The Andrew W. Mellon Foundation

Report
from January 1, 1992
through December 31, 1992

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The Andrew W. Mellon Foundation, a Not-for-Profit Corporation under the laws of the State of New York, is the result of the consolidation on June 30, 1969 of Old Dominion Foundation into Avalon Foundation with the name of the latter being changed to The Andrew W. Mellon Foundation. Avalon Foundation had been founded by Ailsa Mellon Bruce, daughter of Andrew W. Mellon, in December 1940 as a common law charitable trust. In 1954 it was incorporated under the Membership Corporations Law of the State of New York. Old Dominion Foundation had been established in 1941 under the laws of the Commonwealth of Virginia by Paul Mellon, son of Andrew W. Mellon.

The purpose of the Foundation is to “aid and promote such religious, charitable, scientific, literary, and educational purposes as may be in the furtherance of the public welfare or tend to promote the well-doing or well-being of mankind.”

Under this broad charter, the Foundation currently makes grants on a selective basis to institutions in higher education; in cultural affairs and the performing arts; in population; in conservation and the environment; and in public affairs.

Within these fields, the Foundation directs most of its grantmaking to particular areas of interest, which are made known in a variety of formal and informal ways. Annual reports describe grantmaking activities and present complete lists of recent grants. In addition, organizations are welcome to request further information concerning the nature and extent of the Foundation’s activities in a specified area. The Foundation seeks to be clear about its priorities so as to provide reasonable guidance to those who are considering investing time and resources in preparing proposals.

Applications are reviewed throughout the year, and no special forms are required. Ordinarily, a short letter setting forth the need, the nature, and the amount of the request and the justification for it, together with evidence of suitable classification by the Internal Revenue Service and any supplementary exhibits an applicant may wish to submit, are sufficient to permit consideration by the staff. Applicants must recognize, however, that the Foundation is able to respond favorably to but a small fraction of the requests that it receives. Only rarely is a grant made in response to an unsolicited proposal outside defined areas of interest, and prospective applicants are encouraged to explore their ideas informally with Foundation staff (preferably in writing) before submitting formal proposals. The Foundation does not make grants to individuals or to primarily local organizations.
PRESIDENT'S REPORT

The Andrew W. Mellon Foundation continues to devote by far the largest share of its resources to its traditional areas of emphasis: higher education and scholarship, the arts and culture, conservation and the environment, and population. In the last four years, however, the Foundation has also been an increasingly active grantmaker in public affairs. In 1992, roughly 20 percent of all appropriations were classified under this broad rubric.¹

To be sure, the line between "public affairs" and other programmatic areas is blurred at best, and no purpose is served by trying to draw it with specious precision. For example, the entire field of population, in which the Foundation invests heavily, could be regarded as a sub-category within public affairs. Also, the Foundation sponsors work on a variety of topics in public affairs, such as the economics of higher education, which relate directly to institutions and fields which the Foundation supports more generally. The Foundation's extensive efforts to encourage fuller participation by minority groups in higher education, and especially in doctoral education in the arts and sciences, are another illustration of how a set of grants can bridge public affairs and a substantive area of longstanding interest.

In deciding to allocate more resources to public affairs per se, the Trustees and staff were extremely conscious of the exceedingly wide range of projects which could fall under this heading and of the attendant danger of adopting so diffuse a pattern of grantmaking that its impact would not be discernible or productive. At the same time, we wanted to preserve the Foundation's flexibility by making clear from the start our intention to concentrate on certain

¹ See the summary table on p. 35, and the full list of individual appropriations which follows it. The list this year consists only of appropriations made in 1992. Payments made during 1992 (including payments made on appropriations approved in prior years) are not listed individually, although they are totaled on the summary table. Our hope is that this format, which is new this year, will permit a better understanding of the Foundation's current grantmaking activities than a listing which also reflects earlier appropriations.
objectives for specified periods of time and then to redirect our efforts elsewhere as circumstances changed.

One major area of concentration in recent years has been Eastern Europe: In 1988, the Foundation decided to focus significant energies and resources on Hungary, Poland, and Czechoslovakia (as it was then). This decision was made in response to the dramatic changes which were occurring in that part of the world, and especially to the evident need for timely assistance of various kinds if democratic, market-oriented initiatives were to succeed. It was also made in recognition of the relative inactivity in the region at that time by major foundations and governmental or quasi-governmental entities. We also thought that it would be possible to identify particular sets of activities in which we had, or could develop, sufficient expertise to spend reasonably large amounts of money wisely.

To guide our efforts, we recruited Professor Richard E. Quandt, a highly respected economist at Princeton University who was born in Hungary and has extensive knowledge of the region, as a Senior Advisor to the Foundation. Largely as a result of Professor Quandt’s active engagement with certain systemic problems in Eastern Europe, and with key institutions and individuals there, the Foundation has now (through 1992) appropriated $20 million for programs and projects in the region; and we expect to appropriate an additional $12 million to $15 million by the end of 1994.

Consistent with the general practice followed for the last three years, a major part of this year’s annual report (pp. 17–33) consists of a discussion by Professor Quandt of the Foundation’s grantmaking program in Eastern Europe. This discussion of activities in Eastern Europe will be useful, we hope, in its own right. In addition, it is meant to illustrate the way in which the Foundation seeks to focus on specific topics, problems, and areas in fashioning its programs.

2 Previous annual reports have contained discussions by Neil L. Rudenstine of literacy (1989); by Carolyn Makinson of population (1990); and by Rachel N. Bellow of the Foundation’s program in arts and culture (1991). The practice of asking a staff member (or, this year, a Senior Advisor) to review one area of activity in some detail has been well received, and we expect to continue it.
Other Fields of Activity

Before yielding to Professor Quandt, I wish to comment briefly on some of the Foundation’s other activities, noting programmatic emphases in 1992 and identifying one or two new initiatives under consideration.

In addition to programs in Eastern Europe, one other area of activity within the broad field of public affairs should be highlighted. After receiving an extensive report prepared by our colleague, Stephanie Bell-Rose, the Trustees decided to increase the Foundation’s commitment to immigrant studies and immigrant education in the United States. Special emphasis is to be given to programs designed to improve immigrants’ acquisition of English, to policy development efforts at state and local levels, and to the longer term development of additional scholarly and analytical capacity which can help us understand and address the full range of issues related to recent increases in the size and diversity of the immigrant population. In 1992, a $2 million matching grant was made to the Urban Institute for some of these purposes, and we expect to have appropriated as much as $10 million in this area by the end of 1994.

The fields of Population and Arts and Culture require no special comment since they continue to be supported in the ways outlined in some detail by Carolyn Makinson and Rachel Bellow in (respectively) the 1990 and 1991 annual reports of the Foundation.

In the field of Conservation and the Environment, the Foundation continues to support research and training programs at leading centers for the study of ecosystems and also to support organizations such as the New York Botanical Garden, the Trust for Public Land, the Nature Conservancy, and the Organization for Tropical Studies. The staff member responsible for this area, William Robertson, has suggested that this would be an opportune time to review the program in its entirety, and Dr. M. Gordon Wolman of Johns Hopkins University has agreed to chair a committee which will undertake that task and prepare a report in 1993. A fuller discussion of the Foundation’s program in this field will appear in next year’s annual report, following this review.

In 1992 the Foundation completed a review of its Literacy pro-
gram. The Trustees concluded that more emphasis should be placed on research projects which relate directly to educational practice. Also, we are pleased to report that arrangements have been made for our vice president, Harriet Zuckerman, to work with the Russell Sage Foundation and its president, Eric Wanner, in reviewing, supporting, and disseminating the results of projects of particular significance in this field. The interests of our two foundations seem highly complementary, and we look forward to this new partnership.

Higher Education and Scholarship

Somewhat more should be said about the field of “higher education and scholarship,” since it has been central to the work of the Foundation for so long and continues to receive by far the largest share of all funding: $41 million in 1992 alone, or 45 percent of all appropriations in that year.

The Foundation continues to assign a particularly high priority to efforts to strengthen doctoral education in the arts and sciences (see the 1990 and 1991 annual reports). Under the direction of Harriet Zuckerman, the departmentally based program of institutional grants for use at ten universities is now in its second full year. It is much too early to come to any conclusions concerning the effectiveness of the efforts being made to reduce time-to-degree and raise completion rates, while simultaneously enhancing the quality of doctoral programs. We are encouraged, however, by the early soundings. The first full round of statistical summaries suggests movement in the right direction within most participating departments, and the initial qualitative assessments have been even more positive. At the same time, the need for some “fine-tuning” of the guidelines for expenditures under this program is also clear, as is the need to take account of the difficulties associated with the currently depressed state of academic labor markets in most of the fields covered by this program—a condition which we are trying to monitor closely.

A major accomplishment in 1992 was the transfer to the University of Michigan of the large and complex database for this program—which already contains longitudinal data on approximately 9,000 students as well as information on 47 participating depart-
ments. Direct responsibility for maintaining this rapidly growing database rests with Sharon Brucker, working under the direction of John D’Arms, Vice Provost for Academic Affairs and Dean of the Horace H. Rackham School of Graduate Studies.

The Foundation also continues to fund “portable” fellowships for outstanding graduate students in the humanities through programs administered by the Woodrow Wilson National Fellowship Foundation and directed by Alvin Kernan. The original, ten-year old program of multi-year fellowships (the “Mellon Fellowships in the Humanities,” sometimes called “Mellon I”) is being concluded, and the last group of recipients was chosen in 1992. While no new multi-year awards will be made in 1993, students chosen in earlier years will of course continue to be supported. Planning was completed in 1992 for a new program of one-year portable awards (the “Andrew W. Mellon Fellowships in Humanistic Studies,” or “Mellon II”), and the first group of recipients will be chosen in the spring of 1993. Information on students in both portable fellowship programs is being incorporated into the Michigan database described above, and detailed comparisons will be made of the progress of students in all of these programs, to assist us in assessing their relative effectiveness.

A third, albeit shorter, “leg” of the Foundation’s efforts to assist doctoral programs consists of a series of graduate seminars in literature and history being sponsored at universities other than those participating in the institutional grants program. These seminars were the idea of Alvin Kernan, and their purpose is to stimulate more open and candid discussion of such sensitive and contentious issues as the nature of “truth” in these fields and the extent to which it is possible to confront texts and issues of interpretation without committing oneself at the outset to a strong theoretical or political position. A number of faculty members, as well as students, have warned that failure to confront such questions directly can create great difficulty for students approaching the dissertation phase of their work and can impede progress toward timely completion of degrees.

Another set of related initiatives, led by Henry Drewry, is designed to address the widely recognized need for more minority scholars with PhDs in core fields within the arts and sciences. Our
major focus is on the identification of talented candidates while they are undergraduates (preferably in the sophomore year) and on institutionalizing a variety of modes of support and encouragement, including the subsequent repayment of undergraduate debt, in order to increase the flow of students from underrepresented minority groups into—and through—doctoral programs. While this too is a long-term undertaking which cannot be assessed fully for quite some time, the results to date have been sufficiently promising to justify extending the life of the program and adding five additional colleges and universities to the roster of institutional participants (while not renewing grants to two of the institutions included initially). The United Negro College Fund is also an ever more active partner of the Foundation in this effort.

In 1992, appropriations for this set of programs, including grants to assist some faculty at historically Black colleges and universities to complete their PhDs, exceeded $8 million. Mr. Drewry and his associates are maintaining records on the characteristics and performance of both institutional and individual participants, and in a subsequent annual report, we expect to describe in some detail our experiences with these programs, and the lessons learned from them.

The Foundation also maintains a strong interest in the well-being of selected liberal arts colleges. Two currently active programs under the direction of Roberto Ifill—one to assist new presidents and the other to enable colleges (and a few small universities) to consolidate programs in ways that would clarify and enhance their educational missions—will be concluded in June of 1993. Alice F. Emerson, who has joined the staff of the Foundation after serving for sixteen years as president of Wheaton College, is now actively engaged in formulating a next set of programmatic guidelines for consideration by the Foundation's Trustees. Our expectation is that we will wish to build on the work begun under the consolidation program (perhaps supporting some model planning efforts which would incorporate explicit mechanisms for tracking consequences) and also to contribute in some appropriate way to the national debate on the future of financial aid programs at liberal arts colleges and private universities.

Area studies have also been of interest to the Foundation for
many years. Harriet Zuckerman and Richard Ekman are now reviewing needs and opportunities in European studies and Latin American studies, respectively, and here too we expect recommendations concerning programmatic directions to be ready for discussion by the Trustees in 1993. Concurrently, Stephanie Bell-Rose is overseeing an external review of the Foundation's grants in support of policy studies affecting Latin America (which are classified within Public Affairs).

Finally, special mention should be made of libraries at research universities. As many individuals and organizations have noted, the future functions of these libraries—and the financing of the services they provide—are unsettled issues which are poorly understood. Accordingly, the Foundation launched a study of the circumstances of these libraries, which was completed in the winter of 1992. This research project was intended to identify major trends in, for instance, the share of total educational and general expenditures of colleges and universities going to their libraries, expenditures within library budgets on books versus journals, the share of the relevant universe of newly published materials being acquired, and outlays on automation in its various forms. We were also especially interested in the ways in which technological innovations have affected practices, expectations, and future possibilities in this domain.

Along with many others—and for reasons explained in detail in the study—we are persuaded that the status quo is unstable, and that it is urgent that careful consideration be given to the interrelationships among mechanisms of scholarly publication, acquisitions policies of libraries, modes of inter-institutional cooperation, alternative methods of making information available, and the requirements of users associated with institutions of various sizes and capacities (for example, small colleges versus large universities). Realistic assessments must be made of cost functions, pricing options, and the full economic consequences of potential new forms of journal publication—to cite just one important example.

We are now awaiting responses to this report. At the same time, we are seeking advice from economists, experts on the relevant technology, and others on problems which must be viewed in their totality, not just from the perspective of one constituency or one set of institutions. Richard Ekman has principal responsibility within the Foundation for overseeing our future activities in this area, which could well be substantial.

Nonprofit Organizations

In the course of working with numerous grantees, especially when they have confronted unusual adversity, we have become increasingly aware of the need for fuller understanding of the nonprofit sector and of its generic problems. Accordingly, the small research staff of the Foundation (consisting principally of Joan Gilbert and Thomas Nygren in the Princeton office, Kevin Guthrie and Jed Bergman in the New York office, and Sarah Turner, now a PhD candidate at the University of Michigan) has been working on a variety of projects including: (1) the adequacy of existing systems used to classify entities according to their fields of activity; (2) a "macro" analysis of the evolving populations of entities within fields such as higher education, the performing arts, and science/technology, noting changes in both size and composition; (3) the strengths and limitations of existing methods of financial reporting used by individual organizations; and (4) problems of governance, including the capacity of organizations to adapt to changing circumstances and, when necessary, to cease operations altogether.

A detailed examination by our staff of the coding used in applying the NTEE taxonomy (the National Taxonomy of Exempt Entities) to the field of higher education demonstrated that the error rate was so high as to require thorough revision. Agreement was

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4 See Sarah E. Turner, Thomas I. Nygren, and William G. Bowen, "The NTEE Classification System: Tests of Reliability/Validity in the Field of Higher Education," *Voluntas*, Volume 4, Number 1 (May 1993), pp. 73–94. A major source of errors was excessive reliance on computer-generated lists of names and of strings of letters. This led, for instance, to classifying "College Towers," in reality a housing complex for senior citizens, as a college, and to classifying the "Final Stage Renal Disease Network" as a theater!
reached on a plan to accomplish the needed reforms, and grants for this purpose were made in 1992 to Independent Sector (National Center for Charitable Statistics) and the Foundation Center. We are optimistic that improved coding will permit the NTEE system to be adopted by the Internal Revenue Service, thereby allowing students of the nonprofit sector to make much more effective use of information collected annually on the IRS’s 990 Forms. Mundane as it may sound, improving the reliability and validity of this classification system is an essential first step in both charting the growth of sub-fields within the universe of nonprofit entities and analyzing the financial characteristics of sets of institutions.

A number of narrower issues of particular interest, including how one identifies “warning signals” in time to address the problems faced by institutions in potential trouble—such as The New-York Historical Society\(^5\)—can best be approached, we have come to believe, by conducting case studies. We began the case study part of our work by studying in some detail the recent histories of five leading independent research libraries (the American Antiquarian Society, the Huntington, the Folger Shakespeare Library, the Pierpont Morgan, and the Newberry). This research provided the basis for making challenge grants for endowment of the core functions of these libraries totaling $7.5 million. The grants were tied specifically to the results of the case-study analyses and to financial plans prepared by each institution to strengthen its core functions—thereby reducing the risk of encountering problems analogous to those experienced by The New-York Historical Society.

The Foundation’s general interest in the functioning of nonprofit entities will have implications for a number of other fields in which we are active grantmakers. In the case of the performing arts, for example, Rachel Bellow is eager to obtain a more systematic understanding of the factors related to the financial instability of certain groups of arts organizations. Recognizing the limited capacity of any foundation to undergird the finances of individual organiza-

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\(^5\) The New-York Historical Society is a 189-year-old organization known for its extraordinary collections of library and archival materials and museum objects relating primarily to the New York region from colonial days through the 19th century. In recent years, the Society has experienced extreme financial difficulties and, as this report is being written, the future of the Society is unclear.
tions, it is possible that we can make a more lasting contribution by encouraging improvements in management and planning, while also seeking to focus attention on “structural” problems which be-set entire fields.

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I wish to conclude my part of this annual report by acknowledging the contributions of Kenneth J. Herr as Treasurer of the Foundation. Mr. Herr was present “at the beginning”—on the day when The Andrew W. Mellon Foundation was established in 1969. (He also spent 1968 as Treasurer of the Bollingen/Old Dominion Foundation, having held other positions in the field of accounting before that.) For the next 23 years, through 1992, Mr. Herr served faithfully as Treasurer of this Foundation.

When I arrived in 1988, I was assured by the chairman, William O. Baker, and the president, John E. Sawyer, that one of the things that I did not have to worry about was the accuracy or the integrity of the Foundation’s financial records. They were absolutely right. Ken Herr maintained the highest standards of reliability and probity. Personally, I shall always be grateful to Mr. Herr for his patient tutelage in introducing me to the mysteries of his world, including the Foundation’s interest in certain coal properties (which he had monitored with uncommon care for so many years). All of us at the Foundation are in his debt.

In his characteristic way, Mr. Herr has already committed what seems like 150 percent of his post-retirement time to good causes, including extensive volunteer work. I know that I speak for our Trustees and staff, and for others, in wishing him many happy and productive years of retirement.

William G. Bowen
March 1993
THE FOUNDATION'S PROGRAM IN EASTERN EUROPE

BACKGROUND

Prior to 1989, the Foundation’s activities focused on Eastern Europe were few and concentrated mostly on supporting research, scholarly exchanges, and graduate training for students specializing in the area. The dramatic political changes of 1989, which surprised not only the general public but scholarly experts and philanthropic organizations alike, created a significant potential for improving the economic, political, and cultural environments in the countries of the region.

The events of 1989 were surprising not only because they happened at all, but also because they happened rapidly, their scope was enormous, and they occurred nearly synchronously in a number of countries with substantially different economies, ethnic compositions, political traditions, and short-term aspirations. The countries of Eastern Europe exhibit a diversity of economic characteristics, ethnic backgrounds, and languages and, in addition, did not arrive at their revolutions by the same path. Hungary, for example, had been experimenting with looser forms of economic planning since 1968, and the freedom of writers was arguably greater there than in other Eastern European countries. But Hungary did not have a broad-based movement such as the Polish Solidarity, with which the Polish government was forced to compromise from time to time, nor a more narrowly based one such as Charter 77, which the Czechoslovak government resolutely persecuted throughout the 1980s. But the differences, large as they may have been, do not obscure the common characteristics, which have pro-

6 The author of this part of the report, Richard E. Quandt, is Hughes-Rogers Professor of Economics at Princeton University and Senior Advisor to the Foundation.

7 For example, 1989 gross domestic product per capita was $9361 in East Germany, but only $4117 in Romania. The differences in certain categories, such as ownership of consumer durables, were even wider: the number of automobiles per 1000 inhabitants ranged from 206 in East Germany to 11 in Romania.
vided a basis for our general thinking about philanthropic activities in the region.

The Economy

State ownership of enterprises, required by communist ideology, prevented economic incentives, and the governments' drive for growth led to excessive investments in uneconomic heavy industries that required frequent state bailouts of near-bankrupt companies. After the revolutions of 1989, it became clear that these systems could not be salvaged and that only an unambiguous adoption of a market-oriented system could usher in an age of economic recovery. That, in turn, required the privatization of the economy and the creation of the infrastructure that market economies need, including government supervision of macroeconomic stability, financial intermediaries, and commercial legislation.

Democracy and Human Rights

With the possible exception of Czechoslovakia before 1938, none of the countries in the region had a tradition of political democracy. A widespread understanding of the basic principles of a democratic society had been lacking among the peoples of the region in 1989, and the human rights records of the pre-1989 governments were abysmal.

Environment

The Communist rulers thoroughly neglected the environment, if for no other reason than the perceived conflict between environmental protection and their growth objectives—hence, their disinclination to use the scarce resources of their failing economies to clean up the environment. As a result, much of Eastern Europe became an environmental disaster area. Public health has also been

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8 Even here there was great variation: in Poland some 70 percent of agriculture remained in private hands.
neglected, and life expectancy in Eastern Europe is several years shorter than it is in Western Europe or the United States.

**Higher Education**

Eastern Europe imitated the Soviet system of higher education by adopting a highly compartmentalized structure characterized by: (1) universities which were designated as primarily teaching institutions, with important research carried out by institutes of the national academies of science; (2) universities with extremely narrow specializations (for example, University of Transportation in Slovakia, University of Horticulture and Food Industry in Hungary); and (3) the absence of cooperation among universities because the Communist system encouraged vertical relations between organizations (for example, between a university and a government agency controlling it) rather than horizontal ones. Combined with the low financial priority assigned by the governments to higher education, it is fair to say that the quality of higher education as well as of research declined drastically.

Since 1989, the governments of Eastern Europe have faced the monumental task of reconstructing their political institutions and economies, their environments, their systems of higher education, and, most importantly, reshaping the hearts and minds of the men and women upon whom the burdens of the transition have fallen and upon whose steadfastness future success depends. Under these conditions, Western philanthropic organizations have not faced a scarcity of worthwhile projects.

**CURRENT PROGRAMS**

It was clear from the beginning that the needs for assistance in Eastern Europe manifested themselves in so many areas that it was difficult to imagine that any one philanthropic organization could muster the resources to make an effective contribution in all. In addition to the key areas mentioned above (economic restructuring, political democracy and human rights, the environment, and higher education) one could, in principle, add a range of other activities dealing with health and family care and all those others generally
described as constituting “the social safety net.” To have attempted to work in all these areas would have diluted the Foundation’s efforts in any one of them, and it was therefore necessary to be willing to sacrifice some worthwhile objectives for the sake of making a greater impact on the remaining ones.

The Foundation first decided to impose on itself a geographic specialization and to concentrate on Czechoslovakia,9 Hungary, and Poland. These were the countries that were relatively most advanced economically and that appeared to promise both the greatest degree of political stability in the region and the most enduring progress towards achieving democracy.10 Functionally, the Foundation generally limited itself to only two areas: (1) assisting the restructuring of the East European economies by funding training efforts in economics, management, and business, and by promoting the development of market-oriented institutions, and (2) strengthening the infrastructure of universities and other institutions of higher learning, primarily by assisting research libraries and by providing higher educational institutions with computing and computer networking capabilities.

The breakdown of grants by country and by functional category is shown in Table 1.

Economic Restructuring

The lion’s share of economic restructuring assistance has taken the form of supporting training in economics, management, and business. Communist leaders maintained an attitude of hostility toward market economies, and since the socialist economies performed “officially” as they were ordered to from above, the leaders did not believe that sophisticated economic and statistical techniques were of any value. As a consequence, few economists have been trained in Western economics and few statisticians are capable of using economic data in appropriate ways. Yet it is clear that the

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9 After January 1993, the Czech Republic and Slovakia.
10 The hostilities in the former Yugoslavia and the tensions in some of the republics of the former Soviet Union are partial confirmation of the wisdom of this choice.
Table 1. Summary Table of Grants, 1990-1992

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Table 1. Summary Table of Grants, 1990-1992

In 000's of dollars.
more indirect controls which governments employ in market economies require precisely the types of analytic and forecasting skills that economists and statisticians in the Western countries possess.

Management and business skills were equally scarce. Under the more relaxed forms of central planning, enterprise managers had some autonomy. On the whole, however, economies were run from the top down and entire fields of managerial expertise were neglected: finance, because the distinction between debt and equity was unimportant and the state provided all the financing that it deemed necessary for the enterprise; marketing, because there always tended to be a shortage of goods and no effort needed to be expended to sell them; cost accounting, because the state would make good any losses that were incurred; and banking, because banks were largely irrelevant.

It has been clear that a speedy recovery of the East European economies is essential, not only for the sake of the immediate improvement in welfare that this would engender, but also for the survival of the still fragile democracies that have been created. This means that these countries will need the services of professional economists who are able to advise ministers on macroeconomic policy, international trade, tax reform and tax policy, and economic forecasting, as well as experts who are trained in banking, portfolio management, and risk analysis. They will also need top and middle-level managers and executives who will run the soon-to-be-privatized large and medium-sized enterprises, and who will be required to function in a market environment. Finally, much hope rests on the formation of many new small businesses. For small businesses to come into being and to be able to survive, it is essential that the vast pool of potential entrepreneurs rapidly acquire certain basic business skills such as how to make a business plan, or obtain a loan from a bank, or set up a bookkeeping system for the business.

These considerations have led the Foundation to conclude that economics and business training must take place on all levels, from the highest to the most basic, training experts and seeking to reach tens or hundreds of thousands of people. Fortunately, the proposals received by the Foundation encompassed all these levels. American universities and other nonprofit organizations, often working
in partnership with East European institutions, took the initiative in a large fraction of these instances. In other cases, the proposals were developed entirely by East European organizations, although in some instances at the explicit invitation of the Foundation.

One of the first projects was the establishment of the Center for Economic Research and Graduate Education, a joint effort by Charles University, Prague and the University of Pittsburgh, to create a Western-style PhD program in economics. An undergraduate honors program in economics was created by a partnership between Warsaw University and Columbia University. In business and management, the Foundation supports an MBA program at Warsaw University (in partnership with the University of Illinois) and at Jagiellonian University (with the University of Hartford and several other American institutions). Finally, we should note that there exist numerous indigenous teaching institutions that provide business and management education, some of which is of a specialized nature (for example, foreign trade or hotel management). A recent report, prepared under the auspices of the Austria-based International Institute for Advanced Systems Analysis, suggests that improving the infrastructure and curriculum of this group of educational institutions is likely to have a highly beneficial impact on the quality of trainees emerging from them.  

Some projects are intended not only to train individuals, but to improve the functioning of business enterprises and entire economies more directly. The University of Pittsburgh and the Czechoslovak Management Center are providing specialized training in new-product development that the trainees can apply in their own enterprises. The MBA Corps, organized by the Kenan Institute of Private Enterprise at the University of North Carolina, provides the consulting services of recent MBAs from American business schools to selected companies. Other organizations supported by the Foundation, such as the Small Enterprise Economic Development Foundation in Budapest, operate business consulting and "incubator" services for small businesses. The Foundation in Sup-

port of Local Democracy in Poland has established fifteen regional centers for advising, teaching, and consulting with local government leaders. Finally, the Financial Services Volunteer Corps is carrying out an important effort to design appropriate financial institutions for some of the countries in Eastern Europe.

While the above classes of activities reach many individuals—as many as several thousands every year—they cannot reach the tens or hundreds of thousands that need to acquire rudimentary business knowledge and some understanding of market economics. For this reason, the Foundation has supported two initiatives intended to reach very large numbers of people. The first of these is a twenty-episode television series in Hungary to provide basic business education. The second one is a similar, video cassette based teaching series that will ultimately be distributed to Hungarian secondary schools, work places, and city and county libraries.

The situation in Eastern Europe does not stand still and foundations must continually monitor evolving needs. The most pervasive and enduring of these is the need to create lasting institutions that will be able to provide training long after Western interest in assisting Eastern Europe has shifted to other topics and other regions, as it undoubtedly will in time. Training provided exclusively to business practitioners who themselves will not train others (except perhaps incidentally) may be useful in the short run but fails to solve the long-run problem. Hence, the dominant approach of the Foundation’s program in economics and business training has been to “train the trainers.”

Another generalization (but one that does allow exceptions) is that it is more cost-effective to deliver training in Eastern Europe itself rather than in the West. A third lesson is that there is a great proliferation of business training efforts in Eastern Europe, but very little attention has been given so far to quality control or to systematic accreditation procedures. This is a problem that has to be taken seriously in the coming years.

Other priorities have shifted during the last three years: (1) It no longer appears as important as it was initially to conduct short-term workshops on “the basic functioning of a market economy,” because by now large numbers of East Europeans have been exposed to these ideas; (2) Short-term workshops (of perhaps 1-3
weeks' duration) may be less effective than they used to be, because enormous numbers of these have already been organized, by both Americans and Western Europeans, and diminishing returns may have set in; (3) Short-term workshops remain effective if they are highly targeted on important, specialized subjects (for example, logistics management or banking law) in which relatively few efforts have been made so far; (4) The capital cities have experienced a surfeit of Western training programs, and training efforts henceforth ought to place heavy emphasis on provincial areas. While diminishing returns from training in economics and business are not yet generally evident, the risk of marginal effectiveness of training in specific areas requires constant monitoring.

Infrastructure Assistance to Higher Education

Computing and Networking Capabilities. Eastern Europe did not participate in the computer revolution that took place in Western industrialized countries after World War II. The main reasons for this were the suspicion with which the Soviet State treated computing and the Soviet decision to place heavy reliance in its computer industry on copying the latest (obtainable) IBM equipment rather than developing its own. Another important reason was the existence of U.S. restrictions on the export of "sensitive" equipment to the countries behind the Iron Curtain. To this day, a number of academic institutions in Eastern Europe operate old Soviet SYAD mainframes in their computer centers.

A few institutions in Eastern Europe were able to obtain some Western mainframe computers (of an older generation) and, subject to severe budget constraints, IBM-compatible personal computer clones. On the whole, however, the access of scholars and teachers to any kind of computing equipment was severely restricted as recently as 1989, with predictably detrimental effects on scholarship and education.

While an exhaustive taxonomy of what computers can do for scholarship and education is unnecessary here, we see at least four important purposes being served by easy access to computing and electronic networks in the academic environment.

(1) Research in the natural and social sciences depends crucially
on computing power, and certain kinds of important research simply cannot be done without it. In the humanities, computers are typically not used for research in the conventional manner of computing with numbers, but are used increasingly for providing easy access to entire bodies of literature, such as the *Thesaurus Linguae Graecae*, which permits detailed textual and linguistic analyses.

(2) Standards of text-preparation have changed markedly in the last ten years as a result of developments in word processing, which not only enhance the efficiency of preparing manuscripts but significantly improve their appearance.

(3) Administrative procedures in many organizations have been improved by organizing and managing information with computers. It is noteworthy that curricula in East European universities, again following the Soviet pattern, had almost no elective courses. Students’ paths were nearly completely prescribed. This made it relatively less important to “track” student records, because all students in a given discipline automatically followed identical programs. Now that East European educators are enthusiastically working toward adopting Western, particularly Anglo-American, patterns of education, it is becoming essential to computerize student records.

(4) In the West, the existence of computer networks has drastically changed the ways in which researchers communicate with one another and do research. The networks can be small ones (ethernets or token rings connecting computers in a single institution), or they can be world-wide and connect institutions on different continents (*BITNET, EARN*, and *INTERNET* are some examples). Electronic communication, once certain hardware is installed, is fast, inexpensive, and reliable.

Information about research findings can be disseminated rapidly, electronic “bulletin boards” permit large numbers of people interested in a common problem to hold effective group discussions, and collaborating researchers in different universities, countries, or even continents can communicate their research ideas and exchange manuscript drafts within seconds. It was clear to the Foundation that there was a considerable pent-up demand in Eastern Europe for all that computers and electronic networks can offer.
Several of the Foundation’s early grants were designed to provide access to international computer networks and to create a basic computational capability in certain key institutions. Thus, grants were made to the Institute of Computer Science and Automation of the Hungarian Academy of Sciences, which became the principal EARN node in Hungary, and to the Czechoslovak Technical University, which is intended to fulfill the same role in the Czech Republic and in Slovakia. Other grants, for providing computing power or for building institution-wide networks, were made to a number of institutions, such as the József Attila and the Eötvös Lóránd Universities in Hungary, Palacky University and the Institute of Information Theory and Automation in (then) Czechoslovakia, and Catholic University of Lublin and Adam Mickiewicz University in Poland. In spite of the considerable talent of computer experts in Eastern Europe, their relative unfamiliarity with the full potential of electronic networking persuaded the Foundation to make two grants (to George Mason University) for the express purpose of spreading the “culture” of effective networking.

Progress on these fronts has been rapid, partly because hardware and software vendors have granted East European academic institutions substantial discounts, and partly because other funds have become available as well, in no small part due to the existence of more enlightened governments in the region. Fiberoptic networks connecting cities and institutions are being built, and some extremely modern equipment has found its way to Eastern Europe, such as a Cray supercomputer to Prague, eleven Convex mini-supercomputers to Poland, and numerous sophisticated workstations to several countries. The effects of these developments on the extent to which the East European academic establishment is and feels itself connected to the rest of the world are palpable.

Library Improvements. The Foundation has had a long tradition of assisting research and academic libraries, and providing such assistance in Eastern Europe seemed to be a natural way of capitalizing on the Foundation’s experience and, at the same time, assisting teaching and scholarship.

While there is substantial variation in the general condition of
university and other research libraries throughout Eastern Europe, on average they find themselves in great need of various types of assistance. Some of their shortcomings are the following: (1) Because of budgetary stringencies, both before and after 1989, the buildings in which they are housed are often inadequate, lacking sufficient shelf space as well as appropriate climate and pest controls; (2) For the same budgetary reasons, and because of the ideological biases of the pre-1989 era, their holdings of Western materials tend to be poor and not up to current teaching and research needs; (3) Libraries were regarded in the Communist period only as repositories of knowledge and not as living institutions that take an active part in education—thus the use of integrated library automation systems was absent up to 1989 and access to books and journals was chronically difficult.13

When faced with this situation, the Foundation’s objectives were threefold, in the order of increasing commitment of funds:

1. To provide training to East European librarians in modern library techniques and management;

2. To enable selected libraries to make key acquisitions of Western materials, including monographs, reference books, journals, and CD-ROMs;

3. To enable libraries to introduce integrated library automation systems.

The first of these objectives was served by enabling a number of Czech, Slovak, and Polish librarians to receive intensive training in the U.S. The Foundation attempted to accomplish the second by making substantial grants to several libraries for book and journal

13 Two simple examples will suffice. (1) In some universities, the library collection is dispersed in as many as several dozen locations; in spite of this, there have been instances where such a system did not possess a union catalogue, so that a user looking for a particular item would have to visit several geographically separate library sites and consult the local catalogue in each. (2) In many libraries the cataloguing system, which assigns shelf numbers to books, has nothing to do with a subject-oriented classification system. Books are assigned shelf numbers by size categories and in the order in which they were received by the acquisitions department. It is therefore entirely possible that each of ten identical copies of a book has a separate shelf number and is located in a different part of the library. It is obvious that browsing in an American-style open stack system is not possible under these circumstances.
acquisitions, as well as to the Sabre Foundation, the New School for Social Research, and other U.S. organizations for obtaining needed library materials through donations or discounted sales.

The most ambitious of these assistance programs is the third. The only library automation software that was available at all in Eastern Europe was isis—a useful, but relatively modest system distributed free of charge by UNESCO and capable of running even on an old-fashioned IBM/XT personal computer. Effective library operations require more ambitious software, appropriate servers with large storage capacity, and an internal electronic network with numerous terminals, as well as outside connections to INTER-NET, so that foreign public access catalogues may be consulted online.

The needs in the various countries were quite different in many respects. We believed that in Hungary the most effective contribution was to make many relatively small grants for marginal improvements of existing systems, and several dozen libraries received assistance of this type.

In Czechoslovakia, we were persuaded that relatively little had been done to advance the cause of library automation. We invited the directors of four key libraries to a meeting at the Foundation’s office in New York in October 1991 for the purpose of meeting representatives of the American library community and of other foundations. The outcome of this meeting was that the four library directors agreed to collaborate and to adopt a uniform approach to library automation and modernization. This agreement culminated in the creation of the Czech and Slovak Library Information Network (CASLIN), to which the Foundation made a major grant in late 1992. Management of this large project was entrusted to Mount Holyoke College, and it is our hope that CASLIN will form the backbone of a library system serving both republics, which will ultimately be joined by all other important libraries.

A third pattern became evident in Poland. The Foundation started out by making major grants to a number of important li-

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14 The National Library in Prague, the National Slovak Library in Martin, the State Library of Brno, and the University Library in Bratislava.
Subsequently, these libraries discovered that they had all received grants and spontaneously decided to collaborate. As a result of this cooperation, they have decided on common integrated library automation software, and so, by a slightly different route than in the Czech and Slovak case, there is now a reasonable chance that other important libraries in Poland will ultimately adopt identical or at least compatible systems.

The smaller library projects that were typical of the Foundation’s efforts in Hungary have all been successfully implemented and are contributing to scholarship and education in significant ways. The larger projects in the Czech Republic, Slovakia, and Poland are just starting, and we hope that they will show results in the next two or three years.

**Other Projects**

Several other projects were deemed meritorious by the Foundation, although they did not fall into any of the previous categories. The first of these worthy of mention is an ongoing effort by the New School for Social Research to forge and maintain intellectual and personal links with social scientists in Eastern Europe and to modernize the teaching of social sciences in the region. Because of ideological bias, the social scientists who were not Marxist-Leninists were among the most neglected and repressed of academics under the previous regimes. Revitalizing their work and their relations with the Western community of scholars appeared to be a significant step towards a broader recognition in Eastern Europe that the cause of democracy is likely to be advanced by the systematic thinking about social problems in which social scientists engage.

The second major project in this category is a pilot program of short-term fellowships for East European humanities scholars. We felt, and East European humanists agreed, that humanists were also a sadly neglected group during the previous regimes, and that East European humanists had great need to spend time in the West to acquaint themselves with ongoing scholarship and to pursue

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15 Warsaw University, University of Gdańsk, Jagiellonian University, Copernicus University of Toruń, and the University of Wrocław.
specific research projects. The Foundation therefore established these fellowships, approximately 25 per year, which will allow each of the recipients to spend about three months at one of eight prestigious research centers in Western Europe.¹⁶

Finally, we observed that the plight of refugees is deteriorating in many parts of the world and is particularly bad in Eastern Europe, where the hostilities in the former Yugoslavia have added to an already difficult situation. In addition to grants to several refugee organizations directly involved in Eastern Europe, the Foundation made a grant to the Lawyers' Committee for Human Rights, which will enable the Committee to provide advice on refugee questions to East European agencies.

FUTURE DIRECTIONS

The general directions of the Foundation’s grants programs have proved productive. The need for economic restructuring, and particularly for economics and management training, remains acute as does the need for improving the infrastructure of universities and other institutions of higher learning. But emphases will undoubtedly shift, in light of both changing circumstances and our observations of what works best. The Foundation’s response to changing circumstances will be guided by the desire to steer a middle course between retaining flexibility and avoiding dilution of existing efforts.

*The Economy and Business Training*

Although the number of new and small businesses formed in Eastern Europe is one of the most encouraging economic indicators for the region, much more needs to be done in training people

¹⁶ The Warburg Institute, The Netherlands Institute for Advanced Study in the Humanities and Social Sciences, the Herzog August Bibliothek Wolfenbüttel, the Maison des Sciences de L'Homme, the Wissenschaftskolleg zu Berlin, the American Academy in Rome, the American School of Classical Studies at Athens, and Villa I Tatti. Fellowships are awarded directly by these organizations, not by The Andrew W. Mellon Foundation, and the program is coordinated by the Council of American Overseas Research Centers.
for small businesses. Fortunately, a number of organizations in the U.S. and in Western Europe are extremely well qualified to furnish such training, and the Foundation expects to fund in the future some projects with relatively broad appeal. It will continue to be important to train the trainers, and a recent project funded by the Foundation proposes to establish the capability of providing small-business training at several Hungarian universities.

There will continue to be a need for specialized training as more and more sectors of the East European economies become privatized and as the need arises for more sophisticated institutions. One of the potential training areas that has been neglected so far is public administration, the importance of which is increasingly recognized by the East Europeans as they realize that civil servants also need to learn about market economics.

But we must consider not only multiplying the number of institutions that can offer some type of economics or managerial training; we must also pay attention to the quality of training and research. This suggests that we shall have to consider assisting efforts to introduce accreditation procedures and peer review systems, which are generally absent in the region.

Finally, it is crucial to recognize the important role that agriculture will continue to play in the region. The potential of agriculture is great, but inefficiencies exist for which remedies must be found. First, in some regions agricultural products are not of high enough quality to compete against Western imports even in the domestic market. Second, as agriculture is privatized, tens of thousands of new managers, familiar with agricultural economics and management, will be needed in the near term. Also, farmers will need advice about techniques to achieve ecologically sound, sustainable agriculture. In addition, agricultural extension services are thought not to operate as efficiently as they might. The Foundation hopes to develop a significant program in this area, encompassing agricultural management and economics, extension services, and related areas.

Education

Universities continue to be hard pressed to improve their infrastructure, and the Foundation hopes to continue to make contribu-
tions in this area. Some changes in approach are likely, however, because in Hungary and the Czech Republic (but perhaps not in Poland) there are some signs of greater state support for computing and networking than in the first few years following the 1989 revolutions. Accordingly, we do not expect that the support of computer and network-oriented projects in Hungary and the Czech Republic will continue on the same scale as before. (Future developments in this area in Slovakia are harder to predict.)

Libraries continue to have significant needs which remain substantially unrecognized in state budgets. The recently established library consortia in the Czech Republic and Slovakia and in Poland suggest that much is to be gained from considering library automation proposals from groups of libraries. A library automation plan developed by a group of libraries can have a number of distinct advantages over plans by individual libraries. A group plan allows economies in training library staffs and may permit a coordinated collection development program, particularly if the cooperating libraries are near one another. It is even possible that a group plan allows some hardware costs to be avoided, since two relatively smaller institutions could make do with a single server. There are encouraging signs that many research libraries want to collaborate with one another in automation as well as in defining new cataloguing standards. We therefore expect that library automation projects funded by the Foundation in the future will characteristically be for consortia of libraries. Ultimately, it is possible that all the research libraries of a given country will use the same or compatible software and will be joined in a single system.
The Andrew W. Mellon Foundation

**Summary of Grants and Contributions, 1992**

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Grant Totals $48,888,974 $93,157,450 $95,745,156 $46,301,268

Contributions $120,000 $120,000

Totals $48,888,974 $93,277,450 $95,865,156 $46,301,268

* Restated to reflect cancellation in 1992 of an appropriation totaling $200,000.
The Andrew W. Mellon Foundation

Classification of Grants

CONSERVATION AND
THE ENVIRONMENT

Brown University, Providence, Rhode Island:

Toward costs of a program of research and training on coastal ecosystems ........................................ $300,000

Carnegie Institution of Washington, Washington, D.C.:

Toward costs of a program of research and training on large-scale ecosystems .................................. 440,000

Center for Resource Economics, Washington, D.C.:

Toward support of the publication program of Island Press ............................................................. 300,000

Duke University, Durham, North Carolina:

For use by its School of the Environment toward a program of research and training in landscape ecology ................................................................. 450,000

National Academy of Sciences, Washington, D.C.:

Toward support of its Committee on Marine Science and Coastal Policy Interactions in the United States ..... 10,000

Nature Conservancy, Inc., Arlington, Virginia:

For use toward a program of ecological research ...... 1,500,000
CONSERVATION AND THE ENVIRONMENT (continued)

Appropriated

New York Botanical Garden, Bronx, New York:

For support of its graduate studies program, herbarium, and botanical research .................. 450,000

Oregon State University, Corvallis, Oregon:

Toward costs of a program of research and training on coastal ecosystems ............................ 300,000

Organization for Tropical Studies, Inc., Durham, North Carolina:

For use toward a program of training and research in tropical ecology .................................. 850,000

For an evaluation of training and research programs ............................................ 35,000

Research Foundation of the State University of New York, Albany, New York:

For use by the State University of New York at Buffalo toward a program of research and training in plant ecology .................................................. 220,000

Rice University, Houston, Texas:

Toward costs of a study of forest ecology .................. 40,000

Smithsonian Institution, Washington, D.C.:

Toward support of the cooperative Smithsonian Institution–University Program in terrestrial ecosystem studies .................................................. 700,000

Stanford University, Stanford, California:

Toward costs of a program of research and training on large-scale ecosystems ..................... 440,000
CONSERVATION AND
THE ENVIRONMENT
(continued)  
Appropriated

Trust for Public Land,  
San Francisco, California:

For general support ............................................... 750,000

University of Minnesota,  
St. Paul, Minnesota:

toward costs of a program of sustained ecological  
research .............................................................. 450,000

University of Pennsylvania,  
Philadelphia, Pennsylvania:

Toward support of ecological research .................. 10,000

University of Washington,  
Seattle, Washington:

Toward costs of a continuing program of limnological  
research .............................................................. 370,000
For use toward a program of research and training in  
forest ecology ........................................................ 330,000

Woods Hole Oceanographic Institution,  
Woods Hole, Massachusetts:

Toward support of its Coastal Studies Center ........ 900,000

Woods Hole Research Center,  
Woods Hole, Massachusetts:

Toward costs of a program of basic research in plant  
ecology .............................................................. 375,000

Worldwatch Institute,  
Washington, D.C.:

Toward costs of its research program ................... 500,000

Total—Conservation and the Environment $ 9,720,000
CULTURAL PROGRAMS

American Symphony Orchestra, New York, New York:

Toward costs of rehearsals .................................. $ 50,000

Boston Ballet, Inc., Boston, Massachusetts:

Toward costs of the Choreographer-Composer Collaborations Project ................................. 50,000

Boston Ballet School, Inc., Boston, Massachusetts:

To enhance training in classical ballet through curricular, faculty, and administrative development ........... 270,000

Bowdoin College, Brunswick, Maine:

To enhance the educational role of the museum’s collections and programs, within a selective program to assist college and university art museums .............. 145,000

Center for Resource Economics, Washington, D.C.:

To support the new literary publishing program of Island Press .............................................. 150,000

Coffee House Press, Minneapolis, Minnesota:

To improve its publishing operations and organizational capacities, within a selective program to assist nine literary presses ........................................... 105,000

Contemporary Arts Educational Project, Inc., (Sun and Moon Press) Los Angeles, California:

To improve its publishing operations and organizational capacities, within a selective program to assist nine literary presses ........................................... 60,000
CULTURAL PROGRAMS
(continued)  

Appropriated

Copper Canyon Press, 
Port Townsend, Washington:

To improve its publishing operations and organizational capacities, within a selective program to assist nine literary presses ........................................ 25,000

Council of Literary Magazines and Presses, 
New York, New York:

For institutional development and to gather, analyze, and distribute information and publications related to literary publishing ........................................ 100,000

Cunningham Dance Foundation, Inc., 
New York, New York:

Toward making its rehearsal schedule more effective ........................................ 275,000

Curbstone Press, 
Willimantic, Connecticut:

To improve its publishing operations and organizational capacities, within a selective program to assist nine literary presses ........................................ 150,000

Dance Theater Workshop, 
New York, New York:

To strengthen and develop services to the dance field ........................................ 100,000

Dance Theatre Foundation, Inc., 
(Alvin Ailey American Dance Theater) 
New York, New York:

Toward making its rehearsal schedule more effective ........................................ 225,000
CULTURAL PROGRAMS
(continued) Appropriated

Dance/USA, Washington, D.C.:

To strengthen and develop services to the dance field ........................................ 150,000

Dartmouth College, Hanover, New Hampshire:

To enhance the educational role of the museum’s collections and programs, within a selective program to assist college and university art museums .......... 140,000

Discalec, Inc., (Mark Morris Dance Group) New York, New York:

Toward making its rehearsal schedule more effective ........................................... 200,000


For use toward the non-production costs of establishing a literary translation publishing program ...... 150,000

Garth Fagan Dance, Rochester, New York:

Toward making its rehearsal schedule more effective ........................................... 200,000

Graywolf Press, St. Paul, Minnesota:

To improve its publishing operations and organizational capacities, within a selective program to assist nine literary presses ...................................... 265,000

Hartford Ballet, Hartford, Connecticut:

To enhance training in classical ballet through curricular, faculty, and administrative development .......... 180,000
CULTURAL PROGRAMS
(continued)

Harvard University,
Cambridge, Massachusetts:

To enhance the educational role of the museum’s collections and programs, within a selective program to assist college and university art museums ........................................ 195,000

Institute of Fine Arts Foundation,
(New York University)
New York, New York:

Matching endowment toward the costs of art conservation internships, student aid, and part-time faculty .............................................................................................................. 1,000,000

Jacob’s Pillow Dance Festival, Inc.,
Lee, Massachusetts:

To enhance the effectiveness of teaching classical ballet through curricular, faculty, and administrative development ........................................................................................................... 225,000

Kansas University Endowment Association,
Lawrence, Kansas:

To enhance the educational role of the museum’s collections and programs, within a selective program to assist college and university art museums ........................................ 165,000

La Mama Experimental Theatre Club, Inc.,
New York, New York:

Toward developing the Theatre’s strategic financial and administrative plan ......................................................................................................................... 25,000

Literary Managers and Dramaturgs of America, Inc.,
New York, New York:

Toward costs of its theater documentation project .................................................... 24,000

Metropolitan Museum of Art,
New York, New York:

Matching endowment to support small, scholarly exhibitions .................................................... 1,500,000
CULTURAL PROGRAMS
(continued)  Appropriated

Milkweed Press,
Minneapolis, Minnesota:

To improve its publishing operations and organizational capacities, within a selective program to assist nine literary presses ........................................... 65,000

National Gallery of Art,
Washington, D.C.:

To support the costs of a financial survey of the ten largest U.S. art museums ........................................... 42,800

National Poetry Series,
Hopewell, New Jersey:

Toward the costs of research and data collection ...... 50,000

New York City Hispanic-American Dance Company,
New York, New York:

To enhance training in classical ballet through curricular, faculty, and administrative development ................. 150,000

New York Community Trust,
New York, New York:

For use by The Arts Forward Fund for its research and evaluation activities .............................................. 25,000

New York Public Library,
New York, New York:

For use by its Library for the Performing Arts toward costs of curatorial staff and research for its public programs .................................................. 105,000

New York Shakespeare Festival,
New York, New York:

Toward the costs of an interdisciplinary project with the David Gordon Pick-Up Company ................. 50,000
CULTURAL PROGRAMS (continued)  Appropriated

North Carolina School of the Arts Foundation, Winston-Salem, North Carolina:

To enhance training in classical ballet through curricular, faculty, and administrative development ........ 120,000

Oberlin Dance Collective, San Francisco, California:

To support the production of Western Women, a collaborative project with the Minnesota Orchestra ........................................ 50,000

Original Ballets Foundation, Inc., (The Feld Ballet) New York, New York:

To enhance training in classical ballet through curricular, faculty, and administrative development ........ 250,000

Pacific Northwest Ballet Association, Seattle, Washington:

To enhance training in classical ballet through curricular, faculty, and administrative development ........ 250,000

Paul Taylor Dance Company, New York, New York:

Toward making its rehearsal schedule more effective ................................................................. 275,000

Philadelphia Museum of Art, Philadelphia, Pennsylvania:

Toward costs of re-installing the European collections and to endow two curatorial positions ........... 1,500,000

Pick-Up Performance Company, Inc., New York, New York:

Toward making its rehearsal schedule more effective ................................................................. 200,000
CULTURAL PROGRAMS
(continued)  

Princeton University,
Princeton, New Jersey:

To enhance the educational role of the museum’s collections and programs, within a selective program to assist college and university art museums ........ 165,000

Review of Contemporary Fiction, Inc.,
(Dalkey Archive Press)
Normal, Illinois:

To improve its publishing operations and organizational capacities, within a selective program to assist nine literary presses ........................................ 80,000

San Francisco Ballet Association,
San Francisco, California:

To enhance training in classical ballet through curricular, faculty, and administrative development ........ 275,000

San Francisco Performing Arts Library & Museum,
San Francisco, California:

To establish the National Dance Heritage Coalition and to initiate programs in collaboration with the Harvard Theatre and Dance Collection, the New York York Public Library Dance Collection, and the Library of Congress ......................................................... 300,000

Toward the costs of its efforts to document and preserve dance ....................................................... 150,000

School of American Ballet, Inc.,
New York, New York:

To enhance training in classical ballet through curricular, faculty, and administrative development ........ 250,000
CULTURAL PROGRAMS
(continued)

Appropriated

Stevens Group,
St. Paul, Minnesota:

To support costs of technical assistance to nine literary presses by administering a loan fund and for gathering and analyzing data on independent literary presses ........................................ 535,000

Toward costs of assisting nine literary presses in their financial planning ........................................ 50,000

Story Line Press,
Brownsville, Oregon:

To improve its publishing operations and organizational capacities, within a selective program to assist nine literary presses ........................................ 30,000

Trisha Brown Dance Company, Inc.,
New York, New York:

Toward making its rehearsal schedule more effective ........................................ 275,000

University of California, Berkeley,
Berkeley, California:

To enhance the educational role of the museum’s collections and programs, within a selective program to assist college and university art museums .............. 165,000

University of Chicago,
Chicago, Illinois:

To enhance the educational role of the museum’s collections and programs, within a selective program to assist college and university art museums .............. 143,000

University of Houston,
(Arte Público Press)
Houston, Texas:

To improve its publishing operations and organizational capacities, within a selective program to assist nine literary presses ........................................ 260,000
CULTURAL PROGRAMS
(continued)

Appropriated

University of North Carolina,
Chapel Hill, North Carolina:

To enhance the educational role of the museum’s
collections and programs, within a selective program
to assist college and university art museums ........... 165,000

Vermont Museum and Gallery Alliance, Inc.,
Shelburne, Vermont:

To support the art-preservation initiatives of the
Vermont Collections Care Fund ......................... 15,000

Williams College,
Williamstown, Massachusetts:

To enhance the educational role of the museum’s
collections and programs, within a selective program
to assist college and university art museums .......... 165,000

Yale University,
New Haven, Connecticut:

To enhance the educational role of the museum’s
collections and programs, within a selective program
to assist college and university art museums .......... 170,000

Total—Cultural Programs ............................. $12,449,800
<table>
<thead>
<tr>
<th>Institution</th>
<th>Appropriated</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Antiquarian Society, Worcester, Massachusetts:</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Matching endowment in support of core functions</td>
<td>$1,500,000</td>
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<tr>
<td>Toward costs of collecting data on the finances of inde-</td>
<td>5,000</td>
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<tr>
<td>pendent research libraries</td>
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<tr>
<td>American Council of Learned Societies, New York, New York:</td>
<td>$525,000</td>
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<tr>
<td>Matching grant in support of its American Studies Program</td>
<td>$525,000</td>
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<tr>
<td>American Council on Education, Washington, D.C.:</td>
<td>$422,000</td>
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<tr>
<td>Toward support of its Fellows Program</td>
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<td>American Historical Association, Washington, D.C.:</td>
<td>$150,000</td>
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<tr>
<td>Toward costs of a new edition of the Guide to Historical</td>
<td>$150,000</td>
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<td>Literature</td>
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<tr>
<td>American Indian College Fund, New York, New York:</td>
<td>$150,000</td>
</tr>
<tr>
<td>To support operational expenses and to strengthen its</td>
<td>$150,000</td>
</tr>
<tr>
<td>capacity to raise funds</td>
<td></td>
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<tr>
<td>American Philosophical Society, Philadelphia, Pennsylvania:</td>
<td>$750,000</td>
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<tr>
<td>Matching endowment in support of core functions</td>
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<tr>
<td>American University, Washington, D.C.:</td>
<td>$250,000</td>
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<tr>
<td>Toward costs of editing the papers of Frederick Law</td>
<td>$250,000</td>
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<td>Olmsted</td>
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</tbody>
</table>
HIGHER EDUCATION
AND SCHOLARSHIP
(continued) Appropriated

Associated Colleges of the Midwest,
Chicago, Illinois:

In support of the Program for Minority Students and
Academic Careers .............................................. 150,000

Associates of the University of California Press,
Berkeley, California:

Toward support of the publication costs of The Papers
of Martin Luther King, Jr. .................................. 18,000

Association of American Colleges,
Washington, D.C.:

Toward costs of the Wye Faculty Seminar .............. 25,000

Association of American Universities,
Washington, D.C.:

For a project on the costs to universities of sponsored
research .......................................................... 25,000

Toward support of the AAU/ARL Research Libraries
Project ........................................................... 25,000

Bates College,
Lewiston, Maine:

To improve educational effectiveness and efficiency
through curricular and administrative consoli-
dation .............................................................. 270,000

Bowdoin College,
Brunswick, Maine:

For an undergraduate fellowship program to increase
the number of minority students who enroll in PhD
programs in the arts and sciences ......................... 200,000
Brandeis University,  
Waltham, Massachusetts:

To improve educational effectiveness and efficiency through curricular and administrative consolidation .......................... 300,000

Brooklyn College,  
Brooklyn, New York:

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences .................. 250,000

Brown University,  
Providence, Rhode Island:

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences .................. 200,000

Bryn Mawr College,  
Bryn Mawr, Pennsylvania:

For endowment of post-doctoral appointments in the humanities ......................................................... 600,000

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences .................. 240,000

California Institute of Technology,  
Pasadena, California:

In support of research and education in science and society ................................................................. 400,000

Carleton College,  
Northfield, Minnesota:

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences .................. 200,000
Carnegie Foundation for the Advancement of Teaching, Princeton, New Jersey:
In support of a study of college and university faculty in twelve nations ........................................ 100,000

Center for Collaborative Education, New York, New York:
To complete and publish its long-term study of Central Park East graduates .................................. 39,500

College Board, New York, New York:
For use by its Advancement Placement Program for fellowships in the Program's Summer Teaching Institutes .......................................................... 250,000

Columbia University, New York, New York:
To improve the effectiveness of graduate education in selected departments of the humanities and related social sciences by reducing attrition rates and time-to-degree .......................................................... 630,000
In support of preservation-administration internships in the University Library .............................. 150,000

Commission on Preservation and Access, Washington, D.C.:
For use as program support ........................................ 1,500,000
In support of a project to assess library and information needs in Central America ......................... 41,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued) Appropriated

Connecticut College,
New London, Connecticut:
To improve educational effectiveness and efficiency through curricular and administrative consolidation .................................................. 300,000

Cornell University,
Ithaca, New York:
To improve the effectiveness of graduate education in selected departments of the humanities and related social sciences by reducing attrition rates and time-to-degree .................................................. 630,000
For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences .................. 200,000
Toward support of a research project on the productivity and financing of traditionally Black public institutions of higher education .................. 38,000

Critical Languages and Area Studies Consortium,
Peacham, Vermont:
For a program of teaching Arabic language and culture to high school students .................................. 25,000

Dartmouth College,
Hanover, New Hampshire:
For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences .................. 220,000

Denison University,
Granville, Ohio:
To improve educational effectiveness and efficiency through curricular and administrative consolidation .................................................. 300,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)  

Appropriated

Drew University,  
Madison, New Jersey:

To improve educational effectiveness and efficiency through curricular and administrative consolidation ........................................... 300,000

Florida Endowment Fund for Higher Education,  
Tampa, Florida:

Toward support of the McKnight Fellowship Project .................................. 16,500

Folger Shakespeare Library,  
Washington, D.C.:

Matching endowment in support of core functions ........................................... 1,500,000

Toward costs of collecting data on the finances of independent research libraries .................................. 5,000

Gallaudet University,  
Washington, D.C.:

Matching grant to establish a presidential discretionary fund ................................... 200,000

Gettysburg College,  
Gettysburg, Pennsylvania:

Matching grant to establish a presidential discretionary fund ................................... 200,000

Grinnell College,  
Grinnell, Iowa:

Matching grant to establish a presidential discretionary fund ................................... 200,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

Hampshire College,
Amherst, Massachusetts:
To improve educational effectiveness and efficiency through curricular and administrative consolidation ............................................. 150,000

Harvard University,
Cambridge, Massachusetts:
To improve the effectiveness of graduate education in selected departments of the humanities and related social sciences by reducing attrition rates and time-to-degree ........................................... 630,000
In support of a program of teaching and research in the history of modern physics .......................................................... 400,000
In support of training and research in the area of science and society .......................................................... 385,000
For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences ........................................... 150,000
Toward support of The Harvard Guide to African American History .......................................................... 20,000

Henry E. Huntington Library & Art Gallery,
San Marino, California:
Matching endowment in support of core functions .......................................................... 1,500,000
Toward costs of collecting data on the finances of independent research libraries .......................................................... 5,000

Hunter College,
New York, New York:
For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences ........................................... 240,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

Appropriated

Illinois Wesleyan College,
Bloomington, Illinois:

Matching grant to establish a presidential discretionary fund ........................................ 200,000

Institute for Advanced Study,
Princeton, New Jersey:

Toward the costs of new senior term appointments and associated visiting research fellowships ........ 1,000,000

International Research & Exchanges Board, Inc.,
Princeton, New Jersey:

In support of collaborative programs for American and East European scholars in the humanities and social sciences ........................................ 148,000

For use by the East-West Seminar ........................................ 15,000

Lewis and Clark College,
Portland, Oregon:

Matching grant to establish a presidential discretionary fund ........................................ 200,000

National Academy of Sciences,
Washington, D.C.:

For use by the National Research Council’s Office of Scientific and Engineering Personnel toward the costs of a study of the career outcomes of men and women scientists and engineers ........................................ 100,000

For use by the National Research Council for its Committee on Women in Science and Engineering ........................................ 75,000
HIGHER EDUCATION AND SCHOLARSHIP (continued)

Newberry Library, Chicago, Illinois:

Matching endowment in support of core functions ........................................ 1,500,000
Toward costs of collecting data on the finances of independent research libraries ........................................ 5,000

New York University, New York, New York:

In support of a seminar for graduate students preparing to write their dissertations ........................................ 36,000

Northeast Document Conservation Center, Andover, Massachusetts:

In support of its National Training Program of Preservation Microfilming ........................................ 150,000

Northwestern University, Evanston, Illinois:

In support of a seminar for graduate students preparing to write their dissertations ........................................ 31,500

Oberlin College, Oberlin, Ohio:

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences ........................................ 280,000

Organization of American Historians, Bloomington, Indiana:

To support a pilot study of datasets in the humanities ........................................ 14,000
HIGHER EDUCATION AND SCHOLARSHIP (continued)  

Appropriated

Pennsylvania State University, University Park, Pennsylvania:

To support a study of institutional changes in academic research during the 1980s .......................... 50,000

Pierpont Morgan Library, New York, New York:

Matching endowment in support of core functions .................................................. 1,500,000

Toward costs of collecting data on the finances of independent research libraries ............................. 5,000

Princeton University, Princeton, New Jersey:

To improve the effectiveness of graduate education in selected departments of the humanities and related social sciences by reducing attrition rates and time-to-degree ................................................................. 630,000

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences ...................... 300,000

For use as fellowships to encourage graduate students in economics to develop expertise in area studies ..... 125,000

Queens College, Flushing, New York:

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences .......................... 280,000
Rice University, Houston, Texas:

- For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences: 200,000
- In support of a seminar for graduate students preparing to write their dissertations: 35,000

Saint Lawrence University, Canton, New York:

- In support of a program linking international studies with general education: 150,000

Stanford University, Stanford, California:

- For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences: 250,000

State University of New York at Binghamton, Binghamton, New York:

- In support of a seminar for graduate students preparing to write their dissertations: 39,000

Swarthmore College, Swarthmore, Pennsylvania:

- For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences: 300,000
- Matching grant to establish a presidential discretionary fund: 200,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)  Appropriated

United Negro College Fund, Inc.,
New York, New York:

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences .......................... 2,010,000

For a program to increase the number of minority scholars holding doctorates in the arts and sciences ................................ 1,200,000

University of California, Berkeley,
Berkeley, California:

To improve the effectiveness of graduate education in selected departments of the humanities and related social sciences by reducing attrition rates and time-to-degree ........................................ 630,000

University of California, Irvine,
Irvine, California:

Matching endowment in support of the Thesaurus Linguae Graecae ......................................... 500,000

University of California, San Diego,
La Jolla, California:

In support of a seminar for graduate students preparing to write their dissertations ...................... 35,500

University of Chicago,
Chicago, Illinois:

To improve the effectiveness of graduate education in selected departments of the humanities and related social sciences by reducing attrition rates and time-to-degree .................................................. 630,000

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences ....................... 200,000
HIGHER EDUCATION AND SCHOLARSHIP

(continued)

Appropriated

University of Iowa,
Iowa City, Iowa:

Toward the costs of book-conservation apprentice-
ships and training workshops .................................. 168,000

University of Michigan,
Ann Arbor, Michigan:

To improve the effectiveness of graduate education in
selected departments of the humanities and related
social sciences by reducing attrition rates and time-to-
degree ................................................................. 630,000

For use by the Horace H. Rackham School of Graduate
Studies in support of the development of databases
on graduate education .................................................. 460,000

In support of the Bentley Library’s work in the Vati-
can Archives ................................................................. 50,000

University of North Carolina,
Chapel Hill, North Carolina:

For a study of the attributes of two-year institutions of
higher education and of historically Black colleges
which may be associated with educational achieve-
ment among minority students ..................................... 67,000

In support of a seminar for graduate students pre-
paring to write their dissertations ................................. 35,000

University of Pennsylvania,
Philadelphia, Pennsylvania:

To improve the effectiveness of graduate education in
selected departments of the humanities and related
social sciences by reducing attrition rates and time-to-
degree ................................................................. 630,000

For an undergraduate fellowship program to increase
the number of minority students who enroll in PhD
programs in the arts and sciences ................................ 300,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)  

Appropriated

University of Southern California, Los Angeles, California:

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences .......................... 200,000

University of Texas at Austin, Austin, Texas:

In support of a program of short-term research fellowships at the Harry Ransom Humanities Research Center ........................................ 105,000

University of Wisconsin at Madison, Madison, Wisconsin:

Toward editorial costs of the Dictionary of American Regional English ........................................ 600,000

Vanderbilt University, Nashville, Tennessee:

In support of a seminar for graduate students preparing to write their dissertations ....................... 33,000

Washington University, Saint Louis, Missouri:

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences ....................... 200,000

Wellesley College, Wellesley, Massachusetts:

For an undergraduate fellowship program to increase the number of minority students who enroll in PhD programs in the arts and sciences ....................... 200,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)  

Wesleyan University, 
Middletown, Connecticut:
For an undergraduate fellowship program to increase 
the number of minority students who enroll in PhD 
programs in the arts and sciences .......................... 200,000

Williams College, 
Williamstown, Massachusetts:
For an undergraduate fellowship program to increase 
the number of minority students who enroll in PhD 
programs in the arts and sciences .......................... 200,000
For use by four colleges—Carleton, Mount Holyoke, 
Oberlin, and Williams—in support of the Research 
Scholar Program for Minority Students ...................... 150,000

Woodrow Wilson International Center for Scholars, 
Washington, D.C.:
Toward development of its Division of History, Cul-
ture, and Society .................................................. 350,000

Woodrow Wilson National Fellowship Foundation, 
Princeton, New Jersey:
For the program of Mellon Fellowships in the 
Humanities .......................................................... 6,000,000
In support of the Andrew W. Mellon Fellowships in 
Humanistic Studies ................................................. 445,000
For support of meetings during the summers of 1993, 
1994, and 1995 of participants in the Mellon Minority 
Undergraduate Fellowship Program and the UNCF/ 
Mellon Undergraduate Fellowship Program ............ 210,000
Endowment grant for the Robert F. Goheen Prize in 
Classical Studies .................................................. 40,000

Appropriated

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HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

Yale University,
New Haven, Connecticut:

To improve the effectiveness of graduate education in selected departments of the humanities and related social sciences by reducing attrition rates and time-to-degree ................................................................. 630,000

Total—Higher Education and Scholarship $41,907,000

Appropriated
Alan Guttmacher Institute,  
New York, New York:  

To support its programs of population research and analysis ............................................... $ 900,000

Association for Voluntary Surgical Contraception,  
New York, New York:  

In support of technical-assistance activities related to family-planning services in developing countries ..... 300,000

Columbia University,  
New York, New York:  

In support of technical-assistance activities related to family-planning services in developing countries ..... 600,000

In support of family-planning services in New York City ....................................................... 150,000

East-West Center,  
Honolulu, Hawaii:  

In support of studies of the relationship between women’s status and fertility in India, Malaysia, and Thailand ............................................................. 500,000

Family Health International,  
Research Triangle Park, North Carolina:  

In support of contraceptive development ............... 630,000

Harvard University,  
Cambridge, Massachusetts:  

For anthropological research related to family-planning and fertility ........................................... 110,000

International Projects Assistance Services,  
Carrboro, North Carolina:  

For a study of post-abortion family-planning counseling and services ............................................. 250,000
Appropriations

Johns Hopkins University, Baltimore, Maryland:

In support of an anthropological fellowship in population studies ........................................ 35,000

Macro International, Inc., Columbia, Maryland:

For use by its Demographic and Health Program toward an extra-mural small-grants program of demographic research ........................................ 205,000

Medical College of Hampton Roads, Norfolk, Virginia:

In support of contraceptive development ...................... 300,000

For use by the CONRAD program for a scholarly exchange between the Tianjin Municipal Research Institute for Family Planning and the National Institutes of Health ........................................ 5,500

Pathfinder International, Watertown, Massachusetts:

In support of technical-assistance activities related to family-planning services in developing countries .... 400,000

Planned Parenthood of New York City, Inc., New York, New York:

In support of family-planning services in New York City .......................................................... 450,000

Population Association of America, Washington, D.C.:

For an expanded program of public education in the U.S. and for increased collaboration with population associations in developing countries ...................... 35,000
Population Council, New York, New York:

- In support of contraceptive development .................. 600,000
- For use by its South and East Asia Office toward the costs of a program of population studies in Vietnam .......................................................... 50,000

Program for the Introduction and Adaptation of Contraceptive Technology, Seattle, Washington:

- To support its work in contraception and reproductive health .................................................. 900,000

University of California, Berkeley, Berkeley, California:

- In support of an anthropological fellowship in population studies ................................................. 50,000

University of Chicago, Chicago, Illinois:

- For The Pritzker School of Medicine in support of its Center for Clinical Medical Ethics .................. 250,000
- Toward costs of a survey of adult sexual behavior .... 150,000

University of Michigan, Ann Arbor, Michigan:

- In support of an anthropological fellowship in population studies ................................................. 50,000

University of North Carolina, Chapel Hill, North Carolina:

- For anthropological research related to family-planning and fertility ............................................. 36,500
University of Pennsylvania, Philadelphia, Pennsylvania:

In support of an anthropological fellowship in population studies ........................................ 50,000

University of Texas at Austin, Austin, Texas:

In support of an anthropological fellowship in population studies ........................................ 50,000

Total—Population  $ 7,057,000
PUBLIC AFFAIRS

Adam Mickiewicz University, Poznan, Poland:

Toward costs of developing a university-wide computer network $ 500,000

American Committee for Aid to Poland, McLean, Virginia:

Toward general support of its activities in Poland 50,000

American Council for Nationalities Service, New York, New York:

For use by the U.S. Committee for Refugees for its emergency relief work 80,000

American Czech-and-Slovak Education Fund, Somerset, New Jersey:

In support of a program to improve library collections and to rebuild academic libraries in Czechoslovakia 30,000

American Trust for Agriculture in Poland, McLean, Virginia:

For general support of its programs to promote agriculture in Poland 300,000

Asian Pacific American Legal Center of Southern California, Inc., Los Angeles, California:

In support of its work in leadership development in interethnic relations, and of its Joint Mediation Project with the Martin Luther King Dispute Resolution Center 25,000

Association of Caribbean Economists, Santo Domingo, Dominican Republic:

For publication of a series of reports on the Caribbean economy 70,000
Atlantic Council of the United States, Washington, D.C.:

Toward the costs of its Eastern Europe Program .......................... 375,000

Bedford Stuyvesant Restoration Corporation, Brooklyn, New York:

To support accounting/financial administrative personnel ........................................ 40,000

Budapest University of Economic Sciences, Budapest, Hungary:

Toward costs of periodical subscriptions, CD-ROM databases, and extension of CD-ROM facilities ........ 150,000

Center for Strategic and International Studies, Washington, D.C.:

For use by its Government Relations Program ........................................... 400,000

Central European Institute, Washington, D.C.:

For use by its Central European Entrepreneurship Program to provide advice to small businesses in Czechoslovakia .................................... 50,000

Charles University, Prague, Czechoslovakia:

For use by its Center for Theoretical Study in support of visiting scholars ........................................ 20,000

Charter Seventy-Seven Foundation, New York, New York:

For program support ........................................... 30,000

Citizens Democracy Corps, Inc., Washington, D.C.:

Toward costs of acquiring books and periodicals and sending them to East European institutions ........ 50,000
City University of Bellevue, Bellevue, Washington:

Toward costs of equipping a basic business library in Slovakia ..................................................... 100,000

City University of New York, New York, New York:

For use by its Graduate School and University Center toward costs of a workshop in Prague, Czechoslovakia on transportation and logistics management ...... 175,000

College of Finance and Accounting—Budapest, Budapest, Hungary:

Toward costs of curricular improvement, enlargement of computer capabilities, and library development ......................................................... 310,000

Columbia University, New York, New York:

Toward costs of an advanced economics instructional program at the University of Warsaw .................. 230,000

Consejo Latinoamericano de Ciencias Sociales, Buenos Aires, Argentina:

In support of institutional planning and pilot studies for its electronic academic network ......................... 80,000

Council of American Overseas Research Centers, Washington, D.C.:

To support the pilot phase of a program of short-term research residencies for Czech, Hungarian, Polish, and Slovak scholars of the humanities at West European institutes of advanced study ............................... 650,000
PUBLIC AFFAIRS
(continued)

Council on Foreign Relations, Inc.,
New York, New York:

In support of the Council's radio series "Americas and the World" ........................................ 10,000

Council on Foundations, Inc.,
Washington, D.C.:

For use by the Southern Africa Grantmakers' Affinity Group ........................................ 10,000

Council on Ocean Law,
Washington, D.C.:

For general support ........................................ 25,000

Czechoslovak Society of Arts and Sciences,
Bethlehem, Pennsylvania:

Toward continued costs of training workshops for Czech and Slovak scholars in modern methods of re-search management ........................................ 50,000

Education Commission of the States,
Denver, Colorado:

In support of collaborative activities with the National Conference of State Legislatures in the area of school finance ........................................ 350,000

Emory University,
Atlanta, Georgia:

In support of the Latin American and Caribbean Program of the Carter Center ........................................ 100,000

Eötvös Lóránd University,
Budapest, Hungary:

Toward costs of library acquisitions for its American Studies Program ........................................ 30,000
Appropriated

Facultad Latinoamericana de Ciencias Sociales, Buenos Aires, Argentina:

In support of research and outreach activities in international trade and regional integration .......................... 50,000

Financial Services Volunteer Corps, New York, New York:

Toward costs of the ongoing and expanding activities of the Russian-American Bankers Forum ............... 50,000

Foundation Center, New York, New York:

To improve the coding and modify the taxonomy of the National Taxonomy of Exempt Entities ............... 50,000

Foundation for Promotion of Entrepreneurship, Lódz, Poland:

For a bank-management seminar to be held in Lódz, Poland ................................................................. 37,000

Foundation for Teaching Economics, Davis, California:

Toward costs of conducting a workshop on market economics in Czechoslovakia for high-school teachers, government officials, and business personnel ... 40,000

Georgetown University, Washington, D.C.:

Toward costs of a summer business consulting program ................................................................. 32,600

Harvard University, Cambridge, Massachusetts:

Matching grant for use by its Graduate School of Business Administration in cooperation with four other business schools in providing intensive training for East European faculty ........................................ 350,000
PUBLIC AFFAIRS
(continued)  

Hunter College,
New York, New York:

Toward costs of the preparation of workshop proceedings and a conference on “Immigrants and Public Education in New York City” ................................. 18,000

Independent Sector,
Washington, D.C.:

To improve the coding and modify the taxonomy of the National Taxonomy of Exempt Entities ........... 125,000

Institute of International Education,
New York, New York

For use by its South African Information Exchange ......................................................... 15,000

International Institute for Applied Systems Analysis,
Laxenburg, Austria:

Toward costs of a comparative study of the operations and effectiveness of management-training centers in Eastern Europe ......................................................... 25,000

International Rescue Committee, Inc.,
New York, New York:

Toward efforts to strengthen its infrastructure and management, and in support of the Leo Cherne Refugee Emergency Fund ......................................................... 185,000

Johns Hopkins University,
Baltimore, Maryland:

Toward costs of a seminar on “Urbanization in the Caribbean during the Years of Crisis” ................. 15,000

Kean College of New Jersey,
Union, New Jersey:

For evaluation of its education program for Hispanic immigrant students .................................... 79,000
Kossuth Lajos University, Debrecen, Hungary:

Toward costs of library development .................... 150,000

Lawyers Committee for Human Rights, New York, New York:

For use by its Refugee and European Human Rights Projects ........................................ 100,000

Mount Holyoke College, South Hadley, Massachusetts:

Toward development of the Czech and Slovak Library Information Network ................................ 1,188,000

NAACP Special Contributions Fund, Baltimore, Maryland:

Toward support of an evaluation of its fundraising efforts ........................................ 50,000

National Academy of Sciences, Washington, D.C.:

For use by the Government–University–Industry Research Roundtable as partial support for the production and distribution of the report “Fateful Choices: The Future of the U.S. Academic Research Enterprise” ........................................ 25,000

National Bureau of Economic Research, Cambridge, Massachusetts:

In support of research on cost trends in higher education ........................................ 135,000

National Coalition of Advocates for Students, Boston, Massachusetts:

In support of its activities to enhance the education of immigrant children ................................ 350,000
PUBLIC AFFAIRS

(continued)

Appropriated


In support of a project on policy at the local level regarding English language acquisition by immigrants .................................................. 50,000

National Library of Poland
Warsaw, Poland:

For the purchase of computer equipment, for librarian training, and for internet connections ................. 10,000

National Széchényi Library,
Budapest, Hungary:

In support of a consortium of twelve Hungarian libraries .................................................. 295,000

New School for Social Research,
New York, New York:

Toward costs of social-science teaching programs in Czechoslovakia, Hungary, and Poland .................. 150,000

New York Immigrant Coalition,
New York, New York:

Toward support of the project "Improving Newcomer Access to City Services" .................. 50,000

New York University,
New York, New York:

For a study of resource allocation in urban public schools .................................................. 327,000

Nicholas Copernicus University,
Toruń, Poland:

Toward costs of automating and modernizing its library procedures .................................................. 500,000
PUBLIC AFFAIRS
(continued) Appropriated

Palacky University,
Olomouc, Czechoslovakia:

To support participation in a librarianship conference in Brussels .................................................. 1,000

Phelps-Stokes Fund,
New York, New York:

In support of the activities of the National Citizens Commission for African American Education ......... 10,000

Portland Community College Foundation, Inc.,
Portland, Oregon:

For use by its Small Business International Trade Program in support of a collaborative project with the SEED Foundation in Budapest ........................................... 48,850

Princeton University,
Princeton, New Jersey:

Toward general support of its new Survey Center and for policy-related research on education and immigration ................................................................. 250,000

For use by The Papers of Woodrow Wilson toward costs of transporting three sets of the Papers to universities in Eastern Europe ........................................ 500

RAND Corporation,
Santa Monica, California:

For support of its study “Immigrant Participation in U.S. Post-Secondary Education” ......................... 307,000

Refugee Policy Group,
Washington, D.C.:

For a study and related activities on refugee policy in the post-Cold War era ........................................... 160,000
Regional Plan Association, New York, New York:

Toward costs of a study of labor force participation by recent immigrants to the New York metropolitan region ............................................... 300,000

Research Foundation of the State University of New York, Albany, New York:

Toward costs of assistance in the reorganization and modernization of the Office of the Prime Minister of Hungary ......................................................... 205,000

Toward continuing costs of the Hungarian Higher Education Management Seminars .......................... 26,700

Rutgers University, New Brunswick, New Jersey:

In support of a study of the implementation in New Jersey of a new system of school finance ............... 306,000

For technical assistance to state court judges in the area of school finance ........................................ 35,000

SPEDD, Inc., Wexford, Pennsylvania:

Toward costs of its small-business-incubator program in Hungary ...................................................... 159,000

SRI International, Menlo Park, California:

Toward continued costs of providing technical assistance to various ministries and agencies of the Czechoslovak Government .................................................. 25,000

Sabre Foundation, New York, New York:

Toward costs of acquiring books and periodicals and sending them to East European institutions ........... 100,000
PUBLIC AFFAIRS
(continued)

Appropriated

Saint Lawrence University,
Canton, New York:

Toward costs of continuing the Solidarity Book
project ............................................................... 25,000

Salzburg Seminar,
Middlebury, Vermont:

Toward costs of development of its library in Salz-
burg, Austria ...................................................... 250,000

Social Science Research Council,
New York, New York:

To support planning of a new program on immigra-
tion to the United States in global perspective ......... 25,000

State University of New York at Binghamton,
Binghamton, New York:

In support of its study “Voluntary Sector Involv-
ment in Immigrant Settlement” ............................. 350,000

TechnoServe, Inc.,
Norwalk, Connecticut:

Toward costs of a program to promote farmer-owned
and operated enterprises in rural southeastern
Poland ............................................................... 175,000

Tomas Rivera Center,
Claremont, California:

For a study of Hispanics and race relations in Hous-
ton ................................................................. 90,000

Toward costs of its project “Houston Evaluation of
Latino Priorities” .............................................. 50,000
PUBLIC AFFAIRS
(continued)

Appropriated

Trilateral Commission,
New York, New York:

Toward support of its programs ................................ 150,000

21st Century Foundation,
Washington, D.C.:

For a study of the feasibility of establishing public
policy institutes in Eastern Europe .......................... 44,300

University of Cape Town,
Rondebosch, South Africa:

To strengthen its capacity for graduate education .... 750,000

University of Hartford,
West Hartford, Connecticut:

Toward costs of management training at Jagiellonian
University .................................................. 207,000

University of Illinois at Urbana-Champaign,
Urbana, Illinois:

To support efforts by the Slavonic Library in Prague,
Czechoslovakia to study modern library technology
at the Mortenson Center for International Library
Programs .................................................. 5,200

University of Iowa,
Iowa City, Iowa:

Toward costs of providing consulting services to small
manufacturing and service businesses in Czechoslo-
vakia .................................................. 20,000

University of Pittsburgh,
Pittsburgh, Pennsylvania:

Toward costs of establishing in Czechoslovakia a
managerial training program oriented toward new-
product development .................................. 250,000
Appropriated

PUBLIC AFFAIRS
(continued)

University of the State of New York,
Albany, New York:

For use by the Regents' Commission on Higher Edu-
cation toward a study of the future of institutions of
higher education in the state ..................... 150,000

University of the Western Cape,
Bellville, South Africa:

To strengthen its capacity for graduate education .... 500,000

University of the Witwatersrand,
Johannesburg, South Africa:

To strengthen its capacity for graduate education .... 750,000

University of Tulsa,
Tulsa, Oklahoma:

Toward costs of small-business training in Hungarian
provincial universities ............................. 405,000

University of West Bohemia,
Plzeň, Czechoslovakia:

Toward costs of programs designed to enhance man-
agement skills in West Bohemia .................. 243,000

University of Wroclaw,
Wroclaw, Poland:

Toward costs of automating its library system ....... 465,000

Urban Institute,
Washington, D.C.:

Matching grant to establish a program of immigrant
policy studies ........................................ 2,000,000
**PUBLIC AFFAIRS**

(continued)

<table>
<thead>
<tr>
<th>Appropriated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Williams College, Williamstown, Massachusetts:</td>
</tr>
<tr>
<td>In support of research on the economics of education</td>
</tr>
<tr>
<td>World Trade Center Foundation of Orange County, Irvine, California:</td>
</tr>
<tr>
<td>Toward costs of a training program for the Hungarian wine industry</td>
</tr>
<tr>
<td><strong>Total—Public Affairs</strong></td>
</tr>
</tbody>
</table>
OTHER

Appropriated

American Association for the Advancement of Science, Washington, D.C.:

Toward support of “Project 2061,” a nationwide program aimed at improving the scientific literacy of students in grades K-12 ........................................... $ 750,000

Carnegie Mellon University, Pittsburgh, Pennsylvania:

In support of the operations of the Literacy in Science Center ............................................. 950,000

Classroom, Inc., New York, New York:

In support of its ongoing program ........................................... 25,000

University of California, Berkeley, Berkeley, California:

For use by its School of Education in support of a literacy project “Fostering a Community of Learners” .............................................. 870,000

University of California, San Diego, La Jolla, California:

For use by its Laboratory of Comparative Human Cognition in support of an after-school literacy program and its evaluation ........................................... 210,000

University of Illinois at Urbana-Champaign, Urbana, Illinois:

For use by the Center for the Study of Reading for completion of three projects aimed at improving the reading and writing of “at-risk” students ............... 150,000

University of Pittsburgh, Pittsburgh, Pennsylvania:

For use by the Learning Research and Development Center toward costs of educational applications of research on varieties of reasoning ......................... 940,000

Total—Other ......................................................................................................................................................................................... $ 3,895,000
## CONTRIBUTIONS

<table>
<thead>
<tr>
<th>Organization</th>
<th>Appropriated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastside Improvement Society, Inc., New York, NY:</td>
<td>$10,000</td>
</tr>
<tr>
<td>For general support</td>
<td></td>
</tr>
<tr>
<td>Foundation Center, New York, NY:</td>
<td>30,000</td>
</tr>
<tr>
<td>For general support</td>
<td></td>
</tr>
<tr>
<td>Independent Sector, Washington, D.C.:</td>
<td>30,000</td>
</tr>
<tr>
<td>For general support of the National Center for Charitable Statistics</td>
<td></td>
</tr>
<tr>
<td>New York Community Trust, New York, NY:</td>
<td>50,000</td>
</tr>
<tr>
<td>In support of the activities of The Fund for New Citizens</td>
<td></td>
</tr>
<tr>
<td>Total—Contributions</td>
<td>$120,000</td>
</tr>
<tr>
<td>Grand Totals</td>
<td>$93,277,450</td>
</tr>
</tbody>
</table>
Financial Statements
REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees of
The Andrew W. Mellon Foundation

In our opinion, the accompanying balance sheet and the related statement of income, expenses and changes in principal balance present fairly, in all material respects, the financial position of The Andrew W. Mellon Foundation at December 31, 1992 and 1991, and its income, expenses and changes in principal balance for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Foundation's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse
New York, New York
May 3, 1993
The Andrew W. Mellon Foundation

Balance Sheet

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1992</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
</tr>
<tr>
<td>Bonds and notes</td>
<td>$589,592,169</td>
</tr>
<tr>
<td>Equities</td>
<td>1,030,328,268</td>
</tr>
<tr>
<td>Investment securities (approximate market value of $1,833,261,000 and $1,877,766,000 at December 31, 1992 and 1991, respectively) (Note 2)</td>
<td>1,619,920,437</td>
</tr>
<tr>
<td>Interest in coal properties (Note 1)</td>
<td>961,343</td>
</tr>
<tr>
<td>Interest in limited partnerships (Note 1)</td>
<td>82,960,578</td>
</tr>
<tr>
<td>Total investments</td>
<td>1,703,842,358</td>
</tr>
<tr>
<td>Cash</td>
<td>10,700</td>
</tr>
<tr>
<td>Dividend and interest income receivable</td>
<td>11,117,326</td>
</tr>
<tr>
<td>Coal property income receivable</td>
<td>3,652,705</td>
</tr>
<tr>
<td>Receivable from unsettled securities sales (Note 2)</td>
<td>121,821,415</td>
</tr>
<tr>
<td>Property, at cost less accumulated depreciation of $798,909 and $554,952 at December 31, 1992 and 1991, respectively</td>
<td>9,450,476</td>
</tr>
<tr>
<td>Total assets</td>
<td>$1,849,894,980</td>
</tr>
</tbody>
</table>

LIABILITIES AND PRINCIPAL BALANCE

<table>
<thead>
<tr>
<th></th>
<th>1992</th>
<th>1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants payable</td>
<td>$46,301,268</td>
<td>$49,088,974</td>
</tr>
<tr>
<td>Federal excise tax payable (Note 3)</td>
<td>418,627</td>
<td>213,166</td>
</tr>
<tr>
<td>Payable from unsettled securities purchases (Note 2)</td>
<td>61,842,000</td>
<td>21,857,660</td>
</tr>
<tr>
<td>Accrued expenses payable</td>
<td>1,802,216</td>
<td>1,636,632</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>110,364,111</td>
<td>72,796,432</td>
</tr>
<tr>
<td>Principal balance</td>
<td>1,739,530,869</td>
<td>1,629,066,923</td>
</tr>
<tr>
<td>Total liabilities and principal balance</td>
<td>$1,849,894,980</td>
<td>$1,701,863,355</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
The Andrew W. Mellon Foundation

*Statement of Income, Expenses and Changes in Principal Balance*

For the year ended December 31

<table>
<thead>
<tr>
<th></th>
<th>1992</th>
<th>1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on bonds and notes</td>
<td>$39,872,334</td>
<td>$46,224,645</td>
</tr>
<tr>
<td>Dividends</td>
<td>$32,485,545</td>
<td>$31,332,050</td>
</tr>
<tr>
<td>Income from coal properties</td>
<td>$13,912,498</td>
<td>$14,567,884</td>
</tr>
<tr>
<td>Income from limited partnerships</td>
<td>$2,246,468</td>
<td>$2,675,472</td>
</tr>
<tr>
<td></td>
<td>$88,516,845</td>
<td>$94,800,051</td>
</tr>
<tr>
<td>Less investment advisory and custody fees</td>
<td>$(7,344,972)</td>
<td>$(6,797,476)</td>
</tr>
<tr>
<td></td>
<td>$81,171,873</td>
<td>$88,002,575</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and provision for employees' pensions</td>
<td>$3,831,102</td>
<td>$3,427,880</td>
</tr>
<tr>
<td>Other administrative and office expenses including maintenance and depreciation of property</td>
<td>$3,174,346</td>
<td>$2,512,055</td>
</tr>
<tr>
<td>Federal excise tax</td>
<td>$4,240,203</td>
<td>$3,783,033</td>
</tr>
<tr>
<td></td>
<td>$11,245,651</td>
<td>$9,722,968</td>
</tr>
<tr>
<td>Income available for grants</td>
<td>$69,926,222</td>
<td>$78,279,607</td>
</tr>
<tr>
<td>Program grants and contributions</td>
<td>$93,277,450</td>
<td>$84,333,996</td>
</tr>
<tr>
<td>Cancellation of prior-year grants</td>
<td>$(200,000)</td>
<td>$(425,000)</td>
</tr>
<tr>
<td>Deficit of income over expenses and grants</td>
<td>$(23,151,228)</td>
<td>$(5,629,389)</td>
</tr>
<tr>
<td>Net gain realized on sales of investments</td>
<td>$133,615,174</td>
<td>$102,618,202</td>
</tr>
<tr>
<td>Excess for the year</td>
<td>$110,463,946</td>
<td>$96,988,813</td>
</tr>
<tr>
<td>Principal balance at beginning of year</td>
<td>$1,629,066,923</td>
<td>$1,532,078,110</td>
</tr>
<tr>
<td>Principal balance at end of year</td>
<td>$1,739,530,869</td>
<td>$1,629,066,923</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of The Andrew W. Mellon Foundation have been prepared on an accrual basis. The significant accounting policies followed are described below.

Investments:

Investments in securities are carried at cost or fair market value at dates of acquisition. Securities encompass a variety of financial instruments, which may include futures, options, stock indexes, and forward foreign currency exchange contracts. The Foundation may use such investments to adjust market exposure and enhance returns of its investment portfolio. These instruments involve, to varying degrees, risk of loss in excess of the amount recognized, arising either from market fluctuations or the inability of counterparties to meet the terms of their contracts. The coal properties, which were appraised in 1991 by an independent engineering firm at $118 million, are carried at fair market value at date of acquisition, less accumulated depletion. Investments in limited partnerships, which are carried at cost, were made under agreements to participate in limited marketability investments. Due to their nature, the market value of these investments is not readily determinable.

Grants:

Grants are recorded in full when approved by the Trustees.

Property:

Property is primarily buildings which are depreciated over their useful lives, generally twenty-five years.
NOTE 2—INVESTMENT SECURITIES:

Investment securities held at December 31, 1992 and 1991 are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 1992</th>
<th></th>
<th>December 31, 1991</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book Value</td>
<td>Approximate Market Value</td>
<td>Book Value</td>
<td>Approximate Market Value</td>
</tr>
<tr>
<td>Bonds and notes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States and its agencies</td>
<td>$196,869,272</td>
<td>$202,201,000</td>
<td>$218,906,134</td>
<td>$233,787,000</td>
</tr>
<tr>
<td>Money market instruments</td>
<td>140,450,157</td>
<td>140,488,000</td>
<td>74,356,656</td>
<td>74,290,000</td>
</tr>
<tr>
<td>Corporate and other</td>
<td>252,272,740</td>
<td>260,071,000</td>
<td>269,551,463</td>
<td>282,882,000</td>
</tr>
<tr>
<td></td>
<td>589,592,169</td>
<td>602,760,000</td>
<td>562,814,253</td>
<td>590,959,000</td>
</tr>
<tr>
<td>Equities</td>
<td>1,030,328,268</td>
<td>1,230,501,000</td>
<td>1,037,898,241</td>
<td>1,286,807,000</td>
</tr>
<tr>
<td>Total</td>
<td>$1,619,920,437</td>
<td>$1,833,261,000</td>
<td>$1,600,712,494</td>
<td>$1,877,766,000</td>
</tr>
</tbody>
</table>

A change in investment managers resulted in a large volume of security transactions in process at December 31, 1992. The receivable from unsettled sales of securities was approximately $122,000,000 at December 31, 1992, only partially offset by the payable from unsettled purchases of securities of approximately $62,000,000. The large excess of receivables over payables causes the total investment securities balance as of December 31, 1992 to be understated, in relation to the total as of December 31, 1991.

At December 31, 1992 the Foundation had 10,000 contracts of S&P 500 Index put options expiring in March and June 1992 with a strike price of $400.

NOTE 3—FEDERAL EXCISE TAXES:

Under federal tax law, the Foundation is subject to a 2% excise tax on net investment income, including realized gains, as defined in the law. Accordingly, federal excise taxes in the amounts of $4,240,203 and $3,783,033 were charged in 1992 and 1991, respectively.