is occasionally "applied" in vocational or professional courses in business administration and allied professional subjects.

¹See p. 9.

From the beginning the institutes were encouraged to mix regularly matriculated graduate students with non-matriculated students, the latter coming preferably from private business and public administration. Enrolment ceilings were usually fixed at thirty students. The institute seminars were conducted as informally as possible in quarters especially designed and equipped for the purpose. Professors in charge relied heavily upon specially created graphs and charts and other more complicated visual media, where their use seemed feasible, and upon special lecturers from other universities and from the fields of government, labor and industry. Funds were also used to expand library resources, especially of current statistical and periodical materials. Some of the institutes selected for discussion problems lying in the area of international economic policy; others stressed industrial and labor relations; and still others paid much attention to the economics of management.

Although more effective teaching of economics has been the institutes' primary objective, there have been various "by-products." Emphasis upon visual aids led one or two of the institutes to produce such aids in rather large numbers and these have occasionally found an extra-mural use. Attending students have also been encouraged to engage in special research projects. Occasionally papers have been developed describing the teaching techniques of the institutes and these have had local and, sometimes, national circulation. Likewise several of the institutes have been interested in extra-mural educational services, both faculty and students having carried out numerous speaking assignments before college conferences and civic and service groups¹.

This major project has now been in operation for some five years. The Foundation feels that an effective demonstration has been given of ways in which the teaching of economics at the first-year graduate level may be made more meaningful to the student and that this demonstration has significance for those interested in curricular improvement. Over the past two years support has been withdrawn from

¹For a more detailed description of the operation and accomplishments of the institutes, particularly of one such, see Professor Robert B. Pettengill, "Training for Economic Leadership," *School and Society*, Vol. 70 (Oct. 29, 1949), pp. 276 ff. Professor Pettengill is director of the Teaching Institute of Economics at the University of Southern California.



Cal-Pictures Photo

A broadcast led by Prof. J. B. Condliffe (center), director of the Teaching Institute of Economics, University of California. Other participants are Sir David Smith, Chancellor of the University of New Zealand (left) and Mr. S. K. Kirpalani, Consul-General of India for the Western States.

several of the institutes and during 1951 the Foundation intends to terminate its financial interest in this project.

SCHOLARSHIPS FOR FOREIGN STUDENTS

In June, 1950, financial aid was extended by the Foundation to an activity known as the "Foreign Student Summer Project," conceived and initiated in 1948 by the student body of the Massachusetts Institute of Technology. Directors of this project invite a selected body of technical students from foreign countries to come to the Institute during the summer months, continue phases of research which they have already initiated abroad and participate in the Institute's

summer academic program. The project embraces various cultural and recreational aspects in addition to the academic, including trips to factories to observe American industrial practice and other activities designed to acquaint the foreign visitor with life in the United States. The entire project was inspired by a desire on the part of Institute students to make a practical contribution toward postwar rehabilitation and reconstruction in countries outside the United States and to expand cultural exchange.

Preliminary selection of candidates for the program is made by friends of the Institute abroad and by American diplomatic officials. Final selection of those to be included in the program rests with faculty and student committees at the Institute. The visiting student's travel expenses are usually defrayed by his home government or by organizations within his own land. All his other personal expenses and the general expenses of the project are met by various donors. These include the Institute itself, which waives tuition costs amounting to some \$35,000; administrative overhead of the project and much of the maintenance which is contributed directly by the students; and contributions from various individuals and organizations to meet out-of-pocket expenses. This Foundation's grant of \$21,526.66 went to make up the deficit in the budget for out-of-pocket expenses. Its grant represented less than one-fourth of the total cost of this truly co-operative project.

Approximately 60 visiting students were enrolled in the program during the summer of 1949 and 80 were enrolled during the summer of 1950. The program's sponsors and administrators expect to continue it during the summer of 1951 and the Foundation intends to make a further contribution.



Applied Economics in the School Curriculum

DURING 1950 the Foundation brought to an end a twelve-year record of support for the project known as "applied economics." Initiated in 1939 at the Bureau of School Service of the University of Kentucky, it was later extended to include certain relevant activities in the Schools of Education of the Universities of Florida and Vermont. Still later the American Association of Colleges for Teacher Education, a division of the National Education Association, also became identified with the project.

The project's general purpose has been to raise living standards, especially in low-income areas, by appropriate instruction in the schools. Efforts in this direction have emphasized instruction for children on such subjects as the constituents of a "balanced" diet, improved agricultural and soil conservation practices, cultivation of home and school gardens, modes of preserving food, the care and repair of wearing apparel, and home repair and improvements. Various other areas of "practical" knowledge, including personal safety procedures in home and school and ordinary precautions against certain diseases, have also been included in the instructional program. Information on matters such as these was brought into the curriculum by means of specially prepared texts and a great variety of pamphlets designed for supplementary class use. In addition such information was stressed in classroom demonstrations and in extra-curricular programs which sought to encourage students to "learn by doing."

Beginning in 1944, the American Association of Colleges for Teacher Education, with the financial support of the Foundation, employed a consultant for its member teacher-training institutions. This expert advised interested faculty committees on the aims and achievements of the project and through such committees brought these aims and achievements to the attention of prospective teachers. Simultaneously the Association sponsored the publication of a monthly bulletin, called *Applied Economics for Better Living*, which became

one of the principal media for disseminating understanding of the project among teachers and school administrators. It also served as a discussion forum for teachers and school people interested in this type of education and as a central clearing agency through which they might keep one another informed of various relevant experimental procedures and curricular techniques.

Most of the controlled experimental work, conducted at the various grantee universities, was suspended in 1945. Thereafter, those engaged on the project became almost exclusively concerned with the task of informing prospective teachers and the school constituency in general about the project's accomplishments and about the curricular techniques which had been developed. Efforts were also made to secure the widest possible distribution among teachers of the various curricular materials, especially texts and pamphlets, created by the interested universities during the project's experimental phase. It is estimated that for all aspects of this broad project the Foundation has appropriated more than a half-million dollars.

Many articles in both professional and popular periodicals, ap-

Curricular exhibit, which includes applied economics materials, at Atlantic City Conference of American Association of Colleges for Teacher Education, Feb., 1950. In the photograph are (left to right) Dr. O. W. SNARR, President of State Teachers College, Moorhead, Minn., Dr. W. E. PEIK, Dean of the College of Education, University of Minnesota, and Mrs. Dale W. Houk, wife of the President of State Teachers College, Slippery Rock, Pa.



pearing during the past decade, have examined one or another phase of this project and evaluated results. Even a representative bibliography of these articles would be too extensive to reproduce here. Suffice it to say that the project has been appraised as one of the more significant educational experiments of our time. Foreign educators have added their voice to American observers in acclaiming the pioneer work of the project in developing many of the techniques of that practical type of education, sometimes called "fundamental education," of which so much of the world stands in acute need.

In a printed report issued early in 1951 by the Committee on Standards and Surveys of the Association of Colleges for Teacher Education, the history of the project is briefly surveyed and some of the results are assayed. The authors of the report note the growing popularity of the curricular theory of the project among teacher-training institutions. They suggest the reason for such popularity is the fact that, where this theory obtains, teachers and students "learn how to identify and use constructively the human and natural resources around them..." The authors also find it possible to conclude that, where the principles of the project have been applied to specific communities, the level of living has been improved; and they assert further that the project has offered "an effective method of putting much currently accepted educational theory into practice."

Appropriations for terminal grants for all phases of the project in applied economics were made by the Foundation's Trustees in September, 1950. The sum of \$5,000 was given to the American Association of Colleges for Teacher Education. Along with other funds, to be furnished by the Association, the grant is to finance the services of the Association's consultant in applied economics for another year.

For the bulletin, *Applied Economics for Better Living*, which in the past has been directly sponsored by the Association of Colleges for Teacher Education, the Foundation made a terminal grant of \$30,000, payable over the next three years. It is anticipated that, with the assistance thus provided, this bulletin may become self-sustaining and continue to serve the teaching constituency interested in the broad

¹ Stewart B. Hamblen and Richmond Page, *Improvement of Living Through the Schools*, with an introduction by E. S. Evenden. New York, 1951, pp. 65-66.

field of the project. To this end a special non-profit corporation has been established with offices at Winchester, Massachusetts, to continue publication of the bulletin indefinitely. The bulletin's name has been changed to *Schools and Better Living*. Its editor continues to be Mr. Richmond Page. Although the Association of Colleges for Teacher Education has officially withdrawn its sponsorship, the board of editors and consultants of the periodical includes virtually all those members of the Association who have been most directly identified with the project in the past.

Finally, a terminal grant of \$10,000 was authorized for the University of Florida where, since 1946, responsibility for the distribution of the pamphlets and other project materials has been centered. This sum will go towards the maintenance of the applied economics materials-distribution agency at that University. With this additional financial support and the agency's existing resources, it is anticipated that the University can maintain a satisfactory inventory of materials and continue their distribution at cost for an indefinite period.



Projects in Medical Research

THE SLOAN-KETTERING INSTITUTE FOR CANCER RESEARCH

IN THE REPORT of the Foundation for 1947-48 this project was dealt with at length. In view of the fact that it is probably the most dramatic program in the Foundation's scheme of things, and of more than normal interest, its genesis and its evolution since 1945 will be outlined again even at the expense of some duplication.

Research in cancer had been carried on for many years at the Memorial Hospital in New York City; but, owing to restricted facilities and inadequate financial resources, the research had been quite limited in character. The concept of the Foundation-sponsored project was to organize the research in a separate and self-contained institution dedicated to investigating the cause and cure of cancer. This was to be equipped with every scientific facility, staffed by the most outstanding scientists that were available, and supported by financial resources that would insure a continuation of effort over a long period.

The original grant was for \$2,000,000 to furnish facilities and \$2,000,000 to insure a foundation of operating support over a period of ten years. The added cost of the building and facilities made it necessary to increase the original grant for such purposes to \$2,562,500. In 1950, owing to the great increase in expenses of the research program and related additional cost of operation, the terms of the operational contract were changed. The yearly payment was increased to \$300,000 for an indefinite period, this obligation being subject to termination upon five years' notice.

In 1950 the Institute was organized as a separate corporation with its management controlled by a Board of Trustees. The Board presently consists of fourteen members, four of whom are nominated

by the Memorial Cancer Center and three by the Alfred P. Sloan Foundation, Inc., the other members being joint nominees of Memorial Cancer Center and the Foundation. The present members of the Board are as follows: Mr. Alfred P. Sloan, Jr., Chairman of the Board, General Motors Corporation, Chairman of the Institute; Dr. Detlev W. Bronk, President, The Johns Hopkins University; Dr. Karl T. Compton, Chairman of the Corporation, The Massachusetts Institute of Technology; Dr. James B. Conant, President, Harvard University; Mr. Reginald G. Coombe, Vice-President, Central Hanover Bank and Trust Co.; Mr. Edward C. Delafield, senior partner, Delafield and Delafield, Secretary-Treasurer of the Institute; Dr. Joseph C. Hinsey, Dean, Cornell University Medical College; Mr. Frank A. Howard, Research Consultant, Standard Oil Co. (N. J.), President of the Institute; Dr. Charles F. Kettering, Research Consultant, General Motors Corporation; Dr. W. Albert Noyes, Jr., Chairman, Department of Chemistry, University of Rochester; Mr. John L. Pratt, engineer and philanthropist; Mr. Laurance S. Rockefeller, President, Memorial Center; Mr. Lewis L. Strauss, Consultant and Financial Adviser to Rockefeller Bros., Inc.; and Mr. George Whitney, Chairman, J. P. Morgan & Co., Incorporated.

In recommending the original grant for this project to his fellow Trustees of the Foundation, Mr. Sloan was prompted by the consideration that, previous to World War II, this area of medical research was receiving an appallingly small amount of money in relation to its needs. In his opinion there was at that time no institution properly equipped with plant facilities and scientific talent on a scale commensurate with the importance and the relative complexity of the problem to be solved. Dr. Kettering and he thought the co-ordinated approach to research as practiced in industry had merit; and that this approach might be applied to research in cancer without limiting the freedom and initiative of the scientific mind. Some five years' experience has convinced both the Institute's management and its Trustees that this approach is sound, and that it supplements in a most essential way the independent scientific investigations on the complex problems of cancer which are now being made in increasing numbers by interested individual investigators and smaller organized groups throughout the world.

The Institute is supported by grants from private individuals, foundations, various government sources, and other organizations.



The Sloan-Kettering Institute for Cancer Research.

A. F. Soto

Its expense budget for 1950 was over one and one-half million dollars. The facilities available to the staff will enable it to explore the whole field of science for a concerted attack on the problems of cancer and allied diseases.

At the time of this writing five years have passed since the inception of this Foundation grant and the establishment of the Institute. Much has been accomplished. Ample facilities have been provided. A staff of competent scientists and technicians has been assembled and organized. A scientific program has been inaugurated. An Institute Committee on Scientific Policy has been established consisting of Drs. Bronk, Compton, Conant, Kettering and Noyes, and Mr. Howard. This Committee reviews the Institute's scientific procedure at frequent intervals and its determinations are made in collaboration with a group of technical consultants, each an authority in his particular field. In all fairness it may be said that the Institute has established itself as a leader in the field of cancer research.

In commenting recently on the program of the Institute and its progress, Mr. Sloan made the following observations:

"The problem of cancer, as I see it from a layman's point of view, might well be said to involve a three-point attack. First, we must seek simple but effective means of establishing the presence of cancer. Second, we must search for chemical compounds that will alleviate and control cancerous growth. Third, we must investigate the primary causes of abnormal growth—why does it occur?"

"Each one of these three components involves the other two. All are interwoven into the problem as a whole. Progress is being made, I believe, on all three counts. But perhaps the most significant developments have occurred in the case of count two. Here, in some instances, dramatic results have been obtained. I am of the firm conviction that it has been scientifically demonstrated that specific compounds have, under certain circumstances, a definite effect on various types of cancerous growth. That being the case, the problem then becomes one of seeking for those specific compounds that promise to be the most effective agents. No one knows what they may be. No one knows their limitations when established. No one knows when this may be accomplished. For such is research. The fact, however,

that it appears possible has created both a scientific and emotional incentive of the highest order for continuous all-out effort."

It is not the purpose in this report to deal with the scientific progress of the Sloan-Kettering Institute's programs of cancer research except in broad generalities. Full reports are issued from time to time by the Institute itself. Copies of these reports of the Institute will be sent to any one interested in further details. Requests should be addressed to the Sloan-Kettering Institute for Cancer Research, 410 East 68th Street, New York 21, N. Y.

SCHOLARSHIPS FOR FOREIGN GRADUATE NURSES

Related to the foregoing project is the scholarship program for graduate foreign nurses inaugurated at the Memorial Cancer Center in New York during 1950. A training program for nurses in clinical cancer research has been in operation at the Memorial Center for several years. It consists of lectures, conferences, and supervised clinical experience, nurses being taught to cope with the problems, psychological, medical and surgical, which are peculiar to such a program. In December, 1950, the Foundation made available a grant of \$25,000 for 10 scholarships for selected foreign nurses who might wish to come to the Memorial Center for such clinical training. Applications for the scholarships must be made to the Director of Nurses at the Memorial Center and the Center itself makes the awards to the successful applicants.

MEDICAL FILM INSTITUTE OF THE ASSOCIATION OF AMERICAN MEDICAL COLLEGES

In addition to its very considerable investment in the cancer field, the Foundation has recently made two other commitments of moderate scope in the medical area. The first of these relates to the activity of the Medical Film Institute which was established as an operating agency of the Association of American Medical Colleges in February, 1949. The general aim of the Institute is to expand and improve the exploitation of audio-visual media in medical education and research; and in the Institute's first annual report, Dr. David S. Ruhe, its director, identifies a great many different activities which might contribute towards the achievement of this broad objective. Initially, however, emphasis appears to have been placed upon providing interested professional and other groups with information

about available films in medical and cognate fields, and in cataloguing and evaluating existing films and related materials. Officials of the Institute have also given much thought to the problem of integrating audio-visual materials in specific medical curricula and have provided a variety of organizations with professional assistance and advice on the production, distribution and exploitation of medical films.

The initial grant to the Institute, made in 1949, which was matched by equal contributions from each of two other foundations, was \$7,500. In 1950, the Foundation increased its appropriation for the Institute to \$15,000.

RESEARCH IN GLAUCOMA

The other activity in the medical field which enlisted Foundation support is a project to investigate the causes of glaucoma, a disease said to be responsible for more than 30,000 cases of total blindness in the United States. The grant for the project was made to the Institute of Ophthalmology of the Presbyterian Hospital, New York. Research will be conducted under the supervision of Dr. John H. Dunnington, the Institute's director. The Foundation's appropriation for the project is \$30,000, payable in annual instalments of \$10,000 beginning September, 1950.



Projects in Automotive Traffic Research and Highway Safety

CERTAIN ACTIVITIES of the Automotive Safety Foundation, Washington, D. C. received additional financial support from this Foundation during 1949 and 1950. The first of these is a study of the relationships of state and municipal governments in the administration of highway affairs in the United States. This study was begun at Yale University's Bureau of Highway Traffic in 1948 under the supervision of the Bureau's director, Professor Theodore M. Matson. The initial grant for the project, in the amount of \$15,000, was made in December, 1947, and this was supplemented in September, 1949, by a terminal grant of equal amount.

Results of the study were published in 1950 by the Yale University Press in a volume entitled *State-City Relationships in Highway Affairs*. The authors of the publication are two experts who were chiefly concerned with the original research. The volume's 230 pages contain a series of fairly detailed recommendations for sharing responsibility between state, municipal and other local governmental organizations in the development of an adequate interconnected network of streets and highways. Since the report was published, these recommendations have become the basis of a case study in intergovernmental highway relations in the State of Ohio which will be sponsored by various private and public bodies concerned with this general traffic problem.

A second activity of the Automotive Safety Foundation for which funds have been made available is that organization's annual citation of those advertisers and broadcasters who have most effectively exploited the radio or television medium to promote safety on the nation's highways. The citations are known as the Alfred P. Sloan Radio Awards for Highway Safety and were originated in 1948.

The National Safety Council serves as the administrator of this project for the Automotive Safety Foundation and annually selects

a jury of distinguished educators, safety experts, representatives of the broadcasting industry, and civic leaders to judge the various programs entered in the competition and identify the winners. In order to secure a representative distribution of the awards, one sustaining and one commercially-sponsored program in each of five categories are singled out for recognition. These categories include local radio stations, regional and clear channel stations, national and regional networks, local television stations, and television networks. In 1950 an award was made for the first time to a non-commercial educational radio station.

The 1950 jury which met at National Safety Council headquarters in Chicago to select winners of the Alfred P. Sloan Radio Awards for Highway Safety. From left to right: Mr. HAROLD P. JACKSON, immediate past chairman of the National Committee for Traffic Safety; Mr. EARL T. NEWBRY, Secretary of State, Ore.; Mrs. THEODORE S. CHAPMAN, chairman of education of the General Federation of Women's Clubs; Dr. NED H. DEARBORN, president of the Council, who served as chairman; Dr. KENNETH G. BARTLETT, dean of the University College and director of the Radio Workshop of Syracuse University; and Mr. GEORGE JENNINGS, director of radio for the Chicago Board of Education and president of the Association for Education by Radio. Mr. PAUL JONES, director of public information for the Council, is standing.

National Safety Council Photos



Mr. ALFRED P. SLOAN, JR. (right) awarding a plaque to Miss FRAN CARLON and Mr. EDWARD PAWLEY, stars of radio's "Big Town." This program, sponsored by Lever Bros., was one of the recipients of the 1949 Alfred P. Sloan radio awards for highway safety.

One of the prime objectives of this competition is to encourage expansion of highway safety programs among broadcasters and telecasters. Dr. Ned H. Dearborn, President of the National Safety Council, who has frequently served as chairman of the jury of awards, believes that this aim is being accomplished, that the "awards are doing much to stimulate accident-prevention activities among broadcasters and radio and television advertisers." His opinion is supported by the considerable number of entries which have been made in this contest in past years and by the very high quality of the programs which have been selected for an award.



Additional Projects

DURING the biennium surveyed in this report certain relatively small grants have been made to a number of movements and organizations whose activities impinge upon the Foundation's general field of interest. The significance of the activity of the grantee is in no way measured by the size of the grant which, in every case, was intended to finance only a small segment of the grantee's total activity or some project of limited scope in which the grantee was interested. A list of these special grants and a brief description of the purpose for which each was made is given in the following paragraphs.

Foundation for Economic Education, Irvington-on-Hudson, New York. A grant of \$10,000 was made to this organization both in 1949 and 1950, the two grants being considered as contributions towards the support of its research and educational activities in the field of economics.

Council on Foreign Relations, 58 East 68th Street, New York 21, New York. The Council was the recipient of a grant of \$10,000 made by the Foundation in December, 1949, to enable the Council to carry forward a projected multi-volume history of American participation in World War II. The project, inaugurated by the Council in 1945 with the support of the Rockefeller Foundation, has been under the immediate supervision of Professor William L. Langer of Harvard University.

American Committee on United Europe, 537 Fifth Avenue, New York 17, New York. In October, 1950 the Foundation made a grant to the Committee in the amount of \$2,000 to provide the first fellowship for an American student at the College of Europe at Bruges, Belgium. The College, newly opened in September, 1950, is perhaps the first sustained attempt to develop cultural and intellectual foundations for the current effort to promote the politico-economic integration of Western Europe.

ADDITIONAL PROJECTS

Disabled American Veterans Service Foundation, 11 West 42nd Street, New York 18, New York. This organization received a contribution of \$2,500 from the Foundation in February, 1949, to enable it to finance the preparation of several recorded radio productions relating to the problem of economic rehabilitation of disabled veterans. The productions, which were rebroadcast as public-service features on many hundreds of stations throughout the United States, were especially concerned with the occupational opportunities which American industry had provided and might provide for disabled veterans.

Esperanto Association of North America, 114 West 16th Street, New York 11, New York. The Foundation made a grant of \$5,000 as a contribution towards the administrative expenses of the Association and to finance certain of the organization's educational projects.

Dickinson College, Carlisle, Pennsylvania. In September, 1950, the Foundation made a grant of \$2,500 to this institution to permit Professor Arthur M. Prinz, a member of its department of economics, to complete a special research project and publish the results. The project is an investigation, begun several years ago, of the element of personal and political bias that influenced the writings of Karl Marx and an appraisal of the extent to which such elements adversely affected the objectivity and alleged scientific character of Marx's conclusions in the economic realm.

Bulletin of the Atomic Scientists, 956 East 58th Street, Chicago 37, Illinois. In October, 1950, a grant of \$2,500 was made to the Educational Foundation for Nuclear Science, Incorporated, to meet a part of the deficit anticipated in the 1950 budget of this organization's publication, the *Bulletin of the Atomic Scientists*. The *Bulletin*, which first appeared as a four-page mimeographed leaflet in December, 1945, has undergone major changes in typography and format in recent years and has been considerably expanded. It serves as a vehicle in which scientists may discuss and classify the social and political implications of scientific discovery and it provides policy-makers and lay readers with information necessary for making intelligent decisions on the social and political implications of atomic energy.

The George Washington University, Washington 6, D. C. The Foundation made a grant of \$20,000 to this University in April, 1950, to assist it in planning, and ultimately establishing, a patent-law foundation. The purpose of the proposed foundation, which would be administered as a perpetual trust by the University, would be the maintenance of a national research center and clearing house for information on the operation of the patent, trade-mark and copyright laws and to provide authoritative reports on those subjects for interested private organizations and governmental agencies.

New York University, New York 3, New York. The sum of \$2,000 was given New York University in February, 1950, as a contribution towards financing quarters for a research project, known as the Danubian Inquiry, conducted jointly by the University, the Carnegie Endowment for International Peace, and the National Committee for Free Europe, Inc. This project is concerned with various investigations of the economic, social and political institutions of Danubian states now under Communist domination. Under the supervision of American scholars, the research is conducted by scholars and specialists who are citizens of the states in question and who have fled Communist persecution in their homelands for temporary refuge in America.



History of the Foundation

THIS FOUNDATION was established as a non-profit corporation under the laws of the State of Delaware on August 2, 1934. At that time, Mr. and Mrs. Alfred P. Sloan, Jr. made the first gift to the Foundation consisting of securities valued at \$500,000. When created, the Foundation was officially known as the Sloan Foundation, Inc. An amendment to the certificate of incorporation on July 8, 1936, changed the name of the Corporation to the ALFRED P. SLOAN FOUNDATION, INC.; but in all other respects the certificate remained as originally filed.

The certificate of incorporation clearly imposes certain restrictions upon the activities of the Foundation. Operations are confined to those of a religious, charitable, scientific, literary, or educational nature; individuals having a personal interest in the affairs of the Foundation are forbidden to receive any benefit from its operations, and no activities designed to influence legislation are permitted.

Within this restricted area wide latitude is allowed. Grants and donations, as well as other expenditures, may be made either from accumulated income or from any other funds of the Corporation. The Corporation may enter into contracts, employ staff personnel, establish offices, and, in general, carry on all activities necessary or desirable properly to conduct its affairs.

On January 1, 1938, the Foundation's Board of Trustees announced its intention to devote its resources primarily to the field of American economic education and research. Adherence to this policy was maintained until 1945 when a grant of major proportions was made for medical research in cancer. Subsequently, other grants have been made in the medical field; and, subject to such limitations as are imposed by its desire to concentrate its assistance upon a few large

projects, the Foundation's interest in cancer and medical research is likely to be extended rather than contracted in the future. This is the more likely because of the establishment within the Foundation in 1948 of the General Motors Dealers Appreciation Fund for Cancer and Medical Research. Interest in economic education and research will, of course, be continued.

The Foundation acts as a grant-making agency. It conducts no educational work on its own account; nor does it engage directly in research. Its grants are made to assist specific projects carried on by accredited educational and welfare institutions within the borders of the United States. Projects selected for assistance usually receive grants-in-aid on a budgetary basis for a one-year period. At the end of the year an accounting is made to the Foundation, and all unused funds are returned. Requests for renewal are considered far enough in advance of the expiration date of an existing grant to assure uninterrupted progress of activities if a renewal should be made; or to permit of orderly liquidation if the Trustees should decide not to renew.

OPERATING PROCEDURE

As indicated earlier in this report, the Foundation considers its function to be that of assuming the risks of new enterprises which, because of their experimental character, would prove an unwarranted burden upon the regular administrative budgets of the sponsoring institutions. Hence, at the outset, the initial expenses of an acceptable project are absorbed and the necessary equipment is furnished. But, as already indicated, in underwriting a project the Foundation normally makes a financial commitment for a period of not more than one year and it makes no promise, implied or otherwise, to assume a financial obligation for a longer period of time. It is expected, nevertheless, that the rather limited number of projects to which the Foundation grants financial support will be evaluated from time to time and, if interim results are satisfactory, support may be continued for a term of years until the projects' maximum usefulness has been demonstrated or until they have become self-sustaining or their cost has been absorbed in the regular budget of the institutions of which they are a part.

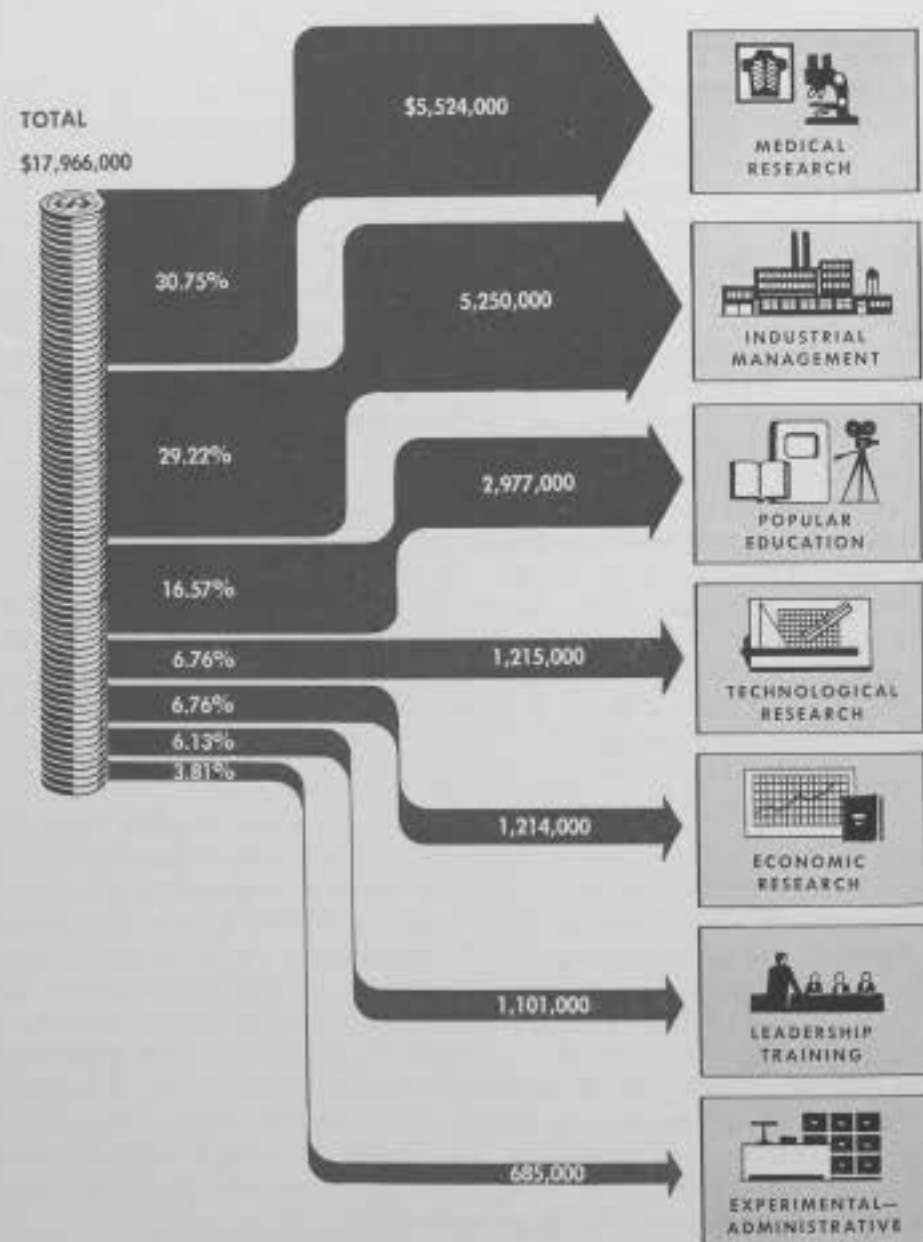
In no case does the Foundation assume responsibility for the administration of the projects to which it grants financial support, or

for any of the activities or policies of its donees. Neither does the Foundation feel called upon to affirm or refute, or to qualify in any way, any opinions or conclusions which its donees may publish concerning the results of Foundation-supported research or other activity.

The Foundation welcomes constructive criticisms and suggestions. Qualified institutions in sympathy with the ideas set forth herein should feel free to submit projects which fall within the scope of the Foundation's field of activity and fit in with its program. Conscientious attention and careful thought are given all such communications.

Specific projects submitted for consideration should first be definitely formulated in a brief memorandum. The objectives should be clearly stated, the proposed procedures outlined, and an estimate given of the probable expense involved. Routine is greatly facilitated by settling as much as possible by correspondence. Conferences and field investigations, demanding, as they do, a considerable amount of time and expense, properly come last in the course of negotiations.

DISTRIBUTION OF THE FOUNDATION'S FUNDS 1937-1950



Financial Section

THERE ARE presented herewith (a) the balance sheet of the Foundation, (b) a statement of the income account covering the two years under review, (c) summary of the reserve accounts, (d) schedule of grants and payments, and (e) certificate of Foundation auditors. The balance sheet and reserve accounts are shown with securities valued at market quotations as of the end of the respective years. It is believed that this method presents the best picture of the Foundation's financial position. Attention is called to the fact that the Foundation is the ultimate beneficiary of five trust funds, subject to certain life interests. The value of these trust funds, which are not reflected in the financial statements, as of December 31, 1950, was \$8,970,494.

It will be noted that the assets of the Foundation presently are made up of two separate funds. The general fund is unrestricted as to both principal and income. It has its basis in gifts made exclusively by Mr. and Mrs. Alfred P. Sloan, Jr. The General Motors Dealers Appreciation Fund, referred to in the "Summary of Operations,"¹ came into the possession of the Foundation on February 7, 1949. Hence this is the first report which reflects its inclusion in the accounts of the Foundation.

The portfolio of the Foundation is common to both funds. The aggregate income from investments is apportioned between the two funds in relation to their current market evaluation determined monthly. The investment item listed as "New Castle Corporation common stock" represents the proportionate share of the Foundation's interest in the cash and securities of that corporation. New Castle Corporation is a personal holding corporation owned substantially by Mr. and Mrs. Alfred P. Sloan, Jr. The Foundation and the previously mentioned trust funds, of which the Foundation is the ultimate beneficiary, are the other stockholders. The portfolio of the Foundation as well as that of New Castle Corporation consists of cash, government obligations and the securities of representative corporations of the highest standing.

¹See p. 4.

As of December 31, 1950, the Foundation had outstanding obligations in the aggregate amount of \$4,873,510. Of the outstanding liabilities \$1,500,000 is payable over a period of five years and \$2,750,000 over ten years. It is the general policy of the Foundation to hold cash and government securities at all times equal to all outstanding obligations. In view of the large grant made to Massachusetts Institute of Technology in December, 1950, the balance sheet as of December 31, 1950, was out of adjustment with this policy. It is expected that this condition will be corrected as the year 1951 progresses.

BALANCE SHEETS
INVESTMENTS AT MARKET QUOTATION VALUES
DECEMBER 31, 1950 AND 1949

	ASSETS	
	1950	1949
Cash	\$ 964,287.34	\$ 1,828,732.25
Investments:		
United States Government securities	1,336,472.45	1,027,712.00
Other marketable securities	13,552,377.13	11,016,106.38
New Castle Corporation stocks:		
Preferred—Par value	500,000.00	500,000.00
Common—Proportionate ownership of underlying securities at market quotation value and cash	12,634,498.65	6,220,149.66
Total	<u>\$28,987,635.57</u>	<u>\$20,592,700.29</u>
FUND RESERVES		
General Fund:		
Grants authorized but not due	\$ 4,823,510.00	\$ 2,430,450.00
Net assets	21,607,416.11	16,249,775.62
Total	<u>\$26,430,926.11</u>	<u>\$18,680,225.62</u>
General Motors Dealers Appreciation Fund:		
Grant authorized but not due	\$ 50,000.00	
Net assets	2,506,709.46	\$ 1,912,474.67
Total	<u>\$ 2,556,709.46</u>	<u>\$ 1,912,474.67</u>
Total	<u>\$28,987,635.57</u>	<u>\$20,592,700.29</u>

NOTE: The Foundation is committed for annual gifts of \$300,000 to the Sloan-Kettering Institute for Cancer Research for an indefinite period, cancelable on five years notice. This obligation is included above in the amount of \$1,500,000, the sum required for five years contributions.

INCOME ACCOUNT

FOR THE YEARS ENDED DECEMBER 31, 1950 AND 1949

	GENERAL FUND	
	1950	1949
Income:		
Investment income	\$ 2,397,410.04	\$ 1,359,229.93
Gifts designated for current use	988,815.36	1,071,972.93
Refunds of unexpended grants	17,284.07	3,900.00
Total	<u>\$ 3,403,509.47</u>	<u>\$ 2,435,102.86</u>
Outgo:		
Grants paid in support of sponsored projects	\$ 4,434,280.81	\$ 640,881.35
Administration of the Foundation	99,132.55	79,950.50
Total	<u>\$ 4,533,413.36</u>	<u>\$ 720,831.85</u>
Unexpended (<i>overexpended</i>) income for the year	<u>\$ 1,129,903.89</u>	<u>\$ 1,714,271.01</u>

GENERAL MOTORS DEALERS APPRECIATION FUND

Income:		
Investment income	\$ 232,840.28	\$ 144,502.88
Gifts designated for current use	12,044.82	6,728.00
Total	<u>\$ 244,885.10</u>	<u>\$ 151,230.88</u>
Outgo:		
Grant paid in support of sponsored project	\$ 25,000.00	\$ 50,000.00
Miscellaneous expense		2,905.80
Total	<u>\$ 25,000.00</u>	<u>\$ 52,905.80</u>
Unexpended income for the year	<u>\$ 219,885.10</u>	<u>\$ 98,325.08</u>

[56]

SUMMARY OF FUND RESERVES ADJUSTED TO MARKET QUOTATION VALUES

FOR THE YEARS ENDED DECEMBER 31, 1950 AND 1949

	GENERAL FUND	
	1950	1949
Principal:		
Balance at beginning of year, book value	\$12,424,854.75	\$12,404,605.10
Profit on disposal of securities	1,086,652.29	20,249.65
Gifts designated as principal	5,218,523.90	
Balance at end of year, book value	\$18,730,030.94	\$12,424,854.75
Unrealized appreciation of proportionate share of investments	6,912,255.64	4,336,827.45
Balance at end of year, market quotation values	<u>\$25,642,286.58</u>	<u>\$16,761,682.20</u>
Unexpended Income:		
Balance at beginning of year	\$ 1,918,543.42	\$ 204,272.41
Unexpended (<i>overexpended</i>) income for year	1,129,903.89	1,714,271.01
Balance at end of year	<u>\$ 788,639.53</u>	<u>\$ 1,918,543.42</u>
Total	\$26,430,926.11	\$18,680,225.62
Less—Grants not due	4,823,510.00	2,430,450.00
Unallotted principal and income at end of year	<u>\$21,607,416.11</u>	<u>\$16,249,775.62</u>

GENERAL MOTORS DEALERS APPRECIATION FUND

Principal:		
Balance at beginning of year, book value	\$ 1,525,000.00	
Profit on disposal of securities	57,501.76	
Gifts of General Motors Dealers	18,486.38	\$ 1,525,000.00
Balance at end of year, book value	\$ 1,600,988.14	\$ 1,525,000.00
Unrealized appreciation of proportionate share of investments	637,511.14	289,149.59
Balance at end of year, market quotation values	<u>\$ 2,238,499.28</u>	<u>\$ 1,814,149.59</u>
Unexpended Income:		
Balance at beginning of year	\$ 98,325.08	\$ 98,325.08
Unexpended income for year	219,885.10	98,325.08
Balance at end of year	<u>\$ 318,210.18</u>	<u>\$ 98,325.08</u>
Total	\$ 2,556,709.46	\$ 1,912,474.67
Less—Grant not due	50,000.00	
Unallotted principal and income at end of year	<u>\$ 2,506,709.46</u>	<u>\$ 1,912,474.67</u>

[57]

TOTAL GRANTS AND PAY FOR SPONSORED PROJECTS
TWO YEARS ENDED DECEMBER 31, 1950

	PAID AT DECEMBER 31, 1948	AUTHORIZED 1949-1950	PAID 1949-1950	DUE AFTER DECEMBER 31, 1950
The Sloan-Kettering Institute for Cancer Research—see Note to balance sheets	400,000.00	\$ 865,000.00	\$ 555,000.00	\$1,710,000.00
The American Association of Colleges for Teacher Education	25,000.00	30,500.00	50,500.00	5,000.00
The American University	7,000.00	14,000.00	21,000.00	
The Brookings Institution	50,000.00	147,000.00	115,000.00	82,000.00
University of California	4,750.00	37,500.00	37,625.00	4,625.00
University of Chicago	26,000.00	52,050.00	78,050.00	
University of Denver	3,625.00	28,500.00	28,625.00	3,500.00
University of Florida	4,500.00	30,000.00	19,500.00	15,000.00
Harding College	77,000.00	211,095.00	232,595.00	55,500.00
University of Kentucky	3,550.00	2,550.00	6,100.00	
Massachusetts Institute of Technology	50,000.00	6,421,526.66	3,621,526.66	2,850,000.00
New Jersey State Teachers College at Montclair	31,000.00	3,000.00	34,000.00	
University of Southern California	7,625.00	29,500.00	29,875.00	7,250.00
Automotive Safety Foundation		22,700.00	22,700.00	
Foundation for Economic Education, Inc.		20,000.00	20,000.00	
New York University		82,000.00	82,000.00	
Disabled American Veterans Service Foundation		2,500.00	2,500.00	
Esperanto Association of North America		5,000.00	5,000.00	
Association of American Medical Colleges		22,500.00	15,000.00	7,500.00
Council on Foreign Relations, Inc.		10,000.00	10,000.00	
Cambridge Educational Film Foundation, Inc.		38,000.00	28,500.00	9,500.00
George Washington University		20,000.00	20,000.00	
Dickinson College		2,500.00	2,500.00	
Bulletin of the Atomic Scientists		2,500.00	2,500.00	
Presbyterian Hospital—Institute of Ophthalmology		30,000.00	10,000.00	20,000.00
American Committee on United Europe		2,000.00	2,000.00	
Applied Economics, Inc.		30,000.00	13,865.00	16,135.00
Telegrams, Inc.		87,500.00		87,500.00
Memorial Center for Cancer and Allied Diseases		25,000.00	25,000.00	
Miscellaneous grants for economic studies, etc.		59,200.50	59,200.50	
Total	770,050.00	\$8,333,622.16	\$5,150,162.16	\$4,873,510.00

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

250 PARK AVENUE
NEW YORK 17, N. Y.

March 28, 1951

ALFRED P. SLOAN FOUNDATION, INC.:

We have examined the balance sheets of Alfred P. Sloan Foundation, Inc. as of December 31, 1950 and 1949 and the related income account and summary of fund reserves adjusted to market quotation values for the two years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets, income account, and summary of fund reserves, adjusted to market quotation values present fairly the financial position of the Foundation at December 31, 1950 and 1949 and the results of its operations for the two years then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS & SELLS



ALFRED P. SLOAN, JR.

"Foundations can exert a constructive force in stimulating higher standards of education, encouraging research, and making possible investigations into many phases of our society. Thus they can serve to broaden basic knowledge and stimulate both economic and social progress. Such is the concept that guides the policy of this Foundation."—ALFRED P. SLOAN, JR., 1952.



ALFRED P. SLOAN FOUNDATION, INC.

30 ROCKEFELLER PLAZA, NEW YORK 20, N. Y.

Report for 1951-1952

CONTENTS

	PAGE
<i>Frontispiece—ALFRED P. SLOAN, JR.</i>	
<i>Members of the Board of Trustees</i>	v
<i>Officers of the Foundation</i>	vi
<i>Preface</i>	vii
<i>Foundations—A Public Service</i>	1
<i>The Concept of the Foundation</i>	
History and Policy	5
Application for Grant-in-Aid	7
<i>Summary of Operations</i>	9
<i>The Foundation's Trustees</i>	11
<i>General Foundation Policies</i>	13
<i>School of Industrial Management</i>	
Massachusetts Institute of Technology	17
<i>Executive Development Program</i>	
Massachusetts Institute of Technology	23
<i>Economic Research and Education</i>	
Study of Large Scale Enterprise—The Brookings Institution	27
Other Brookings Projects	29
<i>Television and Radio Projects</i>	
American Inventory—Teleprograms Inc.	31
Southern Radio Series on NBC Network—Teleprograms Inc.	34
Johns Hopkins Science Review—The Johns Hopkins University	35
Educational Television Programs Institute—American Council on Education	36

COPYRIGHTED 1953 BY ALFRED P. SLOAN FOUNDATION, INC.
PRINTED IN THE UNITED STATES
PRESS OF JOSEPH D. MCGUIRE

CONTENTS

— CONTINUED —

	PAGE
<i>Alfred P. Sloan Awards for Highway Safety</i>	
Automotive Safety Foundation—National Safety Council . . .	37
<i>Projects in Popular Education—Magazines, Pamphlets and Visual Aids</i>	
Challenge Magazine—New York University	42
Civic Education Pamphlets—Civic Education Foundation . . .	44
Visual Economics Laboratory—Columbia University	46
<i>Cartoon Motion Pictures</i>	
Harding College	47
<i>Foreign Student Summer Project</i>	
Massachusetts Institute of Technology	50
<i>Medical Expert Testimony Project</i>	
Association of the Bar of the City of New York Fund, Inc. . . .	54
<i>Cancer and Medical Research</i>	
Sloan-Kettering Institute for Cancer Research	57
Other Projects in the Medical Area	62
<i>Additional Grants and Special Projects</i>	64
<i>Financial Section</i>	71
Balance Sheets, December 31, 1952 and 1951	74
Income Account for the Years Ended December 31, 1952 and 1951	75
Summary of Fund Reserves for the Years Ended December 31, 1952 and 1951	76
Investments, December 31, 1952	78
Total Grants and Payments Thereon for Two Years Ended December 31, 1952	82
Accountants' Statement	86

MEMBERS OF THE BOARD OF TRUSTEES

- ALFRED P. SLOAN, JR.
Chairman of the Board, General Motors Corporation
- FRANK W. ABRAMS*
Chairman of the Board, Standard Oil Company of New Jersey
- ALBERT BRADLEY*
Executive Vice-President, General Motors Corporation
- LUCIUS D. CLAY*
Chairman of the Board, Continental Can Company
- JOHN L. COLLYER
Chairman of the Board and President, The B. F. Goodrich Company
- KARL T. COMPTON
Chairman of the Corporation, Massachusetts Institute of Technology
- JAMES B. CONANT**
President, Harvard University
- LEWIS W. DOUGLAS
Chairman of the Board, Mutual Life Insurance Company
Chairman of the Board, Southern Arizona Bank & Trust Company
- FRANK A. HOWARD
Industrial Research Consultant; Former President, Standard Oil Development Company
- JOHN L. PRATT
Former Vice-President, General Motors Corporation; Engineer and Philanthropist

*Elected January 9, 1952

**Resigned June 4, 1951

MEMBERS OF THE BOARD OF TRUSTEES

— CONTINUED —

LAURANCE S. ROCKEFELLER

*President, Rockefeller Bros., Inc.; President, Memorial Center for
Cancer and Allied Diseases*

RAYMOND P. SLOAN*

President, The Modern Hospital Publishing Company, Inc.

HARRY E. WARD

Honorary Chairman, Irving Trust Company

GEORGE WHITNEY

Chairman, J. P. Morgan & Co., Incorporated

OFFICERS OF THE FOUNDATION

ALFRED P. SLOAN, JR. *President*

ALBERT BRADLEY *Chairman of the Board*

RAYMOND P. SLOAN *Vice-President*

ARNOLD J. ZURCHER *Vice-President and Executive Director*

JAMES F. KENNEY *Secretary and Treasurer*

GENEVIEVE M. KING *Assistant Treasurer*

CECILE STIERLI *Assistant Secretary*

*Elected September 12, 1951

PREFACE

THE ALFRED P. SLOAN FOUNDATION, INC., administers a private fund for the benefit of the public. It accordingly recognizes the responsibility of making periodic reports to the public on the management of this fund. This report has been prepared by direction of the Foundation's Trustees for the biennium 1951-1952.

Since the Foundation confines its activity to the making of grants for the support of approved projects administered by educational, scientific and charitable institutions, the following pages identify the recipients of these grants, the sums involved and the nature of the various undertakings which the grants have financed. In addition, an attempt is made to explain the principles and policies which are observed by the Foundation's administrative staff and the Trustees in deciding which of the hundreds of worthy projects, annually brought to their attention, shall receive favorable consideration.



Foundations -- A Public Service

This is the eleventh public report of the Alfred P. Sloan Foundation, Inc. In its first such document, covering the year 1938, grants and expenses totalling some \$345,769.24 were described. In this report,* grants and other expenditures amounting to \$3,585,028.54, made over the period 1951-1952, are described. This is an average annual expenditure for the last two years of \$1,792,514.27, an amount roughly five times that for 1938. Throughout the period of its existence, including the biennium covered by this report, the Foundation has made commitments (exclusive of administrative expense) amounting to \$20,807,714.13, a sum which is some \$8,005,092.68 in excess of its investment income during the same period. Of this there remained unpaid, at December 31, 1952, commitments amounting to \$3,915,000.00 which it is expected will be paid out of income of subsequent years.

Expansion of this Foundation's expenditures reflects the expansion that has taken place in the outlay of American foundations generally during the past two decades. In that relatively brief period there has been an appreciable increase in the number of such organizations, and a rather substantial increase in the volume of that "risk capital" which, in the form of foundation grants, has made such a vital contribution to the advancement of education and the arts, to the promotion of pure and applied research in almost every reputable branch of knowledge, and to so many other aspects of human welfare.

In view of the expanding significance of foundations, it seems paradoxical that the public currently should not possess a clearer under-

*Reports have been issued biennially since 1945.

† Library and Board Room—Alfred P. Sloan Foundation, Inc.

standing of their purposes and their role in our free society. That the public has only an imperfect understanding of a foundation's proper aims and its limitations is underscored almost daily. Records of this Foundation, which doubtless could be matched by those of comparable organizations, will show that a considerable percentage of applicants for assistance still regard foundations merely as a source of funds for traditional charitable purposes, that is, for relieving distress and overcoming social maladjustments. Others appear to think that the funds administered by a foundation should be so distributed that every geographical section or every constituency in need of assistance will be given a "fair share." Rare indeed is the evidence that there is any broad understanding of what foundation trustees mean when they refer to the funds committed to their stewardship as society's "risk capital" to be used to pioneer new undertakings and to advance basic scientific knowledge for which no other funds, not even public funds, are available.

For this lack of public understanding there are undoubtedly many reasons. One may be the relative newness of the concept that the foundation is an instrument of social progress rather than of social amelioration. After all, not even every foundation has as yet accepted without qualification this view of its purpose; and if the foundations themselves are not clear as to their policy, it is hardly to be expected that the public would be.

Another reason for the public's failure to understand clearly the role of the contemporary philanthropic foundation is the exaggerated view of the resources available to such organizations. The income of American foundations may seem considerable in the aggregate; but when compared with the volume of charitable funds generally it is, relatively, quite small. Certainly if given indiscriminately for any charitable or eleemosynary purpose, foundation income would make a surprisingly small contribution to total need. Foundation resources in the aggregate appear adequate only in terms of a limited and clearly defined need.

Still another reason why foundations experience difficulty in telling their story to the public may be attributed to the fact that the great ma-

jority of them are merely grant-making agencies. The projects supported by their funds may be well known; but, because of a laudable desire on their part to safeguard the grantee's independence of action, foundations which provide funds and often do much to initiate projects, remain virtually unknown. In this respect, at least, foundations are probably too prone to hide their light under a bushel; with the result that the public remains in comparative ignorance of the effort they are making and the reasons therefor.

But the chief responsibility for public misunderstanding of foundation activities and for the failure to appreciate the foundation's proper role in American society must probably be placed at the door of the foundations themselves. Most foundations having an active program issue a public report regularly; and the press and other communication media are usually generous of space and time in disseminating information on foundation activities. But, except in the case of the major foundations, the public reports are cursory in nature. Seldom do they contain a detailed picture of what is being done with foundation funds. Foundation reports, moreover, are likely to have only a limited audience. The maximum number of recipients may include a few thousand educators, librarians, journalists, administrators of welfare institutions and other persons in public life. It is fair to say that up to the present at least the majority of foundations have made no real effort to take the broad public into their confidence—they have made no real progress in developing a "grass-roots" understanding of what foundations are doing or trying to do and how important their functions are.

Our great private foundations in America have been created by public-spirited individuals of large fortune who have sought to use that fortune for the welfare of their fellow men. But though privately established and the product of private benefactions, foundations are engaged in a service to the public and hence owe the public an accounting of what they do. Moreover, private foundations have flourished because of the privileges which the public has extended to them by way of tax exemption. In a democracy such as ours, tax exemption can be continued only if the operations of foundations are approved by public opinion and

only if there is a popular conviction that their operations are desirable and beneficial to the community. Hence it is of serious moment to foundations that the molders of opinion and the public in general have accurate and complete information as to what foundations are doing or propose to do.

In our free society private foundations are a unique and desirable instrument for advancing human welfare. Over the years they have made contributions of the greatest value to mankind. The policies which currently determine the application and use of foundation resources are generally praiseworthy and such policies are designed to secure maximum public advantages. Hence on the record it would appear that foundations justify the confidence which the public currently reposes in them and that, by and large, they merit public support. But unless public opinion about foundations is firmly anchored in knowledge and there is broad understanding of what foundations are trying to accomplish, public confidence can be quickly dissipated. Somewhat greater and more imaginative efforts by foundations to explain themselves to the public could therefore be of mutual advantage.



The Concept of the Foundation

HISTORY AND POLICY

THIS FOUNDATION was established as a non-profit corporation under the laws of the State of Delaware on August 2, 1934. The certificate of incorporation clearly imposes certain restrictions upon the activities of the Foundation. Operations are confined to those of a religious, charitable, scientific, literary, or educational nature; individuals having a personal interest in the affairs of the Foundation are forbidden to receive any benefit from its operations, and no activities designed to influence legislation are permitted.

Within this restricted area wide latitude is allowed. Grants and donations, as well as other expenditures, may be made either from accumulated income or from any other funds of the Corporation. The Corporation may enter into contracts, employ staff personnel, establish offices, and, in general, carry on all activities necessary or desirable properly to conduct its affairs.

On January 1, 1938, the Foundation's Board of Trustees announced its intention to devote its resources primarily to the field of American economic education and research. Adherence to this policy was maintained until 1945 when a grant of major proportions was made for medical research in cancer. Subsequently, other grants have been made in the medical field; and, subject to such limitations as are imposed by its desire to concentrate its assistance upon a few large projects, the Foundation's interest in cancer and medical research is likely to be extended rather than contracted in the future. This is the more likely because of the establishment within the Foundation of the General Motors Dealers Appreciation Fund for Cancer and Medical Research, described on a subsequent page. Interest in economic education and research will, of course, be continued.

if a renewal should be made; or to permit of orderly liquidation if the Trustees should decide not to renew.

The Foundation considers its function to be that of assuming the risks of new enterprises which, because of their experimental character, would prove an unwarranted burden upon the regular administrative budgets of the sponsoring institutions. Hence, at the outset, the initial expenses of an acceptable project are absorbed and the necessary equipment is furnished. But, as already indicated, in underwriting a project the Foundation normally makes a financial commitment for a period of not more than one year and, in that case, it makes no promise, implied or otherwise, to assume a financial obligation for a longer period of time. It is expected, nevertheless, that the rather limited number of projects to which the Foundation grants financial support will be evaluated from time to time and, if interim results are satisfactory, support may be continued for a term of years until the projects' maximum usefulness has been demonstrated or until they have become self-sustaining or their cost has been absorbed in the regular budget of the institutions of which they are a part.

APPLICATION FOR GRANT-IN-AID

The Foundation welcomes constructive criticisms and suggestions. Qualified institutions in sympathy with the ideas set forth herein should feel free to submit projects which fall within the scope of the Foundation's field of activity and fit in with its program. Conscientious attention and careful thought are given all such communications.

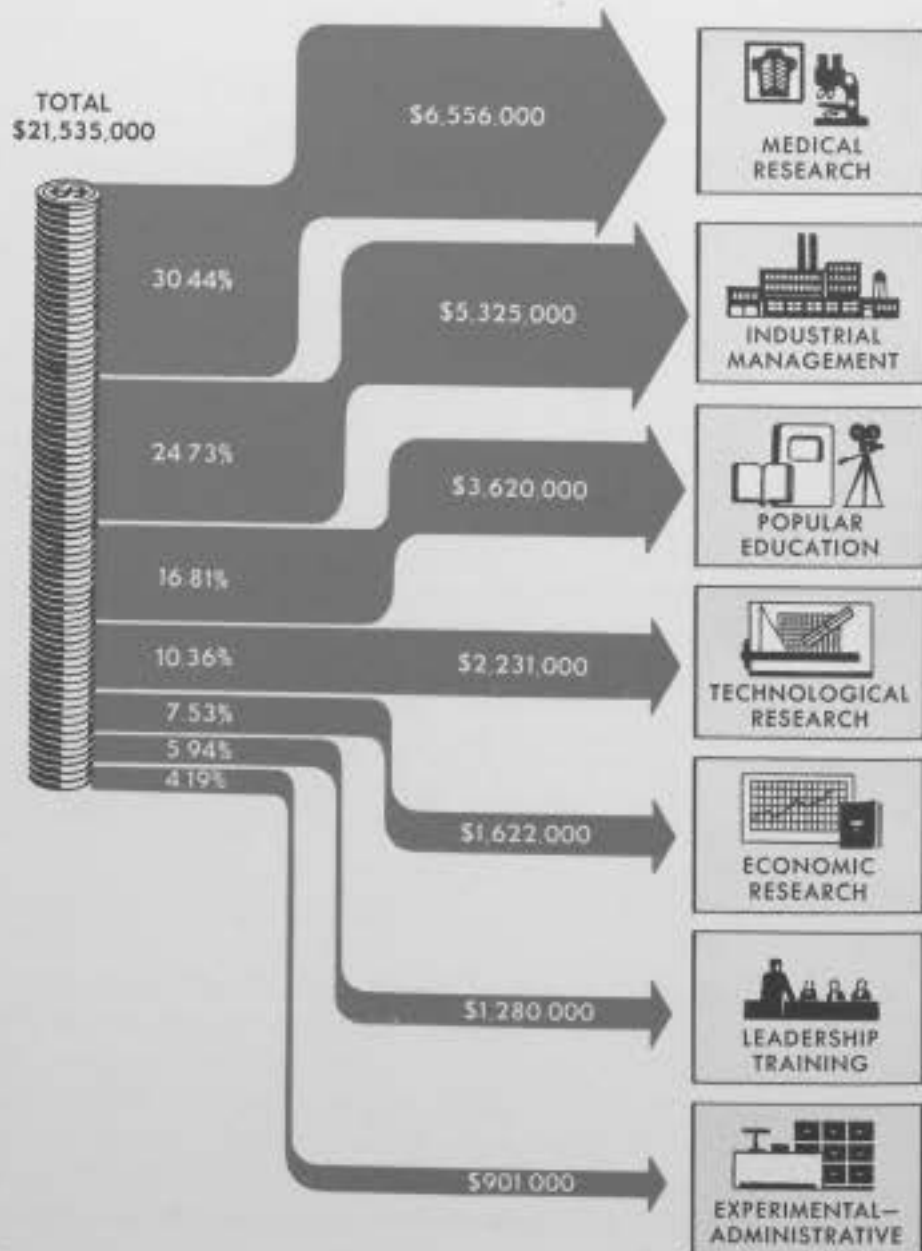
Specific projects submitted for consideration should first be definitely formulated in a brief memorandum. The objectives should be clearly stated, the proposed procedures outlined, and an estimate given of the probable expense involved. Routine is greatly facilitated by settling as much as possible by correspondence. Conferences and field investigations demanding, as they do, a considerable amount of time and expense, properly come last in the course of negotiations.



Mr. SLOAN and members of the Massachusetts Institute of Technology administration and faculty on steps of newly opened Metals Processing Laboratory dedicated June 3, 1952; (from left to right) PROFESSOR C. RICHARD SODERBERG, head of department of mechanical engineering; PROFESSOR JOHN CHIPMAN, head of the department of metallurgy; MR. SLOAN; PRESIDENT KILLIAN of M.I.T.; PROFESSOR THOMAS K. SHERWOOD, dean of the school of engineering.

The Foundation acts as a grant-making agency. It conducts no educational work on its own account; nor does it engage directly in research. Its grants are made to assist specific projects carried on by accredited educational and welfare institutions within the borders of the United States. Projects selected for assistance usually receive grants-in-aid on a budgetary basis for a one-year period. At the end of the year an accounting is made to the Foundation, and all unused funds are returned. Requests for renewal are considered far enough in advance of the expiration date of an existing grant to assure uninterrupted progress of activities

DISTRIBUTION OF THE FOUNDATION'S FUNDS
1937-1952



Summary of Operations

AGGREGATE ASSETS of the Foundation, consisting of cash and securities, on December 31, 1952, at values based on market quotations at that date, amounted to \$41,642,916.76. Commitments as of that date which had not yet fallen due amounted to \$3,915,000; hence net free assets on December 31, 1952, stood at \$37,727,916.76. Commitments made to particular grantees of the Foundation and appropriations authorized for other forms of expenditure during the biennium under review totalled \$3,585,028.54. Payments made on commitments in cash or securities during 1951-1952 amounted to \$4,298,068.12. It has already been noted that, since 1934, when the Foundation was organized, grants have aggregated \$20,807,714.13 (administrative and other expenditures having accounted for \$1,004,092.23 additional) and that in the same period grants have exceeded investment income by \$8,005,092.68, this latter figure including unpaid commitments at December 31, 1952 which, as indicated above, amounted to \$3,915,000. It is expected that this will be paid out of future income.

The aggregate assets of the Foundation include those allotted on a percentage basis to the General Motors Dealers Appreciation Fund for Cancer and Medical Research. This Fund was established in 1949 in consequence of a gift of \$1,525,000 made in 1948 in honor of Mr. Sloan by some 12,000 dealers in General Motors products. Details of the gift have been given in previous reports of the Foundation, especially those for 1947-1948 and for 1949-1950.* As of December 31, 1952, the portion of the assets of the Foundation allocated to this Fund had increased to a market value of \$3,794,422.19. Both principal and income are available for distribution as grants to support research in cancer and medicine. During 1951-1952, grants made from the Dealers Fund, which are included in the figure for aggregate grants given above, totalled \$182,049.01.

*See Reports of the Alfred P. Sloan Foundation, Inc. for those years, pp. 14-16 and p. 4.



ALBERT BRADLEY



LUCIUS D. CLAY



The Foundation's Trustees

DURING the past two years, four new Trustees have been added to the governing Board of the Foundation. These are Messrs. Frank W. Abrams and Albert Bradley, General Lucius D. Clay, and Mr. Raymond P. Sloan. Mr. Abrams is Chairman of the Board of the Standard Oil Company of New Jersey and a trustee of the Ford Foundation. His interest in education is of long standing. For a considerable period, he has been a trustee of Syracuse University. As this report goes to press (1953) he, along with Mr. Alfred P. Sloan, Jr. and others, has taken the lead in creating the Council for Financial Aid to Education, Inc., an organization, the objective of which is to encourage industry to increase its financial support of colleges and universities.

Mr. Bradley is Executive Vice-President and a director of the General Motors Corporation and also a director of several other corporations. He, too, has interested himself deeply in problems of university education and research in the United States. At the time of his election as Trustee, Mr. Bradley was also designated Chairman of the Board of Trustees.

General Clay, as is well known, was formerly commander-in-chief of the United States Forces in Europe and military governor of the United States Zone, Germany. Currently he is Chairman of the Board and chief executive officer of the Continental Can Company and a director of numerous other corporations. During the past few years he has been called upon to give direction and leadership to a great variety of educational and other philanthropic activities.

Mr. Raymond P. Sloan is President of the Modern Hospital Publishing Company of Chicago, publisher of *The Modern Hospital* and *The Nation's Schools*. He is one of the country's leading authorities on



RAYMOND P. SLOAN



FRANK W. ABRAMS

hospital management. On being elected a Trustee, Mr. Sloan was also elected Vice-President of the Foundation.

Mr. Sloan was elected Trustee in September, 1951, and Messrs. Abrams and Bradley, and General Clay, in January, 1952.

On June 4, 1951, Dr. James B. Conant, at the time President of Harvard University, resigned as a Trustee of the Foundation. His colleagues accepted his resignation with the greatest regret.

As a result of these various changes, membership in the present Board of Trustees of this Foundation numbers thirteen. Most of its members have served for a period longer than five years and several have been on the Board for a decade or more. As presently constituted, the Board represents many interests including various types of business enterprise and the banking and financial world. Virtually all members have had direct participation in or supervisory administrative control over scientific or technological research projects. All members of the Board have important connections with educational and welfare organizations other than this Foundation.



General Foundation Policies

IN EARLIER REPORTS of the Foundation, it has been pointed out that its Trustees have sought, as far as possible, to concentrate resources on relatively few projects. Various considerations have urged such a policy. Its administrative advantages are obvious, especially so for a Foundation such as this one which has only a limited staff. By concentrating its funds and its interest upon relatively few large projects, such a staff, despite its small size, can still maintain a fairly intimate connection with each project, observe the project's operation, and assure itself that funds which have been granted are being used for the purposes contemplated when the grant was made.

But the principal reason for the policy of concentrating resources pursued by this Foundation is the belief, fortified by its own experience and the conclusions of those most expert in the field of organized philanthropy, that usually more good can be achieved by risking substantial resources up to an optimum maximum on a few projects than by expending funds in a considerable number of grants of moderate size for a variety of disparate projects. The futility of effort and the waste which may result from providing Foundation grants over a wide front have been matters of constant concern to the Trustees. Hence, uniformly, whenever the policy of concentrating grants has been reviewed by them, the result has been reiteration and reemphasis upon its desirability.

In conformity with this aim of avoiding a "shotgun" approach to philanthropy, approximately 85 per cent of the Foundation's total commitments made in the biennium 1951-1952, went to six recipients. Over the years, moreover, the Foundation has concentrated its resources on a few large projects. An outstanding example is the Sloan-Kettering Institute for Cancer Research in New York, which was organized in 1945 and to which up to the end of 1952 the Foundation has made payments total-

ling \$4,694,549. All commitments relating to this project, both paid and unpaid, at the time this report went to press (October, 1953) totalled approximately \$7,500,000.

Another example of a large project to which the Foundation has contributed substantial resources is the newly created School of Industrial Management at the Massachusetts Institute of Technology. The original grant for housing the School and for its partial maintenance for a ten-year period, made in 1950, was \$5,250,000. During the biennium under review, the Foundation made a grant of \$1,000,000 for the encouragement of research in industrial management at the School. Over the years, the Massachusetts Institute of Technology has received considerable funds from the Foundation for projects other than those connected with the new School of Industrial Management. Since the organization of the Foundation, these grants to the Institute, exclusive of the funds given to the School of Management, have totalled approximately \$1,760,000. Since all of these projects are under the supervision of the Institute and represent one donee, they are, collectively, a further illustration of the Foundation's policy of attempting to bring maximum resources to bear on a limited number of points of action.

Certain other projects which are currently being supported by the Foundation fall into this category of relatively large operations and involve considerable commitments. These include projects in the economic area, especially the development of a periodical at New York University known as *Challenge Magazine* which accounts for an annual budget of approximately \$100,000; an effort to promote wider public knowledge of economic and public affairs via the medium of television which accounts for an annual budget approximating \$200,000; and a program for developing motion pictures in the economic area, both of the cartoon and live-action type, for which sizable sums have been regularly expended over the past decade.

All of these projects will be reviewed in detail on the pages which follow; reference is made to them here because they illustrate the Foundation's policy of concentrating resources upon a few projects.



ALFRED P. SLOAN BUILDING

NAMED IN HONOR OF ALFRED P. SLOAN, JR.
OF THE CLASS OF 1893, LOYAL SON OF M.I.T.
BUSINESS STATESMAN, GENEROUS AND
PIONEERING BENEFACTOR

THIS BUILDING, HOME OF THE SCHOOL OF INDUSTRIAL MANAGEMENT, WAS
DEDICATED BY A GRAND FAITH THE SLOAN P. SLOAN FOUNDATION, INC.



School of Industrial Management

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

AS INDICATED ON the immediately preceding pages of this report, the School of Industrial Management at the Massachusetts Institute of Technology is one of the major projects to which the Foundation is currently contributing support. The concept of this project was based upon the observations of Mr. Sloan, as chief executive officer of the General Motors Corporation, and others who had become impressed with the growing dependence of modern business, especially large-scale industrial enterprise, upon science and technology. As that dependence grew, they had observed that executives with a background of science and engineering were unusually well qualified to deal successfully with the increasingly technical character of the problems of management in such enterprises. Not only were such executives familiar with the content of one or more of the scientific or technical disciplines which in itself was extremely valuable; but they had also acquired the capacity of subjecting their business judgments and managerial decisions to the same kind of discipline that characterizes scientific inquiry and appraisal, that is, the ability to investigate all relevant facts and circumstances exhaustively and objectively, to weigh them carefully, and to make decisions accordingly. Although sound business judgment must always be the keystone of a successful career in industrial management, it was recognized that those most likely to reach the highest levels in the managerial ladder must possess the skills, ways of thinking and acting, and outlook inculcated by scientific or technological training.

When, therefore, the Trustees of the Foundation decided to establish a school where this type of training for future industrial executives

* Lobby of the Alfred P. Sloan Building at the Massachusetts Institute of Technology. The Building houses the new School of Industrial Management.

might be developed, the Massachusetts Institute of Technology seemed the logical institution in which to undertake such a venture. Mr. Sloan, himself, is an alumnus of that institution. It had long been one of the nation's outstanding centers of scientific and technical training and provided, in a preeminent degree, the kind of academic climate and curricular resources which Mr. Sloan and his colleagues felt were needed to train the industrial leaders of the future.

In accepting the grant for the new School and the responsibility for establishing and conducting it, the Institute strongly endorsed this educational philosophy for management and, in seeking to give it practical form, outlined in some detail the place which such a school would have in the Institute's general structure and broad purpose. It was to constitute the Institute's fifth school coordinate with four others already in existence, viz., the Schools of Science, of Engineering, of Architecture, and of Humanities and Social Sciences; and it was to be housed in its own center. Both graduate and undergraduate curricula were to be developed and the fullest possible advantage was to be taken of the engineering and scientific resources of the Institute to the end that a fruitful combination of technology and management might be provided both as respects education and research.

To achieve the most effective use of the special resources of the Institute, its leaders proposed that the activity of the new School be focussed upon the complex technology and human relationships that peculiarly affect the management of modern industrial enterprise and that such focus be given priority over any effort to build an all-inclusive curriculum, traditional in schools of business administration or commerce. Three aspects of industrial management were singled out as guides for curriculum building and the determination of an agenda for research. These were (1) engineering and technological aspects; (2) the relationship of industry to the body politic and to the national economy; and (3) the human aspects, as approached through the social sciences and the humanities.

The last biennial report of the Foundation described the steps taken

to establish the School.* Approximately half of the Foundation's commitment of \$5,250,000 was used to purchase and recondition the building now known as the Alfred P. Sloan Building, a modern six-story air-conditioned structure on Memorial Drive in Cambridge. This building not only provides facilities for the School of Management but also provides quarters for various other Institute units. These include the Departments of Economics and Social Sciences of the Institute's School of Humanities, the Dewey Library in Business and Economics, and the Center for International Relations. Also housed in this building is the Institute's Faculty Club.

During 1950, Mr. Edward P. Brooks was appointed Dean of the School of Industrial Management. A graduate of the Institute, Dean Brooks brings to his new assignment a viewpoint engendered by his years of experience as vice-president in charge of manufacturing activities for Sears Roebuck and Company. Under his leadership, the educational resources of the School have been expanding rapidly. With one or two exceptions all senior faculty appointments which are contemplated have been made and considerable expansion has also taken place in the faculty as a whole.

The four-year undergraduate program of the School represents an expansion and development of a course in business and engineering administration which has existed at the Institute since 1915. Its primary purpose is to provide a solid foundation for effective industrial management; but there is sufficient coverage of fundamental scientific and engineering subjects in the curriculum to assure the student a basis for more advanced work in professional engineering should such work become desirable. The program leads to the degree of Bachelor of Science in Business and Engineering Administration.

In the post-graduate area, the School has a program in industrial management which leads to the degree of Master of Science in Industrial Management. Normally, this program requires two years of work although the period may be shortened to one year in the case of those stu-

*See Report of the Alfred P. Sloan Foundation, Inc., 1949-1950, pp. 9 ff.

dents who have completed the undergraduate program in Business and Engineering Administration or have completed equivalent work elsewhere. The graduate program also includes the twelve-months' Executive Development Program which is commented upon elsewhere in this report.* It is contemplated that the degree of Doctor of Philosophy may also be awarded for the successful completion of a graduate curriculum developed under particular faculties of the Institute in cooperation with the School of Industrial Management.

Total enrolment in the School during its first year, 1951-1952, was 273. Of this total, 241 were undergraduates and 32 were graduate students. Enrolment for 1952-1953 was about equal to that of the previous year. In statements of policy, the heads of the new School have indicated that there is no intention to develop a very large student body. The aim rather is to keep the School quite small and to maintain a relatively low student-to-faculty ratio. By 1954, it is contemplated that the entire student body will reach a total of approximately 360. The increase over the first year of operations, suggested in this figure, will, it is said, be largely at the graduate level, the graduate enrolment rising to somewhat less than 100.

In order to maintain a continuing relationship with the business world, Dean Brooks and his associates established an Advisory Council for the School during 1951. This consists of some twenty-four leaders of the business world.

Another recent development of interest was a grant of \$1,000,000 from the Foundation to the School for research in industrial management and related areas. Both the principal and income of this fund may be used. A number of research projects, financed by this special research fund, have since been set up at the Institute. Projects to be undertaken relate to such subjects as the following: problems involved in the periodic determination of business earnings; worker participation in collective bargaining; innovation and technological progress; patterns of industrialization; organizational communications in the book-publishing in-

*See pp. 23-26

dustry; needs and methods of meeting the financial requirements of industry since the World War II period; and the measurement of probable acceptance of new consumer products.

When the grant for research was announced in April, 1952, Dean Brooks made the following comment: "The existence of this stimulating program of exploration at the very beginning of the new school will, we are convinced, have an important influence on its faculty. The spirit of the explorer is characteristic of good teachers, and exploration makes better teachers. Thus the program will stimulate our present staff and attract other distinguished teachers..."



Executive Development Program

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

ANTECEDATING the School of Industrial Management at the Massachusetts Institute of Technology but now a part of that large project is a special post-graduate program in industrial development which the Foundation has been supporting for more than a decade. This project was initiated at the Institute early in the 1930's because members of the Institute faculty and certain interested industrial leaders had become increasingly concerned over the fact that the training of young executives was too narrow and too specialized for the responsibilities which they were called upon to assume as they moved up on the executive ladder. Young men chosen for positions of greater responsibility in their own business or in other enterprises often came to these new posts with experience gained in some relatively specialized function in one company or in one industry. Often they were unprepared to make the policy decisions which, in their new positions, they might be called upon to make and upon the wisdom of which might depend the welfare of an entire business or industry. That condition moreover was being aggravated by the fact that American industry, as it grew in scope and complexity, was becoming more technical and more departmentalized in its administrative organization and hence in the experience it gave young men in positions of lesser managerial responsibility.

This deficiency in training and experience, it was felt, might be overcome, at least in part, if, at about the time young executives were ready to move forward or were likely to be nominated for higher positions by their companies, they were given an opportunity to take leave of their

♦ Mr. SLOAN addressing a group of fellows in special seminar of Executive Development Program at Massachusetts Institute of Technology.

From RKO picture "Men of Science."

particular duties in business enterprise and, for limited time, reside and study at the Institute campus. There they might pursue refresher courses in basic managerial disciplines and, above all, gain an understanding of the complex of forces, social and economic, in relation to which their companies and enterprise as a whole must function.

Such was the background of the concept that inspired the creation of this executive development program at the Institute. Annually in the past it has brought to the Institute campus from twelve to eighteen young business executives for twelve months of intensive training in subjects related to business management. Those selected are awarded fellowships up to a maximum of \$3,800. Besides regular course work, which begins in June and continues until the end of the following May, the curriculum emphasizes special weekly seminars which are addressed by specialists in the academic world and by leaders from industry, labor, and government. The curriculum also embraces trips of inspection to neighboring industrial establishments and, during the course of the year, other trips may be taken to interview heads of business enterprises and governmental officials. Most of the students also write a thesis. Those who do are eligible for the master's degree at the Institute at the end of their twelve-months' period of training.

Nominations for this program are made by the principal officers of the companies in which candidates are employed. Nominating officers are asked to name as candidates only those men who have demonstrated unusual promise for service in high levels of management. The nominee's industrial experience may have been acquired in many lines; but the majority of the individuals selected are likely to have an academic background in engineering or science. Nominations are invited from both large companies and small and every effort is made to secure representation of different types of industries and various geographical areas.

Final selection of the candidates for this development program is conducted on a nationwide competitive basis. A preliminary screening narrows down the number of applicants to about twice the number finally



PROFESSOR GERALD B. TALLMAN (left) with two members of a recent class in Executive Development Program: MR. THORNTON WILSON of Boeing Aircraft (center); and MR. WAYNE HORVITZ of General Cable.

chosen for a class. This group is subjected to intensive investigation. Professor Gerald B. Tallman, director of the project, or one of his associates at the Institute, actually visits each applicant at his normal place of business, wherever that may be, and talks with the applicant's associates and superiors. Often a visit is made to the applicant's home. The class, when finally selected, is thus the product of a rather lengthy and highly individualized recruitment process. Institute officials attribute much of the success of the project to the care thus exercised in selection.

The 1952 class in the Executive Development Program totalled eighteen, the largest up to that time. The average age of the eighteen men was thirty-three-and-a-half years. The group averaged four years of military service and not quite nine years of industrial experience. All of the men were college graduates. Twelve of them had done their undergraduate work in engineering; two had a scientific background; two, a background of business and engineering; and two had liberal-arts undergraduate training. Seventeen different schools were represented in the

undergraduate background of these eighteen men. Six of them already held masters' degrees. It is interesting to note that, among the eighteen companies represented by these candidates of the 1952 class, seven of the companies had been represented in this program previously; eleven of the companies had had no previous connection with the program.

Support by the Foundation began in 1938 although the project had originated some years before under the leadership of Professor Erwin H. Schell of the Institute. Grants have been made regularly since 1938 except for a period during World War II. With the establishment of the Institute's new School of Industrial Management, this project logically became one of the School's major graduate programs. As already indicated, until 1952, the maximum number of students in the program had never exceeded eighteen. Because of the success of the project, the Foundation and the Institute decided, in 1952, to expand it. Since Institute authorities felt that sixteen students was probably the optimum number for a particular class, the decision was made to establish two classes, to begin during 1953. Professor Cyril C. Herrmann, of the Institute faculty, has been placed in charge of the second class. Professor Gerald B. Tallman continues as director of the entire project. It is anticipated that, in 1953 and subsequent years, the total number of students selected for these two classes will not exceed thirty-two or possibly thirty-four.

Since the initiation of this program, it is estimated that as many as 150 young executives have spent a twelvemonth on the Institute's campus at Cambridge. Although this total may not seem quantitatively significant, it includes the names of many young men who, in the past ten years or less, have advanced to positions of high responsibility in major American industrial enterprises. With the doubling of the numbers in the training program and growing interest in it manifested by American business and educators it is anticipated that this project will make one of the country's more significant contributions to upgrading the performance of management in American industry.

Currently, the Foundation is making annual grants in the neighborhood of \$170,000 for the support of this project at the Institute.



Economic Research and Education

STUDY OF LARGE SCALE ENTERPRISE
THE BROOKINGS INSTITUTION

SOME of our more significant investigations of economic institutions and practices have been conducted over the past two decades at The Brookings Institution in Washington, D. C. At the time this report goes to press, the Institution has virtually completed two such investigations towards the support of which the Foundation has made grants. Of these the more important is an inquiry, of major scope, into business concentration in the United States and the effect of such concentration upon competition and other aspects of the American economic system.

Earlier reports of the Foundation* have outlined the broad scope of this investigation which was undertaken at Brookings some five years ago under the direction of the Institution's senior staff member, Dr. A. D. H. Kaplan. Grants totalling \$150,000 were authorized by this Foundation jointly with The Maurice and Laura Falk Foundation of Pittsburgh. Supplementary contributions for the support of the study during 1951-1952, again shared jointly by the two Foundations, have brought the total outlay for the project to \$183,000.

The investigation's primary purpose was to test various traditional ideas about so-called "big business" in the light of actual business behavior. For this purpose, Dr. Kaplan and his associates at Brookings have used not only the relevant statistical data available from public and private research agencies, but a vast amount of empirical data on actual business practices and policies. These latter were made available because of the unprecedented cooperation extended by some twenty representa-

*See Report of the Alfred P. Sloan Foundation, Inc. for 1947-1948, pp. 37-38, and for 1949-1950, pp. 15-16.

tive large-scale industrial enterprises which opened their confidential files to the Brookings researchers.

A definitive report covering every phase of the investigation and formulating the conclusions and findings of the researchers is not likely to be published by the Institution until 1954.

In the meantime, however, analyses have been made of some of the considerable data which have been accumulated; and reports of the results of such analyses have been made public. These reports, already published, indicate that the Brookings study may modify many existing textbook generalizations about the relation of "big business" to the social and economic structure and about the effect of concentration upon competition and the market. Reports of the study thus far published suggest that some of the traditional assumptions about the relation of size to monopoly are unrealistic; that monopolistic practices do not result inevitably from the mere size and scope of a business undertaking; and that such assumptions appear to be incompatible with the facts of business life, at least in an economy as dynamic as the American. The preliminary findings of the Brookings researchers also give added emphasis to the apparently necessary correlation between the concentration of enterprise and the demands of an advancing technology and of a progressively advancing living standard.

In the long run probably the most important contribution of this Brookings study will be the evidence it has already adduced of the wisdom of constantly comparing the assumptions of the textbook with the economic facts of life in the market place. Obviously economic analysis, if it is to be realistic, cannot forego a constant testing of the assumptions and reflections of the economic theorist in the light of the actual behavior of businessmen and others engaged in producing and distributing goods and providing services; but in view of the preliminary findings of the Brookings study, such testing is especially necessary in an economy like the American in which the rate of growth and change has been so astonishingly accelerated in recent years.

OTHER BROOKINGS PROJECTS

Another study by The Brookings Institution which has received support from this Foundation involves a comprehensive investigation of America's experience with various kinds of foreign economic assistance programs. The research, which has been under the direction of Dr. William A. Brown, Jr. and Dr. Redvers Opie, of the Institution's staff, has been completed and a volume embracing their findings will come from the printer sometime during 1953.

Still another Brookings project, underwritten in 1951 by this Foundation in collaboration with The Maurice and Laura Falk Foundation, was the establishment of an educational division at the Institution. The Institution's heads had felt for some time that an effective effort ought to be made to disseminate more broadly the findings of the Institution's many research studies and the data which such studies accumulated. As much attention and effort, it was felt, ought to be devoted to the dissemination of the fruits of research as to the conduct of the research itself. Hence, in June, 1951, joint commitments were made by the two interested Foundations to finance the establishment and development within The Brookings Institution of a Division of Education which would disseminate the product of the Institution's research to the widest possible constituency. The commitment of this Foundation was \$150,000 for a three-year period; the commitment of the Falk Foundation, running for the same period of time, was for half of this amount.

To complete this review of the Foundation's relations with The Brookings Institution during the biennium, mention should be made of certain miscellaneous grants which total \$14,210.47. These are in the nature of supplementary grants for projects which the Institution had undertaken in the past, the most important of which was its investigation of economic education in the United States. The product of this investigation, first made available in manuscript in 1950, was published in pamphlet form in 1951, under the title, *A Survey of Economic Education*. The authors are Mr. C. W. McKee and Dr. Harold G. Moulton.



Television and Radio Projects

AMERICAN INVENTORY
TELEPROGRAMS INC.

TELEVISION and radio projects of an educational nature received fairly generous support during the biennium under review, such support marking a continuation of the interest which the Foundation has manifested in this area for a considerable period. Interest was centered mainly on a new television enterprise known as *American Inventory*. This has been supported jointly by the Foundation and the National Broadcasting Company.

Conduct of this enterprise has been entrusted to an independent, non-profit corporation known as Teleprograms Inc. To this corporation, the Foundation made grants to be spent during 1951-1952 totalling \$237,400. The proceeds of these grants were applied chiefly to program expenses and were used to pay for scripts, talent, sets, art work, film, and similar items, and to defray administrative and operational expenses.

For its part, the National Broadcasting Company contributed various production costs including studio facilities, production and technical personnel and equipment and television broadcast time. As respects the latter item, NBC undertook to provide broadcasting time gratis on its five owned and operated stations in New York, Washington, Cleveland, Chicago, and Los Angeles. In addition, NBC agreed to offer programs to its interconnected network of television stations and agreed also to encourage such stations to broadcast programs to the extent that such

♦ From program of *American Inventory* series entitled "The Road to Television," telecast May 24, 1953. The program was a dramatization of the development of communications including television. Script prepared and acted out by Columbia University students.

encouragement is consistent with the legal obligations of the owners of these stations. It is appropriate that acknowledgment be made in this report of the generous and public-spirited attitude which the National Broadcasting Company has exhibited toward this cooperative educational venture.

The maximum network for Teleprograms' *American Inventory* during the past two years was some thirty-six stations. Usually, however, the number of stations in the network was somewhat less. A total of seventy-eight telecasts were developed during 1951-1952.

Medals awarded the American Inventory program by Freedoms Foundation, Inc., of Valley Forge, Pa.



To maintain maximum flexibility in programming and to encourage experimentalism, Mr. William Hodapp, the Executive Director of Teleprograms and producer of *American Inventory*, and his associates have so far refrained from developing any precise format. Many of the programs were of the panel type; others were of a documentary character; and still others approached the form of an illustrated lecture. Some of the programs were telecast from film, either stock film or film expressly made for the purpose; the majority, however, originated "live" in NBC studios, usually in New York or Chicago but sometimes in Washington or Cleveland. Individual stations either telecast the programs "live" from the network or provided for a delayed telecast from a recording or kinescope.

Current planning calls for a continuation of both "live-action" and filmed programs although it is anticipated that a sizable number of the "live" programs will be filmed on a kinescope in advance of actual telecasting. It is also intended to reduce somewhat the experimental aspects of the program and to develop greater concentration as respects format and scope of subject matter.

A majority of the telecasts have been in the economic and related areas. They have dealt with such topics as invention, scientific and technological research, mass production, industrial productivity, private foreign investment, insurance, inflation, and social security. Some of the programs related to American policy abroad, for example, the affairs of NATO, American investment in Europe, European plans for economic and political integration, and life behind the "Iron Curtain." Still other telecasts related to the problem of civilian defense, the medical and civilian uses of atomic energy, the control of climate, progress in cancer research, railroad and maritime transportation, mental health, and medical education. More recently, an attempt has been made to present a series of professional portraits depicting the role in the community of the lawyer, librarian, the practicing physician, and others.

Individual telecasts and the enterprise as a whole have received favorable comments from various sources and various awards. Among the

awards given *American Inventory* were two from the Freedoms Foundation for the best series of programs reflecting our American way of life, a First Award from the Ohio State Radio-TV Institute for "a systematic, instructive program" and a citation by the Laymen's National Committee for outstanding TV programs reflecting moral principles in today's world based on the Holy Bible.

SOUTHERN RADIO SERIES ON NBC NETWORK
TELEPROGRAMS INC.

A special project in radio, developed during 1952, called for a grant of \$15,000 to Teleprograms Inc. for an experimental series of not less than thirteen radio broadcasts featuring the economic development of the South. The series has already been recorded on location in various Southern states from North Carolina to Texas by a team of writers and technicians under the executive direction of Mr. Edward Stanley, in charge of Public Service Programs at the National Broadcasting Company and a director of Teleprograms.

This radio series is intended to be an interpretive news program which will report, in popular terms, how advancing technology and industrial change have affected the culture and way of life of the South. As respects style, the reports will use the narrative news technique together with the dramatic techniques of the radio documentary. The National Broadcasting Company itself will provide broadcasting facilities, various staff personnel for programming, studio and other facilities, and general administrative assistance. The Foundation's grant will cover field costs, that is, editorial, research and travel expense, the cost of recording equipment in the field, and expenses of the editor-director and writer.

It is anticipated that the program will be broadcast on the NBC network late in 1953. If public reception of this experimental series is satisfactory, similar programs may be developed for other parts of the United States.



From the program "The Magic House" of American Inventory series, telecast November 9, 1952. This program, prepared in collaboration with the General Electric Company, was one of a series depicting the contribution of industry and technology to the American living standard.

JOHNS HOPKINS SCIENCE REVIEW
THE JOHNS HOPKINS UNIVERSITY

During 1952, the Foundation also made a grant of \$10,000 to the *Johns Hopkins Science Review*. This educational television program, devoted exclusively to science and technology, was established at The Johns Hopkins University in March, 1948, and is one of the oldest programs of its kind. Telecast on the facilities of the Du Mont Television Network, the *Science Review* reaches some twenty-four United States and Canadian stations. Fifty-two different programs are telecast each year. Mr. Lynn Poole, director of the program, and his associates have received much well-merited recognition for their efforts, including a George Foster Peabody citation and, more recently, a George Foster Peabody award.

The grant for the *Science Review* was unrestricted and was given for general support of the project.

EDUCATIONAL TELEVISION PROGRAMS INSTITUTE
AMERICAN COUNCIL ON EDUCATION

To complete the record in this area, mention should be made of a grant of \$5,000 which the Foundation made to the American Council on Education to assist that body in conducting an Institute on Educational Television at the Pennsylvania State College, April 20-24, 1952. Mr. Carroll V. Newsom, Associate Commissioner for Higher Education of the State of New York, served as director of the Institute and Dr. Milton S. Eisenhower, President of the Pennsylvania State College, served as Chairman of the Institute's Advisory Committee. The Foundation's gift supplemented support of greater volume for this project from other sources. Proceeds of the grant were used to pay the travel expenses of many of the participants at the meetings.

A report, summarizing the results of the deliberations, entitled "Television and Education" was subsequently released by the American Council.



**Alfred P. Sloan Awards
for Highway Safety**

AUTOMOTIVE SAFETY FOUNDATION
NATIONAL SAFETY COUNCIL

A PROJECT of special interest, which the Foundation has been supporting since 1948, is the annual award made to the television, broadcasting, and advertising industries for promoting safety on the nation's highways. The Foundation believes that these industries are peculiarly equipped to provide an educational safety program of maximum potential impact. They are media especially proficient in dramatizing the problem of safety and in mobilizing popular support behind the private and public programs for reducing the number of highway traffic casualties. Through the award program, the Foundation has sought to recognize and encourage the efforts these industries are making in promoting highway safety.

The award is officially known as the "Alfred P. Sloan Award for Highway Safety" and takes the form of a mounted bronze plaque designed by the late Hans Schuler. Administrators of the project are the Automotive Safety Foundation, Washington, D. C., and the National Safety Council. A commitment slightly in excess of \$19,000 was made for this enterprise during 1951-1952.

Eligible to receive awards under the terms of this competition are one sustaining and one commercial program in each of the following categories: (1) local radio stations; (2) regional and clear channel radio stations; (3) national and regional radio networks; (4) television stations; and (5) television networks. In addition a single award is offered for an appropriate program on a non-commercial, educational station. Nominations for the award are sent to the National Safety Council.

Recipients of the
Alfred P. Sloan Awards for Highway Safety
1950

Sustaining Programs

LOCAL STATIONS

WNAR, Norristown, Pennsylvania

REGIONAL STATIONS

WWJ - A.M. & P.M., Detroit, Michigan

NETWORKS

National Broadcasting Company

TELEVISION

WNBW, Washington, D.C.

(Sponsor)

Commercial Programs

LOCAL STATIONS

Sponsor: C. W. Kelley Transport Company
KWHK, Hutchinson, Kansas

REGIONAL STATIONS

Sponsor: Plymouth Dealers of Greater Detroit
WWJ - A.M. & P.M., Detroit, Michigan

NETWORKS

Sponsor: Maxwell House Coffee Division of
General Foods Corporation
National Broadcasting Company

TELEVISION

Sponsor: Local Chevrolet Dealers Association
Regional Network Program

(Sponsor)

Non-Commercial Educational Stations

WUOT-FM, University of Tennessee



Presiding

PYRE JOHNSON
Automotive Safety Foundation

Announcement of Awards

WILLIAM A. IRVIN
of Trustees, National Safety Council

Presentation of Awards

ALFRED P. SLOAN, JR.
*President, Alfred P. Sloan Foundation
and Chairman, General Motors Corporation*

Remarks

ROBERT YOUNG
President of "Father Knows Best"

(Sponsor)

*Award in Chicago, a 1949 model
of the car was shown to the
winner of the award.*



Recipients of the
Alfred P. Sloan Awards for Highway Safety
1951

Sustaining Programs

RADIO

Station WHUD, Trenton, New Jersey
Station KING, Seattle, Washington

TELEVISION

Station WCPO-TV, Cincinnati, Ohio

(Sponsor)

Commercial Programs

RADIO

Sponsor: Granite Chevrolet Company
Station WJDA, Quincy, Massachusetts

Sponsor: ESSO Standard Oil Company
Regional Network Program

TELEVISION

Sponsor: De Soto Plymouth Dealers of America
National Broadcasting Company-TV

(Sponsor)

Non-Commercial Educational Stations

Station WTDS-FM, Board of Education
Toledo, Ohio



Presentation of Awards

ALFRED P. SLOAN, JR.
*President, Alfred P. Sloan Foundation
and Chairman, General Motors Corporation*

Remarks

NED H. DEARBORN
President, National Safety Council

"Safety in Numbers"

*of more in two sets, presented by Teleprompter Co.
and will be shown in two parts, "American Road"*

S A F E T Y A W A R D S

usually before March 15th of any year. Supporting material, such as sample transcriptions and scripts, must accompany each nomination. In addition, the nominee must send to the Council a special summary of the services which it has rendered in promoting highway safety through the radio-television media during the previous year.

A special jury of persons prominent in the highway safety movement and in education, broadcasting and telecasting select the actual recipients. Recent awards juries have included the following: Mr. Ned H. Dearborn, President of the National Safety Council; Dr. John W. Studebaker, Chairman of the National Committee for Traffic Safety; Mrs. Hiram C. Houghton, President of the General Federation of Women's Clubs; Dean Kenneth G. Bartlett of Syracuse University; Mr. George Jennings, Director of Radio for the Chicago Board of Education; Mr. H. Elmer Marsh, Commissioner of Motor Vehicles for the State of Vermont; and Mr. Earl W. Merritt, President of the American Association of Motor Vehicle Administrators. Awards are presented in the late spring at special ceremonies in New York. Parts of the ceremonies are subsequently telecast.

In 1950, the following were honored for sustaining programs: Radio Stations WNAR, Norristown, Pennsylvania, and WWJ-AM and FM, Detroit, Michigan; and Television Station WNBW, Washington, D. C., and the National Broadcasting network. For commercial programs in that year, awards went to Radio Station KWHK, Hutchinson, Kansas, for a program sponsored by the C. W. Kelley Transport Company, and to Radio Station WWJ-AM and FM, Detroit, Michigan, for a program sponsored by the Plymouth Dealers of Greater Detroit. A commercial radio network award went to the National Broadcasting Company for a program sponsored by the General Foods Corporation and the commer-

† (Top) A Safety Award (1951) being made to MR. HAROLD J. MOVE, President of Granite Chevrolet Co., Quincy, Massachusetts. (Center) MR. SLOAN holding one of plaques awarded in 1950 Safety competition. The actor, MR. ROBERT YOUNG, at left; at right, MR. J. J. NEWMAN of the B. F. Goodrich Company. (Bottom) A Safety Award (1951) being made to MRS. A. SCOTT BULLITT, President of Station KING, Seattle, Washington.

cial award in television was given to the local Chevrolet Dealers Association of New York. The non-commercial educational station honored in 1950 was WUOT-FM of the University of Tennessee.

In the following year, sustaining programs were given an award on Radio Stations WBUD, Trenton, New Jersey, and KING, Seattle, Washington, and on Television Station WCPO-TV of Cincinnati, Ohio. Commercial radio programs included among the recipients one featured by Station WJDA of Quincy, Massachusetts, and sponsored by the Granite Chevrolet Company, and a regional network program sponsored by the Esso Standard Oil Company. The commercial television network program which received an award was one sponsored by the De Soto-Plymouth Dealers of America over the National Broadcasting Company

MR. SLOAN (fifth from left) and group of recipients of the Safety Awards given for 1951.



network. Station WTDS-FM, operated by the Board of Education of Toledo, Ohio, received the non-commercial educational safety award in 1951.

Traffic deaths in the nation during the last half century recently touched the million mark and, if the present annual fatality rate continues, it is estimated that the two-millionth highway death will be recorded in the next thirty years. Over the years, there can be no doubt that the efforts of the communications industries to promote safety have had favorable results and that their educational campaigns are indeed among the most important factors in constantly reducing the ratio of traffic deaths to motor cars in use. In the case of this particular project, the Foundation and the administrators of its grant, that is, the Automotive Safety Foundation and the National Safety Council, wish to focus public attention upon the splendid service that is being rendered by these industries in making people safety conscious and thereby helping to reduce the annual toll of life and limb on the nation's highways.



Projects in Popular Education-- Magazines, Pamphlets and Visual Aids

CHALLENGE MAGAZINE
NEW YORK UNIVERSITY

IN PURSUANCE of its policy of creating materials useful for popular adult education purposes, the Foundation has continued support of projects using the medium of the printed word. Among these projects, the most important involves the printing and publication of a pocket-size monthly magazine at New York University devoted to economic and public affairs. The publication was begun in 1950 under the name of "Popular Economics" and was issued ten times per year. In 1952, the scope of the publication was somewhat enlarged. Certain new features were added, the number of articles was increased, and the publication schedule thereafter called for twelve issues per year rather than ten. To signalize these changes, and for other reasons, the name of the publication was changed to *Challenge Magazine*.

Most of the principal articles in *Challenge Magazine* feature current economic and technological problems, especially as they relate to industry, labor, and the consumer. In recent issues, some of the leading articles related to the growth and ownership of the national debt, chemurgy and agricultural research, the conservation of renewable resources, problems of productivity, technological progress, and consumption changes in the American family. Other articles explained some of the economic problems involved in producing new miracle drugs such as cortisone, or in operating "drive-in" motion-picture projects; or they told the story of the technological revolution on the farm, or of the successes of various unusual types of small business. All of the articles were written by professional writers and both style and content were designed to provide material which is authentic as well as readable. Liberal use was made of

cartoons, photos, drawings, and other illustrative material. The editor's primary objective was to turn out attractively designed and printed reading matter on significant topics for mass readership.

The magazine is sold at a regular subscription rate; but, because of the Foundation's subsidy, the price is substantially below cost. The magazine does not solicit advertising. Currently, its regular subscribers total about 15,000. Most of the subscribers are individuals; but considerable blocks of subscriptions are sold to schools, industry, and other organizations. Bulk sales of particular issues are also promoted and during 1952 such sales were at the rate of 50,000 copies per annum.

A distribution feature of the project is the reprinting, in booklet form, of selected articles from the magazine for separate large-scale distribution. In the past few years, a considerable demand has arisen for popular materials in the economic and public affairs area which can be used among the personnel and employee relations staffs and in the industrial relations departments of industry, particularly through what is informally known as industry's "information rack services." During the

Recent issues of Challenge Magazine.



calendar years, 1951-1952, nine articles, first appearing in the magazine, were reprinted in booklet form and it is estimated that more than a million-and-a-half units of these nine booklets were sold by the Foundation's project and distributed through more than a score of industrial establishments and other agencies which purchase educational and informational materials of this type in large quantities. Currently, distribution volume of this kind of reprint material created by *Challenge Magazine*, in the form of "Popular Economics booklets," is approaching an annual rate of three-and-a-half million pieces.

For administrative purposes, this publication project is centered in New York University's Institute of Economic Affairs. Dean Joseph H. Park, of the University's Graduate School of Arts and Science, is Chairman of the Administrative Board of the Institute.

Mr. Haig Babian is Executive Director and Editor of *Challenge Magazine*. Mr. Babian is responsible not only for the magazine but also for the production of the Popular Economics booklets. The project is located in University quarters at 32 Broadway, New York 4, New York. In 1951, the sum of \$106,550 was granted for this enterprise; in 1952, the grant totalled \$95,000.

CIVIC EDUCATION PAMPHLETS CIVIC EDUCATION FOUNDATION

Recently, the Foundation made another grant for an enterprise having purposes somewhat similar to those of *Challenge Magazine*. This is an educational pamphlet project created by the Civic Education Foundation of Cambridge, Massachusetts. This enterprise publishes and distributes, at a nominal price, pamphlets devoted to questions of citizenship and civic affairs which may be used as supplementary text material in the schools, particularly at the junior and senior high school levels. The Foundation's grant, made in 1952, was in the amount of \$20,000.

At the time the grant was made, the Civic Education Foundation had already created some ten pamphlets and had certain other titles in manu-



Popular Economics booklets.

script. The Sloan Foundation's grant supplemented other sources of support and was designed solely for the promotion and distribution of the project's pamphlets among schools, service groups, and the like.

Among the more widely distributed pamphlets of the Civic Education Foundation was one entitled *The Isms and You* which contrasts the freedom of life in a democracy with regimented life under a dictatorship, and another entitled *These Americans* which describes the diversity of peoples and cultures that has characterized America's growth. Other pamphlets deal with such subjects as the formation of the American Constitution, the problem of improving municipal and local government, community leadership, protection of civil rights, and the American economic system. The pamphlets and other materials released by the Civic Education Foundation have been in considerable demand both in New England and throughout the United States and have received high praise from educators and civic leaders. Operations of the project have been supervised and directed by Dr. John J. Mahoney, Professor of Education Emeritus of Boston University, and Dr. Henry W. Holmes, formerly

Professor of Education and Dean of the Graduate School of Education of Harvard University.

VISUAL ECONOMICS LABORATORY
COLUMBIA UNIVERSITY

Also related to this area of the Foundation's interests is a special project known as the "Visual Economics Laboratory" established at Columbia University in 1951. The purpose of Dr. Arthur O. Dahlberg, Director of this Laboratory, and of his associates is to explain economic processes and effects by means of "flow charts." Through the medium of such charts, especially created by the Laboratory, the impact of particular policies upon the national economy is graphically portrayed. A similar "visual" medium is created to portray the effect upon production and distribution of decisions involving quantitative changes in the factors of production which may be employed at any given time and for any given economic area.

Dr. Dahlberg has had considerable experience with this method of portraying economic activity both in government and in industry. He has undertaken the project at Columbia in order to create such materials for undergraduate classroom use both at Columbia and other American universities. Dr. Dahlberg is being assisted in his work by an advisory committee of distinguished American economists headed by Professor Horace Taylor, Chairman of the Collegiate Division of the Department of Economics at Columbia, and for several years Chairman of the Committee on the Undergraduate Teaching of Economics of the American Economic Association. Professor Taylor and his colleagues feel that the charts already created in the Visual Economics Laboratory and others on the drawing boards, especially those depicting the flow of money in the economy and various aspects of national income, will become a valuable supplement to the traditional teaching materials used in college economics courses. Grants for this project during the biennium totalled \$45,000.



Cartoon Motion Pictures

HARDING COLLEGE

DURING the past six years, one of the more important interests of the Foundation has been its cartoon motion-picture project. This was initiated at Harding College, Searcy, Arkansas, in 1945, and the first cartoon, entitled *Make Mine Freedom*, was completed in 1947. Since that time, nine more titles have been completed. They are as follows: *Going Places* and *Meet King Joe* (1948); *Why Play Leapfrog* and *Albert in Blunderland* (1949); *Fresh Laid Plans* (1950); *Inside Cackle Corners* and *Only the Beginning* (1951); and *Dear Uncle* and *The Devil and John Q* (1952). For the creation and distribution of this entire series of cartoons, the total commitment has been \$885,000. Of this amount, \$230,000 was contributed by The Maurice and Laura Falk Foundation of Pittsburgh, which has participated in financing this project. The remainder, \$655,000, came from the Sloan Foundation.

All of the cartoons have dealt with a theme related to the American economic system. Thus the first title produced emphasized the ideal of economic freedom and contrasted a free economy with conditions in an economy which has been regimented. Subsequent productions dealt with such topics as the role of the profit motive in private-enterprise economy; the relation between wages, as a cost of production, and prices; the relation of technology to productivity and technology's contribution to the rise in real wages and consumer values; administrative and political problems arising out of controls of the market; taxation and its incidence and especially the nature of so-called hidden taxes; the advantages of competition; the factors which promote inflation and possible remedies therefor; and the importance of research in improving our technology and industrial productivity.

In the cartoons thus produced, the best professional services were engaged to provide the necessary background and research in economics for each film, prepare the script, produce the necessary drawings, and direct actual production. The films themselves were produced by John Sutherland Productions, Inc. of Los Angeles, California, under contract with Harding College. Color process used in each picture is that furnished by Technicolor, Inc. To broaden the appeal of the cartoons and gain popular acceptance for them, an effort was made to combine educational content with the rather extravagant humor that is normally featured in motion picture cartoons produced solely for entertainment. The expectation was that the cartoons might enjoy acceptance not only because of their educational content but also because they possessed considerable value as entertainment. In other words, a deliberate attempt was made to avoid the documentary type of production which is characteristic of educational motion pictures.

In securing distribution for these cartoons, the Foundation and its grantee have had rather unusual success. In order to bring them to the attention of a mass audience, Harding College entered into contractual arrangements with Loew's Incorporated to secure distribution in commercial theatres. Of the ten titles produced, six of them have been distributed in this fashion. The last title in the series to be released by Loew's Incorporated was *Inside Cashle Corners*. Exhibition of this film in the theatres began in 1951. It is estimated that some of the titles in this cartoon series have secured showings in more than 12,000 theatres and have been exhibited to an audience numbered in the millions.

A major effort has also been made to secure the distribution of the cartoons through non-theatrical channels especially through schools, industrial establishments and service organizations. Some of the first titles in the series have been released in 16mm form and the grantee, Harding College, has either sold prints or made prints available on a loan basis. One of the more recent reports of the College indicates that it has sold some 1,200 prints of the first four titles in the cartoon series to schools and to industrial establishments. At the same time, it has loaned

prints of these same titles for exhibition to an audience that is conservatively estimated to have consisted of about four million persons.

Combining an educational purpose with entertainment in a single film is somewhat novel. Moreover, since these cartoons are limited in length to not more than nine or ten minutes, considerable simplification of subject matter is required. As a consequence, some educators have expressed doubts about their utility as educational media. Experience with these films, however, argues that, despite admitted limitations, relatively abstract ideas in the economic realm can be made more understandable to the public by means of a cartoon of this nature than by means of a live-action treatment of equal length. It would also appear that the entertainment values incorporated in an animated cartoon add to, rather than detract from, the educational value of the picture. Recently conducted surveys of the pedagogical impact of these cartoons appear to support the conclusion that they are relatively successful teaching films, particularly in the case of students in the elementary schools.



Foreign Student Summer Project

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

AMONG the various projects which the Foundation has supported in recent years at the Massachusetts Institute of Technology, few have presented a more novel and significant educational challenge than the project conducted on the Institute campus each summer for a selected body of some eighty or ninety foreign students.

As originally conceived, this project had a three-fold purpose: (1) to advance technology and science; (2) to promote international friendship; and (3) to promote a better understanding of America abroad. With the assistance of educational and other leaders in certain foreign countries and American consular and other representatives abroad, candidates are selected each year to spend the months from June to September at the Institute's campus. Those selected must have an equivalent of an American baccalaureate degree and are usually engaged in some professional research in the scientific or technological area. While in attendance at the Institute, they may enroll in regular graduate courses and certain special seminars; and they are given the opportunity of carrying forward, in the Institute's laboratories, some aspect of a research project upon which they may have been previously engaged. Despite the relatively short time available for developing or concluding research projects, some fourteen technical papers were published as a result of the research work concluded by individual guest students while in Cambridge in 1952.

In addition to opportunities for formal academic work, the student guests are offered the privilege of attending the Berkshire Music Festival at Tanglewood, Lenox, Massachusetts, and of participating in activities of other cultural projects. They are also encouraged to visit American

FOREIGN STUDENT PROJECT

factories and production centers. The high point of such visits in 1952 was a tour, made at the end of the summer, through a major industrial area of the United States and through the Tennessee Valley area. Factories were visited in some of the principal cities including Cleveland, Toledo, Akron, and Detroit. A visit to Washington was also included on the agenda.

This guest-student project was first brought to this Foundation's attention in 1949 after it had already been in successful operation for a year or two. The original Foundation grant, made in 1950, was for \$21,526. In 1951, the Foundation's net contribution was \$16,000, and in 1952, it was \$65,880. Most of these Foundation funds have been expended to provide for housing, food, and the maintenance of the students while

Participants in M.I.T. Foreign Student Summer Project from Spain, Egypt, Pakistan, Germany, India and Argentina examining an electron microscope at the Goodyear Research Laboratories.





Participants in M.I.T. Foreign Student Summer Project from the Union of South Africa, Australia, Finland, New Zealand, France and Norway talking with an executive of the Republic Steel Corporation during the group's industrial tour.

in the United States. Although the Foundation's contribution has thus grown appreciably, some assistance still comes from other quarters. In 1952, other foundations, corporations and individuals contributed somewhat over \$5,000. The United States Government, moreover, has assisted the project from the beginning, frequently by providing transportation for the guest students under one of its student-exchange or economic-assistance programs. And then, too, it should be borne in mind that the faculty and administration of the Institute contribute the entire cost of instruction and certain other administrative costs as well.

One of the novel aspects of this project is the fact that it was conceived and developed entirely by the regular student body at the Institute. Since its establishment in 1948, moreover, students have continued to administer it, a special committee being chosen each year to plan and conduct the program for a particular summer and to assume administrative and

FOREIGN STUDENT PROJECT

financial responsibility for it. The Institute assumes formal responsibility for the project and provides the students with a faculty counselor.

In the class of seventy-seven students which came to Cambridge in 1951, thirty foreign countries were represented and the continents of Europe, Asia, Africa, and Australia. In the class of eight-two students which visited Cambridge during the summer of 1952, thirty-five foreign countries were represented and the continents of Europe, Asia, Africa, Australia, and South America. National contingents ranged from one to four students, several of the larger European countries, Japan and India having sent the maximum quota.

The Foundation feels that this foreign-student program at the Massachusetts Institute of Technology is one of the more effective of its kind currently operating in the United States.



Medical Expert Testimony Project

ASSOCIATION OF THE BAR OF
THE CITY OF NEW YORK FUND, INC.

TOWARD the end of 1952, the Foundation's Trustees became interested in a cooperative project of the bench and legal and medical professions of New York County to make available to the courts expert and impartial medical opinion in personal injury cases. For this project, the Foundation made a grant of \$20,000, a similar amount having been contributed by the Ford Motor Company Fund, Inc.

Actual sponsors of this project include the Justices of the Supreme Court, the Association of the Bar of the City of New York, the New York County Lawyers Association, the New York Academy of Medicine, and the New York County Medical Society. Professor Delmar Karlen, of the Institute of Judicial Administration (New York University Law Center), is director of the project. In due course he is expected to make a report on his surveys and findings to an Advisory Committee consisting of the following: Judge David W. Peck, Presiding Justice of the Appellate Division of the New York Supreme Court for the First Department; Judge Bernard Botein, Associate Justice of the same Court; Mr. Bethuel M. Webster, President of the Association of the Bar of the City of New York; Mr. Albert R. Connelly, former Chairman of the same Association's Superior Courts Committee; Mr. Edwin M. Otterbourg, President of the New York County Lawyers Association; Mr. Thomas Keogh, Secretary of the same Association; Dr. Howard R. Craig, Director of the New York Academy of Medicine; and Dr. Gervais W. McAuliffe, President of the New York County Medical Society.

In personal injury suits, testimony of experts retained by the parties is often conflicting. Claims of injury are exaggerated or minimized and

judge and jury are left without reliable medical guidance. Controversy and confusion are engendered and the administration of justice is slowed.

It is in part to remedy this situation that this experimental project is being attempted. The project will make it possible for the judge in a case, after consultation with the parties, to request an independent medical examination if he feels that such an examination will contribute to a settlement or to a just disposition of the case upon a trial. The result of such an examination and the expert appraisal of the nature and the extent of the injuries of the plaintiff in a case would be submitted both to the court and to each party to an action.

The New York Academy of Medicine and the New York County Medical Society have appointed panels of experts in various branches of medicine whose services may be requested by the court. Doctors actually called upon to make examinations and give expert testimony are compensated by an amount fixed, in each instance, by the court. For the duration of the experimental period of this project, the medical fee will not be borne by the parties in the case but by the funds contributed by the two Foundations.

Indications are that the project is proceeding successfully. Its director expects to produce a public report, surveying and appraising the experiment, sometime during 1954. If the results prove reasonably satisfactory, the experiment will have provided a rather dramatic demonstration of a procedure for speeding up disposition of personal injury cases and for a more accurate and just determination of the injury and damage involved.

Though limited to New York County, results of the experiment, if satisfactory, could be applied throughout the country where the same administrative difficulties presently exist and in relatively the same degree. In announcing the project to the press, Justice Peck declared: "This undertaking represents the cooperation of two great professions in meeting a problem which is common to both and will be a great service to the administration of justice. It may well be a historic milestone in judicial progress and become a pattern for the court system through the nation."

WITHIN THESE WALLS A
FEW LABOR UNCEASINGLY
THAT MANY MAY LIVE



Cancer and Medical Research

SLOAN-KETTERING INSTITUTE FOR CANCER RESEARCH

PROBABLY the most significant among the various projects supported in whole or in part by this Foundation is the Sloan-Kettering Institute for Cancer Research. The Institute is located in New York City. It is affiliated with and is the research unit of Memorial Center for Cancer and Allied Diseases.

The basic concept of the Institute grew out of the interest that Mr. Sloan and certain associates had developed over a period of years in the general problem of cancer, and out of their thinking and experience in research. Among those who shared Mr. Sloan's interest in the cancer problem were Mr. Frank A. Howard, at the time head of research operations of the Standard Oil Company of New Jersey and the present President of the Sloan-Kettering Institute and Mr. Charles F. Kettering, Scientific Consultant of the General Motors Corporation. They were concerned with the appallingly limited scope of the scientific effort directed to the cancer cause. The effort which was so directed seemed in the aggregate entirely inadequate in relation to cancer's impact upon our society in terms of suffering and economic loss. Such being the facts and circumstances, Mr. Sloan and his colleagues among the Foundation Trustees determined to make such contribution as the resources of the Foundation would permit to further an objective which means so much to so many.

Mr. Sloan and his associates were impressed with the quality of the research being conducted at the then Memorial Hospital of New York City under the direction of Dr. C. P. Rhoads. It appeared that at Memorial there existed the potentiality of a constructive attack on the cancer

* Entrance lobby of Sloan-Kettering Institute Building—thirteen floors of this Building are devoted exclusively to research.

problem—an attack which could be conducted on a high level of scientific competence. But though relatively important and possessing considerable promise, Memorial's research activity was at the time being conducted on a most limited scale both as respects facilities and personnel. The first step was to develop an adequate program. This contemplated establishing the research project as a separate entity under its own scientific and administrative direction but at the same time maintaining close scientific collaboration with Memorial Hospital. First, facilities had to be provided for housing the proposed Institute in its own building. This building had to be equipped with all the essential physical and scientific facilities. Next, ways and means had to be provided to staff the organization with the most outstanding medical and scientific talent available and insure its financial support. The conception was to create an effort comparable in scope to the large-scale research undertakings which have produced such significant technological and scientific advances in our great industrial laboratories.

With the dedication of the fourteen-story research building in 1948 this concept of an outstanding cancer research center began to take physical form. Dr. C. P. Rhoads, then Director of Memorial Hospital, became also Director of the Institute. Five years have since passed. Even in that short space of time, it can be said that the Institute has become well established and generally accepted as a leader in the advancement of scientific knowledge relating to cancer. The Foundation takes great pride in the evolution of this project.

On the inception of the project in 1945, the Foundation made a grant to the Institute of \$4,000,000. One-half of this was set aside for a research building and one-half, payable at the rate of \$200,000 annually, was given for the basic support of the Institute over a period of ten years. Subsequently the building allotment was increased by \$562,500. The rapid expansion of the organization, as its research program developed, has required corresponding increases in its budget. In 1951, the Foundation increased its basic support to \$300,000 a year. A further increase to \$400,000 a year has been made as this report goes to press

(1953) and the Foundation has further agreed to make this annual obligation of indefinite duration subject to termination on five years' notice by the Foundation.

The Institute started with a proposed budget of \$500,000 a year. Expansion and development within the five-year period since 1948 have resulted in a scale of operations which now requires a budget of approximately \$2,750,000.

In addition to its annual support and independently of its basic underwriting, the Foundation has made special grants for specific research projects in the Institute. The aggregate amount of these special grants during the two-year period under review was \$377,049. It is anticipated that the total investment made in the Institute by the Foundation, including outstanding commitments, directly and indirectly through the year 1953, will reach an aggregate amount of \$7,500,000.

In its own published reports the Institute has emphasized the supporting contributions which have been made to the Institute by the American Cancer Society; the New York City Cancer Committee; the Damon Runyon Memorial Fund; the National Cancer Institute of the United States Public Health Service; the Atomic Energy Commission; the Departments of the Army and Navy; and many philanthropic foundations as well as other organizations and individuals. The Institute has no endowment and is dependent entirely upon current grants and gifts for continuing its activities at their present level.

To maintain the research activity at current levels requires a staff of more than 150 scientists, including medical specialists and other experts. Among these will be found scholars of the highest standing and competence in their individual lines.

The Institute, as presently organized, is a separate corporation operated by its own Board of Trustees. The Foundation takes pride in the list of outstanding scientists, industrialists, financiers and men of business who are serving in this capacity. In an activity of this kind, great



M E D I C A L R E S E A R C H

consideration must be given to the scientific competence of the operating staff. From the point of view of effective use of research funds, equal consideration must be given to those who are charged with the responsibility of establishing scientific policy and evaluating progress as various programs evolve. From the standpoint of policy, the Institute's research activities are under the direction of a committee on scientific policy of the Board of Trustees. This committee presently consists of the following: Mr. Howard, Chairman; Detlev W. Bronk, Ph.D., President, Rockefeller Institute for Medical Research; Karl T. Compton, Ph.D., Chairman of the Corporation, Massachusetts Institute of Technology; Joseph C. Hinsey, Ph.D., Director, The New York Hospital-Cornell Medical Center; Charles F. Kettering, Scientific Consultant, General Motors Corporation; and W. Albert Noyes, Jr., Ph.D., Chairman, Department of Chemistry, University of Rochester.* Research policy is further reviewed and supported by a group of five scientific consultants, each of whom is a leader in his individual specialty. This group meets with the director of the Institute at frequent intervals.

It is not intended in this report to comment upon the Institute's scientific and medical progress in specific terms. The Institute issues progress reports to the public at intervals of six months and also issues regularly a biennial report fully describing its activities. These reports may be obtained by writing to the Sloan-Kettering Institute for Cancer Research, 410 East 68th Street, New York 21, New York.

Those familiar with the nature of scientific investigation recognize that research is, in a way, an excursion into the unknown. It may well be said that cancer research presents some of the most complex of all research problems. It involves the fundamentals of life itself concerning which science knows little. The question might well be asked: What progress has been made in solving the cancer problem as a result of these

*Mr. Lewis L. Strauss, Chairman, U. S. Atomic Energy Commission, joined the Committee during 1953.

† *Testing filtrates in Sloan-Kettering Institute's Division of Experimental Chemotherapy.*

five years of intensive effort on the part of this and other research activities? As Chairman of the Board of Trustees of the Institute, Mr. Sloan was recently asked this question. In his reply he declared that his observations as a layman and his intimate contact with the problem had convinced him that basic knowledge concerning cancer had been tremendously advanced during the past five years. He was quite convinced—again speaking as a layman—that, given time, talent and equipment and the support of adequate financial resources, the control of cancer, and perhaps its cure, are scientifically possible and that such achievements are not too far in the future. Should that turn out to be true, it will indeed be one of the most significant accomplishments of medical science.

OTHER PROJECTS IN THE MEDICAL AREA

In 1952, a special grant of \$50,000 was made to the Sloan-Kettering Institute to establish a revolving fund to be known as the Alfred P. Sloan, Jr. Loan Fund. Both principal and income can be drawn upon for loans to students in training at the Memorial Center. Also during 1952, a five-year commitment was made to the Institute to finance a special arrangement between the Institute and New York University for the training of nurses. The primary purpose of this project is to fill the need of an adequate trained nursing staff for the Institute's chemotherapy program in Memorial Center's James Ewing Hospital. This supplemented a grant of \$25,000 made in 1951, directly to the Memorial Center, to finance the establishment of ten fellowships for nurses from foreign countries who come to Memorial for a period of study and training. A similar project had been undertaken during the previous year and comment on it appears in the last biennial report of the Foundation.*

Mention may also be made of a grant of \$100,000 made to the Memorial Center during 1952 as a contribution towards a projected building fund. This grant constitutes one-tenth of the sum being budgeted by the Center to finance new construction for additional hospital facilities. When these new facilities are added to the Center's resources, it is antici-

*See Report of the Alfred P. Sloan Foundation, Inc. for 1949-1950, p. 41.

pated that equivalent much-needed space in the Sloan-Kettering Institute building, now being used for hospital purposes, will be relinquished for research purposes.

During 1951, the Foundation made another grant of \$15,000 to the Association of American Medical Colleges for the support of the program of its Medical Film Institute. This was a terminal grant to the Institute which originally enlisted the support of this and certain other foundations in 1949. All grants to this project, including this final one, total \$37,500. Like the earlier grants, this terminal grant was given for the general Institute program of experimenting with audio-visual materials for teaching and research record purposes and for testing and appraising films for the general public.

To complete the record of Foundation activity in the medical and related areas for 1951-1952, attention should be called to a grant of \$10,000 which was made to the National Fund for Medical Education. This grant was a contribution toward the administrative expenses of the Fund.



Additional Grants and Special Projects

IN THE PRECEDING sections of this report the Foundation has described in rather considerable detail certain major projects. Many of the projects thus described have been in operation for some time. Most of them have involved a major commitment of resources. For the greater part, they are closely identified with the general purposes of the Foundation and illustrate the areas in which the Foundation makes its major commitments. They are, moreover, projects in the conduct of which the Foundation attempts to maintain fairly close and continuous informal contact.

In addition to its commitments for these major projects, the Foundation made certain other grants during the period covered by this report. With relatively few exceptions, these additional grants normally did not exceed \$10,000 and in many instances were less than that figure. Such grants were made to various organizations and movements whose activities and purposes coincide with the general interests of the Foundation, especially in the economic, technological and medical fields. Most of the grantees are, in fact, outstanding educational institutions or well-known welfare organizations. The Foundation, of course, assures itself of the reputability of all of its grantees but for obvious reasons cannot, in the case of these additional beneficiaries, maintain the same kind of informal liaison characteristic of its relations with most of the projects described on the previous pages.

Some of these grants were given for general support of the recipients and were therefore in the nature of contributions. Others were given for specific projects which, though of limited scope, had been appraised by the Foundation as enterprises that might make a disproportionately large return for the money expended. In some instances the specific project financed by the Foundation was an essential part of a much larger enterprise.



A collection of recently published studies produced by research projects partly or wholly financed by the Foundation.

On this and the following pages appears a record of each of these additional grants and special projects and a brief description of the purpose for which the funds were given:

<i>American Economic Foundation, New York 17, N. Y.:</i> for general support of the activities of the Foundation . . .	\$10,000
<i>American Law Institute, Philadelphia 4, Pa.:</i> to finance investigation by the Institute of the desirability of a project to develop a formal restatement of anti-trust law in the United States	\$ 7,500
<i>Barnard College, New York 27, N. Y.:</i> for the purchase of a spectrophotometer for the College's chemistry department . . .	\$ 6,000
<i>Berea College, Berea, Kentucky:</i> contribution to the College's Science Building Equipment Fund	\$10,000

<i>Boston University</i> , Boston 15, Mass.: stipend for special scholarship in the University's College of Business Administration	\$ 575
<i>University of California</i> , Berkeley 4, Cal.: terminal grant, supplementing various previous grants from the Foundation, for the support of the University's Teaching Institute of Economics	\$18,115
<i>Cambridge Educational Film Foundation</i> , Cambridge 38, Mass.: for the development of scripts and production of experimental television films in the economic area	\$29,500
<i>Cambridge School of Design</i> , Cambridge 38, Mass.: to assist in providing headquarters for the school and for administrative expense for a two-year period	\$20,000
<i>Colby College</i> , Waterville, Maine: for the establishment of two scholarships to be awarded by the College	\$ 1,700
<i>Columbia University</i> , New York 27, N. Y.: contribution to the operational expenses of the University's American Assembly	\$ 5,000
<i>The Conservation Foundation</i> , New York 16, N. Y.: contribution to overhead and the general operational expenses of the Foundation	\$10,000
<i>Council on Foreign Relations, Inc.</i> , New York 21, N. Y.: for a research project by the Council's staff on the subject of European economic cooperation	\$10,000
<i>Educational Foundation for Nuclear Science, Inc., Bulletin of the Atomic Scientists</i> , Chicago 37, Ill.: terminal grant for the support of the <i>Bulletin</i>	\$ 5,000

<i>The English Speaking Union of the United States</i> , New York 22, N. Y.: contribution towards the King George VI Memorial Fund for the establishment of scholarships	\$ 5,000
<i>Fordham University</i> , New York 58, N. Y.: to assist current studies, by the University's faculty, of productivity in the steel and related industries and to finance distribution of published materials on the findings of such studies	\$10,000
<i>The Foundation for Economic Education, Inc.</i> , Irvington-on-Hudson, N. Y.: contribution to the operational expenses of the Foundation	\$20,000
<i>Freedoms Foundation, Inc.</i> , Valley Forge, Pa.: grant to finance the production and distribution of a book on money and productivity	\$13,500
<i>Georgetown University</i> , Washington 7, D.C.: for an investigation, under the direction of Dr. Goetz A. Briefs of the University's faculty, of the phenomenon of "co-management" in German industry	\$ 6,450
<i>International House</i> , New York 27, N. Y.: contribution towards the support of International House	\$ 2,000
<i>The Legal Aid Society</i> , New York 7, N. Y.: contribution towards the support of the activities of the grantee	\$ 5,000
<i>Massachusetts Institute of Technology</i> , Cambridge 39, Mass.: to defray the expense of an experimental overseas summer fellowship program for selected MIT students and graduates	\$10,000
<i>Massachusetts Institute of Technology</i> , Cambridge 39, Mass.: contribution towards the cost of a two-reel motion picture depicting scientific and technological progress at the Institute	\$10,000

<i>The Walter D. Matheny School, Inc.</i> , Far Hills, N. J.: for the support of special educational procedures for children afflicted with cerebral palsy	\$ 5,000
<i>Merton College, Oxford University</i> , Oxford, England: for economic studies by Professor John Jewkes	\$ 3,000
<i>University of Michigan</i> , Ann Arbor, Mich.: to provide stipend for a temporary scholarship in the University's Horace Rackham School of Graduate Studies	\$ 2,000
<i>The National Association for Mental Health, Inc.</i> , New York 19, N. Y.: contribution towards operating expenses	\$10,000
<i>National Citizens Commission for the Public Schools</i> , New York 36, N. Y.: contribution towards the operational expenses of the Commission during 1952	\$10,000
<i>National Information Bureau</i> , New York 17, N. Y.: contribution towards administrative expenses	\$ 750
<i>University of New Hampshire</i> , Durham, N. H.: for the completion and publication of a manuscript on business economics	\$ 1,500
<i>New York University</i> , New York 3, N. Y.: contribution for a research project on the Danubian area conducted jointly with National Committee for a Free Europe, Inc.	\$ 3,000
<i>New York USO Defense Fund, Inc.</i> , New York 4, N. Y.: donation in support of the work of the Fund	\$ 5,000
<i>Princeton University</i> , Princeton, N. J.: contribution to a fund to establish and maintain the University's James Forrestal Research Center	\$10,000

<i>Radcliffe College</i> , Cambridge 38, Mass.: contribution for the development of a Living Center for the College's Graduate School	\$10,000
<i>Temple University</i> , Philadelphia 22, Pa.: contribution to assist in financing a study of the administrative organization of the United States Government	\$ 5,000
<i>Thayer Hospital</i> , Waterville, Maine: for the establishment of a rural community tumor clinic for cancer detection and prevention	\$10,000
<i>Vassar College</i> , Poughkeepsie, N. Y.: to supplement other funds contributed for the maintenance of satisfactory faculty salary standards at the College	\$10,000
<i>George Washington University</i> , Washington 6, D. C.: terminal grant, supplementing an earlier grant of the Foundation, to assist in the establishment of a Patent Foundation	\$20,000



Financial Section

THE PAGES of this report immediately following set forth the financial condition of the Foundation at December 31, 1952 and 1951, and the results of its operations for the two-year period under review. The statements giving this information are as follows:

Balance Sheets—Investments at Market Quotation Values December 31, 1952 and 1951

Income Account—For the years ended December 31, 1952 and 1951

Summary of Fund Reserves Adjusted to Market Quotation Values for the years ended December 31, 1952 and 1951

Investments—December 31, 1952

Total Grants and Payments Thereon—Two Years Ended December 31, 1952

In addition to, and immediately following, the documents listed above there is reproduced a statement from Haskins & Sells, the Foundation's auditors.

In addition to the assets shown in the Balance Sheets the Foundation is the ultimate beneficiary of five irrevocable trusts subject only to certain life interests. The value of the assets contained in these trusts at December 31, 1952, based on market quotation values at that date, was \$12,906,494.

It will be noted that assets of the Foundation are divided between two funds designated as the General Fund and the General Motors Dealers Appreciation Fund. The latter Fund, as explained in an earlier Founda-

* The new Metals Processing Laboratory at the Massachusetts Institute of Technology which was dedicated on June 3, 1952.

METALS PROCESSING LABORATORY
Dedicated by Alfred P. Sloan, Jr.
ALFRED P. SLOAN, JR.
OF THE CLASS OF 1895, LOYAL SON OF A
BUSINESS STATESMAN, GENEROUS AND
FARSIGHTED BENEFACTOR, DONOR OF
THIS LABORATORY OF THE LABORATORY FOR
AIRCRAFT AND AUTOMOTIVE ENGINES AND
OF THE ALFRED P. SLOAN BUILDING, HOME
OF THE M.I.T. SCHOOL OF INDUSTRIAL
MANAGEMENT WHICH HE FOUNDED

tion report and on previous pages of this one, was set up in 1949 from contributions by dealers in General Motors Corporation products, such contributions having been made to honor Mr. Alfred P. Sloan, Jr.

Portfolio earnings are divided on the basis of the current worth of the assets allocated to the respective Funds. The assets of the General Motors Dealers Appreciation Fund are dedicated to cancer and other medical research.

During the two-year period under review the income allotted to the respective Funds as compared to the disbursements therefrom was as follows:

	INCOME	DISBURSEMENTS
General Fund	\$3,514,350.26	\$4,371,489.53
General Motors Dealers Appreciation Fund	353,205.30	142,049.01

Contributions to the principal of the General Fund during the years 1951-1952 amounted to \$2,019,247. These contributions consisted of income-producing securities.

Financial
Statements
1951-1952

BALANCE SHEETS
INVESTMENTS AT MARKET QUOTATION VALUES
DECEMBER 31, 1952 AND 1951

	1952	1951
<u>ASSETS</u>		
CASH	\$ 1,017,941.55	\$ 1,746,526.77
INVESTMENTS:		
United States Government securities	705,148.23	1,693,516.63
General Motors Acceptance Corporation notes	3,154,600.00	
Other marketable securities	36,785,226.98	16,068,825.25
New Castle Corporation common stock—proportionate ownership of underlying securities at market quotation value and cash		14,327,855.62
TOTAL	<u>\$41,642,916.76</u>	<u>\$33,836,724.27</u>
<u>FUND RESERVES</u>		
GENERAL FUND:		
Grants authorized but not due	\$ 3,825,000.00	\$ 4,447,768.00
Net assets	34,023,474.57	26,407,761.02
TOTAL	<u>\$37,848,474.57</u>	<u>\$30,855,529.02</u>
GENERAL MOTORS DEALERS APPRECIATION FUND:		
Grant authorized but not due	\$ 90,000.00	\$ 50,000.00
Net assets	3,704,442.19	2,931,195.25
Total	<u>\$ 3,794,442.19</u>	<u>\$ 2,981,195.25</u>
TOTAL	<u>\$41,642,916.76</u>	<u>\$33,836,724.27</u>

NOTE: At December 31, 1952 and 1951 the Foundation was committed for annual gifts of \$300,000 to the Sloan-Kettering Institute for Cancer Research for an indefinite period, cancelable on five years' notice. This obligation is included above in the amount of \$1,500,000, the sum required for five years' contributions. On January 9, 1953 the Board of Trustees authorized the amendment of the present deed of gift increasing such annual gifts from \$300,000 to \$400,000 for an indefinite period, cancelable on five years' notice.

INCOME ACCOUNT
FOR THE YEARS ENDED DECEMBER 31, 1952 AND 1951

	1952	1951
<u>GENERAL FUND</u>		
INCOME:		
Investment income	\$ 1,740,321.06	\$1,677,310.95
Gifts designated for current use	300.00	80,000.00
Refunds of unexpended grants	13,154.58	3,263.67
Total	<u>\$ 1,753,775.64</u>	<u>\$1,760,574.62</u>
OUTGO:		
Grants paid in support of sponsored projects	\$ 2,660,656.59	\$1,495,362.52
Administration of the Foundation	112,468.62	103,001.80
Total	<u>\$ 2,773,125.21</u>	<u>\$1,598,364.32</u>
UNEXPENDED (OVEREXPENDED) INCOME FOR THE YEAR	<u>\$ (1,019,349.57)</u>	<u>\$ 162,210.30</u>
<u>GENERAL MOTORS DEALERS APPRECIATION FUND</u>		
INCOME:		
Investment income	\$ 174,873.29	\$ 164,737.01
Gifts designated for current use	4,050.00	9,545.00
Total	<u>\$ 178,923.29</u>	<u>\$ 174,282.01</u>
OUTGO:		
Grants paid in support of sponsored project	62,300.00	79,749.01
UNEXPENDED INCOME FOR THE YEAR	<u>\$ 116,623.29</u>	<u>\$ 94,533.00</u>

SUMMARY OF FUND RESERVES
ADJUSTED TO MARKET QUOTATION VALUES
FOR THE YEARS ENDED DECEMBER 31, 1952 AND 1951

	<u>GENERAL FUND</u>	
	<u>1952</u>	<u>1951</u>
PRINCIPAL:		
Balance at beginning of year, book value	\$19,649,218.94	\$18,730,030.94
Profit on disposal of securities	176,781.06	5,605.96
Gifts designated as principal	1,105,664.91	913,582.04
Excess of approximate market value over book value of securities used in payment of grant	261,168.09	
Excess of market value of assets received in partial liquidation of New Castle Corporation over book value of New Castle Corporation common stock	5,296,880.12	
Transfer of prior years' gifts from unexpended income—see note p. 77	3,027,788.29	
Balance at end of year, book value	\$29,517,501.41	\$19,649,218.94
Unrealized appreciation of proportionate share of investments	11,427,261.19	10,255,460.25
Balance at end of year, market quotation values	\$40,944,762.60	\$29,904,679.19
UNEXPENDED (OVEREXPENDED) INCOME:		
Balance at beginning of year	\$ 950,849.83	\$ 788,639.53
Unexpended (overexpended) income for year	(1,019,349.57)	162,210.30
Transfer of prior years' gifts to principal—see note p. 77	(3,027,788.29)	
Balance at end of year	\$ (3,096,288.03)	\$ 950,849.83
Total	\$37,848,474.57	\$30,855,529.02
LESS—GRANTS NOT DUE	3,825,000.00	4,447,768.00
UNALLOTTED PRINCIPAL AND INCOME AT END OF YEAR . . .	<u>\$34,023,474.57</u>	<u>\$26,407,761.02</u>

SUMMARY OF FUND RESERVES
—CONTINUED—

GENERAL MOTORS DEALERS APPRECIATION FUND

	<u>1952</u>	<u>1951</u>
PRINCIPAL:		
Balance at beginning of year, book value	\$ 1,601,837.56	\$ 1,600,988.14
Profit on disposal of securities	16,262.51	849.42
Excess of approximate market value over book value of securities used in payment of grant	16,569.41	
Excess of market value of assets received in partial liquidation of New Castle Corporation over book value of New Castle Corporation common stock	528,999.64	
Balance at end of year, book value	\$ 2,163,669.12	\$ 1,601,837.56
Unrealized appreciation of proportionate share of investments	1,101,406.60	966,614.51
Balance at end of year, market quotation values	\$ 3,265,075.72	\$ 2,568,452.07
UNEXPENDED INCOME:		
Balance at beginning of year	\$ 412,743.18	\$ 318,210.18
Unexpended income for year	116,623.29	94,533.00
Balance at end of year	\$ 529,366.47	\$ 412,743.18
Total	\$ 3,794,442.19	\$ 2,981,195.25
LESS—GRANT NOT DUE	90,000.00	50,000.00
UNALLOTTED PRINCIPAL AND INCOME AT END OF YEAR . . .	<u>\$ 3,704,442.19</u>	<u>\$ 2,931,195.25</u>

NOTE: Pursuant to a resolution of the Board of Trustees on September 11, 1952, gifts aggregating \$3,027,788.29 previously credited to General Fund Reserve—Income in the years 1947 to 1950, inclusive, were transferred to General Fund Reserve—Principal, in order to conform to the Foundation's present policy of classifying gifts.

INVESTMENTS, DECEMBER 31, 1952

	PRINCIPAL AMOUNT OR NUMBER OF SHARES	MARKET QUOTATION VALUE
OBLIGATIONS OF THE UNITED STATES:		
Treasury bond—2½%, due March 15, 1956-58	\$ 100,000	\$ 100,406.20
Treasury bond—2¾%, due March 15, 1957-59	100,000	99,937.50
Treasury bond—2½%, due June 15, 1964-69	325,000	313,929.53
Treasury bond—2½%, due December 15, 1967-72	200,000	190,875.00
Total obligations of the United States		<u>\$ 705,148.23</u>
GENERAL MOTORS ACCEPTANCE CORPORATION, BEARER NOTES—DUE:		
June 16, 1953	\$1,000,000	\$ 984,833.33*
September 17, 1953	2,200,000	2,149,766.67*
Total General Motors Acceptance Cor- poration Notes		<u>\$ 3,134,600.00</u>
STOCKS:		
Allied Chemical & Dye Corporation common	1,187	\$ 91,250.63
Aluminum Company of America common .	1,015	97,186.25
The American Agricultural Chemical Com- pany common	1,000	73,000.00
American Airlines, Inc. common	860	12,685.00
American Cyanamid Company common . .	8,150	439,081.25
American Smelting and Refining Company common	1,430	61,811.25
American Telephone and Telegraph Com- pany capital	300	47,812.50

*Cost.

INVESTMENTS, DECEMBER 31, 1952

—CONTINUED—

	PRINCIPAL AMOUNT OR NUMBER OF SHARES	MARKET QUOTATION VALUE
STOCKS—(continued)		
Caterpillar Tractor Co. common	430	\$ 28,272.50
Continental Oil Company capital	645	40,393.13
Corn Products Refining Company common	1,400	97,300.00
Corning Glass Works common	430	33,647.50
The Dow Chemical Company common . .	11,239	480,467.25
Eastern Air Lines, Inc. common	1,075	28,218.75
Eastman Kodak Company common	129	5,772.75
E. I. du Pont de Nemours & Company common	1,200	115,950.00
General Electric Company common	2,167	157,649.25
General Foods Corporation common	322	17,186.75
General Motors Corporation common . .	438,378	30,193,284.75
GM Shares, Inc.—class A	2,100	289,275.00
The Great Atlantic & Pacific Tea Company of America non-voting common	200	31,200.00
Gulf Oil Corporation capital	3,567	179,697.70
Hercules Powder Company voting common	215	16,071.25
Imperial Chemical Industries, Ltd., Ameri- can depository receipts for capital stock	54,000	310,500.00
Ingersoll-Rand Company common	215	20,720.63
International Business Machines Corpora- tion capital	521	122,565.25
International Harvester Company common	645	21,123.75
International Minerals & Chemical Corpo- ration common	3,430	134,627.50
The International Nickel Company of Can- ada, Limited common	500	23,187.50

INVESTMENTS, DECEMBER 31, 1952

—CONTINUED—

	PRINCIPAL AMOUNT OR NUMBER OF SHARES	MARKET QUOTATION VALUE
<i>Stocks—(continued)</i>		
International Paper Company common	215	\$ 11,825.00
Johns-Manville Corporation common	1,000	74,000.00
Kennecott Copper Corporation capital	5,908	463,778.00
Koppers Company, Inc. common	2,000	81,750.00
McKesson & Robbins, Incorporated common	1,400	53,025.00
Merck & Co., Inc. common	645	16,366.88
Monsanto Chemical Company common	3,951	364,479.75
J. P. Morgan & Co., Incorporated capital	470	133,010.00
The National Cash Register Company common	2,200	124,575.00
National Lead Company common	2,709	86,688.00
National Steel Corporation capital	1,215	61,965.00
The New Jersey Zinc Company capital	215	12,953.75
Owens-Illinois Glass Company common	1,200	91,200.00
Panhandle Eastern Pipe Line Company common	88	7,117.00
Parke, Davis & Company capital	215	9,486.88
Chas. Pfizer & Co., Inc. common	709	23,751.50
Phillips Petroleum Company capital	4,320	273,240.00
The Procter & Gamble Company common	258	17,415.00
Public Service Electric and Gas Company common	2,500	66,875.00
Radio Corporation of America common	860	24,402.50
Richfield Oil Corporation common	537	34,368.00
Sears, Roebuck and Co. capital	3,505	210,300.00

[80]

INVESTMENTS, DECEMBER 31, 1952

—CONTINUED—

	PRINCIPAL AMOUNT OR NUMBER OF SHARES	MARKET QUOTATION VALUE
<i>Stocks—(continued)</i>		
Sharp & Dohme, Incorporated common	1,537	\$ 68,396.50
Shell Oil Company common	215	15,533.75
Southern California Edison Company Ltd. common	2,000	75,750.00
Standard Oil Company (Indiana) capital	500	40,875.00
Standard Oil Company (New Jersey) capital	3,622	281,610.50
The Texas Company capital	3,592	207,438.00
Texas Gulf Sulphur Company capital	1,322	145,750.50
Trans-World Airlines, Inc. common	430	7,686.25
Union Bag & Paper Corporation capital	215	10,266.25
Union Carbide and Carbon Corporation capital	2,467	176,698.88
United Air Lines, Inc. common	537	15,841.50
United Carbon Company common	215	13,383.75
United States Gypsum Company common	1,222	143,279.50
Westinghouse Electric Corporation common	3,575	170,706.25
Total stocks		<u>\$36,785,226.98</u>

SUMMARY

Total Obligations of United States	\$ 705,148.23
Total General Motors Acceptance Corporation Notes	3,134,600.00
Total stocks	<u>36,785,226.98</u>
TOTAL INVESTMENTS	<u>\$40,624,975.21</u>

[81]

TOTAL GRANTS AND PAYMENTS THEREON

TWO YEARS ENDED DECEMBER 31, 1952

	UNPAID AT DECEMBER 31, 1950	AUTHORIZED 1951-1952	PAYMENTS 1951-1952	DUE AFTER DECEMBER 31, 1952
The American Association of Colleges for Teacher Education	5,000.00		\$ 5,000.00	
American Council on Education		\$ 3,367.38†	3,367.38†	
American Economic Foundation		10,000.00	10,000.00	
American Law Institute		7,500.00	7,500.00	
Applied Economics, Inc.	16,135.00		16,135.00	
Association of American Medical Colleges	7,500.00	15,000.00	22,500.00	
Association of the Bar of the City of New York Fund, Inc.		20,000.00	20,000.00	
Automotive Safety Foundation		19,172.30	9,172.30	\$ 10,000.00
Barnard College		6,000.00	6,000.00	
Berea College		10,000.00	10,000.00	
Boston University		575.00	575.00	
The Brookings Institution	82,000.00	180,710.47	212,710.47	50,000.00
University of California	4,625.00	18,115.00	22,740.00	
Cambridge Educational Film Foundation, Inc.	9,500.00	50,000.00*	29,500.00	
Cambridge School of Design		20,000.00	20,000.00	
Civic Education Foundation		20,000.00	20,000.00	
Colby College		1,700.00	1,700.00	
Columbia University		50,000.00	40,000.00	10,000.00
The Conservation Foundation		10,000.00	10,000.00	
Council on Foreign Relations, Inc.		10,000.00	10,000.00	
University of Denver	3,500.00		3,500.00	
Educational Foundation for Nuclear Science, Inc.		5,000.00	5,000.00	
The English-Speaking Union of the United States		5,000.00	5,000.00	
University of Florida	15,000.00		15,000.00	
Fordham University		10,000.00	10,000.00	
The Foundation for Economic Education, Inc.		20,000.00	20,000.00	
Freedoms Foundation, Inc.		13,500.00	13,500.00	
Georgetown University		6,450.00	6,450.00	

†Grant of \$5,000 less refund of \$1,632.62
*Of this total, \$30,000 was subsequently cancelled

TOTAL GRANTS AND PAYMENTS THEREON
TWO YEARS ENDING DECEMBER 31, 1952

	UNPAID AT DECEMBER 31, 1950	AUTHORIZED 1951-1952	PAYMENTS 1951-1952	DUE AFTER DECEMBER 31, 1952
George Washington University		\$ 20,000.00	\$ 20,000.00	
Harding College	\$5,500.00	146,221.00	201,721.00	
International House		2,000.00	2,000.00	
The Johns Hopkins University		10,000.00	10,000.00	
The Legal Aid Society		5,000.00	5,000.00	
Massachusetts Institute of Technology	\$60,000.00	1,176,880.00	1,801,880.00	\$ 2,225,000.00
The Walter D. Matheny School, Inc.		5,000.00	5,000.00	
Memorial Center for Cancer and Allied Diseases		125,000.00	125,000.00	
Merton College		3,000.00	3,000.00	
University of Michigan		2,000.00	2,000.00	
The National Association for Mental Health, Inc.		10,000.00	10,000.00	
National Citizens Commission for the Public Schools		10,000.00	10,000.00	
National Fund for Medical Education		10,000.00	10,000.00	
National Information Bureau		750.00	750.00	
University of New Hampshire		1,500.00	1,500.00	
New York University		204,550.00	174,550.00	30,000.00
New York USO Defense Fund, Inc.		5,000.00	5,000.00	
Presbyterian Hospital—Institute of Ophthalmology	\$20,000.00		20,000.00	
Princeton University		10,000.00	10,000.00	
Radcliffe College		10,000.00	10,000.00	
Sloan-Kettering Institute for Cancer Research	\$10,000.00	857,049.01	977,049.01	1,590,000.00
University of Southern California	\$7,250.00		7,250.00	
Teleprograms Inc.	\$67,500.00	149,900.00	237,400.00	
Temple University		5,000.00	5,000.00	
Thayer Hospital		10,000.00	10,000.00	
Vassar College		10,000.00	10,000.00	
Miscellaneous payments for experimental projects		68,617.96	68,617.96	
Total	\$23,510.00	\$3,369,558.12	\$4,298,068.12	\$3,915,000.00

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

250 PARK AVENUE
NEW YORK 17, N. Y.

March 2, 1953

ALFRED P. SLOAN FOUNDATION, INC.:

We have examined the balance sheets of Alfred P. Sloan Foundation, Inc. as of December 31, 1952 and 1951 and the related income accounts and summaries of fund reserves adjusted to market quotation values for the two years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets, income accounts, and summaries of fund reserves, adjusted to market quotation values present fairly the financial position of the Foundation at December 31, 1952 and 1951 and the results of its operations for the two years then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS & SELLS



ALFRED P. SLOAN, JR.

Engineer; builder of vast industry; friendly coordinator of management and labor; generous supporter of research in economics, education and medicine; eminent citizen, exemplifying the finest traditions of American free enterprise. . . . Citation accompanying award of the Hoover Medal to Mr. Alfred P. Sloan, Jr. on October 19, 1954.



ALFRED P. SLOAN FOUNDATION, INC.

30 ROCKEFELLER PLAZA, NEW YORK 20, N. Y.

Report for 1953-1954

CONTENTS

	PAGE
<i>Frontispiece—ALFRED P. SLOAN, JR.</i>	
<i>Members of the Board of Trustees</i>	vi
<i>Officers and Staff of the Foundation</i>	viii
<i>Preface</i>	ix
<i>Foundations in Our Society</i>	1
<i>Review of Operations, 1953-1954</i>	7
<i>Changes in the Board of Trustees</i>	8
<i>History and General Policies</i>	11
<i>Applications for Grant-in-Aid</i>	14

SCIENTIFIC, MEDICAL AND ECONOMIC RESEARCH

<i>Research in Physical Science</i>	17
<i>Sloan-Kettering Institute for Cancer Research</i>	20
<i>Sloan-Kettering Division of the Cornell University Medical College</i>	23
<i>Southern Research Institute</i>	24
<i>Horizons of Hope, a Film on Cancer Research</i>	26
<i>Ophthalmic Research</i>	
<i>Council for Research in Glaucoma and Allied Diseases</i>	31
<i>Authorized Research Projects in Ophthalmology, 1953-1954</i>	32
<i>Research in Meteorology</i>	
<i>Institute of Atmospheric Physics—University of Arizona</i>	35
<i>High Altitude Observatory of the University of Colorado</i>	38

CONTENTS

—CONTINUED—

	PAGE
<i>Economic Research</i>	
Study of Large-Scale Enterprise—Brookings Institution	39
Wages and Productivity Studies—National Bureau of Economic Research	41
Studies Relating to the Federal Tax Structure— Tax Foundation, Inc.	42
Business Research—The Amos Tuck School of Business Administration, Dartmouth College	44
<i>Sponsored Research in American Universities</i>	
The American Council on Education	46
EDUCATIONAL PROJECTS AND AIDS TO EDUCATION	
<i>Alfred P. Sloan National Scholarship Project</i>	51
<i>Financial Aid to Higher Education</i>	
Council for Financial Aid to Education, Inc.	57
Commission on Colleges and Industry—Association of American Colleges	60
Grants to Individual Colleges	61
<i>School of Industrial Management</i>	
Massachusetts Institute of Technology	63
<i>Graduate Program in Executive Development</i>	
School of Industrial Management— Massachusetts Institute of Technology	69
<i>Visiting Student Summer Project</i>	
Massachusetts Institute of Technology	75
<i>Educational Materials in Economics and Public Affairs— Magazines, Pamphlets, Visual Aids, Abstracts</i>	
Challenge Magazine—New York University	79
Visual Economics Laboratory—Columbia University	82
Economic Abstracts—New York University	82

CONTENTS

—CONTINUED—

	PAGE
<i>Educational Projects in Television and Radio</i>	
American Inventory—Teleprograms Inc.	85
New England Radio Series: A Regional Survey— Teleprograms Inc.—NBC Radio Network	87
OTHER PROJECTS AND ACTIVITIES	
<i>Alfred P. Sloan Awards—Promotion of Safety on the Highways</i>	
Automotive Safety Foundation—National Safety Council	91
<i>Electrical Engineering Laboratory</i>	
Tuskegee Institute	97
<i>Additional Grants and Special Projects</i>	
Institute for Administrators of Municipal Hospitals— The Hospital Council of Greater New York	99
Conservation Foundation	99
Additional Grants	100
Experimental Activity	106

FINANCIAL SECTION

<i>Financial Statements, Investments, and Grants</i>	109
Balance Sheet, December 31, 1954 and 1953	112
Income Account for the Years Ended December 31, 1954 and 1953	113
Summary of Fund Reserves for the Years Ended December 31, 1954 and 1953	114
Investments, December 31, 1954	116
Total Grants and Payments Thereon for Two Years Ended December 31, 1954	120
Accountants' Statement	127

MEMBERS OF THE BOARD OF TRUSTEES

- ALFRED P. SLOAN, JR.
Chairman of the Board, General Motors Corporation
- FRANK W. ABRAMS
Former Chairman of the Board, Standard Oil Company of New Jersey
- ALBERT BRADLEY
Executive Vice President, General Motors Corporation
- WALTER S. CARPENTER, JR.¹
Chairman, E. I. du Pont de Nemours & Company
- LUCIUS D. CLAY
Chairman of the Board, Continental Can Company
- JOHN L. COLLYER
Chairman of the Board, The B. F. Goodrich Company
- KARL T. COMPTON²
Chairman of the Corporation, Massachusetts Institute of Technology
- LEWIS W. DOUGLAS
Chairman of the Board, Mutual Life Insurance Company
Chairman of the Board, Southern Arizona Bank & Trust Company
- FRANK A. HOWARD
Industrial Research Consultant; Former President, Standard Oil Development Company
- MERVIN J. KELLY³
President, Bell Telephone Laboratories, Inc.
- JAMES R. KILLIAN, JR.⁴
President, Massachusetts Institute of Technology

¹Elected May 6, 1954

²Deceased June 22, 1954

³Elected May 5, 1955

⁴Elected January 6, 1955

MEMBERS OF THE BOARD OF TRUSTEES

—CONTINUED—

- JOHN L. PRATT
Former Vice President, General Motors Corporation; Engineer and Philanthropist
- LAURANCE S. ROCKEFELLER
President, Rockefeller Bros., Inc.; President, Memorial Center for Cancer and Allied Diseases
- RAYMOND P. SLOAN
President, The Modern Hospital Publishing Company, Inc.
- HARRY E. WARD
Honorary Chairman, Irving Trust Company
- GEORGE WHITNEY
Chairman, J. P. Morgan & Co., Incorporated

OFFICERS AND STAFF OF THE FOUNDATION

ALFRED P. SLOAN, JR.	<i>President</i>
ALBERT BRADLEY	<i>Chairman of the Board</i>
RAYMOND P. SLOAN	<i>Vice President</i>
ARNOLD J. ZURCHER	<i>Vice President and Executive Director</i>
JAMES F. KENNEY	<i>Secretary and Treasurer</i>
GENEVIEVE M. KING	<i>Assistant Treasurer</i>
CECILE STIERLI	<i>Assistant Secretary</i>
RICHARD T. ARNOLD ¹	<i>Administrator of the Basic Science Program</i>
JOSEPH ALLEN	<i>Administrator of the Alfred P. Sloan National Scholarship Program</i>

¹Dr. Arnold joined the Foundation's staff August 1, 1955.

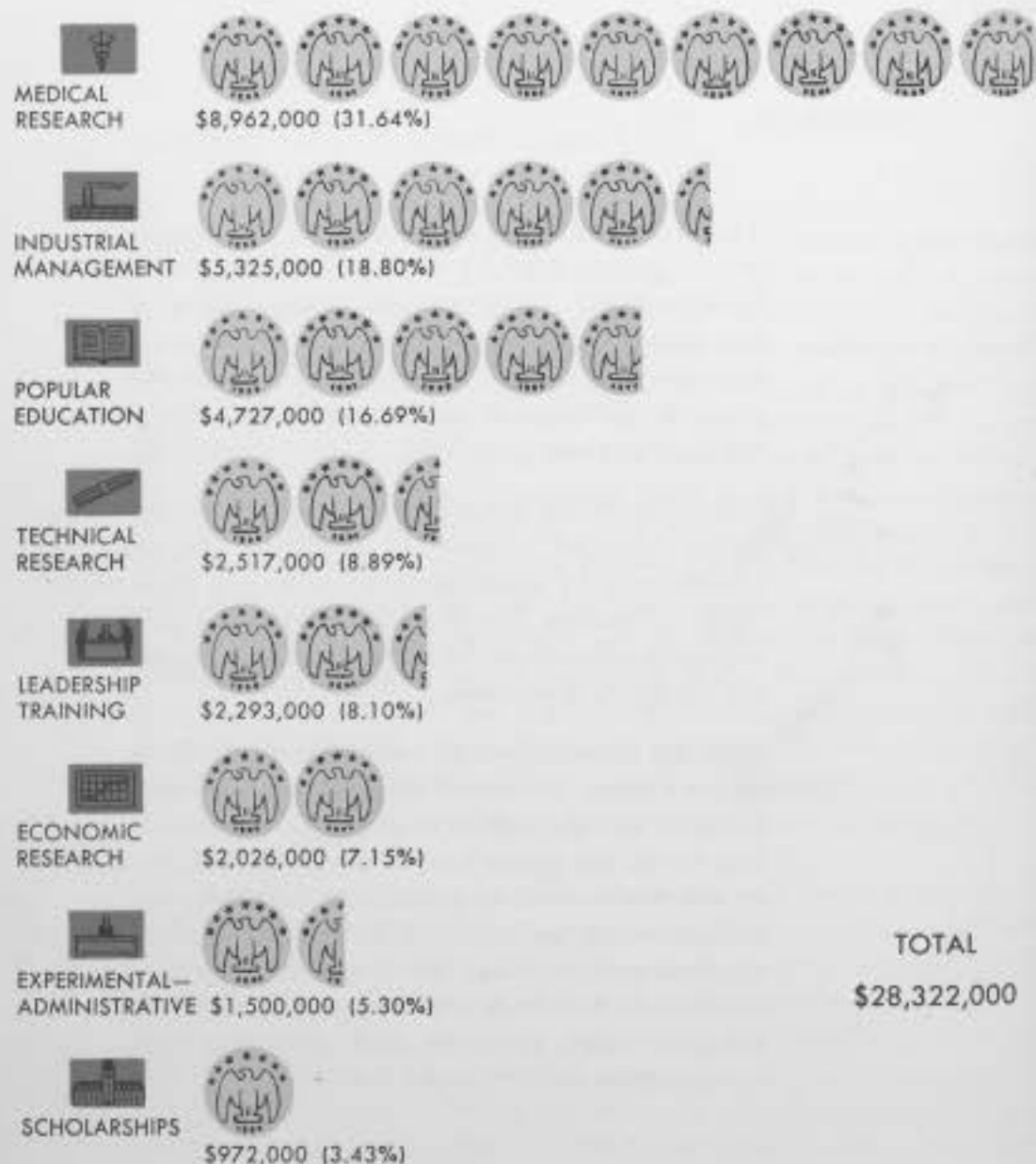
PREFACE

THE ALFRED P. SLOAN FOUNDATION, INC. administers a private fund for the benefit of the public. It accordingly recognizes the responsibility of making periodic reports to the public on the management of this fund. This *Report* has been prepared by direction of the Foundation's Trustees for the biennium 1953-1954.

Activity of the Foundation is confined to providing financial support for approved projects administered by educational, scientific and charitable institutions. The Foundation does not itself engage in educational or research activity or conduct projects of any sort.

In the following pages, recipients of the Foundation's grants are identified; so also are the sums involved and the nature of the various undertakings which the grants have financed. In addition, an attempt is made to explain the principles and policies which are observed by the Foundation's administrative staff and the Trustees in deciding which of the hundreds of worthy projects, annually brought to their attention, shall receive favorable consideration.

DISTRIBUTION OF THE FOUNDATION'S FUND
1937-1954



EACH COIN REPRESENTS ONE MILLION DOLLARS



Foundations in Our Society

IN PREVIOUS reports to the public, the Foundation has taken the opportunity to state its belief that funds committed to its stewardship should be regarded as a form of "social venture capital." This phrase, or some variant, has become quite popular in the lexicon of foundation trustees and executives. To them it means that the funds made available to society by the private, tax-exempt foundations should, as far as practicable, be used to investigate and demonstrate new ideas, to promote research and, generally, to direct man's attention to new areas of thought and action. Conversely, such funds should normally not be used to maintain or expand existing welfare and educational institutions, however necessary and valuable their services may be to the community. In other words, the prime purpose of foundation grants should be to advance science, technology, medicine, the arts, education and knowledge generally. Foundations should not use their funds for purposes which are essentially palliative or remedial; nor should their funds be used for capital outlays or to finance the normal budgetary expenditures of existing welfare and public service institutions.

Whether or not this is a wholly defensible policy may be arguable. Various excellent reasons nevertheless exist to justify it. Among these is the fact that private foundations, being relatively independent of political considerations and committed to no particular course of action, are freer to pioneer and experiment than most other private philanthropic institutions or institutions supported by taxation. Again, the policy of using the funds of foundations as "social venture capital" suits their rather limited purse. As a mere statistical total, foundation income available for commitment may seem sizable; but, when considered in relation to the current financial demands of schools, colleges, hospitals

and similar institutions, such income falls far short of the need and its relative magnitude shrinks alarmingly. Even if they wished to dedicate their resources to help meet the operational or capital needs of existing eleemosynary institutions, grant-making foundations like this one would find those resources so inadequate that they would make relatively little impression. On the other hand, foundations can go a long way toward financing available opportunities to advance science, the arts and knowledge generally; moreover, as respects this type of activity, there is no pressure to make commitments beyond means.

But the principal reason why foundations are partial to the policy of using their funds for experiment, research, demonstration and the search for new knowledge is that such a policy has yielded society astonishingly satisfactory results. Because foundation resources have been used as "social venture capital," the return to society has been out of all proportion to the magnitude of the funds committed. Over the past two generations, our great private foundations have unquestionably made outstanding contributions in almost every area of creditable human endeavor. By applying the policy of using their funds as "venture capital," they have helped to expand the frontiers of all the sciences. They have had a profoundly constructive influence upon the evolution of medical and professional education generally, and have financed notably useful experiments relating to education at every level. They have made outstanding contributions in the fight against mental disease and degenerative illness; they have encouraged creative artists and writers and supported the gifted young. In short, they have given indispensable financial support to individuals and institutions responsible for some of our most significant advances in the arts, sciences and the professions.

In general, the Trustees of this Foundation have sought to adhere to this policy of using the resources at their command to assist in the discovery of new knowledge and to promote research and investigation. They have directed over three fourths of the funds at their disposal to not more than a dozen recipients; and the projects thus supported have

consisted of research and educational efforts which would normally not have been financed by regular income sources of the recipient institutions. The degree to which the Foundation adheres to this policy of using its capital and income for "new" enterprises is emphasized not only by the kind of grants which were authorized by the Trustees but also by the applications for grants which they found it necessary to refuse. The vast majority of the many hundreds of applications which were addressed to the Foundation during the past two years sought support for the maintenance or expansion of established institutions and procedures and were refused for that reason.

During the biennium the Trustees have given much thought to possible additional opportunities for applying the funds of the Foundation and have authorized appropriate investigations. Such investigations were undertaken in anticipation of a modest growth in Foundation assets. Obviously, if the policy regarding commitment of foundation funds, described above, is to be meaningful, an appraisal of future prospects for commitment cannot be routine. On the contrary, such an appraisal calls for expert knowledge, systematic investigation and good judgment. In a recent letter to the Foundation commenting on this problem of finding significant projects, Dr. Vannevar Bush, Head of the Carnegie Institution of Washington, commented that the ideal foundation would have a group "of full-time men whose duty it (would be) to seek out opportunities." Such men, he added, "need to be fully relieved of conventional tasks if they are to do so. They need to have an extraordinary breadth of understanding, full acceptance in scientific circles, vision, courage, and sound judgment." In his letter, Dr. Bush was referring to the field of scientific research; but his remarks are equally applicable to any field.

In its effort to identify and appraise possible new areas of activity in which it might commit its funds, the Foundation probably did not achieve the ideal administrative arrangement described by Dr. Bush; but it did consult advisers of the highest professional competence and the investigations conducted by its Trustees, staff, and consultants were,

in most cases, very thorough indeed. As a result of these investigations, three new major programs or fields of activity were added to those for which the Foundation has made grants in the past.

Of these, the most important, at least as respects potential commitment and also as respects the possible contribution to knowledge and general welfare, is the Foundation's new program for basic research in the physical sciences. Toward the end of 1954, the Foundation's Trustees earmarked a special fund of \$5 million, the gift of Mr. and Mrs. Alfred P. Sloan, Jr., of which both the income and the principal will be devoted to basic research in the physical sciences.

The need for funds in this field was underscored by President Eisenhower in March 1954, on the occasion of his issuance of an executive order directing the National Science Foundation to survey and report upon the Federal Government's research and development programs. In a news conference held the same day the executive order was issued, and during which the President extended his remarks on the nation's scientific needs, he indicated that, although more than \$2 billion were currently being made available annually for governmental research and developmental projects in the United States, only a relatively small portion of this vast sum was being used to finance research projects in pure science. The President was quoted in the press as being emphatically of the opinion that America must extend its support of pure or basic science. In that opinion, he was voicing the consensus of the leaders of scientific thought who are troubled over our national tendency to capitalize science in our ever-expanding technology meanwhile paying relatively little attention to the need to expand science itself. The Foundation's basic science project is outlined in some detail on a subsequent page of this *Report*.¹

The second of the three new Foundation programs is a national college scholarship project. Occasional scholarships and fellowships have been awarded or financed by the Foundation in the past; this, however,

¹See p. 17

is the first time that the Foundation has undertaken a systematic program of financing a college education for a sizable group of young men. Finally, the third new program, undertaken at the beginning of 1953, is that of providing research grants to the medical schools of various universities and similar institutions. The purpose of the projects, thus financed, is to inquire into the nature and appropriate treatment of glaucoma, uveitis and related diseases. Both the scholarship and the ophthalmological programs are given more extensive consideration in subsequent sections of this *Report*.²

²See pp. 51, 81.



MERVIN J. KELLY



JAMES R. KILLIAN, JR.



WALTER S. CARPENTER, JR.

Recently elected Foundation Trustees



Review of Operations, 1953-1954

THE MARKED EXPANSION in the activities of the Foundation, upon which comment has already been made, is reflected in rather sizable commitments made during 1953 and 1954. Grants in all major fields of Foundation activity accounted for more than 88 per cent of these commitments which, in these two years, reached a total of \$6,560,000. Other appropriations, which accounted for about 12 per cent of the total, related to certain experimental projects conducted by the Foundation itself or to a series of grants, all of them relatively small, made to various organizations and institutions whose purposes and activities coincide with those of the Foundation especially in the technological, economic and medical fields.

From the year of the Foundation's organization up to the end of the period covered by this *Report*, the cumulative total of all commitments made is \$27,368,330. This includes both grants and direct expenditures for experimental projects, but excludes appropriations for administrative expense. Actual expenditures during this same period amounted to \$22,751,120. Commitments not paid as of December 31, 1954 were \$5,649,330. As will be noted in subsequent pages, more particularly in the Financial Section of this *Report*, the value of the Foundation's portfolio at market as of December 31, 1954 was \$57,841,218. This consisted of obligations of the United States Government and debentures and short-term notes of the General Motors Acceptance Corporation amounting to \$5,743,927 at market and of stocks of some 73 corporations, almost exclusively domestic, valued at market at \$52,097,291. Cash at the same date amounted to \$1,528,216.

The value of the assets of the Foundation is divided between two fund reserves, namely, the General Fund Reserve and the General

Motors Dealers Appreciation Fund Reserve.¹ After providing for all outstanding commitments, the value of the first of these reserves as of December 31, 1954 was \$49,166,202; the value of the second, that is, the General Motors Dealers Appreciation Fund Reserve, was \$4,553,902. In addition the Foundation, on December 31, 1954, was the ultimate beneficiary of five irrevocable trusts which are subject only to certain life interests. The value of these trusts, based on market valuations of underlying assets as of December 31, 1954 was \$17,921,539. The assets of the Foundation were increased during the biennium by capital gifts from Mr. and Mrs. Alfred P. Sloan, Jr. and their affiliates amounting to \$2,650,839.

CHANGES IN THE BOARD OF TRUSTEES

Three individuals prominent in educational and industrial circles have recently become members of the Foundation's Board of Trustees, bringing the total membership of that body to fifteen.

The first of this trio of new members to be elected was Mr. Walter S. Carpenter, Jr. For many years Mr. Carpenter was President of E. I. du Pont de Nemours & Company, having resigned from that position in 1948 although continuing as that Company's Chairman of the Board as well as a member of the board of various other corporations. Mr. Carpenter comes to this Foundation's Board with a background of one of the nation's leading industrial executives who has had extensive experience in matters relating to philanthropy, public service and education.

The other two newer members of the Foundation's Board are Dr. James R. Killian, Jr. and Dr. Mervin J. Kelly.

Dr. Killian is a graduate of the Massachusetts Institute of Technology. After a distinguished career as an educational administrator, he became President of his Alma Mater in succession to Dr. Karl T. Compton. Dr. Killian is one of the country's principal spokesmen for higher edu-

¹Comment on the origin and purpose of the General Motors Dealers Appreciation Fund appears on p. 109 of this Report.



KARL TAYLOR COMPTON
1887 - 1954

And be it further

Resolved, that this Board pay tribute to the memory of Karl T. Compton as a distinguished scientist, preeminent in the field of physics, outstanding educator and administrator who contributed most significantly to expanding the frontiers of scientific knowledge, thus strengthening the nation in times of war and advancing through technologic progress the material welfare of its society.

Excerpt from the Minutes of the Meeting of the Board of Trustees of the Foundation, September 8, 1954.

cation and scientific research and will ably represent these vitally important constituencies in the Foundation's governing body.

Dr. Kelly holds a baccalaureate degree from the Missouri School of Mines and Metals, from which he graduated in 1914, and a Ph.D. degree from the University of Chicago. Beginning as a research physicist on the staff of the Bell Telephone Laboratories, Inc., he subsequently became the Director of Research and the Executive Vice President of that organization. Since 1950 he has been the President. Not only is Dr. Kelly a distinguished scientist in his own right but, as the research director and chief executive of his company, he has been instrumental in shaping the policy of one of America's industries most partial to basic scientific research—one with an admirable record in advancing both scientific and technological development.

In joining the Foundation's Board both Dr. Kelly and Dr. Killian agreed to serve on the special three-man Committee of the Trustees which will appraise and act upon proposed grants in the Foundation's new scientific research program. The third member and chairman of this Committee is Trustee Frank A. Howard.

A major loss was suffered by the Board by the sudden death on June 22, 1954 of Dr. Karl T. Compton. At the time of his death, Dr. Compton was Chairman of the Corporation of the Massachusetts Institute of Technology. He had been a Trustee of this Foundation virtually since its inception; and he had contributed his wise counsel and leadership throughout the nearly two decades during which the Foundation has engaged in an active program. His colleagues' sense of the loss sustained in the passing of this distinguished leader and citizen is recorded in a resolution which they adopted at their meeting on September 8, 1954. Excerpts from this resolution appear under the photograph of Dr. Compton on the preceding page.



History and General Policies

THE ALFRED P. SLOAN FOUNDATION, INC. was established as a non-profit corporation under the laws of the State of Delaware on August 2, 1934. The certificate of incorporation clearly imposes restrictions upon the activities of the Foundation. Operations are confined to those of a religious, charitable, scientific, literary, or educational nature; individuals having a personal interest in the affairs of the Foundation are forbidden to receive any benefit from its operations, and no activities designed to influence legislation are permitted.

Within this restricted area wide latitude is allowed. Grants and donations, as well as other expenditures, may be made either from accumulated income or from any other funds of the Foundation. The Foundation may enter into contracts, employ staff personnel, establish offices and, in general, carry on all activities necessary or desirable properly to conduct its affairs.

On January 1, 1938 the Foundation's Trustees announced their intention to devote their organization's resources primarily to the field of American economic education and research. Adherence to this policy continued until 1945 when a grant of major proportions was made for research in cancer. As indicated earlier in this *Report*, certain other fields have been added since 1952; and, in the future, the Foundation intends to commit some of its funds to the newer fields as well as to those in which it has previously been active. These newer fields include promotion of research in the physical sciences and in ophthalmology. They also include support of a fairly extensive undergraduate scholarship program in American colleges and universities.

To finance a part of the grants in two of the areas identified above, namely, cancer and basic science, special funds have been or will be

established within the Foundation. The funds are respectively: the General Motors Dealers Appreciation Fund for Cancer and Medical Research and the Fund for Basic Research in the Physical Sciences. Grants in other areas will continue to be derived from appropriations made from the Foundation's General Fund.

The Foundation acts as a grant-making agency. It conducts no educational work on its own account; nor does it engage directly in research. Its grants are made to assist specific projects carried on by accredited educational and welfare institutions within the borders of the United States.

Commitments may be made for a period of three years and in unusual cases for an even longer period. However, most projects selected for assistance receive grants-in-aid on a budgetary basis for a one-year period. At the end of the year an accounting is made to the Foundation, and all unused funds are returned. Requests for renewal are considered far enough in advance of the expiration date of an existing grant to assure uninterrupted progress of activities if a renewal should be made; or to permit of orderly liquidation if the Trustees should decide not to renew.

As suggested earlier, the Foundation considers its function to be that of assuming the risks of new enterprises which, because of their experimental character, would prove to be an unwarranted burden upon the regular administrative budgets of the sponsoring institutions. Hence, at the outset, the initial expenses of an acceptable project are absorbed and the necessary equipment is furnished. But, as already indicated, in underwriting a project the Foundation normally makes a financial commitment for a period of not more than one year and, in that case, it makes no promise, implied or otherwise, to assume a financial obligation for a longer period of time. It is expected, nevertheless, that the rather limited number of projects to which the Foundation grants financial support will be evaluated from time to time and, if interim results are satisfactory, support may be continued for a term of years until the projects' maximum usefulness has been demonstrated or until they have

[12]



DR. JAMES B. FISK



DR. K. S. PITZER



DR. ARTHUR C. COPE



DR. FREDERICK SEITZ



DR. A. W. TUCKER

Members of the permanent advisory committee
of the Fund for Basic Research in the Physical Sciences (see page 18).

become self-sustaining or their cost has been absorbed in the regular budget of the institutions of which they are a part.

APPLICATIONS FOR GRANT-IN-AID

The Foundation welcomes constructive criticisms and suggestions. Qualified institutions in sympathy with the ideas set forth herein should feel free to submit projects which fall within the scope of the Foundation's fields of activity and fit in with its program. Conscientious attention and careful thought are given all such communications.

Specific projects submitted for consideration should first be definitely formulated in a brief memorandum. The objectives should be clearly stated, the proposed procedures outlined, and an estimate given of the probable expense involved. Routine is greatly facilitated by settling as much as possible by correspondence. Conferences and field investigations demanding, as they do, a considerable amount of time and expense, properly come last in the course of negotiations.

*Scientific, Medical
and Economic Research*



Research in Physical Science

OF MAJOR significance among the projected future activities of the Foundation is the proposed program to stimulate research in science to which reference was made earlier. This new program received the approval of the Trustees toward the end of 1954. Although it cannot become fully operative until late in 1955, the general objectives and the administrative details of the program's operation had been fairly definitely established at the time it was endorsed by the Trustees.

Scientific research to be underwritten by the Foundation is to be undertaken in universities and academic research institutions throughout the United States. Normally it is anticipated that the projects will be directed by the scientific personnel on the permanent staff of such universities and institutions although additional temporary staff will be added to particular projects as required. In staffing projects, special opportunities will be offered to young scientists who may be working toward their doctorate; or who may have just secured that degree. For the time being at least, it is intended to limit grants to projects in the so-called physical sciences. Moreover, approved projects must deal with pure or basic science and not with its applications.

Such grants as may be authorized by the Trustees of the Foundation will finance not only the direct expenses of any project but will include a liberal overhead allowance to compensate recipient institutions for their indirect contributions to the cost of the project. The period for which a Foundation commitment will be made will depend upon the nature of a particular project and its anticipated needs. Grants may be made for a period of one year or longer. As a matter of policy long commitments will be discouraged and it is not likely that many projects will be authorized to receive Foundation grants beyond a three-year period although the Trustees will entertain requests for renewals as such requests may arise.

To finance this proposed future activity, a special gift of \$5 million is to be made to the Foundation by Mr. and Mrs. Alfred P. Sloan, Jr. This gift will constitute the nucleus of a special fund to be known as the "Fund for Basic Research in the Physical Sciences." By the terms of the gift, the Trustees are authorized to appropriate both the income and principal of this Fund for grants to promote scientific research.

In its broad outlines the concept of this new activity was developed for the Foundation's Trustees by a committee of five of the country's leading scientists. This committee was headed by Dr. Roger Adams, Head of the Department of Chemistry at the University of Illinois. His colleagues on the committee consisted of Dr. Mervin J. Kelly, President of the Bell Telephone Laboratories, Inc., who was recently elected a Trustee of the Foundation; Dr. Robert W. King, formerly Assistant to the President of the Bell Telephone Laboratories, Inc.; Dr. W. Albert Noyes, Jr., Chairman of the Department of Chemistry at the University of Rochester; and Dr. Julius A. Stratton, Provost and Vice President of the Massachusetts Institute of Technology and Professor of Physics at that institution.

In the plan of operations devised by this committee, provision was made for a more permanent committee of scientists to advise the Foundation on the most effective use of the funds dedicated to this research area. This permanent advisory committee was subsequently established. Its Chairman is Dr. Arthur C. Cope, Professor and Head of the Department of Chemistry at the Massachusetts Institute of Technology. His four colleagues on the committee are Dr. James Brown Fisk, Executive Vice President and Vice President in Charge of Research, Bell Telephone Laboratories, Inc.; Dr. K. S. Pitzer, Professor and Dean of the College of Chemistry, University of California; Dr. Frederick Seitz, Professor of Physics, University of Illinois; and Dr. A. W. Tucker, Chairman of the Department of Mathematics, Princeton University. It will be the aim of this committee to identify areas in the physical sciences where available research funds can be effectively capitalized. The committee will also attempt to locate talented scientists who might lead and staff appropriate research projects.



DR. RICHARD T. ARNOLD
*Administrator of the Foundation's
Basic Science Program*

Initial responsibility for appraising proposed projects in basic scientific research will rest with a member of the Foundation's staff, to be known as the "Administrator of the Basic Science Program." This new office will be filled by Dr. Richard T. Arnold, formerly Professor and Head of the Department of Chemistry at the University of Minnesota. As indicated earlier, a special committee of the Trustees has also been appointed by the Board to give consideration to recommendations for grants in this area of basic science. The committee will consist of Mr. Frank A. Howard, Dr. Mervin J. Kelly and Dr. James R. Killian, Jr. Mr. Howard will serve as chairman.

In elaborating this program, the Foundation's Trustees believe that a contribution will be made toward establishing a better equilibrium between the resources that are available for applied research and those for research in pure or basic science. By establishing a pattern of assistance and identifying need, they hope other public and private organizations may be inclined to take similar action.



Sloan-Kettering Institute for Cancer Research

FROM SEVERAL points of view, the Sloan-Kettering Institute for Cancer Research at 410 East 68th Street in New York City is the most important of the various projects which receive some of their financial support from the Foundation. Certainly this observation is true as respects the volume of funds which has been committed to this enterprise and also as respects the scope and outstanding significance of the Institute's operations. Since 1945 the Foundation has pledged some \$8.5 million for the construction, expansion and maintenance of this project and for activities closely allied to the project. During the biennium, total payments for activities related to this project amounted to \$1,317,739 and the unpaid commitment as of December 31, 1954 was \$2,492,500. As of the end of December 1954, the Institute's research program was organized under some twelve divisions, three of which, namely, Preventive Medicine, Clinical Chemotherapy, and Pathology, were established in July 1954. The scientific staff of the Institute numbers about two hundred. In addition there are about an equal number of supporting staff and a sizable group of junior scientists still in training. Many of the members of the scientific staff of the Institute hold appointments on the hospital staffs at Memorial Center. The annual budgetary outlay of the Institute, at the end of 1954, was \$3 million.

The Institute, the name of which conjoins that of the President of the Foundation and his long-time business associate, Dr. Charles F. Kettering, originated in 1945, the Foundation having provided at that time a major grant of \$4 million, later raised to a little more than \$4.5 million. Somewhat more than half of this sum was earmarked for the construction of the thirteen-story building in which the research operations of the Institute are now housed. Besides the construction cost, the original grant included a pledge of an annual contribution of \$200,000 for a period of ten years. Subsequently the contribution was raised to

\$300,000 and then to \$400,000 per annum, the Foundation having assumed the obligation to contribute this amount indefinitely subject to cancellation on notice given five years in advance of actual cancellation.

This annual contribution of the Foundation defrays about 14 per cent of the cost of operating the Institute. Additional contributions to support the Institute's budget come from a variety of sources including private foundations, the Government, and individuals. Among the principal contributors in recent years have been the Black-Stevenson Fund, the Max C. Fleischmann Foundation, the Charles F. Kettering Foundation, the Samuel H. Kress Foundation, the Albert and Mary Lasker Foundation, the Robert R. Meyer Foundation, the Damon Runyon Memorial Fund, the American Cancer Society, the U. S. Atomic Energy Commission, and the U. S. Public Health Service.

The concept of such a research center as Sloan-Kettering was originated by Mr. Alfred P. Sloan, Jr., the Foundation's President. In 1945 Mr. Sloan came to the conclusion that a concerted attack on cancer, involving the cooperative approach then coming into popularity in research laboratories, might accelerate progress in our understanding of the nature, prevention, and cure of this disease. In cooperation with two of his principal advisers, Mr. Frank A. Howard, now President of the Institute, and Dr. Cornelius P. Rhoads, now Director of the Institute, Mr. Sloan developed the idea of a research organization which would be adequately staffed with specialists of the highest professional calibre and which would be in a position to exploit all the skills and special techniques that might become available for application to the cancer problem. Moreover, with such an Institute operating in conjunction with a major center for cancer treatment, research and clinical activities would complement each other and the public would be assured that any advances in scientific knowledge and therapy would be translated immediately into the day-to-day treatment of patients. According to the leading scientists and physicians at Memorial, that conception of a research institute has proven eminently practical and its innate wisdom has been demonstrated again and again in the evolution of the Institute over the ten-year period of its existence.

Originally the Institute was organized as a division of Memorial Center; but on March 9, 1950 it was set up as a separate corporation under the membership corporation law of the State of New York. It now has its own board of trustees and enjoys a corporate existence nominally independent of Memorial Center; at the same time, association with Memorial remains close not only in the sense that the headquarters are integrally a part of the Center but also in an administrative sense and, above all, in the sense that there is intimate day-to-day integration of the Institute's research and teaching programs with the clinical activities and facilities of the hospitals of the Center.

Sloan-Kettering Institute's Board of Trustees consists of eighteen members, all of them prominent in the industrial, scientific and educational life of the nation. Three members of the Institute's Board are nominated by this Foundation; four are nominated by Memorial Center. The remaining members of the Board are nominated jointly by Memorial and the Foundation. Mr. Alfred P. Sloan, Jr. is Chairman of the Board; Mr. Frank A. Howard is President of the Institute. Six members of the Board serve as the Institute's Committee on Scientific Policy. Besides Mr. Howard, who served as the Chairman, the Committee membership at the end of 1954 consisted of Dr. Detlev Bronk, President of the Rockefeller Institute for Medical Research; Dr. Joseph C. Hinsey, Director of the New York Hospital-Cornell Medical Center; Dr. Charles F. Kettering; Dr. W. Albert Noyes, Jr., Chairman of the Department of Chemistry, University of Rochester; and Mr. Lewis L. Strauss, Chairman of the U. S. Atomic Energy Commission. The Committee, in turn, is advised by a body of some eight scientific consultants, each of whom is a specialist of national reputation. As already indicated, the Director of the Institute is Dr. Cornelius P. Rhoads who also serves as Scientific Director of Memorial Center and as the Director of the Sloan-Kettering Division of the Cornell University Medical College.

In some of the more recent reports summarizing developments at the Institute, Dr. Rhoads has provided considerable detail about the progress recently made in cancer research. Especially interesting in these

reports are the descriptions of the complex series of investigations being made at the Institute aiming at the control of disseminated cancer. Among these is a study of the possible relation of body chemistry and especially of the body's hormone balance to the cause of cancer and its control. Equally significant are the investigations being conducted into the chemical control of cancer, especially the discovery of certain compounds that appear to restrain or cure cancer in animals; and the growing knowledge of the way in which cancer-destroying viruses may be exploited. In his report Dr. Rhoads comments on the considerable success which the Institute has recently enjoyed in the regular cultivation of human cancer in tissue culture and laboratory animals and the contribution this advance has made towards the study of the cancer-inhibiting or cancer-destroying power of a virus or chemical agent.

Accomplishments recorded at the Institute in recent years, says Dr. Rhoads, are as important to basic science as a whole as they are to the special problem of cancer prevention and control. Those accomplishments, moreover, he declares, have "very probably" confirmed the correctness of two postulates upon which the research program of the Institute was based when that program was initiated. Those postulates, in Dr. Rhoads' words are: "(1) that cancer in man can be restrained by chemicals, and (2) means can be found for defining the alteration of body chemistry causing the tendency to cancer."

Biennially the Institute issues a summary statement of its entire scientific program. In addition it issues "progress reports" at intervals which describe the scope and results of a research program of particular interest and importance. Such reports, when issued, may be secured directly from the Institute.

SLOAN-KETTERING DIVISION OF THE
CORNELL UNIVERSITY MEDICAL COLLEGE

Because of its unusual resources as a center for teaching and research on the basic scientific and clinical aspects of cancer, and Memorial

Center's traditional link with the Cornell University Medical College, a special graduate teaching and research program was set up at the Institute in 1950. This was effected by the formal organization of the Sloan-Kettering Division of the Cornell University Medical College. By drawing upon the Institute's own specialists and specialists in the Center as a whole, this new Division is able to provide a faculty representing all of the disciplines found in the curriculum of a general medical college and, in addition, some not represented in such a curriculum; in this instance, however, the faculty thus assembled is dedicated to research, teaching and medical care relating to neoplastic diseases.

In this special role as a postgraduate center devoted to cancer, the Sloan-Kettering Division operates as a unit of the Graduate School of Medical Sciences of the Cornell University Graduate School. It offers programs of study and research in the fields of Biochemistry, Biology and Growth, Biophysics, Pathology, and Preventive Medicine. Students eligible for the programs must possess a Master's degree or the equivalent and must plan to work toward the doctorate. At least half of the work in the program must be done in residence.

The first students in the new program were admitted in July 1950. All students are given the status of pre-doctoral Fellows of the Sloan-Kettering Institute. In October 1954 the Foundation made an initial grant in the amount of \$10,000 to provide stipends for these students. In addition the program enlists suitable young investigators of professional rank who receive appointments as Research Fellows in various divisions of the Institute. This status is also extended to young scholars and specialists from foreign countries under the Institute's Exchange Visitors Program.

SOUTHERN RESEARCH INSTITUTE

Early in 1953 the Foundation made a four-year commitment in the amount of \$287,500 to the Southern Research Institute of Birmingham, Alabama. Simultaneously a grant of equal magnitude was made to the



Biological Laboratory of the Southern Research Institute, Birmingham, Ala. The Institute's research program in biochemistry is carried on in conjunction with the work of the Sloan-Kettering Institute in New York.

same organization by the Charles F. Kettering Foundation. Still a third grant of somewhat lesser amount was made to the Institute at approximately the same time by the Robert R. Meyer Foundation. Most of the funds donated by the Kettering and Meyer Foundations were expended in constructing a new biological laboratory at the Institute. The remainder of these grants and all of the proceeds of the Sloan Foundation's grant went towards the maintenance of the Southern Research Institute's contemplated research program in biochemistry. This program has been developed in close collaboration with the broader program at the Sloan-Kettering Institute. Indeed, for all practical purposes the biochemical investigations at the Southern Research Institute must be regarded as an integral part of the program being carried on in New York. The arrangement is an outstanding example of the formal alliances and

cooperative arrangements which Sloan-Kettering has made with research groups and laboratories throughout the country.

Although this Foundation's commitment is limited to four years, the two Institutes have expressed their intention to continue the cooperative research arrangement indefinitely.

HORIZONS OF HOPE, A FILM ON CANCER RESEARCH

In order to inform the layman of the nature of the research program at the Sloan-Kettering Institute and of the progress which that program has achieved, the Foundation undertook the financing of a film on that subject during 1953. Called *Horizons of Hope*, this film was released in the autumn of 1954. Its producer was John Sutherland Productions, Inc. of Los Angeles and New York. The film was photographed in Technicolor and is available in both 35mm and 16mm prints. Its running time is 18 minutes. About one half of the film is animated; the remaining sequences are live-action "shots." All of the live-action sequences were photographed on the premises of the Sloan-Kettering Institute. Indeed, the Institute's staff and its Director, Dr. Rhoads, were intimately involved in developing the script of this production and otherwise assisting the artists, director, and other technical staff of the producer.

Within its relatively brief compass, the film provides an excellent concise portrayal of the major lines of investigation currently being pursued at the Sloan-Kettering Institute in order to learn the nature of cancer and to find better means to control and eventually to cure the disease. These major lines of investigation include the Institute's chemotherapeutic study, its hormone study, its work in immunology, and its study of viruses as cancericidal agents.

Since its release, this documentary subject has enjoyed wide distribution and most favorable comment from the medical expert and the layman and from individuals professionally interested in visual education. The film has been especially commended for the imaginative way in which animation and color have been used to portray visually certain

abstract concepts and microscopic phenomena which cannot be portrayed by live-action photography. Shortly after its release, the film was chosen by the American Film Assembly of the Film Council of America as the best 16mm non-theatrical motion picture which had been produced in America in 1954 in the field of hygiene and public-health education. In recognition of its selection it was given the Film Council's Golden Reel Award. Subsequently the film received other awards, including one from the Film Council of Greater Boston and one from the Film Council of Greater Columbus.

Interested audiences may secure prints of the film, *Horizons of Hope*, from the Foundation's distributor, Movies U.S.A. Inc., 729 Seventh Avenue, New York 19, New York. That organization also sells prints at cost on a lifetime lease basis. The price is \$87 per 16mm print. Movies U.S.A. Inc. likewise furnishes black and white prints for television exploitation, a medium which has also shown great partiality for this particular title.

Recently the film became the subject of a booklet of the same title, published by the Foundation. The booklet, some 33 pages in length, incorporates some 58 scenes or "stills" taken directly from the film and also reproduces the entire text of the film's commentary. In addition, the booklet contains brief articles of comment on the film by Mr. Alfred P. Sloan, Jr., President of the Foundation; Mr. John Sutherland, President of the producing company; and Dr. C. P. Rhoads, Director of the Sloan-Kettering Institute. The latter dwells at some length on developments which have affected the Institute's research projects, depicted in the film, after the film went into production. It thus supplements admirably the film's own story.

Recently, in commenting editorially on the booklet, the *New York World Telegram and Sun* declared it to be "a fascinating 33-page book which held our attention from start to finish." Some 30,000 copies have already been distributed. Individual copies may be secured gratis by writing to the Foundation.



Selected animated and live-action scenes from the Foundation's 16mm motion picture on cancer research, *Horizons of Hope*. Filmed in Technicolor and produced by John Sutherland Productions, this film was chosen by the American Film Assembly as the best non-theatrical picture created

in America in 1954 in the field of hygiene and public-health education and was given the American Film Council's *Golden Reel Award*, also pictured at left. All live-action scenes were photographed at the Sloan-Kettering Institute for Cancer Research.





Ophthalmic Research

COUNCIL FOR RESEARCH IN GLAUCOMA AND ALLIED DISEASES

MENTION has also been made earlier of the fact that among the areas in which the Foundation has become interested in some degree since the issuance of its last biennial *Report* is one involving research into the causes and treatment of certain diseases of the eye. Interest has been manifested especially in glaucoma (hardening of the eyeball) and uveitis (inflammation of the inner blood vessel coat of the eye). Extension of the Foundation's financial support to this area was undertaken after a careful study, begun in 1952, the Trustees having made the first appropriation for possible projects on January 9, 1953. The first grant for research on diseases of the eye, authorized on the basis of this appropriation, was made in March 1953.

To assist the Foundation in appraising various research proposals in this new field of activity, a board of consultants, known as the Council for Research in Glaucoma and Allied Diseases, was established. Four of the country's leading ophthalmologists serve on this board. They are Dr. Conrad Berens, Professor of Ophthalmology, New York University-Bellevue Medical Center; Dr. Eugene M. Blake, Clinical Professor of Ophthalmology Emeritus, Yale University School of Medicine, New Haven, Connecticut; Dr. Edwin B. Dunphy, Chief of Ophthalmology, Massachusetts Eye and Ear Infirmary, Boston, Massachusetts; and Dr. John H. Dunnington, Director, Institute of Ophthalmology, Presbyterian Hospital, New York. Two members of the Sloan Foundation staff, Mr. Raymond P. Sloan, Vice President, and Dr. Arnold J. Zurcher, Executive Director, are *ex officio* members of the Council, which maintains offices at 111 East 59th Street, New York 22, New York. Applications for grants are transmitted to this office and not directly to the

[31]



DR. CONRAD BERENS



DR. EUGENE M. BLAKE



DR. JOHN H. DUNNINGTON



DR. EDWIN B. DUNPHY

Ophthalmologists who are members of the Council for Research in Glaucoma and Allied Diseases.

Foundation, although final authorization of any grant is made by the Trustees of the Foundation. The Executive Secretary of the Council is Mrs. Mary M. Mollica.

During 1953-1954 appropriations for this activity (including administrative expense) approximated \$150,000.

The various projects authorized by the Council and financed by the Foundation seek to increase professional understanding of the nature and method of formation of intra-ocular fluids and of the disorders associated with rises in intra-ocular pressure (glaucoma). They seek also to develop methods to relieve or treat these conditions. Some of the authorized projects also hope to arrive at a more exact determination of the etiology of uveitis (inflammation of the inner blood vessel coat of the eye), especially chronic uveitis. The results obtained from these investigations could greatly facilitate understanding and treatment of these blinding diseases.

In addition to the scientific studies, preliminary steps have been taken toward the development of a library which may serve as a center for the accumulation, organization, analysis and distribution of information concerning glaucoma, uveitis and related subjects.

AUTHORIZED RESEARCH PROJECTS IN OPHTHALMOLOGY 1953-1954

Projects approved under this general ophthalmological program or for which a commitment was authorized during 1953-1954 are as follows:

Institute of Ophthalmology, Presbyterian Hospital, 635 West 165th Street, New York 32, New York.

For research in glaucoma, especially investigation of the metabolism of the ciliary body of the eye involved in the glaucoma process; also of the effect of certain autonomic drugs, such as pilocarpine, on the secretory activity of the ciliary body.

The project involves correlation of experimental laboratory data with clinical studies on the normal and glaucomatous human eyes.

Investigations are being conducted under the direction of Dr. Andrew de Roeth, Jr. of the Department of Ophthalmology of Columbia University.

Amount authorized in 1953, \$15,000; an equal amount was authorized for this project during 1954.

The New York Eye and Ear Infirmary, Second Avenue and 13th Street, New York 3, New York.

For certain etiologic and diagnostic studies of patients with uveitis and glaucoma, the purpose being to determine whether chronic, so-called focal, infections bear any relation to uveitis and to certain glaucoma cases secondary to uveitis.

The research is being conducted by Dr. William Reiner-Deutsch and Dr. Mortimer Cholst under the supervision of Dr. Hunter H. Romaine, Director for Ophthalmology, Department of Research of the New York Eye and Ear Infirmary.

Amount authorized for this project during 1953, \$10,000; a further grant of \$15,000 was authorized for the project during 1954.

Medical College of Virginia, Richmond, Virginia.

For research on cycloelectrolysis versus cyclodiathermy, the purpose being to observe and compare the histopathologic and intra-ocular pressure changes in the normal rabbit eye over a nine-months' post-operative period, one eye having been treated by cyclodiathermy and the other by cycloelectrolysis.

Investigations are being conducted under the direction of Dr. L. Benjamin Sheppard.

Amount of grant in 1953, \$3,000; grant renewed for the same amount in 1954.

The School of Medicine, Washington University, St. Louis, Missouri.

For a project to investigate the value of tonography as a routine procedure in the early diagnosis and control of glaucoma and to investigate the efficacy of Diamox, a new drug used for lowering intra-ocular pressure in glaucomatous eyes.

The research is being conducted under the direction of Dr. Bernard Becker.

The amount voted for this project during 1954 was \$10,930; a further authorization in the amount of \$14,114 was made at the end of 1954 to be applied during the following year.

Medical School, University of California, San Francisco 22, California.

For a study of the etiology and treatment of primary and secondary glaucoma. An investigation will also be made of the role of viruses in the production of uveitis and glaucoma.

Dr. Michael J. Hogan and colleagues will conduct this project. Amount authorized during 1954, \$24,309.60.

National Academy of Sciences, Washington 25, D. C., proceeds of the grant to be used by the American Registry of Pathology, Armed Forces Institute of Pathology.

For an investigation relating to the pathology and etiology of granulomatous uveitis. The purpose of the investigation is to establish the etiology and pathologic classification of all cases of granulomatous uveitis contributed to the registry of ophthalmic pathology during the five-year period, January 1950 through December 1954.

The project is under the supervision of Dr. Hugh Grady, Scientific Director of the American Registry of Pathology.

Amount authorized for this project during 1954, \$14,580.

Massachusetts Eye and Ear Infirmary, 240 Charles Street, Boston, Massachusetts.

For certain basic experimental studies in glaucoma, including a study of the factors which regulate the intra-ocular pressure in glaucoma and of the cause of primary open-angle glaucoma.

The research is to be conducted by Dr. W. Morton Grant under the supervision of Dr. Edwin B. Dunphy.

A grant of \$9,000 was approved for this project during 1954.



Research in Meteorology

INSTITUTE OF ATMOSPHERIC PHYSICS
UNIVERSITY OF ARIZONA

THE FOUNDATION'S broad program in basic science was anticipated during 1953 by a grant of \$150,000 made to the Institute of Atmospheric Physics at the University of Arizona for research in meteorology and meteorologic physics. The grant is payable in equal instalments over a three-year period.

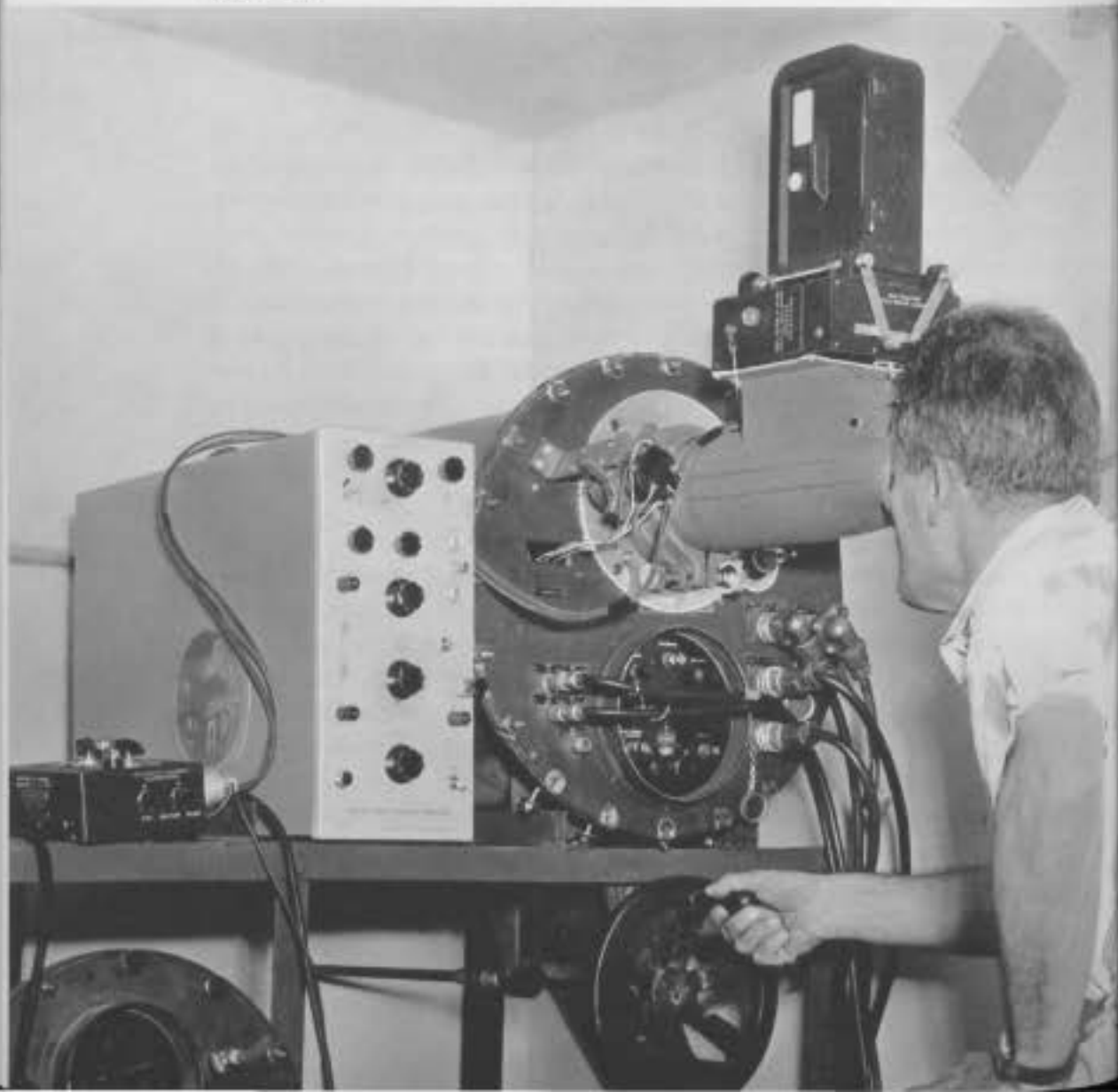
Plans for the new Institute had been elaborated by the officials at the University at the time the grant was requested. Funds to purchase the Institute's basic equipment and to house it had been provided by the Arizona legislature; and a research program had been projected in cooperation with the University of Chicago and certain Federal agencies. According to the terms of the Foundation's grant, the proceeds are to be applied to laboratory investigations of meteorological and physical data including the collection of meteorological data outside the laboratory and for the purchase of facilities for incidental climatic observations. No part of the Foundation's funds are to be used for cloud-seeding experiments or other experiments which are directly designed to modify natural meteorological conditions.

The Institute's formal program was inaugurated at the University during August 1954 in connection with a series of meetings on the campus of the University attended by some of the world's leading meteorologists from government, industry and the universities. Discussions on this occasion indicated that, although much progress had been made in recent years in establishing a scientific understanding of the conditions which govern precipitation and general climatic conditions in particular areas of the earth, considerable basic scientific research and investigation must apparently still be undertaken before significant large-

scale applications of basic knowledge for the control of climate can be made.

Among the scientific problems which press for a solution are those relating to the so-called "censuses" of clouds in specific areas; investigation of the behavior and structure of clouds; the problem of nucleation, natural or artificial, that is, of the phenomenon which largely controls

MR. IRVING AMES, *Electronic Technician at the Institute of Atmospheric Physics, University of Arizona, adjusts the radar while viewing screen during photography operation.*



Adjusting radar signal strength during calibration operations.

precipitation; and the influence of extra-terrestrial factors upon the world's climate, for example, the role of sun spots and the influence of meteoritic dust upon terrestrial climate. During the Institute's inaugural discussions, it was emphasized that, if advances are to be made in the immediate future in the sciences of meteorology and climatology, a more vigorous effort will have to be undertaken to correlate the work being done in these fields in various quarters of the globe and to secure some sort of working synthesis of the scientific work currently being undertaken in such related disciplines as meteorology, oceanography, geophysics and astronomy.

Authorities of the University of Arizona and the faculty of the new Institute of Atmospheric Physics are developing a research program at Tucson which will fit into this wider program of basic scientific research in physics and the various disciplines related to meteorology. One of the first tasks will be a cloud census of the Western area of the United States and especially of the Southwest Mountain area. Other kinds of field work and scientific observation, including "nuclei detection" and "solar radiation," are also contemplated. Some of the latter work will be undertaken cooperatively with the Scientific and Industrial Research Organization

of the Commonwealth of Australia, which is headed by the distinguished astrophysicist, Dr. E. G. Bowen. The purpose of the latter effort will be to collect data which may relate to Dr. Bowen's hypothesis that significant amounts of material for the natural nucleation of rain-producing clouds actually come from meteoritic dust. According to a report of the Institute at Arizona, this activity, as well as the Institute's cloud census program, are being supported by part of the funds from this Foundation's grant. Other research activities will be supported by appropriations of other foundations and of the legislature of Arizona.

The Institute operates under the direction of Dr. Roscoe R. Braham, Jr. His associates are Dr. J. E. McDonald and Dr. A. Richard Kassander, Jr., both of whom have the title of Associate Director. Dr. Horace R. Byers, head of the Department of Meteorology at the University of Chicago, is serving as the Institute's principal professional adviser.

HIGH ALTITUDE OBSERVATORY OF THE UNIVERSITY OF COLORADO

An activity not unrelated to the above is that being conducted by the High Altitude Observatory at Climax, Colorado. Originally the Observatory operated under the joint sponsorship of Harvard University and the University of Colorado at Boulder. Recently connections with Harvard were severed but the project continues its close cooperation with the University of Colorado.

Operating under the leadership of the physicist, Dr. Walter Orr Roberts, the High Altitude Observatory has been conducting significant investigations of the effect upon terrestrial weather conditions of the sun's corona and the related phenomena of sun spots and other solar behavior.

The Foundation made a grant of \$5,000 to the Observatory to assist it in constructing its new coronagraph and solar laboratory, which were dedicated on September 9, 1954.



Economic Research

STUDY OF LARGE-SCALE ENTERPRISE BROOKINGS INSTITUTION

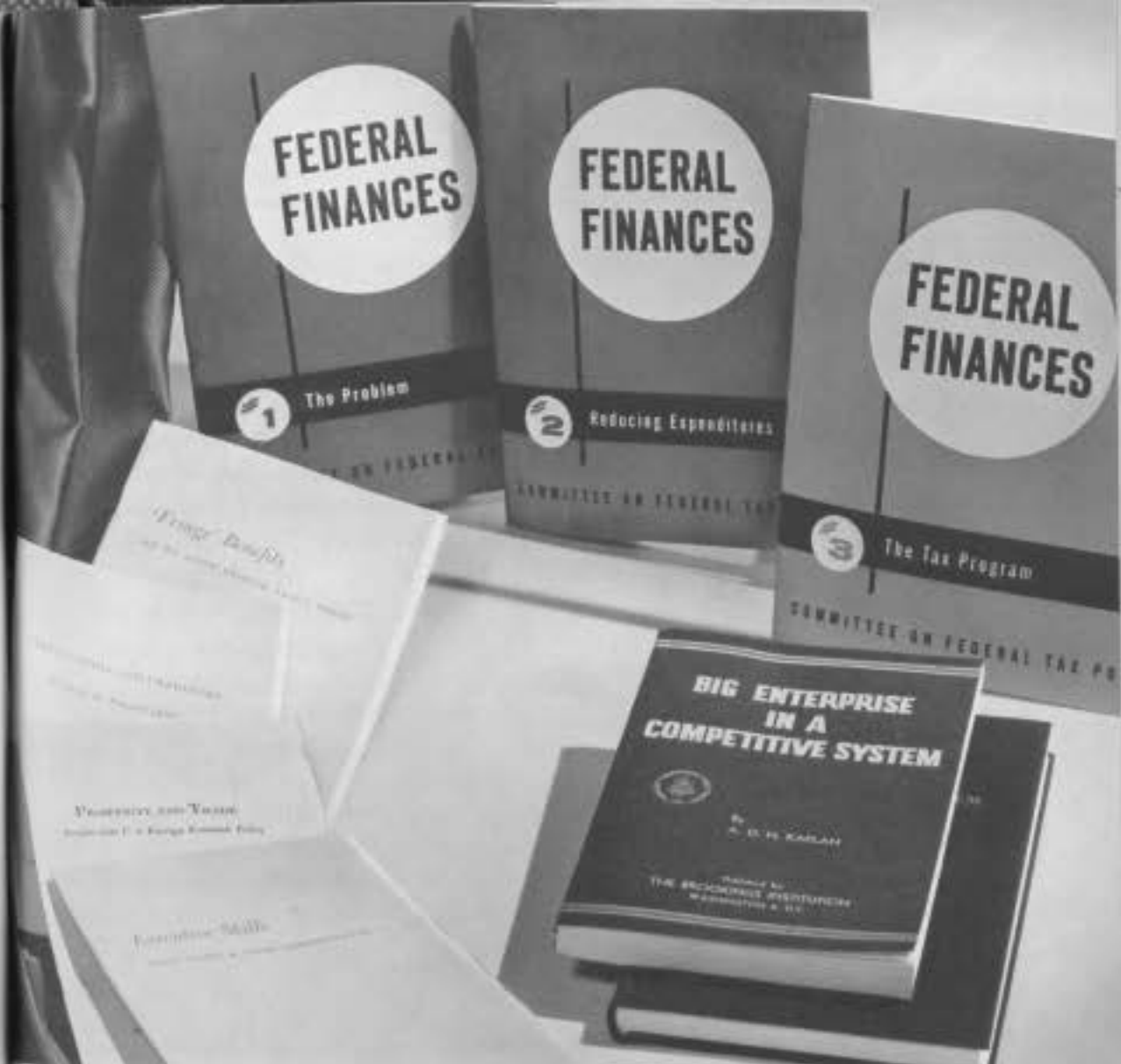
DURING 1954 the Brookings Institution published *Big Enterprise in a Competitive System* by Dr. Abraham D. H. Kaplan. This work is the product of a research project which had been jointly financed by this Foundation and the Maurice and Laura Falk Foundation of Pittsburgh. The volume, some 269 pages in length, summarizes the findings of the research project. In a foreword, Dr. Robert D. Calkins, President of the Brookings Institution, describes the content of the volume as an exploratory study intended to probe some of the underlying issues growing out of the operation of large-scale enterprise in America's competitive industrial system. More particularly, he continues, the volume seeks to explore the public attitude toward giant industry. He indicates that, by drawing upon the extensive empirical data which Dr. Kaplan and his associates in the project have assembled, they have been able to define rather precisely the way in which large-scale industry competes and the manner in which such competition is enforced by prevailing market and other economic conditions. "The study," says Dr. Calkins, "reveals the need to revise a number of current considerations of the way in which competition works."

In developing his appraisal of the present position of large-scale enterprise in the nation's economy, Dr. Kaplan declares that it was his purpose, and that of his research associates, "to contribute to a balanced view of the role and net contribution of big business to our competitive system." Allowing for certain qualifications which preclude an entirely objective method of arriving at conclusions in this field, he nevertheless believes that his examination indicates that in America's contemporary economy "big business undertakes the major role of coordinating individual efforts and resources into collective achievement." He believes that

this function must be undertaken under conditions produced by modern technology either by private enterprise or by the state. "In the United States," says Dr. Kaplan, "it has been possible so to mix dispersion with centralization that the major job can be left to private competition, under government regulation." He adds that, in his opinion, "big business has not merely been kept effectively subject to a competitive system; on the whole it has also made an essential contribution to its scope, vitality and effectiveness."

Much of the statistical data upon which this study has been based and the special reports which were developed as the research proceeded are still to be published. To prepare this material for publication and to finance printing and publication, the Foundation made an additional grant to the Brookings Institution during 1954 of \$163,722. The Brookings Institution plans to publish this material in the first place as a series of pamphlets under the following tentative titles: "Growth Patterns of Large Industrials," "Pricing Policies and Practices at the Big Business Level," "Influence of Major Producers on Character of Markets," "Development and Erosion of Industry and Product Leadership," and "Advantages and Limitations of Outstanding Business Size." Subsequently, it is intended to bring the various pamphlets together into a single book.

Some of the material incorporated in the study, *Big Enterprise in a Competitive System*, also became the basis of a film which is entitled, "Big Enterprise in the Competitive System." Produced in Kodachrome, this film is about one-half hour in length. By means of various forms of animation, the producer of the picture has attempted to explain visually certain aspects of the research involved in the volume, *Big Enterprise in a Competitive System*, and some of the data which were assembled. Currently, the film may be obtained on a rental or lease basis from Encyclopedia Britannica Films, Wilmette, Illinois, or directly from the Brookings Institution. A portion of the Foundation grant to the Institution in 1954 is intended to finance further production of prints of this film and to extend its distribution to university film libraries and comparable depositories.



Publications of some of Foundation-supported projects in economic research.

WAGES AND PRODUCTIVITY STUDIES NATIONAL BUREAU OF ECONOMIC RESEARCH

During 1953 the Foundation made a grant of \$118,000 to the National Bureau of Economic Research, New York, New York, for a study of wages and productivity in the United States.

When completed, the first part of this proposed study, that is the portion devoted to wages, is expected to provide an account of the trend

of money wages and "real" wages in American industry from the period of the Civil War to the present. In determining the ingredients of the wage bill in the economy, consideration will be given to the supplementary wage payments or so-called "fringe" benefits, such as pensions, which have become so noteworthy a feature of labor agreements, particularly since 1940. Statistical information on this phase of the wage study will be derived chiefly from data to be supplied the National Bureau by the Bureau of Labor Statistics of the United States Department of Labor. In the course of the wage study special attention will also be directed to the years 1890-1914, this being a period for which available data, so far analyzed by economists, fail to indicate any appreciable rise in "real" wages.

The wage study will be under the direction of Professor Leo Wolman of Columbia University.

In the productivity study, attention will be focused upon changes, at intervals, in the relationship between quantity of output and the units of labor and capital employed to secure that output. The objective will be to measure changes in productive efficiency at various periods of the nation's history. This phase of the investigation will be under the direction of Dr. John W. Kendrick.

Results of the wage investigation will supplement other National Bureau studies completed in the past, especially some by Professor Wolman which relate to specific periods and to certain industries. Dr. Kendrick's work on productivity will extend analyses of productivity trends made earlier by Professor Frederick C. Mills of Columbia and reported upon in various publications, especially his paper entitled, "Productivity and Economic Progress."

STUDIES RELATING TO THE FEDERAL TAX STRUCTURE TAX FOUNDATION, INC.

Grants totalling \$60,000 were made in 1953 to the Tax Foundation, Inc. for an extensive study of the Federal tax structure. The research

was conducted under the direction of the Committee on Federal Tax Policy of which Mr. Roswell Magill, former Undersecretary of the Treasury, was chairman and of which Professor Benjamin P. Whitaker of Union College was research director. Other members of the Committee included Messrs. Walter A. Cooper and Thomas N. Tarleau, well-known attorneys; Dr. Fred R. Fairchild, Professor Emeritus of Economics of Yale University; and Mr. Allen H. Temple, Executive Vice President of the National City Bank of New York. Mr. Alfred Parker of the Tax Foundation served as the Committee's secretary.

In its application to the Sloan Foundation, the Tax Foundation indicated that the Committee would seek to develop a long-range policy, emphasizing certain basic objectives such as the promotion of economic freedom and individual initiative, and the fostering of national prosperity and national solvency. The Committee's proposed investigation of the problem was to supplement investigations which it had undertaken in the past and which had culminated in various reports issued between 1945 and 1947 under the general title, *A Tax Program for a Solvent America*.

In April 1954 the Committee issued the first of two reports on its new study. These bore the titles, "The Problem" and "Reducing Expenditures." During the following month a third report was released under the title, "The Tax Program." All reports were issued under the general title, *Federal Finances*. Recommendations of the Committee outlined a broad fiscal reform program. They embraced four principal objectives: (1) drastic reduction of the total burden of taxation maintained since the end of World War II; (2) a tax system that would be more equitable and more tolerable; (3) a better balance in the tax system; and (4) a more workable division of tax resources between the states and the Federal Government.

In the case of individual income taxes, the Committee recommended that, as soon as feasible, the Federal Government return to the rates which had obtained in 1948. Also proposed were cuts in the corporation

levies, to be undertaken as soon as budgetary savings permitted, in order that private economic incentive and investment might be stimulated. The recommendations suggested that greater reliance be placed upon excise, and proportionally less reliance on income, taxes, the Committee believing that the latter were highly unstable. As respects state revenues, the Committee proposed that the states be guaranteed taxable resources adequate to finance their primary needs, thereby restoring their financial integrity and reducing their reliance upon Federal grants-in-aid. The Committee was quite optimistic about achieving a solution for this somewhat complex problem of maintaining a workable division of tax resources between the states and the Federal Government. In its opinion it is entirely possible to end the "most troublesome of the tax overlaps between the national government and the states." Federal budgetary reductions were also discussed, the Committee suggesting that a \$60 billion Federal budget was a reasonable goal for 1955. If this reduction in expenditure were achieved, the Committee felt that its recommendations for reduction in taxes and other changes in the tax structure could readily be placed in effect.

Considerable publicity and wide distribution have been enjoyed by the Committee's reports and recommendations. In commenting editorially on the third of the publications, that entitled, "The Tax Program," the *New York Times* described it as "comprehensive." The *Times* writer added that the report "reflects the unvaryingly high standards of scholarship and realism that have come to be identified with the work of this eminent group."

BUSINESS RESEARCH
THE AMOS TUCK SCHOOL OF BUSINESS ADMINISTRATION
DARTMOUTH COLLEGE

Beginning in 1953 the Foundation's Trustees undertook financial support of a business research program at the Amos Tuck School of Business Administration at Dartmouth College, Hanover, New Hampshire. In the plans outlined by the School and approved by the College's Board of Overseers, priority was to be given to the following: (a) an

inquiry into depreciation and inventory accounting methods, particularly an effort to determine whether some method other than cost would give results better suited for managerial decisions and social policy; (b) an attempt to find means for assuring adequate financing of future capital outlays so that productivity can keep pace with the advancing potential of technology; and (c) an examination of problems related to the measuring of advances in productivity and the impact of productivity advances upon the community and the economy as a whole.

The introduction of the research program coincided with the appointment of Dr. Arthur Uppgren as the new Dean of the Tuck School and Director of Research and of the appointment of Mr. Stahl Edmunds as the Assistant Director of Research.

The commitment made by the Foundation for this project is at the rate of \$35,000 per annum.

From the time the project was undertaken until the end of 1954, the following publications were produced: "Fringe Benefits," "Prosperity and Trade," "Federal Credit and Creditors," and "Executive Skills."



Sponsored Research in American Universities

THE AMERICAN COUNCIL ON EDUCATION

A GRANT OF \$17,700 was voted by the Foundation's Trustees on January 7, 1954 to finance an investigation of sponsored research in American educational institutions.

The Second World War posed an unprecedented demand by the Federal Government for research in science and technology to be financed by public funds and undertaken by the universities. The latter quickly responded and made such adjustments in their programs as would place their laboratories and other facilities at the disposal of the Government. At the time, it was assumed that this demand for facilities and the pattern of resulting relationships between the Government and the institutions would be temporary. But continued world tensions and maintenance of the nation's defense and related establishments in a state of preparedness projected the war-time relationships into the postwar years. As a matter of fact, Government-sponsored research and projects for developing and exploiting scientific and technological discoveries have made continued demands on university facilities at a level equivalent to the peak established during the war and occasionally even at a higher level.

Because of the apparent relative permanency of this type of research in American educational institutions, committees representing both universities and the Government began to investigate various aspects of the relationship to arrive at some sort of long-term policies. However, there was no coordination of these isolated efforts and no program for evolving a broad national policy which might be acceptable to the Government and the universities.

As a result, early in 1952 the Executive Committee of the American Council on Education created a group called the "Committee on Insti-

tutional Research Policy," which would be broadly representative of American higher education and which might, therefore, recommend acceptable policies. Representatives of this Committee subsequently approached the Foundation for a grant to finance its investigation of this broad problem of sponsored research and to permit publication of any reports it might issue. The grant, previously identified, was made at this point.

Thereafter, following an extensive correspondence, consultation with interested groups, and systematic investigation, the Committee prepared a statement of policy. This found expression in December 1954 in a volume published by the American Council entitled *Sponsored Research Policy of Colleges and Universities*. The first printing was quickly exhausted and a second was scheduled for 1955. The policy statement of the Committee describes, among other things, the various types of research sponsorship in the universities. These include not only research supported by the Government but also that supported by industry and by foundations. It also restates rather well the essential aims of higher educational institutions and indicates how sponsored research may be accommodated within these broad aims.

Continuing on the theme of research, the statement of the Committee recognizes that educational institutions should be primarily concerned with research that is basic. Nevertheless, it is conceded that no fine distinction can be drawn between basic research and developmental projects; and the statement suggests that university investigators should be free to pursue the kind of research which contributes best to their educational and research objectives. The Committee's statement adds that classified research projects are justified in a college or a university only by the demands of national security. At the same time, it is recognized that American universities and colleges have a public responsibility to handle classified research whenever they are uniquely qualified to do the work involved.

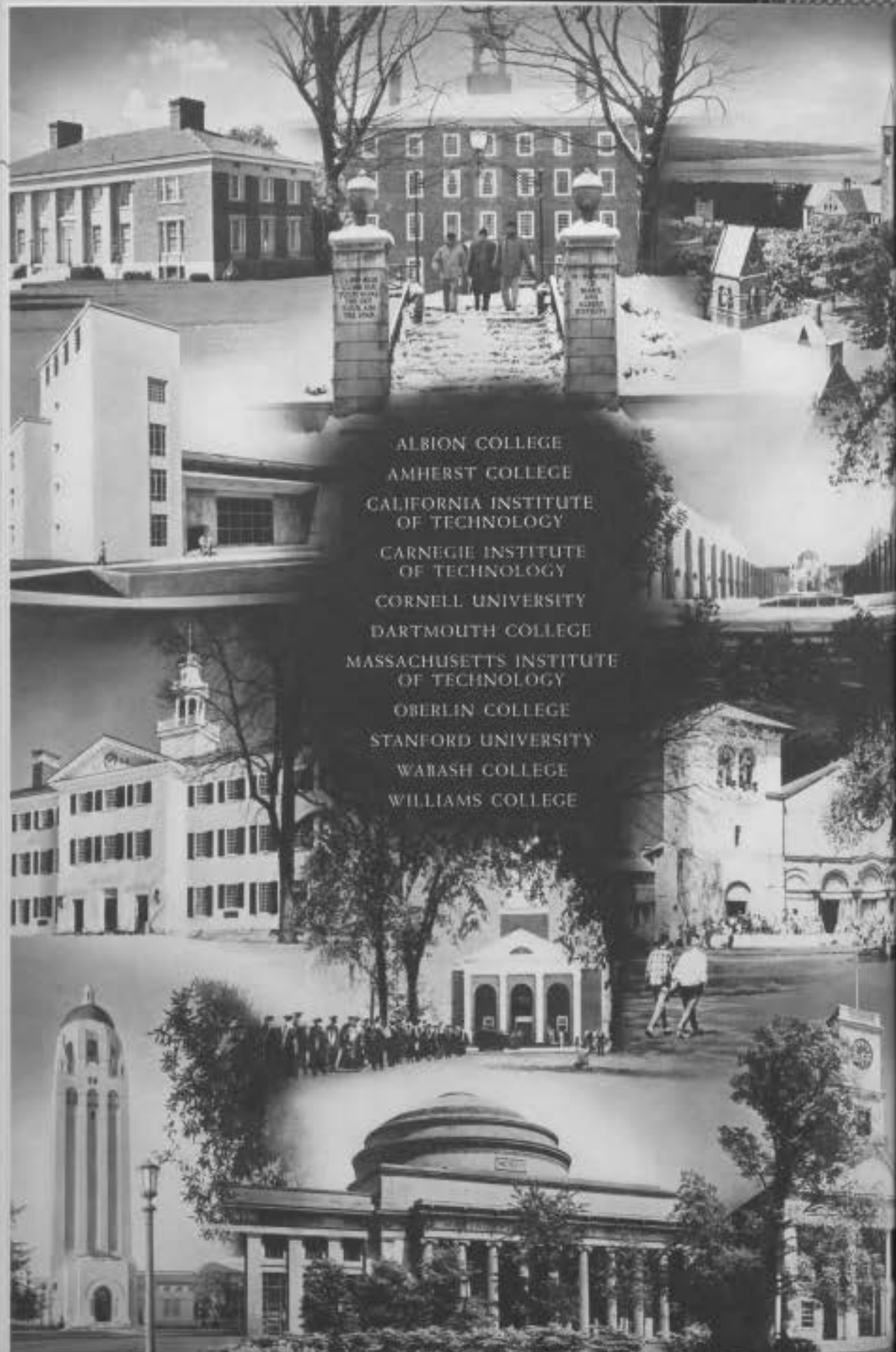
The conclusions and recommendations of the Committee, contained in this ninety-five page volume, are supplemented by a series of excellent

articles, seven in number, which consider in some detail certain of the major questions with which the Committee had to cope in developing its statement of policy. Among these articles are discussions on the importance of institutional grants for research; on the changing pattern of research support in colleges and universities; on the policies of public agencies regarding cost reimbursement of research projects undertaken by educational institutions; and on the pros and cons of sponsored research. The volume also contains an excellent bibliography.

In a foreword to the publication, Dr. Arthur S. Adams, President of the American Council on Education, appraises the significance of the Committee's report in the following words: "It is confidently anticipated that this report will make a substantial contribution to the sound development of higher education and to mutually advantageous relationships between institutions of higher learning and other agencies that share the vision of the great benefits which research, when carried on under a well-conceived national policy, can provide for this country and for the world."

The Committee on Institutional Research Policy which produced the report consisted of twelve administrators and professors from as many institutions. Dr. Virgil M. Hancher, President of the State University of Iowa, served as chairman. Dr. Adams, President of the American Council, was an *ex officio* member and Raymond F. Howes, also of the American Council, served as Secretary.

Educational Projects
and Aids to Education



ALBION COLLEGE
 AMHERST COLLEGE
 CALIFORNIA INSTITUTE
 OF TECHNOLOGY
 CARNEGIE INSTITUTE
 OF TECHNOLOGY
 CORNELL UNIVERSITY
 DARTMOUTH COLLEGE
 MASSACHUSETTS INSTITUTE
 OF TECHNOLOGY
 OBERLIN COLLEGE
 STANFORD UNIVERSITY
 WABASH COLLEGE
 WILLIAMS COLLEGE



Alfred P. Sloan National Scholarship Project

DURING its twenty-one-year history, the Foundation has frequently made grants which have either directly or indirectly contributed to the formal education and training of youth. Such, for example, is the basic purpose of funds which have been granted over a considerable number of years for the support of the Executive Development Program at the Massachusetts Institute of Technology, a description of which appears elsewhere in this *Report*.¹ Hence the decision of the Foundation early in 1953 to set up an experimental project for undergraduate scholarships in American colleges did not represent a departure from precedent but a reaffirmation of a policy which had been in effect for some time.

The experimental phase of the undergraduate program was limited, in 1953, to twenty-five students. Awards were made through four of the nation's leading technological institutions; and the scholarships were tenable at one of these four institutions. They were, respectively, California Institute of Technology, Carnegie Institute of Technology, the College of Engineering at Cornell University, and the Massachusetts Institute of Technology.

A year later, the Trustees decided to make the scholarship project permanent, to extend it to additional institutions, and to make stipends available not only to engineering students but also to students in liberal arts and science. At that time seven institutions, with curricula in liberal arts and science, were added to the program. Hence, currently, eleven institutions are participating in this project. In addition to the four engineering colleges previously mentioned, the roster includes Albion College, Amherst College, Dartmouth College, Oberlin College, Stanford University, Wabash College and Williams College.

¹See p. 69

Under the plan now in operation somewhat more than fifty scholarships are made available for freshman classes each year. Thus, during the ordinary four-year baccalaureate course, the total number of Alfred P. Sloan Scholarship holders in residence on the various campuses will number between 200 and 210. The percentage of this total originally awarded to each of the eleven participating institutions varies roughly with the total freshman male enrolment.

Both economic need and capacity to benefit scholastically from the award are considered by the institutions in determining the actual stipend of each scholarship. Funds supplied by the Foundation to the participating institutions make it possible for an annual stipend to be as much as \$2,000 if there is demonstrated need and the student is intellectually qualified as a candidate. The minimum stipend will be \$200. This minimum stipend is, in fact, a kind of prize scholarship since it will be awarded even to those students nominated for the scholarship who are not in need of economic assistance.

Responsibility for selecting recipients of the Alfred P. Sloan National Scholarships rests exclusively with the eleven participating institutions. In making their selections, the administrative officials of those institutions observe the criteria which they customarily apply in the case of candidates seeking admission on a scholarship. Nevertheless, there are certain special criteria which the Foundation and associated institutions have set up for these particular national scholarships and they must be observed by all institutions in making awards. These special criteria arise out of the Foundation's desire to discover and train young men for leadership in socially useful pursuits. Accordingly, besides scholastic achievement and a reputation for personal integrity, a candidate's record must indicate that, during his preparatory school career and earlier, he has exhibited unusual industry and initiative in enterprises which are intrinsically worthwhile. Directors of admissions in the participating institutions will also look especially carefully for evidence of a capacity both to assume and discharge responsibility satisfactorily and for working harmoniously and effectively with others.

Alfred P. Sloan National Scholarships are tenable for the duration of the normal baccalaureate program in each participating institution. The privilege of annual renewal depends, however, upon evidence of satisfactory development of those qualities of mind and personality which are essential to achievement in life and to the assumption and effective discharge of responsibility: in other words, those qualities which suggest leadership potential. In addition, of course, an applicant for renewal of a stipend must satisfy in every way the scholastic and other standards of the institution in which he is enrolled.

Both as respects the magnitude of the commitment and the administrative ramifications of the program, this scholarship project has become one of the Foundation's major interests. The anticipated net outlay per annum for the project will approximate \$350,000. Since, as already indicated, a scholarship is normally tenable for a four-year period, the Foundation's financial obligation for that period of time will approximate \$1 million.

JOSEPH ALLEN
*Administrator of Alfred P. Sloan
National Scholarship Project*



In addition to the direct awards to the students, the Foundation plan provides what is known as a "cost-of-education allowance" to be paid directly to the institution which awards each scholarship. This allowance varies from \$500 to \$650 per scholarship per year. It is paid into the general fund of the institution in question and is designed to reimburse the institution for the difference between the amount contributed by the scholarship student's tuition and the actual cost of educating that student. This differential between the tuition charged and the actual audited cost of educating a particular student varies from institution to institution and varies also within particular institutions. The contribution which the Foundation has provided in this program is a flat sum; in some instances it may be somewhat less than the computed excess cost and in other institutions somewhat more. In any case, the Foundation has been assured that this is a fairly generous policy and that it overcomes the objection that its scholarship program might otherwise have added to the financial problem of the participating institutions rather than contributed to its solution.

Although the Foundation has no direct responsibility in the administration of this project, it does attempt to supplement the efforts of the associated institutions in publicizing the scholarships and in providing some degree of administrative coordination. For the more effective discharge of this responsibility, the Foundation in 1954, established a separate division, the primary concern of which will be the Sloan National Scholarship Project and similar enterprises financed by the Foundation. Responsibility for this activity is vested in an official known as the Administrator of the Alfred P. Sloan National Scholarship Program. Late in 1954 Mr. Joseph Allen, a graduate of Harvard College and the Harvard Business School, was appointed Administrator.

Of the 64 students who held Alfred P. Sloan National Scholarships in 1954, 25 came from the Middle Atlantic area; 7 from the Southern states; and 16 from the Great Plains and Rocky Mountain area. New England contributed 4 of the scholarship holders and the West Coast, 12.

Twenty-three states and the District of Columbia were represented. The list of the states and the number of scholarship holders from each follows:

Arizona	1
California	7
Colorado	1
Connecticut	1
Illinois	5
Iowa	1
Kansas	1
Maryland	2
Massachusetts	3
Michigan	1
Minnesota	3
Missouri	2
Montana	1
Nevada	1
New Jersey	1
New York	5
Ohio	6
Oklahoma	3
Oregon	1
Pennsylvania	7
Tennessee	2
Virginia	2
Washington	4
Wisconsin	2
Washington, D. C.	1



Some of the early recipients of ALFRED P. SLOAN NATIONAL SCHOLARSHIP Project described on page 51

CARNEGIE INSTITUTE OF TECHNOLOGY



CALIFORNIA INSTITUTE OF TECHNOLOGY

CORNELL UNIVERSITY



STANFORD UNIVERSITY

DARTMOUTH COLLEGE



Financial Aid to Higher Education

COUNCIL FOR FINANCIAL AID TO EDUCATION, INC.

CONSIDERABLE attention has been devoted by the Foundation during the past five years to the problem of financing higher education in the United States. In conjunction with numerous other donors, the Foundation has made small grants to the National Fund for Medical Education during the formative years of that organization; and occasionally it has made contributions to individual, privately-supported colleges. In developing the Foundation's baccalaureate scholarship project, to which reference is made on a previous page,¹ the Trustees also took pains to acknowledge the responsibility of any scholarship program for the entire cost of a student's education. In the case of that project, the responsibility has been discharged by the provision for a "cost-of-education allowance," above and beyond the scholarship stipend itself, which is payable directly to the institution where the scholarship is awarded. Inclusion of this "cost-of-education allowance" follows an excellent precedent set by others, one which this Foundation is glad to reiterate and which it hopes will become a general feature of all scholarship plans.

Isolated and uncoordinated efforts by the Foundation to assist higher education financially, such as those just described, were supplemented in 1953 by a Foundation contribution to a somewhat broader attack on this problem. This was an organized effort to encourage industry to provide a modicum of economic support for our colleges and universities.

In pursuance of proposals made by Mr. Alfred P. Sloan, Jr. and by several of his colleagues in the industrial world, especially Messrs. Irving S. Olds and Frank W. Abrams, this Foundation, in cooperation with

¹See p. 51

three others, namely, the General Education Board, the Carnegie Corporation of New York, and the Fund for the Advancement of Education, undertook to finance, for a three-year term, a newly-organized body known as the Council for Financial Aid to Education, Inc. According to its Certificate of Incorporation, the Council has several major purposes. The first is to promote better understanding on the part of industrial leaders and the general public of the contribution which privately-financed education has made and is making to the growth and success of American business and the economic development of the United States. Secondly, the Council proposes to secure recognition by industry and the public of the importance to the nation as a whole of securing adequate financial support for privately-endowed educational institutions, especially through contributions from American industrial concerns, foundations, labor unions and other organizations. A third formal purpose is to serve educational institutions and prospective contributors in an advisory and cooperative capacity and assist them in formulating, adopting and executing programs of various kinds, the general purpose of which is to obtain financial support for private educational institutions.

Those who founded the Council for Financial Aid to Education operated on the assumption that part of the financial burden of supporting higher education may properly be assumed by American industry. Attribution of such responsibility to industry is predicated not merely on the obvious reliance by industry upon the universities for various types of training and specialized services. The assumption is also predicated on the fact that industry depends upon higher educational institutions for a constant supply of young men and women, trained in all the intellectual disciplines, and for the maintenance of basic research in all major branches of knowledge. Both of these services of the universities are of supreme importance to the welfare of industry and to the economy as a whole even though the benefits to industry itself may not be direct. Apparently, moreover, the courts have recently given at least indirect support to this generous conception of industry's responsibility for higher education. At any rate, a recent decision has supported donations

by an industry for the general objectives of a university, the opinion in the case not having reiterated the traditional narrow views about the discretion of corporate directors in making grants for charitable purposes.¹

Because private educational institutions seem to face a more difficult future financially than those supported by public funds, the Council for Financial Aid to Education is currently directing its efforts toward assisting private colleges and universities. In rendering that assistance, the Council has made it clear, in its published reports, that it has carefully restricted its operations to the purposes of its charter. It has neither collected funds nor solicited them. Its role rather has been that of serving as a liaison agency for industry and education. In its day-to-day operations, it has sought to identify the various kinds of financial assistance required by colleges and universities; to indicate how grants from industry may supplement other sources of support of our institutions of higher learning; to publicize prevailing practices relating to institutional assistance by industry; to suggest new procedures for providing financial assistance to colleges and universities; to clarify the legal position of industries which may wish to provide some support for educational institutions; and, generally, to act as a clearing house of information and publicity dealing with this broad general subject of the financial relations of industrial enterprise and private higher education.

Some of the booklets which have recently been produced by the Council for Financial Aid to Education will illustrate its activities. These include the following titles: "Unrestricted Funds, the Greatest Aid to Colleges and Universities," "Sponsored Scholarships as a Financial Aid to Colleges," "Legal Aspects of a Corporate Gift," "Diversity and Competition, the Strength of American Higher Education," "Company Gifts to Colleges and Universities," "Corporation Support of Higher Education," "College Faculty Salaries," "Aids to Corporate Support of Higher Education," and "The Role of Corporations in Aiding Higher Education."

¹A. P. Smith v. Ruth F. Barlow et al., Supreme Court of New Jersey, No. A-160, September term, 1952; decided June 25, 1953.

The Board of Directors consists of several of the nation's leading industrial executives and the presidents or executive officers of several private colleges and universities. Mr. Irving S. Olds is Chairman of the Board. Mr. Frank W. Abrams is Chairman of the Executive Committee, and Dr. Courtney C. Brown, Dean of the Graduate School of Business at Columbia University, is the Treasurer.

The President of the Council is Dr. Wilson Compton, former President of the State College of Washington and an educational administrator of note. Its Director of Research is Dr. John A. Pollard. Offices are maintained at 6 East 45th Street in New York City. The original three-year commitment of this Foundation for the support of the Council, which is matched by each of the other three participating foundations, is at the rate of \$50,000 per annum.

COMMISSION ON COLLEGES AND INDUSTRY
ASSOCIATION OF AMERICAN COLLEGES

Having somewhat similar long-range purposes as the Council for Financial Aid to Education, Inc. are the various state and regional foundations of private colleges. Presently there are more than thirty such organizations. Formed by the private colleges within a particular state or geographical region, these foundations actively solicit funds from industry for the benefit of their collegiate and university members.

To facilitate their program, this Foundation in 1954, made grants amounting to \$12,500 to the Action Committee of the Commission on Colleges and Industry of the Association of American Colleges. The specific purpose was to permit that Committee, headed by Dr. Frank Sparks, President of Wabash College, to investigate the possibility of establishing a national clearing house for the various state college associations and foundations and to establish at least a temporary central office.

The work, thus undertaken and supported by this small grant from the Foundation and funds from other sources, proved so satisfactory that

a somewhat longer range program to aid the colleges and their organizations was developed toward the end of 1954. Over the next few years, the Foundation proposes to extend support on a conditional basis for the continuation of this clearing-house arrangement of the colleges and their foundations.

As formulated by the Association of American Colleges, the purpose of its Action Committee is three-fold, as follows: (1) to develop interstate solicitation of national corporations; (2) to provide consultation service to the individual state college foundations and associations; (3) to publish appropriate bulletins and manuals and serve as an information center for the college constituency.

GRANTS TO INDIVIDUAL COLLEGES

In addition to the Foundation's more general efforts to help solve the financial problems of the private colleges and universities, certain grants for specific and limited purposes have been made to educational institutions during the biennium under review. Usually the purpose in the case of each contribution is rather directly related to one of the various areas of activity in which the Foundation has normally been interested in the past. These special grants are indicative of no general policy. They do not envisage any long-term plan on the part of the Foundation to aid individual colleges with particular grants.

The special grants which have been made to individual institutions since the last *Report* of the Foundation was issued are as follows:

<i>Berea College</i> , Berea, Kentucky: a special grant made by the Foundation to assist in equipping the College hospital	\$10,000
<i>Colby College</i> , Waterville, Me.: stipends for two scholarships	\$ 4,200
<i>Colgate University</i> , Hamilton, New York: contribution toward the University's economics study group	\$ 7,500

Johns Hopkins University, Baltimore, Maryland: a special contribution to the Johns Hopkins Fund to be distributed by the Fund to the Johns Hopkins University and the Johns Hopkins Hospital for general purposes \$10,000

Knox College, Galesburg, Illinois: grants made over a two-year period to assist in providing scholarships for students in the College who elect its science-engineering program . . . \$10,000

Vassar College, Poughkeepsie, New York: a contribution for the general support of the operations of the College or for capital expenditure \$ 7,500



School of Industrial Management

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

AT THE JUNE 1954 Commencement of the Massachusetts Institute of Technology, twenty-nine young men received the Master's degree from the Institute's new School of Industrial Management. The event had some significance since the students receiving the degree were the first to have enrolled in the formal graduate program of the new School after it was organized and operating as an academic institution. These twenty-nine students had begun their academic program in September 1952 and had completed the two-year course leading to the degree of Master of Science in Industrial Management.

In the course of this two-year period of their attendance at the School, substantial advances had been made in virtually every department of this educational enterprise. Among these, the most important had been the expansion of the faculty. Leading scholars, representing various disciplines, had been appointed to senior professorial positions. Among them were Dr. Douglas McGregor, former President of Antioch College, and Alex Bavelas, both appointees in human relations; Eli Shapiro in finance; Elting E. Morison in industrial history; B. E. Goetz in production; W. A. W. Krebs, Jr. in law; Holder Hudgins in administrative policy; and David Durand in statistics. With these appointments, and others at an intermediate level, every major discipline, represented in the School's curriculum, will have an adequate faculty. Instruction in some relevant disciplines continues to be given by professors of other schools at the Institute. This is notably the case in formal economic theory and institutions. Instruction in these subjects is provided by the Department of Economics and Social Science, headed by Professor Ralph E. Freeman, this department being a part of the Institute's School of Humanities and Social Studies.

In describing the faculty, mention should also be made of the contribution of many representatives of industry, education, organized labor and government who, in the capacity of visiting professor or lecturer, conduct special seminars at Cambridge for short periods and, in some instances, for two full academic terms. In his *Annual Report* for 1954, Mr. Edward P. Brooks, Dean of the School, properly stresses the practical importance of their contribution to the institution's teaching resources. "These men," says Dean Brooks, "coming from busy careers provided a worthwhile, complementary experience for the students; they were particularly helpful in developing a realization of the many intangibles and imponderables that exist in managerial decision-making at all levels."

Although the total number of students, graduate and undergraduate, enrolled in the School of Industrial Management has increased in this same two-year period, there has been no increase in enrolment proportional to the expansion of faculty personnel. Maintenance of small classes in all departments and of a teacher-student ratio which will permit a maximum of personalized instruction obviously continues to be a basic policy of the School's administration. During the academic year, 1954-1955, some 300 undergraduates, or approximately ten per cent of the freshman enrolment at MIT, indicated an intention to study for the baccalaureate degree in business and engineering administration offered by the School of Industrial Management. During the same period, the School enrolled approximately 80 graduate students. Since it is intended to emphasize graduate instruction, the future ratio of graduate to undergraduate students is likely to indicate a substantially greater increase of graduate enrolment than undergraduate. By 1960 it is anticipated that enrolment in this educational enterprise will have become stabilized with approximately 350 undergraduates and about 200 graduate students.

Another area in which progress has been noted in the two-year period under review is that of research. Among current research projects

◀ *Alfred P. Sloan Building—Home of School of Industrial Management, Massachusetts Institute of Technology.*

are an investigation to test the appropriateness of applying statistical methods to an investigation of stock prices; a study of postwar financing of gas and electric utility industries; an examination of the way in which technological innovations are assimilated by society and the factors which affect their development, acceptance or rejection; and an intensive three-year study into the degree to which the worker member of a local labor union influences its decisions in the collective bargaining relationship with management. Most of these special investigations, of which some twenty were in process at the end of 1954, are being financed by the income from a research fund of \$1 million which this Foundation had set up at the School in 1952.

Attention has also been called to various joint research endeavors carried on by members of the faculty of the School of Industrial Management and other Schools and departments of the Institute. Several members of the Management faculty have collaborated with the faculty of the Department of Electrical Engineering in studying the business implications of electronic milling devices. Another faculty team from the School has been working with representatives of the Institute's Mathematics Department in a study of the optimum length of an industrial assembly line. Still other faculty members of the School have cooperated with the faculty of the Mechanical Engineering Department at MIT in making an exploratory study of the credit transfer problem. These cooperative activities among the faculty are indicative of the persistent effort being made to integrate business teaching and experience with the special scientific and technological disciplines offered at the Institute, an effort which goes forward both in the teaching field and in research activities.

Perhaps the major research project, initiated in the interim under review, is one headed by Professor Douglas McGregor and Alex Bavelas. This project is concerned with the identification, development and utilization of executive talent. The specific purpose will be to appraise existing procedures for identifying potential executive talent and to determine whether, and to what extent, managerial or executive talent, and skills

appropriate to management can be fostered and developed by suitable training within the classroom or through intramural programs in industry. The researchers intend to work rather closely with current classes in the Executive Development Program, a project which receives further comment on page 69 of this *Report*. It is anticipated that, as a result of this research, which is to continue for a three-year period, it may be possible to assist industry to provide more effective "on-the-job" training for potential executives. Those in charge of the research hope, over the next decade, to make the School of Industrial Management an outstanding developmental laboratory for improving methods of executive training and selection. The Foundation's commitment for this three-year research project, made in July 1954, was \$113,100.

Still another development of the past two years in the program of the new School of Industrial Management relates to executive development curricula for various types of specialized personnel in the business world. The most important of these continues to be the twelve-month Executive Development Program, the creation of which antedates the organization of the School itself but which has doubled its enrolment since the School was established. In addition, the School's faculty is planning to set up various shorter courses, most of which will be given on the campus during the summer months. These will be in the nature of "refresher" courses, offered for a period as limited as four weeks or as long as four months. Extramural programs for executive development are also being planned in conjunction with specific industries and the Government.

The Foundation made its initial grant for the School of Industrial Management in 1950. The commitment at that time was \$5,250,000. About half of this sum was to be paid in a series of annual instalments over a period of ten years at the rate of \$275,000 per year. Additional grants, made to the School for other purposes, bring the Foundation's annual contribution for the operations of this project to about \$450,000. These figures do not include contributions which have been made from time to time for research purposes. Among these, the largest was the

grant of \$1 million, authorized in 1952, to which reference has already been made.

Facilities for the School are provided in the Alfred P. Sloan Building, a six-story structure on Memorial Drive in Cambridge. Approximately half of the Foundation's original commitment was used to purchase and recondition this structure. At the present time, this building also provides quarters for the Department of Economics and Social Science of the Institute's School of Humanities and Social Studies; the Dewey Library in Business and Economics; the Institute's Faculty Club; and its Center for International Relations.

The Dean of the School of Industrial Management, Mr. Edward P. Brooks, began his administration in 1950. Dean Brooks is a graduate of the Institute and was formerly Vice President in charge of manufacturing activities for Sears Roebuck and Company. In 1952 Professor Ronald H. Robnett was appointed Associate Dean. His untimely death in February 1954 was a great loss for he had served during two of the formative years of this new educational enterprise and had participated in many of the basic policy decisions. In November 1954 Professor Eli Shapiro was appointed Professor Robnett's successor as Associate Dean.



Graduate Program in Executive Development

SCHOOL OF INDUSTRIAL MANAGEMENT
MASSACHUSETTS INSTITUTE OF TECHNOLOGY

AS ALREADY INDICATED, an important part of the graduate program of the newly-established School of Industrial Management at the Massachusetts Institute of Technology is the twelve-month program of executive development. This program was begun some time before the School itself was established, having been originated some twenty years ago by Dr. Erwin H. Schell, now Emeritus Professor of Industrial Management at the Institute. As envisioned by Professor Schell and his associates, the purpose of the program was to broaden the background of formal academic training of young men who had already acquired appreciable experience in industry and who were likely, in the course of events, to acquire greater responsibilities within the industrial organization they were currently serving, or elsewhere.

In recent years, the value of this and comparable programs in executive development in other institutions has become increasingly obvious. Partly this is because of the growing scope of managerial responsibility which increasingly extends beyond the intramural problem of a particular enterprise and embraces problems relating to the community and the economy as a whole. Partly awareness of the value of managerial development programs may be traced to the fact that as the unit size of industrial enterprises increases there is apparently a correlative tendency toward increasing specialization among staff members, especially among younger staff members and junior executives. Programs such as this at the Cambridge institution can be expected to broaden the executive horizon and to overcome, at least to a degree, some of the less desirable effects of the trend toward specialization.



PROFESSOR DOUGLAS M. MCGREGOR conducting Seminar for Sloan Fellows in the Erwin H. Schell Room, School of Industrial Management, MIT, 1954.

Financial aid was first extended by the Foundation to this project at MIT in 1938. It has been continued each year since except for a period during the Second World War when activities had to be suspended. Currently, approximately \$180,000 of the Foundation's contributions to the School of Industrial Management at the Institute are earmarked annually for this project.

To the project's operation, industry also makes a generous contribution. Individual industrial enterprises assist in the preliminary screening of applicants for this training and nominate specific candidates. In addition, the industrial enterprise which selects a student contributes substantially to his maintenance and that of his family, if he has one, while in residence at the Institute. It also contributes toward the payment of the particular student's tuition. The Foundation's contribution is applied to indirect and overhead costs chargeable to this project and to direct teaching expenses incurred in maintaining it.

EXECUTIVE DEVELOPMENT PROGRAM

Much of the twelve-month program at Cambridge is rather conventional, consisting of course work in various disciplines related to business and public administration but including also work in the humanities and in general social and public problems. But in addition to course work, the curriculum embraces an organized series of discussion meetings which are addressed by economic and other experts and by business, labor, and political leaders who visit the MIT campus. Plant visitation by the students is also incorporated among their activities during their twelve-month stay. Students are permitted to proceed toward the Master's degree if, in addition to the satisfactory completion of course work, they submit an acceptable thesis. In recent years, practically all of the students enrolled have fulfilled the requirement for the advanced degree.

During the years the executive development program has been in operation in Cambridge, approximately 175 young men have taken advantage of the specialized training which it affords. Although this contingent of trained young men may not be substantial numerically, it has included some unusually capable young executives, men who subsequently moved up rapidly on the executive ladder of the various enterprises with which they were connected.

As indicated on a previous page, the School of Industrial Management plans to respond to various needs of business enterprise and public administration for short-term "refresher" and developmental curricula; and it is anticipated that several such projects will become a part of the School's offering in the near future. But the twelve-month program in executive development is regarded as the primary curricular effort in this broad field of training and as one of the major adjuncts of the graduate program of the School.

Following a recent rather careful analysis of the background and operation of this project, the Foundation concluded that its experience not only warranted continued support of the enterprise but its enlargement. The decision to enlarge coincided with the establishment of the

School of Industrial Management at the Institute and the assimilation of the project to the graduate program of the new School.

Provision was accordingly made for an additional class, each of the two classes to have between fifteen and eighteen students. This new class was quickly filled. During the academic term, 1953-1954, thirty-four students were enrolled in the expanded program. In the following year, twenty-nine young executives took advantage of the opportunity to go to Cambridge. Statistics recently supplied by the School of Industrial Management indicate that, during the past two years, some forty-one business establishments and two governmental units contributed candidates to the program.

During the biennium coinciding with the period covered by this *Report*, the scholarship holders in the Executive Development Program at MIT came from some 42 different companies located in some 21 states of the Union and in Puerto Rico, Canada and Mexico. Some of the com-

Members of the 1952-1953 Sloan Fellowship Group from Massachusetts Institute of Technology on a visit to New Departure plant of the General Motors Corporation, Bristol, Connecticut.



panies represented were of moderate size; others bore the names of some of America's largest corporations. Industries in the following fields were represented: communications, power, petroleum, automotive, electronics, photography, chemicals, transportation, pharmaceuticals, and appliances. Occasionally, divisions of the larger corporations were separately represented. Also represented were the United States Air Force and the United States Navy, the former with two holders of the scholarships. Some of the companies have been sending students to this program for more than a decade.



Visiting Student Summer Project

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

ONE OF THE MORE unusual educational enterprises currently receiving support from the Foundation is a research and study program for students from various foreign countries conducted each summer at the Massachusetts Institute of Technology. This program has several special features. In the first place, it was conceived and developed by the students of the Institute. Its administration is also almost entirely in student hands. Moreover, instruction and the supervision of research are contributed gratis by a sizable body of the Institute faculty, each of approximately fifty faculty members undertaking responsibility for one or more students in each visiting group.

When first set up in 1948, the project was designed to offer instruction and research facilities in classrooms and laboratories on the Institute campus to selected students from European universities and research institutions. The undergraduate proponents of the plan at MIT thought of it as an effective way in which American educational enterprise might contribute to the reconstruction of the war-devastated European Continent. At the same time, the plan recommended itself to its sponsors as an unusually effective way of fostering international understanding on a person-to-person basis. As the project evolved, it was broadened to include students from virtually every continent and all major countries. Recently, moreover, greater emphasis has been placed upon providing students from the technologically less developed countries of the world with specialized technical "know-how."

Members of the 1954 group of the Foreign Student Summer Project of the Massachusetts Institute of Technology.



MR. ALFRED P. SLOAN, JR. and student leaders of the Foreign Student Summer Project at a dinner for the group held at the Waldorf-Astoria Hotel, New York, September 1954.

During 1953 and 1954 this project enrolled some 125 students. In the latter year, the students came from 33 foreign countries. Occasionally, a country sends as many as five students; usually, however, three is the maximum number. In recent years, a maximum of three has come from Egypt, France, Germany, Great Britain, Indonesia, Japan and Korea.

A few of the young men and women coming from abroad are undergraduates or have just completed the equivalent of work for the American baccalaureate degree; an increasing number, probably a majority in recent years, has had some postgraduate training. In virtually every

case, screening committees abroad and the MIT students administering the project have sought out for this summer program candidates who were engaging in research and who could profitably continue that research with facilities offered at Cambridge; or who could advantageously be included in some ongoing group research project in an Institute laboratory.

In any one year, visiting students remain on the Institute campus from the end of May until about the middle of September. During these weeks, formal academic work is supplemented with various activities designed to acquaint a foreign visitor with American life and culture. Among those activities is attendance at the Berkshire Music Festival at Tanglewood, Lenox, Massachusetts. Toward the end of the summer, the student administrative committee at MIT also conducts a fairly lengthy tour which permits the visitors to inspect production centers and historic sites in the Eastern part of the United States. The tours usually include factories in such cities as Pittsburgh, Cleveland and Detroit; a visit to various governmental departments in Washington; a tour of some parts of the Tennessee Valley area to study the Government hydroelectric and conservation developments of the TVA; and an extensive trip to New York City to study financial and other institutions in that metropolitan center.

The first commitment made by the Foundation for this project occurred in 1950 and was slightly in excess of \$21,000. During 1953-1954 the total commitment made by the Foundation was \$139,600. Additional funds for operating expenses are usually collected by the Institute student committee from other sources, including industrial establishments and certain other foundations. The total thus secured amounts to about \$4,000 per annum. Considerable assistance in kind is rendered by the United States Government. Through its student-exchange and economic-assistance programs in foreign countries, the Government may provide transportation to and from Cambridge for the guest students. Representatives of American consulates and embassies abroad also assist substantially in providing proper publicity for the project outside the

United States and in processing applications for it. Finally, the contribution made by the Institute itself and by the Institute's faculty is substantial. As already indicated, it includes the entire cost of instruction and it includes various other administrative costs. Institute students who administer the project likewise contribute of their time especially during the summer months. Most of them provide their services without cost. Formal responsibility for the project is, of course, assumed by the Institute and its administrative authorities.

Although some complications have arisen because of the various levels of maturity and academic preparation represented by each group of incoming visitors to the Cambridge campus, these are in the course of being adjusted. Both the Institute and the Foundation feel that this enterprise has been quite successful, at least in a relative sense. They feel that it is one of the more valuable programs in the developing international student-exchange effort which has become such an outstanding feature of the relations of the United States with other nations since World War II, particularly relations which seek contact between persons at a level other than the diplomatic.



Educational Materials in Economics and Public Affairs- Magazines, Pamphlets, Visual Aids, Abstracts

CHALLENGE MAGAZINE
NEW YORK UNIVERSITY

ALTHOUGH, in a relative sense, the interest of the Foundation in popular adult educational efforts has declined, attention is still being devoted to the creation of materials used in such activities. In this broad area, a project, undertaken several years ago, which has attained stature in the educational field, is a monthly magazine printed and published by the Institute of Economic Affairs at New York University. Originally known as *Popular Economics*, its title was subsequently changed to *Challenge Magazine*.

At the time the name was changed, a change in format was also made, the size of the publication was increased, and an annual volume of twelve issues was scheduled. The subject matter of the publication was also broadened in scope. Current economic problems continue to be featured in the bulk of the published articles but other articles dealing with public issues, only peripherally related to economics, are also included. The general objective has been to provide the intelligent non-professional reader with significant critical comment on diverse aspects of current economic and political affairs. Recent issues have dealt with such subjects as American foreign aid to allies in the so-called "Cold War"; the derivation of electric power from nuclear energy; stock purchase in American corporations by their employees; economic conditions in certain foreign countries; new aspects of competition in industry; procedures used in labor-management negotiations; problems affecting our highways and our entire transportation industry; problems posed by automation; and the dependence of material progress upon basic research. Special features

of interest to certain readers include topical notes on current economic developments, interviews with leading personalities in the political and industrial fields, an occasional book review, and articles involving consumer research and consumer problems. Writers for the publication are drawn from the professional journalistic world and from university faculties.

Current subscribers of the magazine number some 15,000. These include schools, industries, libraries, and various types of public-service and professional organizations. Readership is greatly extended as a result of a reprinting of many of the magazine's articles by other publications. Among those reprinting material is the United States Information Service which, it is estimated, reaches a reading public of more than ten million. The Service reprinted approximately twenty articles from *Challenge Magazine* during 1954.

The publishers of *Challenge Magazine* themselves reprint certain articles as booklets. These, known as *Popular Economics Booklets*, are sold to various organizations, especially to industry for its employee reading racks. In the period between June 1, 1953 and April 1, 1954, two million copies of such booklets were sold. Eleven booklets were involved. Among the titles were the following: "Electronic Brains," a discussion of electronic computing machinery for industry; "Too Many People in Europe?," a discussion of the relation of population resources and living standards in Western European countries; "Competition," a discussion of changes in competitive practices in large-scale American enterprise; and "Came the Revolution," a discussion of the impact of inventions and technology upon manufacturing processes, consumer goods, and the standard of living. It is estimated that, among the industrial purchasers of *Popular Economics Booklets*, there are approximately eighty separate enterprises. There are an equal number of purchasers among universities, libraries and comparable educational institutions.

Issues of Challenge Magazine, Popular Economics Booklets, and other educational material in economics and public affairs.



Challenge Magazine and *Popular Economics Booklets* are published under the direction of a special administrative committee headed by the Dean of the Graduate School of New York University. The Executive Director and Editor of the project for the past three years has been Mr. Haig Babian. Editorial offices are located in University quarters at 32 Broadway, New York 4, New York. Dr. Harold F. Clark of Teachers College, Columbia University, is a consultant of the project. Grants for this project during 1953-1954 totalled approximately \$230,000.

VISUAL ECONOMICS LABORATORY
COLUMBIA UNIVERSITY

Another enterprise designed to develop a special technique of communication in the economic area, which was begun some time ago with the assistance of the Foundation and which was continued during the period covered by this *Report*, is the Visual Economics Laboratory at Columbia University. The primary concern of the Laboratory has been the creation of so-called "flow charts" by means of which the interaction of economic forces and processes can be more effectively explained to business men, students, and others who are especially concerned. Various charts of this nature have been produced. Most of them have dealt with national income, the problem of inflation and the flow of money and credit in the economy.

Dr. Arthur O. Dahlberg is Director of the Visual Economics Laboratory. Grants for this project during the biennium totalled \$25,000. The final grant was made in 1954.

ECONOMIC ABSTRACTS
NEW YORK UNIVERSITY

Still a third project supported by the Foundation which falls into this general area of effort to facilitate comprehension of economic and related data is a publication called *Economic Abstracts*. This project was undertaken at New York University two years ago under the leadership of the economist, Professor Otto H. Ehrlich, who serves as Editor.

As the name of the publication implies, the purpose is to reduce to abstract form scholarly articles in all current magazines that deal with the various phases of economic thought and economic institutions. Although New York University provides the administrative nucleus of the project, contributors represent at least twenty-five universities including several outside the United States. Representatives of various public bodies likewise collaborate.

By the end of 1954 considerably more than a thousand abstracts had been published. These have been derived from some twenty-five English-language periodicals in economics and related subjects; from some half dozen United Nations reports; and from some eight foreign-language publications in French, German and Italian. The roster of abstractors, which includes both graduate students and university instructors and professors, currently numbers about one hundred twenty-five. These contribute their services gratis.

Funds committed for this project during the biennium amounted to \$15,000. The final grant for this project was made during 1954.



Educational Projects in Television and Radio

AMERICAN INVENTORY
TELEPROGRAMS INC.

BETWEEN 1952 AND 1954 approximately \$400,000 was appropriated by the Foundation's Trustees for educational projects in television and radio. The bulk of these funds was devoted to the support of the network educational television program known as *American Inventory*, which is produced by Teleprograms Inc. in cooperation with the National Broadcasting Company. Individual programs are telecast over five NBC-owned television stations and other stations affiliated with the NBC television network.

Under existing contractual arrangements between Teleprograms Inc. and the National Broadcasting Company, most of the production costs of the telecasts are borne by Teleprograms. Currently an average of \$9,000 is spent for each production. The sum thus spent is used to defray the cost of script, acting talent, art work, film, background and sets, staging services and similar items, as well as the cost of all overhead administrative and operational expenses. The National Broadcasting Company assumes a share of the expense of producing the telecasts, its contribution being used to pay for such items as studio or mobile units, rehearsal space, teletype lines, engineering and lighting equipment, studio engineering crew, technical and lighting directors, various recording and film services, and technical staff personnel. NBC's contribution is in addition to its contribution of air time. It is estimated that an investment, averaging approximately \$11,000, exclusive of overhead expenses, is represented by each telecast produced by Teleprograms Inc.

♦ Scenes from the *American Inventory* telecast, "The Mechanical Heart," and the Howard W. Blakeslee Award given Teleprograms Inc. for that telecast.

AMERICAN HEART ASSOCIATION



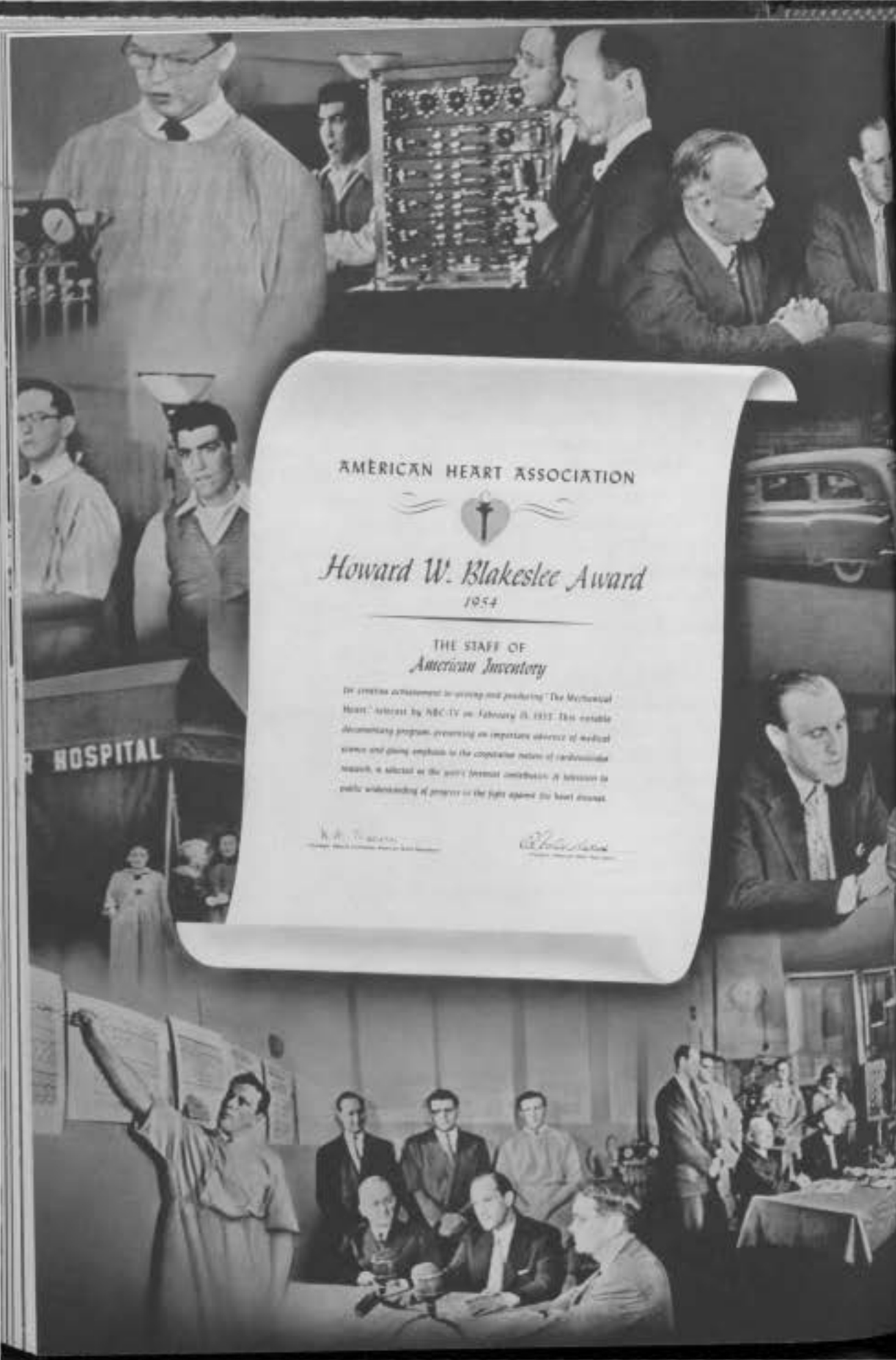
Howard W. Blakeslee Award
1954

THE STAFF OF
American Inventory

In creative achievement in writing and producing "The Mechanical Heart" telecast by NBC-TV on February 23, 1954. This notable documentary program, presenting an impressive survey of medical science and giving emphasis to the cooperative nature of cardiovascular research, is selected as the year's greatest contribution of television to public understanding of progress in the fight against the heart disease.

W. H. ...

...



After a period of experimentation, officials responsible for this enterprise decided, in 1954, to make certain changes in the program. For one thing, it was decided to reduce the number of individual telecasts from thirty-nine per year to twenty-six. It was also decided that a dramatic format would be observed for most of the telecasts. The latter decision did not exclude the possibility of some use of the documentary form which had been used in earlier telecasts. Further, it was agreed to define rather carefully the various subject-matter areas with which the scripts would be concerned. These are as follows: economics, technology, science, medicine, the arts and the humanities, and community problems. Within these areas, the producer and his associates have sought to develop telecasts which deal with topics and concepts of intrinsic significance and to make them interesting and understandable to as wide a cross-section of the public as possible. They have sought especially to illuminate complicated social and economic issues; to stress the importance to the nation's welfare of high standards in public service and of an informed

Citation of President's Committee awarded American Inventory for a telecast on the handicapped worker.



and alert citizenry; and to depict advances in the various arts, sciences and technologies and in basic knowledge.

An indication of the range of topics may be discerned from the titles of certain of the telecasts developed toward the end of 1954. They embrace the following: *The Teller* (banking and credit); *From Kitty Hawk* (documentary history of aviation); *The Mouse Trap* (competition and research in American industry); *City in Distress* (physical and financial rehabilitation of a city); *The Islands of Langerhans* (discovery of insulin); *The Last Mail* (operation of the United States postal service); *Horizons of Hope* (progress in cancer research); and *Men of the Forest* (conservation and other services rendered by the United States Forest Service).

Operations at Teleprograms Inc. are in charge of Mr. Robert Wald, who serves as Executive Director of the corporation and the Producer of *American Inventory*. Mr. Hal Thompson, of the staff of Teleprograms, serves as Assistant Producer. During the biennium *American Inventory* received various awards. The more important include the Howard W. Blakeslee Award of the American Heart Association for certain achievements in producing a program called *The Mechanical Heart*, and a Freedoms Foundation Award honoring the telecast entitled *Decision at Christmas*.

NEW ENGLAND RADIO SERIES: A REGIONAL SURVEY TELEPROGRAMS INC.—NBC RADIO NETWORK

In cooperation with Mr. Edward Stanley and the Public Affairs Division of the National Broadcasting Company, Teleprograms Inc. undertook in 1954 the creation of a second series of radio transcriptions featuring regional economic development. The first such series, developed in 1952 and described in an earlier *Report* of this Foundation,² dealt with diverse aspects of the economic expansion of the southern part of the United States during the last two decades. The new series deals with developments in the New England region.

²See *Report for 1951-1952*, p. 34.

Some fourteen transcriptions were prepared for broadcasting locally and nationally during 1955. For the greater part, these transcriptions were developed "on location" by reporters who spent considerable time interviewing key figures in the six New England states and obtaining a consensus of the current economic outlook for that region. All six of New England's Governors, other political leaders, regional industrial and financial leaders, and prize-winning novelists like John P. Marquand and Esther Forbes cooperated in giving their views for these radio programs.

Individual transcriptions treated of such topics as the New England character; the problem of a mature economy in the region; and the condition of various industries, particularly textiles, fisheries, forest and forest products, transportation and recreation, agriculture and finance. Other transcriptions related New England's role in national defense, describing especially the regional aircraft industry and the naval construction industry. Schools and educational resources were also examined. One program, called "Brains at Work," investigated the status of research in New England, concentrating upon the role of the universities, museums, and research companies in the Boston area.

According to Walter Raleigh, Executive Vice President of the New England Council, an organization which assisted extensively in this project, the transcriptions constitute the most comprehensive report on the New England economy ever made by radio. The team which undertook this assignment for the Public Affairs Division of the National Broadcasting Company was headed by James Fleming, Producer, and Arthur Hepner, Assistant Producer.

The Foundation's grant for the project, provided through Teleprograms Inc., was \$10,000.

*Other Projects
and Activities*



Presiding
TYRE JOHNSON
 President, Automotive Safety Foundation

Presentation of Awards
ALFRED P. SLOAN, JR.
 President, Alfred P. Sloan Foundation
 and Chairman, General Motors Corporation

Response
MARION E. FELLOWS
 President, National Association of
 Radio and Television Broadcasters

Remarks
W. E. BONDERS
 Chairman of the Trustees
 National Safety Council

"Play it Safe"

An elaborate award dinner is given each year to the winners of the Alfred P. Sloan Award for Highway Safety. The award is presented to the radio and television stations, networks and sponsors who, in the opinion of experts, have developed unusually effective programs for alerting the public to the hazards of the highway and to the necessity of observing safety measures. The award is known as the "Alfred P. Sloan Award for Highway Safety." Administration of this project is confided to the Automotive Safety Foundation, Washington, D. C., and to the National Safety Council which has headquarters in Chicago, Illinois. For the period under review, commitments for this enterprise totalled somewhat less than \$25,000.

Presiding
L. O. MATSON
 President, Automotive Safety Foundation

Master of Ceremonies
JOHN DALY
 Naval Commissioner

Presentation of Awards
ALFRED P. SLOAN, JR.
 President, Alfred P. Sloan Foundation
 Chairman, General Motors Corporation

Response
MARION E. FELLOWS
 President, National Association of
 Radio and Television Broadcasters

Remarks
EDD H. TRASKEN
 President, National Safety Council
 Chairman, Plans Awards Board of Judges

Entertainment
METVICK LINDS **WILL FIGHTER**
 Funder Singer *Sing of "Two for the Money"*



Alfred P. Sloan Awards Promotion of Safety on the Highways

AUTOMOTIVE SAFETY FOUNDATION
 NATIONAL SAFETY COUNCIL

SINCE 1948 the Foundation has sought to encourage the broadcasting and advertising industries to use the communication media of radio and television to promote safety on the highways. This effort has taken the form of an award of an appropriate citation and bronze plaque made annually to those radio and television stations, networks and sponsors who, in the opinion of experts, have developed unusually effective programs for alerting the public to the hazards of the highway and to the necessity of observing safety measures. The award is known as the "Alfred P. Sloan Award for Highway Safety." Administration of this project is confided to the Automotive Safety Foundation, Washington, D. C., and to the National Safety Council which has headquarters in Chicago, Illinois. For the period under review, commitments for this enterprise totalled somewhat less than \$25,000.

According to the terms of the competition established by the organizations administering the project, one sustaining and one commercial program in each of the following categories are eligible to receive an award each year: (1) local radio stations; (2) regional and clear-channel radio stations; (3) regional and national radio networks; (4) television stations; (5) television networks. For the past three years, an award has also been offered for a safety program of unusual merit produced and broadcast over a non-commercial, educational station.

♦ MR. ALFRED P. SLOAN, JR. addressing safety experts and guests during sixth annual award of safety plaques to communications industry at Waldorf-Astoria, New York, May 1954.

To qualify for an award, nominations must be sent to the National Safety Council. The nominations must be accompanied by appropriate supporting material, including sample transcriptions, scripts, or kinescopes. A brief description must also be given of the various services rendered by the nominated station or network to the cause of traffic safety during the preceding twelve months. Names of candidates for an award must usually be submitted on or before March 15th of the year in which the awards are made. Prominent civic and educational leaders and experts identified with the electronic communications industry serve on the panel of jurors which annually selects the winners in the competition. The awards are conferred some time during May in ceremonies in New York City. Parts of the ceremonies are themselves subsequently telecast.

According to representatives of the Automotive Safety Foundation and the National Safety Council, these Sloan awards for promoting safety on the highways have come to be regarded as outstanding recognition for the public-service efforts of the radio-television industry. In 1953 the names of some 150 candidates were submitted for consideration and in 1954, the names of some 165 candidates. In those two years, eighteen awards were conferred. Four plaques went to individual radio stations for sustaining programs. These were: Station WGGG, Gainesville, Florida; Station KONO, San Antonio, Texas; Station WHIM, Providence, Rhode Island; and Station KING, Seattle, Washington. Awards for sustaining programs on individual television stations went to Station WTVJ, Miami, Florida, and Station WCPO-TV, Cincinnati, Ohio. Radio networks of both the Columbia Broadcasting System and the Mutual Broadcasting System were honored for sustaining network radio programs.

As respects commercial programs in radio, the following awards were made: Station WEEU, Reading, Pennsylvania, for which the sponsor was Dittman Motors of the same city; Station KVI, Seattle, Washington, the sponsor being the Preferred Insurance Exchange; a regional network program involving twenty-seven cities, of which the Standard Oil Com-

pany of Indiana was the sponsor; Station WNEW, New York, and Station WIP, Philadelphia, for a program sponsored by the General Motors Acceptance Corporation; and the National Broadcasting Company and regional networks for a program sponsored by the B. F. Goodrich Company.

In television, awards for commercial programs were conferred upon Station WICU-TV, Erie, Pennsylvania, for a safety program sponsored by the Firch Baking Company of that city; to a Columbia Broadcasting System network program which was sponsored by Esso Standard Oil Company of New Jersey; and to the De Soto-Plymouth Dealers of America, for a network program telecast over the facilities of the National Broadcasting Company.

Plaques for distinguished safety programs, conducted by non-commercial stations, were given to Station WUOT, University of Tennessee, Knoxville, Tennessee; and to Station KDPS and the Des Moines Technical High School, Des Moines, Iowa.

For the relative success which this Foundation-sponsored project has enjoyed over the years, much is owed to the public-spirited individuals who have served as judges of the annual competitions. During the two years under review, the following persons served in that capacity: Mrs. Oscar A. Ahlgren, President of the General Federation of Women's Clubs; Kenneth G. Bartlett, Vice President and Dean of the School of Public Relations, Syracuse University; Ned H. Dearborn, President of the National Safety Council; George Jennings, Director of Radio and Television for the Chicago Board of Education; Don McClaughtery, President of the American Association of Motor Vehicle Administrators; Admiral H. B. Miller, USN (Ret.), Director of the White House Conference on Highway Safety; Judge Alfred P. Murrah, Chairman of the National Committee for Traffic Safety; Mrs. Steven J. Nicholas, Executive Director of the General Federation of Women's Clubs; Robert K. Richards, Administrative Vice President, National Association of Radio and Television Broadcasters; and John W. Studebaker, former United States Commissioner of Education.



*Recipients of the
Alfred P. Sloan Awards for Highway Safety
1952*

Sustaining Programs

RADIO
Station WHIN, Providence, Rhode Island
Station KING, Seattle, Washington
Mutual Broadcasting System

TELEVISION
Station WCPO-TV, Cincinnati, Ohio

Commercial Programs

RADIO
Sponsor: Detroit Motor
Station WREB, Reading, Pennsylvania
Sponsor: Federal Insurance Exchange
Station KVI, Seattle, Washington

Sponsor: Standard Oil Company (Indiana)
Regional Network Program

TELEVISION
Sponsor: De Soto-Elmendorf Dealers of America
National Broadcasting Company-TV

Non-Commercial Educational Stations
Station WUOT, University of Tennessee
Knoxville, Tennessee

*Recipients of the
Alfred P. Sloan Awards for Highway Safety
1953*

Sustaining Programs

RADIO
Station WGGG, Gainesville, Florida
Station KONO, San Antonio, Texas
CBS Radio Network

TELEVISION
Station WTVJ, Miami, Florida

Commercial Programs

RADIO
Sponsor: General Motors Acceptance Corporation
Station WNEW, New York and WJZ Philadelphia

Sponsor: B.F. Goodrich Company
National Broadcasting Company and Regional Networks

TELEVISION
Sponsor: Fitch Noding Company, Inc.
Station WTCN-TV, Eric, Massachusetts

Sponsor: Esso Standard Oil Company
CBS Television Network

Non-Commercial Educational Stations
Station KDFE, De Motte Technical High School
De Motte, Iowa

In congratulating the winners of the awards during the ceremonies on May 26, 1953, Mr. Alfred P. Sloan, Jr., President of the Foundation, emphasized the significance of the contribution which radio and television were making toward reducing the accident toll on the highways. He pointed out that, despite the increase in the absolute total of highway casualties, the traffic accident death rate in the United States was, relatively speaking, at an all-time low and that on a per-mile basis, it is safer to drive on the nation's highways today than at any time since the motor age began. He assured the representatives of the electronic communications industry, present at the ceremonies, that, over the years, their safety campaign had assisted appreciably in attaining this desirable result and complimented them upon their record of public service. Over the past five years, said Mr. Sloan, "the people in radio and television have proved beyond any question that, when they have the facts to work with and the cooperation of public officials and civic groups, they can provide magnificent support for any kind of traffic improvement program." These opinions were echoed by Mr. Harold E. Fellows, President of the National Association of Radio-Television Broadcasters, who spoke for the communications industry at the awards ceremonies. Mr. Fellows said that "the broadcasting industry is proud of its role in the continuing program to promote highway safety." He added that "the spectrum of radio and television program fare available to the American people makes possible the widest variety of approaches on the highway safety problem."

◆ Plaque given winners of the annual competition for the Sloan awards for highway safety and a recent group of winners of the award.



Electrical Engineering Laboratory

TUSKEGEE INSTITUTE

DURING 1953 the United Negro College Fund conducted a special campaign to raise capital funds for the thirty-two colleges which are members of that organization. Known as the "National Mobilization of Resources for the United Negro Colleges," this campaign sought some \$25 million of capital gifts.

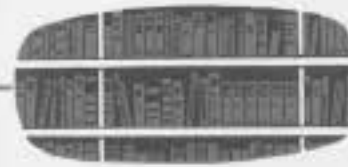
As a contribution to that effort, the Trustees of the Foundation made a special grant of \$100,000, this grant being earmarked for capital development on the campus of Tuskegee Institute, Alabama. A gift of identical amount and for the same purpose was made simultaneously by the Richard King Mellon Foundation of Pittsburgh.

According to the proposal originally submitted to this Foundation by the President of Tuskegee, the Institute planned to apply the proceeds of these two matching grants to the cost of constructing and equipping the first unit of a proposed three-unit engineering building. This initial unit was in fact completed during 1954. An engineering curriculum had been elaborated at the Institute in 1948 in response to a widespread demand, especially on the part of industry, for more trained engineers. Electrical engineering was the first of the traditional engineering disciplines to undergo substantial development after this curriculum was introduced at the Institute; hence, the new unit is intended to house activity in that branch of engineering and bring training in that branch up to a standard which the Institute authorities consider satisfactory. The other two units of the proposed building, when completed, will house the work in mechanical engineering and in civil engineering.

◆ *First wing of proposed three-wing Engineering Building at Tuskegee Institute, Alabama.*

A unique feature of this building project at Tuskegee is the fact that most of the labor of construction was furnished by the students enrolled in the various engineering disciplines. Tuskegee students, working under the supervision of their instructors, have thus been able not only to make a substantial economic contribution to their Alma Mater but have secured excellent on-the-job training, a type of training which the authorities at Tuskegee consider a desirable part of the general education of the engineering student.

Tuskegee Institute was founded in 1881 by Booker T. Washington.



Additional Grants and Special Projects

INSTITUTE FOR ADMINISTRATORS OF MUNICIPAL HOSPITALS THE HOSPITAL COUNCIL OF GREATER NEW YORK

AMONG THE MORE specialized projects of limited scope which were financed by the Foundation during the past two years, mention may be made of the Institutes for Administrators of the Municipal Hospitals in New York City. The Institutes, usually held during the Spring months for a period of about a week, are attended by administrators and other managerial personnel of the principal municipally-operated hospitals in the New York area. They provide an opportunity for establishing better liaison among hospital administrators. They also afford a forum for the systematic discussion of means of improving administrative and fiscal procedures in the hospitals, the discussions being led by experts in the administration of public and social institutions and by authorities on financial and personnel problems.

An average of about fifty administrators attended these Institutes during 1953 and 1954. Meetings were addressed by professional people from the hospital field, by professors from certain of the major universities, by executives from industry, and by professionally qualified individuals from the city and Federal Governments.

Mr. Norman S. Goetz is President of the Hospital Council of Greater New York. Dr. Anthony J. J. Rourke, until recently Executive Director of the Hospital Council, was responsible for the organization of the Institutes held during 1953 and 1954. Foundation grants for this project totalled \$12,000.

CONSERVATION FOUNDATION

Funds totalling \$20,000 were also committed during the biennium to the Conservation Foundation of 30 East 40th Street, New York, N. Y. This organization, headed by the well-known author and naturalist,

Mr. Fairfield Osborn, supports research on resource problems at various universities and comparable institutions and underwrites educational projects in resource conservation and population problems. Its general purpose is to promote conservation of the earth's life-supporting resources—animal life, forests and other plant life, water resources and productive soils—and to advance, improve and encourage knowledge and understanding of such resources and of their proper use and relationship to each other. The grants made to this organization were contributions towards its general program.

ADDITIONAL GRANTS

In addition to the commitments for the projects described in some detail on previous pages of this *Report*, the Foundation has made certain other grants of limited amount. Normally these do not exceed \$10,000 in any one year; usually they are of a lesser amount. Such grants are made to various organizations and movements whose purposes and programs coincide with the general interests of the Foundation in the economic, scientific, technological and medical fields. Often these special grants are in the form of contributions for general support and their use is not restricted to any specific project. For obvious reasons, the Foundation cannot maintain, with these additional beneficiaries, the same sort of informal liaison which characterizes its relations with its more important projects. However, the recipients of these special grants are charitable, educational or welfare institutions of established reputation which render important services to the community and nation. Most of them are well known to the general public.

Names of the organizations which received these special grants from the Foundation during the two years, 1953-1954, and the amounts involved in each case, are listed herewith:

Aid Refugee Chinese Intellectuals, Inc., New York 19, N. Y.: contribution toward the work of the Free Chinese Literary Institute in developing and distributing anti-Communist literature in the Far East \$ 1,000

SPECIAL PROJECTS

<i>American Bar Foundation</i> , Chicago 10, Ill.: contribution to the Bar Foundation's research project on citizenship	\$10,000
<i>American Committee on United Europe</i> , New York 17, N. Y.: contribution for general support	\$ 2,500
<i>American Public Health Association</i> , New York 13, N. Y.: contribution to finance annual meeting in New York City, 1953	\$ 750
<i>Boston University</i> , Boston 15, Mass.: to provide stipends for special scholarship for student in the University's College of Business Administration	\$ 1,975
<i>British American Hospital of Madrid</i> , Madrid, Spain: contribution to building and equipment fund	\$ 5,000
<i>The Children's Aid Society</i> , New York 10, N. Y.: for general support of activities	\$ 5,000
<i>Columbia University</i> , New York 27, N. Y.: for support of The American Assembly	\$ 5,000
<i>Columbia University Press</i> , New York 27, N. Y.: subsidy to assist in financing publication and distribution of an edition of a manuscript now bearing the title, "The Big Business Executive"	\$ 2,500
<i>Council on Foreign Relations, Inc.</i> , New York 21, N. Y.: contribution for general support	\$10,000
<i>Darrow School</i> , New Lebanon, N. Y.: contribution for support	\$15,000
<i>Economists' National Committee on Monetary Policy</i> , New York 10, N. Y.: contribution	\$ 5,000

<i>Father Flanagan's Boys' Home, Boys Town, Neb.:</i> contribution for support of Father Flanagan's Boys' Home	\$ 5,000
<i>The Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y.:</i> grant to be applied to operational expenses of the Foundation	\$ 5,000
<i>Freedoms Foundation, Valley Forge, Pa.:</i> various grants to finance activities of the Freedoms Foundation	\$31,815
<i>Harding College, Searcy, Ark.:</i> contribution toward the expenses of Harding College's "National Education Program"	\$ 5,000
<i>Law School of Harvard University, Cambridge 38, Mass.:</i> for a study of the economic effects of the operation of the wage stabilization board in the Federal Government during World War II	\$10,000
<i>President and Fellows of Harvard College, Cambridge 38, Mass.:</i> contribution to Harvard Foundation for Advanced Study and Research, contribution to be used for support of the proposed Harvard Center for Middle Eastern Studies	\$10,000
<i>Industrial Relations Counselors, Inc., New York 20, N. Y.:</i> contribution toward the cost of publishing the first edition of 3,000 copies of a manuscript now titled "Steadier Jobs"	\$ 4,000
<i>The Legal Aid Society, New York 7, N. Y.:</i> contribution towards general support of activities	\$10,000
<i>The Menninger Foundation, Topeka, Kan.:</i> contribution towards the educational, clinical and research activity of the Foundation	\$20,000

<i>The Metropolitan Opera Association, Inc., New York 18, N. Y.:</i> contribution to the support of The Metropolitan Opera Association	\$ 5,000
<i>Museum of Science, Boston, Mass.:</i> contribution towards completion of the Thomson Theatre of Electricity	\$ 5,000
<i>National Board of the Young Women's Christian Association of the U.S.A., New York 22, N. Y.:</i> contribution in connection with the Association's Centennial Observance and Celebration	\$10,000
<i>National Civil Service League, New York 16, N. Y.:</i> contribution for support of activities	\$ 5,000
<i>The National Conference of Christians and Jews, Inc., New York 16, N. Y.:</i> contribution	\$ 5,000
<i>National Fund for Medical Education, New York 36, N. Y.:</i> contribution to operating expenses	\$15,000
<i>National Information Bureau, New York 17, N. Y.:</i> contribution towards operational expense	\$ 1,500
<i>New York City Cancer Committee of the American Cancer Society, New York 22, N. Y.:</i> contribution	\$10,000
<i>New York Times Hundred Neediest Cases, New York 36, N. Y.:</i> contribution to campaign for 1953	\$10,000
<i>New York University, New York 3, N. Y.:</i> for general support of the University's Institute of Public Affairs and Regional Studies	\$ 5,000
<i>New York University-Bellevue Medical Center, New York 16, N. Y.:</i> study of progressive nerve deafness in children	\$ 9,000

New York USO Defense Fund, Inc., New York 4, N. Y.: donation for the support of the work of the Fund \$ 1,000

The Packer Collegiate Institute, Brooklyn 2, N. Y.: survey of curriculum of Institute's junior college \$ 5,000

Science Service, Washington 6, D. C.: contribution to assist Science Service in conducting its so-called "Science Fairs" with science students throughout the United States \$ 5,000

State Charities Aid Association, New York 10, N. Y.: contribution to develop Hospital Code in the Department of Hospitals of New York City \$12,000

Teleprograms Inc., New York 20, N. Y.: contributions to Teleprograms to finance special activities, particularly the distribution of kinescopes and prints of motion pictures made in connection with its television program \$12,537

The United Negro College Fund, Inc., New York 22, N. Y.: contribution to the annual operating fund of the United Negro Colleges \$ 5,000

Valley Forge Freedom Center, Valley Forge, Pa.: for expenses in connection with editing and publishing a manuscript in economics \$10,000

University of Vienna, Department of Internal Medicine, School of Medicine, Garnisongasse, Austria: to finance acquisition of an ultramicrotome \$ 1,000

A "phantom man" made of slices of pressed wood and cork which approximate the density of the tissues of the human body. Used at the Sloan-Kettering Institute for Cancer Research to measure the distribution of radiation doses in research studies of the effectiveness of the very high energy x-ray and electron beams of the 24-million electron volt Betatron.



Washington University School of Medicine, St. Louis, Mo.: contribution to a project in basic and clinical research in mental disease conducted under the auspices of the University's Department of Neuropsychiatry \$10,000

Yale University, New Haven, Conn.: grant towards the support of the Bureau of Highway Traffic \$ 5,000

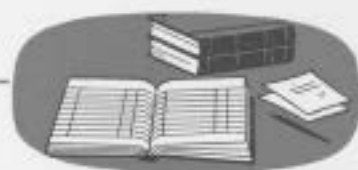
EXPERIMENTAL ACTIVITY

To complete the record, mention may be made of certain expenditures, incurred by the Foundation, for activity of an experimental or exploratory nature. Such experimental activity was undertaken in two distinct areas and was designed to provide the Foundation with information as to the feasibility of possible future projects of value to the public, into which it might divert some of its funds.

The first of these experimental activities was the creation of an animated cartoon in color which combines entertainment and educational values and which would be suitable for theatrical release. This cartoon, which deals with the concept of mass production and mass consumption, was produced towards the end of 1954.

The other special activity, financed directly by the Foundation for its information, was an investigation into the quality of the training currently being afforded hospital administrators in the United States and of the status of research in hospital administration. The purpose was to determine what needs existed and what improvements might be made in this general area of activity by a project properly conceived and administered and adequately financed. Two reports, embracing the results of the investigation, were reproduced for use by the Foundation, its Trustees and consultants. The reports are not available for general distribution. Industrial Relations Counselors, Inc. of New York conducted the investigation for the Foundation.





Financial Statements, Investments and Grants

THE FOUNDATION was established in 1934 with an initial gift of securities valued at \$500,000 from Mr. and Mrs. Alfred P. Sloan, Jr. At intervals thereafter, Mr. and Mrs. Sloan made many large donations to the General Fund of the Foundation, including one of approximately \$5 million, made in 1937; another of \$5.5 million, made in 1947; and still another of \$6 million, made in 1950. Gifts made in years other than those specified amounted to approximately \$10 million. Indeed, over the years, their gifts and those of their affiliates are responsible for all of the present resources of the Foundation with one exception. This was a gift, in excess of \$1.5 million, made to the Foundation by the General Motors Dealers of the United States in September 1948. The gift represented contributions from more than twelve thousand General Motors automotive dealers made in appreciation of Mr. Sloan's work with them when he was Chief Executive Officer of General Motors.

The proceeds of this gift have been placed in a fund now known as the "General Motors Dealers Appreciation Fund for Cancer and Medical Research." Currently, it is being used to provide some of the support of the Foundation's major cancer project at the Sloan-Kettering Institute for Cancer Research. In accordance with the wishes of the donors, both the principal and income of this Fund may be used at Mr. Sloan's personal discretion for worthy projects in cancer research. Should he at any time be incapable of discharging this responsibility, the authority to act would pass to the Trustees of the Foundation. As indicated in the next paragraph, the present value of the assets of the Foundation allocated to this Fund approximates \$4.5 million.

The financial condition of the Foundation at December 31, 1954 and 1953, with securities stated at market quotation values at the respective dates, is shown in a comparative balance sheet given on page 112. As

shown by that exhibit and as explained in an earlier published *Report*, the value of the assets of the Foundation is divided between two Reserve accounts, the General Fund Reserve and the General Motors Dealers Appreciation Fund Reserve. At December 31, 1954, after providing for all unpaid commitments at that date, the net worth of the General Fund Reserve was \$49,166,201.97 and that of the General Motors Dealers Appreciation Fund Reserve was \$4,553,901.95.

Certain of the Foundation's existing grants are renewed annually without action by the Foundation's Trustees. However, the Foundation may terminate these obligations by giving notice of such intention a specified number of years in advance of the actual termination date. The details of these continuing obligations are set forth in footnotes to the Balance Sheet.¹

The Foundation is the ultimate beneficiary of five irrevocable trusts, subject only to certain life interests. The assets of the Foundation do not include any value for these trusts, but at December 31, 1954, based on market quotations at that date for the underlying assets, the trusts had a combined value of \$17,921,539.39.

Details of the income and expenses of the Foundation for the years 1953 and 1954 are given in an exhibit called "Income Account" on page 113. A summary of that statement for the two years shows the following:

	GENERAL FUND RESERVE	GENERAL MOTORS DEALERS APPRECIATION FUND RESERVE
Investment income	\$4,357,029.52	\$426,061.64
Other Income	13,428.62	8,668.55
Total income	<u>\$4,370,458.14</u>	<u>\$434,730.19</u>
Grant payments	\$4,321,260.75	\$505,024.00
Other expenses	241,485.38	676.87
Total disbursements	<u>\$4,562,746.13</u>	<u>\$505,700.87</u>
Disbursements in excess of income	<u>\$ 192,287.99</u>	<u>\$ 70,970.68</u>

¹See p. 112

On page 114 an exhibit called "Summary of Fund Reserves Adjusted to Market Quotation Values" is shown. This exhibit gives the details of the changes in the net worth of the Fund Reserves for the two years ended December 31, 1954 and 1953. In addition to the operating results as discussed in the preceding paragraph the following changes occurred:

	GENERAL FUND RESERVE	GENERAL MOTORS DEALERS APPRECIATION FUND RESERVE
Realized appreciation on security transactions	\$3,770,893.00	\$301,327.30
Gifts designated as principal	2,650,839.06	

The gifts shown above as additions to the General Fund Reserve were received from the following donors:

New Castle Corporation	\$1,292,737.50
Mrs. Alfred P. Sloan, Jr.	737,055.63
Mr. Alfred P. Sloan, Jr.	621,045.93
	<u>\$2,650,839.06</u>

The details of the Foundation investments are given in an exhibit starting on page 116. The total value of all investments at December 31, 1954, based on market quotations at that date was \$57,841,218.24. The total ledger value of these investments, representing either cost when securities were purchased, or market values at dates of receipt when securities were donated, was \$34,045,333.18.

At January 1, 1953 the Foundation was committed for grant payments due after that date amounting to \$3,915,000. Grants of \$6,560,615.55 were authorized during the two-year period ended December 31, 1954, making total obligations of \$10,475,615.55 carried over to or assumed during that time. Payments of \$4,826,284.75 were made on grants during the same period leaving at December 31, 1954, \$5,649,330.80 in commitments payable at subsequent dates. Details of the grant transactions are set forth in an exhibit starting on page 120 of this *Report*.

BALANCE SHEET
(INVESTMENTS AT MARKET QUOTATION VALUES)
DECEMBER 31, 1954 AND 1953

	1954	1953
<u>ASSETS</u>		
CASH	\$ 1,528,216.48	\$ 677,601.14
INVESTMENTS:		
United States Treasury bonds	722,218.70	713,890.63
General Motors Acceptance Corporation debentures and notes	5,021,708.34	3,055,031.95
Marketable stocks	50,393,482.88	33,181,233.11
New Castle Corporation common stock— proportionate ownership of under- lying securities at market quotation value and cash	1,703,808.32	560,332.76
TOTAL	<u>\$59,369,434.72</u>	<u>\$38,188,089.59</u>
<u>FUND RESERVES</u>		
GENERAL FUND:		
Grants authorized but not due	\$ 5,156,830.80	\$ 4,585,140.00
Net assets	49,166,201.97	30,227,122.47
Total	<u>\$54,323,032.77</u>	<u>\$34,812,262.47</u>
GENERAL MOTORS DEALERS APPRECIATION FUND:		
Grants authorized but not due	\$ 492,500.00	\$ 267,500.00
Net assets	4,553,901.95	3,108,327.12
Total	<u>\$ 5,046,401.95</u>	<u>\$ 3,375,827.12</u>
TOTAL	<u>\$59,369,434.72</u>	<u>\$38,188,089.59</u>

NOTE: At December 31, 1954 the Foundation was committed for gifts for indefinite periods as follows:

To the Sloan-Kettering Institute for Cancer Research, \$400,000 per annum, cancelable on five years' notice. This obligation is included above in the amount of \$2,000,000, the sum required for five years' contributions.

To Massachusetts Institute of Technology—Sloan Fellowship Project, \$177,500 per annum, cancelable on three years' notice. This obligation is included above in the amount of \$532,500, the sum required for three years' contributions.

To Dartmouth College, \$35,000 per annum, cancelable on three years' notice. This obligation is included above in the amount of \$105,000, the sum required for three years' contributions.

INCOME ACCOUNT
FOR THE YEARS ENDED DECEMBER 31, 1954 AND 1953

	1954	1953
<u>GENERAL FUND</u>		
INCOME:		
Investment income	\$ 2,428,614.75	\$ 1,928,414.77
Refunds of unexpended grants	5,208.52	8,220.10
Total	<u>\$ 2,433,823.27</u>	<u>\$ 1,936,634.87</u>
OUTGO:		
Grants paid in support of sponsored projects	\$ 2,125,021.98	\$ 2,196,238.77
Administrative expenses	139,166.33	102,319.05
Total	<u>\$ 2,264,188.31</u>	<u>\$ 2,298,557.82</u>
UNEXPENDED (OVEREXPENDED) INCOME FOR THE YEAR	<u>\$ 169,634.96</u>	<u>\$ (361,922.95)</u>
<u>GENERAL MOTORS DEALERS APPRECIATION FUND</u>		
INCOME:		
Investment income	\$ 233,377.09	\$ 192,684.55
Gifts designated for current use	3,286.00	3,470.00
Refunds of unexpended grants	1,912.55	—
Total	<u>\$ 238,575.64</u>	<u>\$ 196,154.55</u>
OUTGO:		
Grants paid in support of sponsored projects	\$ 275,000.00	\$ 230,024.00
Travel expense in connection with sponsored project	—	676.87
Total	<u>\$ 275,000.00</u>	<u>\$ 230,700.87</u>
(OVEREXPENDED) INCOME FOR THE YEAR	<u>\$ (36,424.36)</u>	<u>\$ (34,546.32)</u>

SUMMARY OF FUND RESERVES
ADJUSTED TO MARKET QUOTATION VALUES
FOR THE YEARS ENDED DECEMBER 31, 1954 AND 1953

	<u>GENERAL FUND</u>	
	<u>1954</u>	<u>1953</u>
PRINCIPAL:		
Balance at beginning of year, book value	\$30,967,977.36	\$29,517,501.41
Profit on disposal of securities	3,189,330.88	347,588.88
Gifts designated as principal	1,601,415.62	1,049,423.44
Excess of market value of General Motors Corporation common stock received over book value of GM Shares, Inc. Class A stock exchanged therefor	77,584.48	53,463.63
Excess of market value over book value of General Motors Corporation common stock transferred in payment of grants	102,425.13	
Balance at end of year, book value	\$35,938,733.47	\$30,967,977.36
Unrealized appreciation of proportionate share of investments	21,672,875.32	7,302,496.09
Balance at end of year, market quotation values	\$57,611,608.79	\$38,270,473.45
(OVEREXPENDED) INCOME:		
Balance at beginning of year	\$(3,458,210.98)	\$(3,096,288.03)
Unexpended (overexpended) for the year	169,634.96	(361,922.95)
Balance at end of year	\$(3,288,576.02)	\$(3,458,210.98)
Total	\$54,323,032.77	\$34,812,262.47
Less—Grants not due	5,156,830.80	4,585,140.00
UNALLOTTED FUND RESERVE AT END OF YEAR	<u>\$49,166,201.97</u>	<u>\$30,227,122.47</u>

[114]

SUMMARY OF FUND RESERVES
—CONTINUED—

GENERAL MOTORS DEALERS APPRECIATION FUND

	<u>1954</u>	<u>1953</u>
PRINCIPAL:		
Balance at beginning of year, book value	\$ 2,201,409.29	\$ 2,163,669.12
Profit on disposal of securities	246,296.11	32,334.30
Excess of market value of General Motors Corporation common stock received over the book value of GM Shares, Inc. Class A stock exchanged therefor	7,353.65	5,405.87
Excess of market value over book value of General Motors Corporation common stock transferred in payment of grants	9,937.37	
Balance at end of year, book value	\$ 2,464,996.42	\$ 2,201,409.29
Unrealized appreciation of proportionate share of investments	2,123,009.74	679,597.68
Balance at end of year, market quotation values	\$ 4,588,006.16	\$ 2,881,006.97
UNEXPENDED INCOME:		
Balance at beginning of year	\$ 494,820.15	\$ 529,366.47
(Overexpended) for the year	(36,424.36)	(34,546.32)
Balance at end of year	\$ 458,395.79	\$ 494,820.15
Total	\$ 5,046,401.95	\$ 3,375,827.12
Less—Grants not due	492,500.00	267,500.00
UNALLOTTED FUND RESERVE AT END OF YEAR	<u>\$ 4,553,901.95</u>	<u>\$ 3,108,327.12</u>

[115]

INVESTMENTS
DECEMBER 31, 1954

	PRINCIPAL AMOUNT OR NUMBER OF SHARES	MARKET QUOTATION VALUE
UNITED STATES TREASURY BONDS:		
2½% due March 15, 1956-58	\$ 100,000	\$ 101,437.50
2¾% due March 15, 1957-59	100,000	101,406.20
2½% due June 15, 1964-69	325,000	321,750.00
2½% due December 15, 1967-72	200,000	197,625.00
Total United States Treasury Bonds		<u>\$ 722,218.70</u>
GENERAL MOTORS ACCEPTANCE CORPORATION DEBENTURES AND NOTES:		
4% debentures, due July 1, 1958	\$ 100,000	\$ 103,375.00
3½% debentures, due September 15, 1961	2,000,000	2,067,500.00
BEARER NOTES DUE:		
February 21, 1955	500,000	497,416.67*
March 7, 1955	500,000	496,250.00*
March 15, 1955	300,000	293,250.00*
June 28, 1955	600,000	586,500.00*
September 12, 1955	1,000,000	977,416.67*
Total General Motors Acceptance Corporation Debentures and Notes		<u>\$ 5,021,708.34</u>
STOCKS:		
Allied Chemical & Dye Corporation common	3,000	\$ 307,875.00
Aluminum Company of America common	2,030	182,700.00
American Airlines, Inc. common	860	19,242.50
American Gas and Electric Company common	3,000	128,250.00
American Smelting and Refining Company common	1,430	64,528.75
American Telephone & Telegraph Company capital	7,000	1,225,000.00

*Cost.

INVESTMENTS
DECEMBER 31, 1954

—CONTINUED—

	PRINCIPAL AMOUNT OR NUMBER OF SHARES	MARKET QUOTATION VALUE
STOCKS—(continued)		
Bankers Trust Company capital	2,000	\$ 130,000.00
Caterpillar Tractor Co. common	1,040	85,280.00
Chemical Corn Exchange Bank capital	2,000	103,500.00
Columbus and Southern Ohio Electric Com- pany common	2,000	60,500.00
Consolidated Edison Company of New York, Inc. common	3,000	138,750.00
Consumers Power Company common	2,000	94,250.00
Continental Oil Company capital	1,000	75,000.00
Corn Products Refining Company common	1,400	118,650.00
Corning Glass Works common	1,000	148,500.00
Dayton Power and Light Company common	3,000	130,500.00
The Dow Chemical Company common	11,520	541,440.00
E. I. du Pont de Nemours & Company common	2,000	335,000.00
Eastern Air Lines, Inc. common	1,075	41,656.25
Eastman Kodak Company common	2,100	151,462.50
General Electric Company common	6,501	303,921.75
General Foods Corporation common	2,010	153,262.50
General Motors Corporation common	370,978	36,309,471.75
GM Shares, Inc.—class A	3,000	587,250.00
Gulf Oil Corporation capital	3,857	254,562.00
Gulf States Utilities Company common	1,000	33,750.00
Hercules Powder Company voting common	215	21,392.50
Imperial Chemical Industries Limited— American depository receipts for capital stock	108,000	607,500.00
International Business Machines Corporation capital	700	253,400.00
International Harvester Company common	2,000	75,500.00
International Minerals & Chemical Corpora- tion common	3,430	140,680.00
The International Nickel Company of Can- ada, Limited common	500	29,437.50

INVESTMENTS

DECEMBER 31, 1954

—CONTINUED—

	PRINCIPAL AMOUNT OR NUMBER OF SHARES	MARKET QUOTATION VALUE
<i>Stocks—(continued)</i>		
International Paper Company common . . .	1,155	\$ 102,506.25
Irving Trust Company capital	3,000	88,500.00
Johns-Manville Corporation common . . .	1,400	123,550.00
Kansas City Power & Light Company common	2,000	80,500.00
Kennecott Copper Corporation capital . . .	9,100	960,050.00
McKesson & Robbins, Incorporated common	2,000	82,500.00
Merck & Co., Inc. common	5,458	128,263.00
Middle South Utilities, Inc. common . . .	1,000	30,750.00
Monsanto Chemical Company common . . .	3,951	410,904.00
J. P. Morgan & Co. Incorporated capital . .	564	149,460.00
The National Cash Register Company common	3,300	333,300.00
National City Bank of New York common .	2,000	116,500.00
National Lead Company common	2,709	167,958.00
New Castle Corporation common	135	1,703,808.32
The New Jersey Zinc Company capital . . .	215	10,346.88
New York State Electric & Gas Corporation common	3,000	121,500.00
Niagara Mohawk Power Corporation common	2,000	61,500.00
Ohio Edison Company common	2,000	88,750.00
Owens-Illinois Glass Company common . . .	2,000	209,500.00
Pacific Gas and Electric Company common .	3,000	138,000.00
Panhandle Eastern Pipe Line Company common	1,000	75,500.00
Parke, Davis & Company capital	2,000	75,750.00
Pennsylvania Power & Light Company common	1,000	45,750.00
Chas. Pfizer & Co., Inc. common	3,000	118,500.00
Phillips Petroleum Company capital	6,100	457,500.00
Public Service Electric and Gas Company common	4,000	114,500.00
Radio Corporation of America common . . .	860	33,110.00

[118]

INVESTMENTS

DECEMBER 31, 1954

—CONTINUED—

	PRINCIPAL AMOUNT OR NUMBER OF SHARES	MARKET QUOTATION VALUE
<i>Stocks—(continued)</i>		
Richfield Oil Corporation common	1,000	\$ 72,875.00
Sears, Roebuck and Co. capital	3,505	270,761.25
Shell Oil Company common	2,040	125,970.00
Southern California Edison Company Ltd. common	2,000	92,500.00
Standard Oil Company (Indiana) capital . .	1,000	48,125.00
Standard Oil Company (New Jersey) capital	11,518	1,274,178.75
The Texas Company capital	3,592	308,912.00
Texas Gulf Sulphur Company capital	2,000	250,500.00
Trans-World Airlines, Inc. common	473	14,071.75
Union Bag & Paper Corporation capital . . .	215	15,265.00
Union Carbide and Carbon Corporation capital	2,467	212,778.75
United Airlines Inc. common	537	20,271.75
United Carbon Company common	1,500	75,375.00
The West Penn Electric Company common . .	3,000	147,000.00
Westinghouse Electric Corporation common	3,575	287,787.50
Total Stocks		<u>\$52,097,291.20</u>

SUMMARY

Total United States Treasury Bonds	\$ 722,218.70
Total General Motors Acceptance Corporation Debentures and Notes	5,021,708.34
Total Stocks	<u>52,097,291.20</u>
TOTAL INVESTMENTS	<u>\$57,841,218.24</u>

[119]

TOTAL GRANTS AND PAYMENTS THEREON
TWO YEARS ENDED DECEMBER 31, 1954

	UNPAID AT DECEMBER 31, 1952	AUTHORIZED 1953-1954	PAYMENTS 1953-1954	DUE AFTER DECEMBER 31, 1954
Aid Refugee Chinese Intellectuals, Inc.		\$ 1,000.00	\$ 1,000.00	
Albion College		10,480.00		\$ 10,480.00
American Bar Foundation		10,000.00	10,000.00	
American Committee on United Europe		2,500.00	2,500.00	
American Council on Education		17,702.00	17,702.00	
American Hospital Association—Educational Trust		705.00	705.00	
American Public Health Association		750.00	750.00	
Amherst College		18,960.00		18,960.00
University of Arizona		150,000.00	100,000.00	50,000.00
Association of American Colleges		12,500.00	12,500.00	
Automotive Safety Foundation	10,000.00	24,500.00	34,500.00	
Berea College		10,000.00	10,000.00	
Boston University		1,975.00	1,975.00	
British American Hospital of Madrid		5,000.00	5,000.00	
The Brookings Institution	50,000.00	163,722.00	131,861.00	81,861.00
California Institute of Technology		74,400.00	18,600.00	55,800.00
University of California Medical School		20,309.60	10,154.80	10,154.80
Carnegie Institute of Technology		117,360.00	29,340.00	88,020.00
The Children's Aid Society		5,000.00	5,000.00	
Colby College		4,200.00	4,200.00	
Colgate University		7,500.00	7,500.00	
Columbia University	10,000.00	30,000.00	40,000.00	
The Columbia University Press		2,500.00	2,500.00	
The Conservation Foundation		20,000.00	20,000.00	
Cornell University		153,685.00	38,080.00	115,605.00
Council for Financial Aid to Education		155,203.05	105,203.05	50,000.00
Council on Foreign Relations, Inc.		10,000.00	10,000.00	
Darrow School		15,000.00	15,000.00	

TOTAL GRANTS AND PAYMENTS THEREON
TWO YEARS ENDED DECEMBER 31, 1954

	UNPAID AT DECEMBER 31, 1952	AUTHORIZED 1953-1954	PAYMENTS 1953-1954	DUE AFTER DECEMBER 31, 1954
Dartmouth College		\$ 258,200.00	\$ 79,600.00	\$ 178,600.00
Economists' National Committee on Monetary Policy		5,000.00	5,000.00	
Father Flanagan's Boys' Home		5,000.00	5,000.00	
The Foundation for Economic Education		5,000.00	5,000.00	
Freedoms Foundation		31,815.00	31,815.00	
Harding College		5,000.00	5,000.00	
Harvard University		20,000.00	20,000.00	
High Altitude Observatory of Harvard University and University of Colorado		5,000.00	5,000.00	
Hospital Council of Greater New York		12,000.00	12,000.00	
Industrial Relations Counselors Inc.		12,991.75	12,991.75	
The Johns Hopkins Fund		10,000.00	10,000.00	
Knox College		10,000.00	10,000.00	
The Legal Aid Society		10,000.00	10,000.00	
Massachusetts Institute of Technology	25,000.00	1,219,400.00	1,112,050.00	2,332,350.00
Medical College of Virginia		6,000.00	6,000.00	
Memorial Center for Cancer and Allied Diseases		500,000.00	150,000.00	350,000.00
The Menninger Foundation		20,000.00	20,000.00	
Metropolitan Opera Association		5,000.00	5,000.00	
The Museum of Science		5,000.00	5,000.00	
National Academy of Sciences		14,580.00	7,580.00	7,000.00
National Bureau of Economic Research Inc.		118,000.00	118,000.00	
National Civil Service League		5,000.00	5,000.00	
National Conference of Christians and Jews		5,000.00	5,000.00	
National Fund for Medical Education		15,000.00	15,000.00	
National Information Bureau		1,500.00	1,500.00	
New York City Cancer Committee of American Cancer Society		10,000.00	10,000.00	
New York Eye and Ear Infirmary		25,000.00	25,000.00	

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

67 BROAD STREET
NEW YORK 4, N. Y.

April 25, 1955

ALFRED P. SLOAN FOUNDATION, INC.:

We have examined the balance sheets of Alfred P. Sloan Foundation, Inc. as of December 31, 1954 and 1953 and the related income accounts and summaries of fund reserves adjusted to market quotation values for the two years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets, income accounts, and summaries of fund reserves adjusted to market quotation values present fairly the financial position of the Foundation at December 31, 1954 and 1953 and the results of its operations for the two years then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS & SELLS

TOTAL GRANTS AMOUNTS THEREON
TWO YEARS ENDED DECEMBER 31, 1954

—CC—

	UNPAID AT DECEMBER 31, 1952	AUTHORIZED 1953-1954	PAYMENTS 1953-1954	DUE AFTER DECEMBER 31, 1954
New York Times Hundred Neediest Cases		\$ 10,000.00	\$ 10,000.00	
New York University	30,000.00	253,500.00	249,000.00	\$ 34,500.00
New York USO Defense Fund, Inc.		1,000.00	1,000.00	
Oberlin College		17,400.00		17,400.00
The Ophthalmological Foundation		30,000.00	25,000.00	5,000.00
The Packer Collegiate Institute		5,000.00	5,000.00	
Presbyterian Hospital—Institute of Ophthalmology Science Service		30,000.00	30,000.00	
		5,000.00	5,000.00	
Sloan-Kettering Institute for Cancer Research	90,000.00	1,432,739.00	992,739.00	2,030,000.00
Southern Research Institute		287,500.00	175,000.00	112,500.00
Stanford University		80,600.00	9,300.00	71,300.00
State Charities Aid Association		12,000.00	12,000.00	
Tax Foundation, Inc.		60,000.00	60,000.00	
Telegrams Inc.		430,037.00	430,037.00	
Tuskegee Institute		100,000.00	100,000.00	
The United Negro College Fund, Inc.		5,000.00	5,000.00	
Valley Forge Freedom Center		10,000.00	10,000.00	
Vassar College		7,500.00	7,500.00	
University of Vienna		1,000.00	1,000.00	
Wabash College		11,200.00		11,200.00
Washington University		20,930.00	20,930.00	
Williams College		18,600.00		18,600.00
Yale University		5,000.00	5,000.00	
National Board of Young Women's Christian Association		10,000.00	10,000.00	
Miscellaneous payments for experimental projects		332,171.15	332,171.15	
Total	<u>115,000.00</u>	<u>\$6,560,615.55</u>	<u>\$4,826,284.75</u>	<u>\$5,649,330.80</u>