

NEWSLETTER

Issued occasionally by THE TWENTIETH CENTURY FUND

FALL 1954

NUMBER 19

NEW, EXPANDED NEEDS & RESOURCES BEING READIED

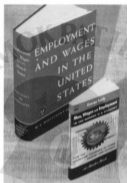
AMERICA'S NEEDS AND RESOURCES by J. Frederic Dewhurst and associates, a Fund study which has become widely accepted as a basic survey of the entire American economic system, will appear soon entirely revised and expanded and brought up to date under the title *America's Needs and Resources: A New Survey*. This work will be a new appraisal, measuring our resources against our needs, with projections to 1960. Assisting Mr. Dewhurst as Associate Research Director is Thomas C. Fichandler. More than twenty writers, authorities in their fields, have contributed to individual chapters.

As in the earlier volume, the study adds up to a comprehensive survey of the entire economy in action. The coverage of the 26 chapters is as varied as the whole American economic complex itself.

The study follows the general framework of the original volume with the addition of a number of new chapters and sections. Additions include material on the reconversion of the wartime economy and the postwar boom; the adjustment to a long-term defense program and the nation's ability to maintain—and surpass—its production of civilian goods; and the implications for the economy of the great increase in population since the war. There are new chapters on productivity and technology.

One new chapter emphasizes the pre-eminence of technological progress in recent decades of our development and the revolutionary transformation they have brought into our daily lives.

A burst of technological progress, the study reports, has marked the postwar years, resulting in an aggressive development of new materials and products, new industrial methods and new, fast-growing industries. Consumers have benefited from new products; industry has been transformed by faster, more powerful machines, new structural materials, new types of automatic equipment, and particularly by the adoption of electronic in-



struments and controls which promise to usher in the automatic age.

"Technology, in fact, can be thought of as the primary resource" the report points out. "Without it all other resources would be economically nonexistent. This is clearly true of industrial and commercial facilities and of improved agricultural land. But it is also true of coal and oil, of iron ore, and of all the raw materials we obtain from the earth, the forests and the oceans. These are potential resources; they become actual resources only as technology makes it possible to extract them and convert them into useful products.

"The material welfare of the American people and our progress during recent decades can be suggested by such measures as national income per capita and per family, output per worker or per man-hour, average hours of work and hours of leisure, and the quantities of various articles produced or consumed. National income per capita in the United States, for example, amounted to \$1,585 in 1950; per family or household, to \$5,555. In 1953 these averages had risen to \$1,925 and \$6,035, respectively. It exceeded that of any other country and was probably five times the average for the world as a whole

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NEW PAPERBACK BOOK BASED ON FUND STUDY

APPEARANCE OF *Men, Wages and Employment in the Modern U. S. Economy*, by George Soule, which was published by the New American Library in its Mentor series of 35-cent paper-bound books on August 20, marks a new experiment for the Fund. This is the first time that findings from a major Fund study have been adapted for the huge market offered by the modern paper-back book. The first printing was 150,000 copies. Mr. Soule's book is an adaptation of some of the highlights of the Twentieth Century Fund study, *Employment and Wages in the United States*, by W. S. Woytinsky and associates, published in 1953.

The Mentor volume actually constitutes a new publication, for Mr. Soule, while deriving his material from the main findings of the Woytinsky study, has written a completely new text. It is written in non-technical terms, and is substantially condensed from the 777 pages of the original work.

FREE BOOK AVAILABLE FOR STANDING ORDER GROUP

MEMBERS of the Standing Order Group of the Twentieth Century Fund may have a free copy of *Men, Wages and Employment in the Modern U. S. Economy* with the compliments of the Fund. Any Standing Order member wishing a copy is requested to send a letter or copy card to the Fund and the book will be mailed promptly.

As described on its back cover, *Men, Wages and Employment in the Modern U. S. Economy* is a "stimulating explanation of seldom understood aspects of enlightened capitalist economy." The book's ten chapters and 138 pages provide a comprehensive picture of the American

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NEWSLETTER

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REPORT SCANS PROBLEMS, HOPES OF THE UNDERDEVELOPED AREAS

*New Book, Approaches to Economic Development,
Explores Methods; Defines Major U. S. Stakes*

WHAT IS THE STANDING ORDER PLAN?

OFFER of a free copy of the new paperback volume *Men, Wages and Employment in the Modern U. S. Economy* to members of the Fund's Standing Order Group (see box on page one) may occasion some inquiries about this plan.

Persons or organizations who wish to see each new Fund publication as it is issued may enroll in this group. There is no charge or service fee and all publications (except an occasional highly specialized one) are sent automatically. The member is completely free to return the book if it doesn't interest him; and if he does wish to purchase, he is allowed a substantial 25 per cent discount from the already low list price. Members of the group may also buy earlier Fund publications at the 25 per cent discount. A catalogue of all Fund publications is available on request.

Enrollment costs nothing and membership can be terminated at any time. If you wish to join the group, just write and tell us so.

Members of the Standing Order Group also receive automatically the Annual Report of the Fund, the Newsletter and the *Clipboard*.

TO GAIN a greater insight into some of the problems and processes involved in aiding the economic growth of underdeveloped areas, the Fund in 1951 began a study under the direction of Norman S. Buchanan and Howard S. Ellis, both Professors of Economics at the University of California. The study, titled *Approaches to Economic Development*, is now completed and will be published by the Fund in the late fall.

The "revolution of rising expectations" among the peoples of the underdeveloped areas of the world has become an ever more important factor in international relations and of increasing concern to the United States. We have spent hundreds of millions of dollars in Point IV and other aid programs to help fulfill the aspirations toward a fuller life of peoples in Africa, the Orient, the middle East and Latin America. Our aim, too, has been to help create a world in which we may live in peace and prosperity.

The book will provide a comprehensive study of the entire problem — a definition and survey of underdeveloped areas; the

methods whereby economic development has been achieved in the more advanced areas of the world and how these means apply to the areas that are underdeveloped; and what our stake is in the development of these areas.

In charting the extent of the problem the authors say: "merely providing more capital equipment from abroad or demonstrating superior techniques of production will not create an environment from which innovations are bound to appear, or in which the entrepreneurial spirit and point of view are certain to flourish. If these could be assured, internal productive capital formation would almost certainly follow. Only in a very limited and comparatively trifling sense can economic development be 'imported.' In nearly all its important essentials it must be generated from within. A people whose standard of living is not above its level of living is not likely to achieve much material progress. There must be a desire for economic progress coupled with a determination to achieve it.

To contend that the really substantive

barriers to development are mainly non-economic is not to deny, however, that these barriers are most surely and easily crumbled from the economic side. Historically, the most powerful factor in re-orienting and reshaping the socio-cultural environment seems to have been the spread of trade and commerce."

Our own stake in the economic development of these areas, the authors point out, is political as well as economic and humanitarian. "The United States cannot stand idly by and witness the recruitment of the populous countries of Asia and perhaps even of Africa and Latin America to Communism. . . . It is vitally necessary to the United States to offset the 'quick and easy' remedies of Communism through violence and expropriation by creating the external conditions under which an impoverished people may, by its own efforts, raise its levels and standards of living and yet maintain its political independence."

In addition to these political interests we have strong economic ones in the development of nations comprising two thirds of the world's population.

Expanding markets are a vital need both for ourselves as well as our allies, whose economic well-being, and therefore security, may well depend upon them. At the same time we must assure ourselves of a continuing supply of our most indispensable imports and industrial raw materials, many of which come from underdeveloped areas.

"Finally, it cannot be denied that the United States has a purely humanitarian interest in the relief of starvation, disease and ignorance in other parts of the world . . . and it seems inevitable that the wealthiest nation of the world should continue to feel some measure of moral responsibility for the way the 'other half' — in fact by far the larger portion — lives and thinks."

The most basic help that could be given the underdeveloped areas, the authors point out, would be the creation of an expanding system of international trade based upon competitive prices and profits, together with the encouragement we might provide through continuing technical aid and marginal contributions of funds. In such circumstances the newly developing countries would be able to work out their own salvation.

PAPERBACK BOOK

(continued from page 1)

labor force in terms of types of jobs, who fills them and what their earnings are; and gives figures by industry, sex, race and age. The book discusses the theory of wages and what controls them and tells how unions work, what laws govern labor, and what benefits are available to the American worker. It also explores the potentialities of the U. S. economy and the prospects for a rising standard of living.

FILENE TV STAFF IS AUGMENTED

PLANS for the forthcoming opening of WGBH-TV, the educational television station being built in Boston as a memorial to Edward A. Filene, founder of the Twentieth Century Fund, and his brother, Lincoln Filene were carried forward in recent months with two new staff appointments.

George E. Probst has been named as Director of Programs and assistant to Parker Wheatley, General Manager of the station and Director of the Lowell Institute Cooperative Broadcasting Council, which will operate the station. Colby Lewis has been named Director of Production.

Mr. Probst, a pioneer in educational radio programs, has been producer and director since 1944 of the University of Chicago Round Table, one of the best known American educational radio programs. He has also been a leader in the development of educational television with the National Association of Educational Broadcasters.

Mr. Lewis comes from station WTMJ-TV in Milwaukee, where he has served successively as production-director, supervising director and assistant program manager. Recently he produced and directed the station's first color television program. He has also worked extensively with educational and public service programs.

Construction of the television station has been made possible by grants from several foundations, including a contribution of \$250,000 from the Twentieth Century Fund, given as a memorial to the Fund's founder. It is planned that initial operating costs of the station be met by funds raised under the sponsorship of the Massachusetts Citizens Committee for Educational Television, an association of some forty organizations which have joined together to further the cause of educational TV in Boston.

NEEDS & RESOURCES

(continued from page 1)

— ample evidence that the typical American was very "well off" in the things that money could buy.

"The great majority of American workers today normally work a five-day week of 40 hours or less. This is a shorter week than now prevails in most countries of the world. A 60-hour week was the rule in the United States in 1900 and a 70-hour week a century ago. Our high and rising living standards have thus been achieved with less and less human effort, and this has meant more and more leisure to consume the additional goods and services that our larger incomes can buy. These statistical averages are only rough approxi-

mations, but they provide an indication of how a dynamic technology has enabled the American people to increase their productivity and material well-being.

"Such quantitative measures, however, fail to suggest the tremendous qualitative alteration that technology has brought in the way we live and work today compared with half a century ago. No period of comparable length in human history has brought such great changes in the variety, quality and quantity of goods and services available for consumption. In many ways those of us now passing middle age have within our lifetime experienced a greater advance in our material standard of living and a more pervasive change in our way of life than occurred in all the previous centuries of Western history. The mass of the people, it is important to emphasize, have been the chief beneficiaries of this great material progress. In every past age and civilization only the favored few have been able to enjoy a high standard of living because they alone could command the lavish personal service to make it possible.

SCOPE OF THE STUDY

Table of Contents of
America's Needs and Resources
A New Survey

Chapter

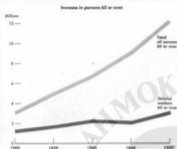
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Illustrated with 105 charts

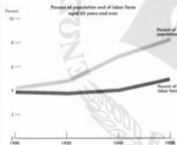
"Worth mentioning is the fact that this momentous development has been taking place not in communist Russia but in capitalist America. Of all the great industrial nations, the one that clings most tenaciously to private capitalism has come closest to the socialist goal of providing abundance for all in a classless society."

**BUSINESS WEEK FEATURES PROFILE
OF AGED TAKEN FROM FUND STUDY
OF THEIR ECONOMIC NEEDS**

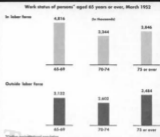
There are more older people...



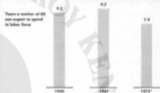
And they are a larger percent of population



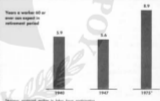
Here's where the older people are...



Retirement periods are longer as work life shortens...



And life expectancy goes up to add to retirement



These charts are reproduced through the courtesy of Business Week.

SINCE 1900 the number of persons 65 and over in the United States has quadrupled, while the total population has only doubled. It is estimated that six million older persons in America have little or no personal resources and are wholly or partially dependent upon public funds, charity or relatives.

Implicit in these figures is one of the most pressing social problems of our times - providing for the urgent economic needs of an aging population and making possible a life of fulfillment and dignity for our senior citizens.

How this can be done, what progress has been made and where we stand in our attack upon the problem form the subject matter of a new Twentieth Century Fund study, *Economic Needs of Older People*, by John J. Corson and John W. McConnell, to be published this winter.

The study starts with a survey of the basic situation - the numbers of older people in this country, their means of support and their economic status, their ability to work at various ages and in various jobs and other data to provide an over-all estimate

of the scope of the problem. It projects current estimates into the future to delineate the problem as it will face us in the years to come. The study makes a detailed survey of the various means, public and private, and have devised for meeting the economic needs of our older citizens, and discusses new proposals.

The final chapter of the study is the report and recommendations of a Special Committee of experts in the field.

John J. Corson, co-author of the work with John W. McConnell, is a principal of the management consultant firm of McKinsey & Company, and was formerly an executive of the Washington Post. Earlier, he was Director of the U. S. Bureau of Old Age and Survivors Insurance from 1938 to 1944 and consultant to the Mexican government in the establishment of that country's social security system. Mr. McConnell, Professor at the New York State School of Industrial and Labor Relations, Cornell University, was formerly a public member of the National War Labor Board, Region II, and a government consultant on problems of personnel and retirement.

NEWSBRIEFS - A CLIPSHEET

from the TWENTIETH CENTURY FUND 330 West 42 Street, New York 36, N. Y.

NUMBER 21

In travel time, New York is now closer to Tokyo than it was to Philadelphia in the days of the thirteen colonies, notes the authors of a Twentieth Century Fund report.

In 1900 nearly two thirds of the men aged 65 or over reported themselves as either actively at work or seeking jobs, in 1932 less than half, points out a Twentieth Century Fund report.

Experts have estimated that the United States could increase its agricultural output sufficiently in a decade to provide food for 60 million people, for 100 million people, notes a Twentieth Century Fund report.

A Twentieth Century Fund report on world trade and transportation is for publication that once political restrictions of Germany assumed in its far simpler matter than it is today. When Germany was still divided among numerous petty principalities, Goethe was confident that "good roads and running railways will do the job of unification."

a 20th Century Fact



From 1914 to 1932 wages have risen 60% in the early twenties, note the authors of a Twentieth Century Fund report, which also set out in the first volume of *Wages*, a volume printed to date at the New York office of the Twentieth Century Fund.

(See Twentieth Century Fund report.)

Iceland, Denmark and Canada are the main exporters of live cattle, shipping 490,000, 320,000 and 220,000 head, respectively, of world exports of 1,300,000 head in 1931, notes a Twentieth Century Fund report.

Only two countries, the United States and New Zealand, have a generally established 40-hour work week, a 48-hour work week prevails in most other industrial nations, says a report of the Twentieth Century Fund.

The highest pay for workers in any major American industrial division goes to transportation workers, notes a forthcoming Twentieth Century Fund report.

What was probably the first formal plan submitted by an employer in the United States for promoting employees after the age of 50, was known in 1875, according to a report of the Twentieth Century Fund.

In England, employers provide plans commonly provide "retirement" benefits as well as retirement pensions, while in our country such plans including provision for survivors are the exception, notes a report of the Twentieth Century Fund.

Approximately one third of the sugar consumed in the world is produced from sugar beets, and two thirds from sugar cane, notes a study to be issued by the Twentieth Century Fund.

The proportion of women among all persons of working age in the United States increased from 17 per cent in 1868 to 24 per cent in 1940 and was close to 50 per cent in 1932, notes a Twentieth Century Fund report.

The average worker in the United States loses seven-and-a-half work days a year because of temporary illness, reports a Twentieth Century Fund study.

While most have been important developments of the places where men settle and do business, there are still many great rivers that have not yet gained a place in the world economy in keeping with the expansion of their drainage basins and their natural resources. Among these are the Amazon and La Plata in South America, the Niger and Congo in Africa, and the Yenisei and Lena in Siberia, notes the authors of a Twentieth Century Fund report.

Contrary to popular belief, the section of the country with the largest proportion of child persons in population is New England, not the Far West, although many older people have settled in both California and Florida, in recent years, notes a report of the Twentieth Century Fund.

A Twentieth Century Fund report points out that the longest railway in the world is the Trans-Siberian Railway, the longest railway tunnel (12 miles) is the Simplon Tunnel between Italy and Switzerland; the country with the greatest rail mileage in the United States has 223,600 (Illinois is next with an estimated 70,800 miles), and the highest roadbed in the world are in South America.

a 20th Century Fact



The United States is the world's largest consumer of coffee and uses 200,000,000 pounds, approximately 60 per cent of the coffee consumed and 40 per cent of the world. The largest consumer of tea is the United States, which uses 100,000,000 pounds of tea per year, notes a study to be issued by the Twentieth Century Fund.

(See Twentieth Century Fund report.)

One third of the persons aged 65 or over in this country were receiving benefits under Old Age and Survivors Insurance and related programs at the start of 1931, 30 per cent more at work or were the wives of wage earners, 20 per cent were receiving public assistance, 12 per cent had personal income, 5 per cent were in public or private homes, hospitals and other institutions, according to a new report of the Twentieth Century Fund.

The study of United States farmers in reports is shown by the percentage of this country's agricultural output sold abroad in 1931: wheat, 48; dried milk, 45; rice, 37; dried peas, 23; cotton, 34; molasses, 26; hard, 54; tobacco and hops, 25; plums and prunes, 21. These figures are from a study now to be issued by the Twentieth Century Fund.

a 20th Century Fact



In the country in which the average percent in industry or other major activity was more than twice between 1930 and 1932, rising from 10.5 to 20.5, notes a study of the Twentieth Century Fund.

(See Twentieth Century Fund report.)

A new Twentieth Century Fund report reveals that while today the emphasis is all on later travel, it was not always thus. When conditions first came into use they were opposed by many people, among whom were makers of records, belts and jewelry, who felt the switch from horseback to coach would ruin their business, cloth makers, who feared the added cleanliness of coach travel would cause former garments being bought, and tavern keepers, who forewarn a decline in beer and ale sales.

The "big loss" of U. S. exports are industrial machinery, automobiles, grains and cotton says a forthcoming Twentieth Century Fund report. These four groups of articles account for approximately 40 per cent of the total value of the goods we sell abroad.

Despite the machine age, there are vast areas of the world in which human energies do most of the work. Some African porters, for instance, are able to carry a load of 90 pounds while making 15 miles a day, notes a study now to be issued by the Twentieth Century Fund.

Tropical products such as cocoa, coffee, tea and rubber represent nearly 25 per cent of U. S. imports, according to a new Twentieth Century Fund study. These are followed by raw materials such as wool, crude petroleum, woolen yarn and paper, of about equal total value.

The scope of the problem of the aged in the United States is indicated in a Twentieth Century Fund study which reports that since 1860 the number of persons 65 and over has quadrupled while the total population has only doubled.

Consumers in industrial countries pay out, as a group, an estimated 18 to 20 per cent of their income in taxes (including indirect taxes and excise duties) and pay 7 to 10 per cent into savings, say the authors of a Twentieth Century Fund report.

a 20th Century Fact



The rate of accidents for private cars has been around three or at most four per cent of the total in the United States, a following report of the Twentieth Century Fund. In 1932 only a little over one per cent of the roads in the United States were electrified.

(See Twentieth Century Fund report.)

Electrification of railroads is increasing, and Switzerland leads with 94 per cent of its lines electrified, next is the Netherlands with 42.2 per cent, then Sweden with 34.4 per cent notes a forthcoming report of the Twentieth Century Fund. In 1932 only a little over one per cent of the railroads in the United States were electrified.

While the United States has a highly dynamic economy, Sweden has had a higher rate of economic growth during the last 70 years in per capita income and has suffered less from medical setbacks, notes a report issued by the Twentieth Century Fund.

The only three areas of North America and Europe not accessible today by railways and highways are the wilderness sections of northern Canada, Alaska and remote regions of Newfoundland, according to the authors of a Twentieth Century Fund report.

ALL OR ANY PART OF THIS MATERIAL MAY BE REPRODUCED WITHOUT SPECIAL PERMISSION

The Twentieth Century Fund, an endowed foundation for research and public education on economic and social problems, was founded in 1919 by the late Edward A. Ross. The Fund's income, administered as a public trust by a Board of Trustees, is devoted entirely to its own research and educational activities.