The Andrew W. Mellon Foundation

Report
from January 1, 1995
through December 31, 1995

140 East 62nd Street, New York, New York 10021
(212) 838-8400
Trustees
John C. Whitehead, Chairman
William G. Bowen
Charles E. Exley, Jr.
Hanna H. Gray
Timothy Mellon

Honorary Trustee
Paul Mellon

Officers
William G. Bowen President
T. Dennis Sullivan Financial Vice President
Harriet Zuckerman Vice President
Richard H. Ekman Secretary
Eileen M. Scott Treasurer and Assistant Secretary

Program Officers
Rachel Newton Bellow
Stephanie Bell-Rose
Jacqueline Looney
Carolyn Makinson
William Robertson IV

Senior Advisors
Henry Drewry
Ira H. Fuchs
Alvin Kernan
Richard E. Quandt
Angelica Zander Rudenstine
J. Kellum Smith, Jr.

Senior Fellow
Alice F. Emerson

Program/Research Staff
Elizabeth A. Duffy
Thomas I. Nygren

Research Staff
Joan Gilbert
Idana Goldberg
James Shulman
Fredrick E. Vars

General Counsel
Sullivan & Cromwell

Library Director
Kamla Motihar

Foundation Counsel
Stephanie Bell-Rose

Files Manager
Virginia Simone

As of December 31, 1995
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

One important purpose served by the annual reports of foundations is to alert readers, and especially potential grantees, to impending changes in grantmaking programs. Each year the Trustees of The Andrew W. Mellon Foundation review its general directions and, if there are good reasons, propose new emphases, suggest that the staff examine fresh opportunities in specified areas, and agree to phase out programs which have achieved their goals or seem less important now than they did earlier. In my view, this recurring process of institutional self-examination is extremely beneficial even if, as is often the case, the main result is to reaffirm existing priorities.

In this report, I will highlight five judgments concerning future directions made by the Foundation during 1995, most of which commit us to strengthening existing areas of activity as well as to some modest shifts in emphasis. As a prelude to that discussion, I want first to mention briefly other continuing activities which have been described in recent annual reports (or will be highlighted in next year’s report) and thus are not discussed at any length this year. As always, the back part of the annual report contains a list of all grants made during 1995. Also, a Mellon Foundation homepage is now on the Internet (http://www.mellon.org). This homepage contains pointers to information in a variety of forms, including past annual reports and descriptions of current grantmaking programs. In due course, printed annual reports such as this one may come to be seen by some as relics of a day gone by! But we are by no means at that stage, and so I shall press on in the traditional mode.

Ongoing Programmatic Activities

- Conservation and the Environment is a field of continuing importance to the Foundation. In 1995 we made appropriations totaling more than $12 million for activities ranging from basic research in below-ground (or "soils") ecology to the training programs of the Organization for Tropical Studies. (See the summary table on p. 49, the detailed list of
individual grants under the appropriate heading at the back of the report, and the discussion on the Internet homepage.)

- *Population* is another area of long-term interest to the Foundation. Major emphasis is placed on support of leading demographic centers, research on contraception, the development of anthropological demography, and support for a limited number of programs of service delivery (including, most recently, efforts to link family planning to the provision of other reproductive health services, and the establishment of a consortium to promote the provision of reproductive health services in refugee settings).

- *Doctoral Education and Related Scholarly Activities* receive substantial funding and require a great deal of staff time. The Foundation takes pride in supporting the recently established Sawyer Seminars (described in last year’s annual report) as well as the efforts by a number of leading universities to improve the quality of doctoral programs while simultaneously shortening time-to-degree and reducing attrition.

- *Liberal Arts Colleges* have been encouraged by the Foundation to develop collaborative programs that will enhance their educational quality in cost-effective ways, with particular emphasis given to the use of electronic technologies in teaching (and especially the teaching of foreign languages).

- *The Mellon Minority Undergraduate Fellowship Program* (MMUF), which was described in detail in the 1993 annual report, has completed another highly successful year. We are now developing ways of staying in touch with the MMUF graduates as they move into doctoral programs—which they are doing in substantial numbers.

- *Immigrant Education and Immigrant Policy Studies* continue to be supported along the lines described in detail by Stephanie Bell-Rose in the special section of last year’s annual report.

- *Research in Higher Education* is proceeding along lines described a year ago, and we expect that a number of stud-
ies supported by the Foundation will be published in 1996, as will studies conducted by staff members. In addition, Foundation staff are now embarked on an ambitious study of matriculants at 32 academically selective colleges and universities. This universe includes institutions that are private and public, large and small, liberal arts colleges and universities, women’s colleges, one-time men’s colleges, and historically Black colleges and universities.

We are examining the experiences of students who entered college at three points in time: the fall of 1951, the fall of 1976, and the fall of 1989. For the earlier cohorts, this study is expected to lead to a more complete understanding of “outcomes”—including civic involvements as well as employment and educational histories—than has existed heretofore. We expect that the findings will have relevance for a wide range of issues of concern to colleges and universities, including admission policies, affirmative action, changing expectations and experiences of women students, the state of intercollegiate athletics, the evolving contributions of academically selective institutions as “engines” of upward mobility, and, finally, “returns” to private and public investments in this set of colleges and universities.

**Judgments Concerning Basic Directions**

Needless to say, judgments are made constantly to revise or alter the shape of particular programs, and it would be impossible to catalog all such modifications in any annual report. It is possible, however, to identify five broad judgments that were reached in 1995, some having to do with substantive directions and some with matters that are (at least at this juncture) more procedural in character.

1. *To re-emphasize and strengthen the Foundation’s historic commitment to the humanities*

   This Foundation is well known for its long-term commitment to the humanities. It is widely regarded as the most important single private source of support for this field in the United States—and as the second largest source of support of any kind, after the National Endowment for the Humanities (NEH). The future of the NEH is hard to predict at this juncture, but some
of us are guardedly optimistic that it will survive and continue to do good work. There is no doubt, however, that the programs of the NEH will be trimmed in scale and that some of them will be eliminated altogether. Yet it is wishful thinking to believe that this Foundation, or any private source of support, could somehow "fill the gap" in funding created by the changes occurring at the NEH—even if it sought to do so.

At the same time, the "downsizing" of the NEH, combined with the severe economic problems confronting almost all universities (which comprise, overall, by far the dominant source of financial support for teaching and scholarship in the humanities), has caused our staff and Trustees to ponder with new urgency the role of the Foundation in this area. We have undertaken to review carefully the reach of our current programs, and the special essay in this report, contributed by Richard Ekman, the Secretary of the Foundation and one of our senior program officers, describes in detail the kinds of activities we have been supporting.¹

As is evident from Mr. Ekman's essay, the range of current grantmaking programs in the humanities is considerable. When the Trustees met last fall to review the overall scope of the Foundation's programs, there was widespread agreement that we should send a strong signal of our intention to remain very active in support of the humanities. This statement is not tantamount to a promise that we will continue every individual initiative at previous levels (or at all), but it is meant to underscore our con-

¹ For some time now, I have followed the practice of asking a colleague to contribute a special essay to the annual report. This year seemed a good time to ask Mr. Ekman to assemble a comprehensive picture of the Foundation's role in the humanities, which reflects the work of a number of program officers. To recapitulate the subjects of other essays in this series: in the 1994 annual report, Stephanie Bell-Rose reviewed the Foundation's activities in immigrant policy studies; in the 1993 annual report, Henry Drewry described the Foundation's ongoing efforts to encourage larger numbers of students from minority groups to pursue doctoral studies in the arts and sciences; in 1992, Richard Quandt described the Foundation's activities in Eastern Europe; in 1991, Rachel Bellow presented the Foundation's program in culture and the arts; in 1990, Carolyn Makinson wrote about population studies and population policy; and in 1989, Neil Rudenstine described the Foundation's approach to the field of literacy. All of these reports are available from the Foundation on request; also, as noted earlier, they are now available on the Mellon Foundation homepage.
viction that the humanities are of great intrinsic importance, and that support of these fields of inquiry is vital to the long-term health of many core institutions of higher learning, including both teaching institutions and entities such as research libraries and museums.

We also reached tentative agreement that in one area we would move without delay to increase the Foundation's level of support: fellowships for individual scholars in the humanities. (The Foundation provides these fellowships indirectly, through grants for this purpose to entities that make such awards; the Foundation makes no awards of its own directly to individuals.) In planning for 1996, we have made provision for additional support of fellowships at carefully chosen centers of advanced study and research. In addition, we intend to step up, at least modestly, our support for postdoctoral initiatives at leading universities and some small number of liberal arts colleges. Some of these postdoctoral fellowships will be awarded as components of the Sawyer Seminars; others will be designed to help colleges and universities enrich curricular offerings in the humanities without creating obligations for faculty expansion that the colleges and universities could not sustain.

2. To review the directions and emphases of the Foundation's grantmaking in the broad fields of culture and the arts, while reaffirming our long-term interest in these fields

Last fall the Trustees decided that it would be timely to review the Foundation's activities in the broad amalgam of fields known within our precincts as "Culture and the Arts." More specifically, we are speaking primarily of programs which focus on art museums, the field of art conservation, and performing arts institutions. This review, which is ongoing, is being led by a special Trustee committee composed of Frank Rhodes (chairman), Hanna Gray, Charles Ryskamp, and Anne Tatlock.2

The question to be explored by the committee is not whether the Foundation will remain active in culture and the arts—it will,

2 Frank Rhodes is President Emeritus of Cornell University; Hanna Gray is President Emeritus of the University of Chicago; Charles Ryskamp is Director of The Frick Collection; and Anne Tatlock, who was elected a Trustee of the Foundation in June 1995, is President of Fiduciary Trust Company International. Harriet Zuckerman is the principal staff liaison to the special committee.
without question. Rather, we are interested in thinking carefully about the balance to be sought among various fields and types of programs, and about the ways in which the Foundation’s grantmaking can be most effective. The committee intends to examine the societal context within which cultural institutions and the arts function today; the implications of the Foundation’s own characteristics (our internal “culture,” if you will) for grantmaking strategies; and connections between the Foundation’s activities in culture and the arts and its activities in related fields, such as higher education and the support of research libraries and historical societies.

In short, we see this review as a major opportunity to reexamine our activities in culture and the arts in the light of present and prospective circumstances. We want to be sure that our pattern of grantmaking reflects the Foundation’s comparative advantages and addresses those needs within the constituent fields which we can meet most effectively.

As already noted, it is the Foundation’s practice to review all of its programs periodically. (For example, in 1993 we completed a major review of the program in Conservation and the Environment.) The decision to review Culture and the Arts now was prompted, first, by the evident fact that in these fields, as in the humanities, changes in the funding environment associated with the National Endowments have to be taken into account. In addition, close observers of the performing arts note that several of the constituent fields are undergoing dramatic demographic changes, shifts in audience composition, and changes in the art forms themselves—quite apart from developments at the NEA and NEH.

Finally, the Foundation’s program officer in this area, Rachel Bellow, has been awarded a leave of absence to explore the possibility of developing a new initiative, outside the Foundation, designed to facilitate institutional change and adaptation among arts organizations. Before beginning the process of searching for a new program officer (which we do not expect to commence until the summer of 1996, at the earliest), we wanted to recalibrate our collective sense of the highest priorities and best opportunities for effective grantmaking.

While this review is being conducted, we want to avoid a hiatus in grantmaking. To declare “time out” would send the wrong
signal and would deny help to worthy entities in need of assistance. Also, we must of course continue to oversee multi-year grants that are already in place and past commitments due for reexamination and possible renewal. Fortunately, J. Kellum Smith, Jr., formerly Vice President of the Foundation and more recently a Senior Advisor, has agreed to serve as interim director of grantmaking in the performing arts. Mr. Smith will be assisted by Elizabeth Breyer, who has worked with Ms. Bellow for the last five years. Angelica Zander Rudenstine, Senior Advisor to the Foundation for museums, is continuing her activities without interruption.

In next year’s annual report, I expect to report the conclusions reached by the Trustees following this review process, and our plans for the ongoing administration of grantmaking in these fields at the Foundation. They are as important today as ever they have been, yet their institutional underpinnings are all too vulnerable to changing fads and fluctuating funding patterns.

3. To increase the Foundation’s programmatic investments in South Africa while simultaneously continuing the process of reducing grantmaking in Eastern Europe

To provide context, I should begin by noting that, from its inception, the Foundation has concentrated its grantmaking in the United States. As an inspection of the list of grants made in 1995 will confirm, this continues to be our policy. But the Foundation also makes sizeable grants outside the US, often for purposes consonant with its broader objectives (such as support for libraries and for advanced training in humanistic fields at centers such as I Tatti in Florence, the American Academy in Rome, and the American School of Classical Studies at Athens). As Mr. Ekman indicates in his essay, support has also been provided for a series of library projects in Latin America. The Foundation’s program in Conservation and the Environment makes substantial commitments to institutions in other parts of the world, especially Latin America. Similarly, Mellon’s Population program has a special focus on Africa and the Middle East. In these categories, we have no budget line for “foreign grants” per se; the amount appropriated in any given year depends on the opportunities and priorities identified by staff members responsible for a wide variety of individual programs.
The situation is somewhat different in Public Affairs. Starting in 1988, the Foundation began to devote more of its resources to public affairs projects addressed explicitly to needs outside the United States. Since then, a series of grants have been made to support the core research functions of several highly regarded public policy centers in South America. An even larger, and more focused, program of grants—now totaling over $40 million—has been directed to institutions and activities in Eastern Europe. The Foundation has worked especially hard to promote library collaborations and business training, and we believe that, as a result of these efforts, a much stronger infrastructure has been developed. As explained in last year's annual report, we are now in the process of reducing our grantmaking in the region. Funding has declined from an annual level of about $8 million in 1993 and 1994 to just over $5 million in 1995; the budget for 1996 is $3 million.

We do not intend to terminate our support of programs in Eastern Europe (or anywhere else) in an abrupt fashion, but we do believe that we have accomplished much of what we set out to do and that it is essential that the Foundation continually redeploy its resources in response to changing needs and opportunities. Thus, in 1996, we will concentrate our grantmaking in Eastern Europe on sustaining and institutionalizing the most promising of the initiatives funded in prior years; we do not expect to make many (if any) "new starts." We do expect to continue to support, for a longer period, the highly successful program of short-term fellowships for humanists from Eastern European countries who wish to spend time at leading centers of scholarship and advanced training located elsewhere in Europe.

Among the many other parts of the world in which our programs could have a beneficial impact, we have decided that a particularly good case can be made for investing more heavily in South Africa. The country itself is of strategic importance throughout its continent—and beyond. Also, even before the dramatic end of apartheid, we believed that the leading "open" universities in South Africa were societal assets of great value, which deserved support as they struggled to defend their academic

---

3 For a detailed review of this program, from its inception in 1989 through 1992, see the essay by Richard E. Quandt in the Foundation's 1992 annual report.
integrity and to educate a broader range of students in the face of overt hostility from the government of that day. Tensions continue to abound, aspirations outrun resources, and the path forward for South Africa is both far from clear and bound to be anything but smooth; still, absolutely remarkable progress has been made in establishing a multi-racial democracy without civil war. Not many believed that such a transformation was possible at all—never mind at the pace at which it has occurred.

Needless to say, all levels of education in South Africa are in dire need of assistance. We applaud those donors who have decided to focus on elementary and secondary education, which are of critical importance, as well as those who are concerned mainly with enhancing the prospects of the historically disadvantaged institutions at the tertiary level. At the same time, it would be a tragedy if the altogether proper concern for these sectors of education were to lead to the neglect of the great potential contribution of the leading universities—and of their pressing need for support.

Because of the quality of their intellectual resources (unmatched on the continent of Africa), some of the South African universities have the capacity to serve not only the citizens of their own country but also individuals from many other parts of Africa. The education and advanced training of new cadres of leaders has to be a high priority, and it is important to leverage existing institutional strengths. Accordingly, the staff and Trustees have concluded that it is timely to step up the Foundation’s efforts to sustain and strengthen the capacity of South Africa’s system of higher education to prepare a broad range of students for leadership roles in Africa. In March 1995 two new grants totaling $2.9 million were approved for the University of Cape Town (UCT) and the University of the Witwatersrand (Wits), for the purposes of graduate education, faculty development, and library support.

During the summer of 1995, Adam Kuper, a distinguished South African anthropologist now based in London, visited South Africa and prepared a report summarizing other opportunities for the Foundation in South Africa. Subsequently, the Trustees approved a modest grant to UCT to expand an existing program of fellowships for science and engineering faculty from African universities (which has been supported by the
Rockefeller and Carnegie Foundations, among others) so that humanists and social scientists could also be included.

In the longer run, Mr. Kuper has encouraged us to explore other possibilities, including support of library consortia and efforts to establish electronic links between libraries at a wide range of universities and technikons. The Foundation (through the work done by one of its Senior Advisors, Richard Quandt) has gained considerable experience with such projects in Eastern Europe, and, as this report is being written, Mr. Quandt and Thomas Nygren, the program officer at the Foundation with direct responsibility for South Africa, are in South Africa investigating the feasibility of this kind of initiative. It seems clear that facilitating resource sharing through library consortia, and supporting electronic access to literature and other materials not readily available in South Africa, could be of enormous assistance in the provision of advanced training and research.

Undoubtedly other ideas, and other opportunities to enhance advanced training and research (the areas which we have chosen to emphasize), will present themselves. As everyone knows, South Africa has pressing needs of every conceivable kind. Consistent with the principle of comparative advantage, this Foundation will continue to explore ways of "leveraging" expertise that it has or can obtain and to concentrate on those areas of need in South Africa that complement most naturally activities of the Foundation in other parts of the world.

4. To explore the desirability and feasibility of a new initiative in the refugee field

Intensive activity by staff members in one field sometimes suggests new opportunities of a related kind. The origin of the Foundation's emerging interest in the refugee field was experience gained by Carolyn Makinson, the program officer responsible for the population field, in assessing family planning needs in refugee settings. These needs were found to be all too real; and, in the process of thinking about how to address them, Ms. Makinson became convinced that core issues that confront non-governmental organizations (NGOs) in the refugee field should be considered more broadly. In brief, the instant pressures to provide food, shelter, and health care are so all-consuming that there is little opportunity, or capacity, for evaluation of modes of operation, analysis, and stock-taking.
Following several discussions with the Trustees, it was decided that perhaps this Foundation could play a useful role by focusing on issues such as training and the establishment of protocols and standards, as well as on analysis of substantive questions such as how best to deliver services to refugees so as to facilitate their return to "normal" life—either through repatriation or through permanent settlement in the country of refuge. It might be possible, we thought, to have a major impact on a field which, sadly, is growing in importance every day. As a next step in gaining an understanding of the realities of refugee settings, Ms. Makinson decided that she should spend six months in Africa looking intensively at programs for Rwandan refugees in Tanzania and for Liberian refugees in Guinea (under the auspices of the International Rescue Committee) and at repatriation efforts in Mozambique (under the auspices of Save the Children).

These trips have confirmed our sense that the Foundation might indeed play a useful role by assisting a few key organizations which provide infrastructure for the field, expanding opportunities for training and research, and, over time, participating in the building of a stronger knowledge base. Initially, at least, we expect to adopt a regional focus and concentrate on Africa. If all goes according to plan, the Trustees will be asked to consider a first set of grants in December 1996.

5. To transfer the Foundation's Journal Storage Project (JSTOR) to a separate not-for-profit entity and to underwrite its start-up costs

Last year's annual report included a separate section describing the evolution of JSTOR—a Foundation project intended to demonstrate how electronic technologies can serve the interrelated needs of those who publish, store, and use scholarly journals. That section stimulated so much interest and so many inquiries from special groups of readers—representatives of university presses, professional associations, and the growing number of individual scholars and others active in the burgeoning field of scholarly communication—that we are including in this year's annual report a JSTOR "Update" in a separate section, immediately following this one.

But I should highlight, in the main text of the annual report, a major organizational decision made by the Trustees in June of
1995. For reasons explained in the Update, this seemed to be the right time for the Foundation to assist in the creation of a not-for-profit entity charged explicitly with carrying forward the activities begun when JSTOR was a Foundation-sponsored demonstration project. This legal transformation has been accomplished and, at their December meeting, the Trustees of the Foundation appropriated $1.5 million to provide working capital for the new, separately incorporated organization (which has retained the "JSTOR" name). JSTOR has recruited an exceedingly able Executive Director, Kevin Guthrie, who was already familiar with this project through his work at the Foundation, and it has also retained the services of Ira Fuchs as Chief Scientist. To provide additional continuity, I am serving on the JSTOR board (initially as chairman) along with another Foundation Trustee, W. Taylor Reveley, III.

William G. Bowen
March 1996
JSTOR UPDATE

Of the many initiatives sponsored by the Mellon Foundation in recent years, the JSTOR ("journal storage") project has proved to be particularly intriguing—and, we believe, particularly promising. By reconciling the sometimes competing interests of scholarly associations, other publishers of scholarly journals, libraries, and individual users of journal literature, JSTOR offers the exciting prospect of dramatically improved access to scholarly materials for faculty and students, reductions in capital and operating costs for libraries, and greater long-term financial stability for publishers.

Claims for the "revolutionary" promise of new technologies are often wildly exaggerated, but this seems to be one instance in which the well-orchestrated application of technologies that are broadly available can make an enormous difference. In this "update," we hope to provide a context for understanding the current status of the project, a summary of new directions, and likely next steps—including the possibility that a prototype database will be available to charter subscribers by the end of 1996.¹

Background and current status of the project

Initiated as a demonstration project in the spring of 1994, JSTOR began as an effort to ease the increasing problems faced by libraries seeking to find appropriate stack space for the long runs of back issues of scholarly journals. The basic idea was to

¹ This description of JSTOR's continuing evolution, spanning its existence during 1995 as both a demonstration project of the Foundation and, in the second half of the year, a separately incorporated entity, is written jointly by William G. Bowen, Chairman of the Board of JSTOR, and Kevin M. Guthrie, its Executive Director. For more detailed descriptions of many of the issues mentioned below, see Bowen's paper titled "JSTOR and the Economics of Scholarly Communication" presented at the Council on Library Resources conference held in Washington, DC (October 1995) and Guthrie's companion paper presented at a meeting of the Chief Administrative Officers of the American Council of Learned Societies held in Kansas City, MO (November 1995). Both of these papers may be obtained on request (or can be accessed via the World Wide Web at http://www.mellon.org/jstor.html).
convert the back issues of the paper journals into electronic formats that would allow savings in capital costs while simultaneously improving access to the contents of the journals and addressing preservation problems. In August 1994, the Foundation appropriated $700,000 to the University of Michigan to develop software and purchase computer hardware that would allow bitmapped images of journal literature to be accessed over computer networks. In December 1994, the Foundation appropriated an additional $1,500,000 to Michigan to support scanning of pre-1990 issues of ten core journals in history and economics (approximately 750,000 pages in all).

This project has been far more complicated to implement than expected; indeed, as one of us has said on other occasions, if we had known at the outset all that we know now, we might not have marshaled the courage to begin! One experienced observer of both the academic and business worlds said, following his participation in a recent meeting of the 12-person team at Michigan working on the JSTOR “production” cycle, that he had never seen a simple concept that was so complex in its implementation.

To give just one example, we were surprised to learn that a number of long-lived journals lack accurate records of their own runs. Over the years, supplementary issues have been published from time to time, issues have sometimes been skipped, and there have even been errors in numbering (for example, two issues numbered “four” can appear in the same year). Thus, it was difficult to know when we had in fact succeeded in bitmapping the full run of a journal, since there was no known definition of the full run at the outset. An unanticipated contribution of JSTOR has been to provide, for the first time in some instances, a complete publication record for particular journals, with an accurate index of all articles, reviews, and other materials they contain. This laborious process of assembling and checking the “raw material,” as well as the bitmapped images, has necessitated a heavy investment in quality control. More generally, the flow chart now used to monitor progress in converting paper issues of back files into the final electronic database involves more than 30 distinct cells, some with their own subsets of instructions!

Complications notwithstanding, we have now accomplished our original objective: electronic replications of all of the pre-
1990 issues of the ten economics and history journals chosen to begin the project are now incorporated into the JSTOR database. Bitmapped images of every published page are linked to a text file generated with optical character recognition (OCR) software which, along with newly constructed indexes, allow for complete search and retrieval of the published material. The database is being used at the first five college test sites (Bryn Mawr-Haverford-Swarthmore Colleges, Denison University, and Williams College), as well as at the University of Michigan, Harvard University, and the Center for Advanced Study in the Behavioral Sciences.

In all essential respects, JSTOR works—and, indeed, works very well. In particular, the decision to scan the pages at high resolution (600 dots per inch) has proven to be sound; the images are of truly archival quality, and even the most complicated figures and equations can be printed beautifully (provided that the right printer applications are used in conjunction with the specified printers). Users can perform full-text searches on the database as well as searches by abstract, author citation, and article title. Also, they have the convenience of being able to access the journals using standard PC equipment at any time (this “library” never closes) and from any location that can access a campus network. Issues of journals are never “out,” and are always available in pristine condition. In sum, the addition of these powerful search and printing capabilities makes the JSTOR system much more than just a way for libraries to save capital costs; it has become a scholarly tool of enormous value.²

² The database also permits ego gratification: an author can search on his or her name and find all the “hits” in the database, including not only the author’s own publications, but also book reviews, citations in other articles, and even mentions in advertisements. One friend of ours was very pleased with himself when he found his name mentioned 180 times. In order to put his considerable accomplishments in perspective—and ensure a modicum of humility—we then did a full text search for the name of a great teacher of one of us, Jacob Viner. In the ten journals in economics and history that currently comprise the database, there were 3,529 hits! Since Viner wrote on a wide variety of subjects, from the influence of Adam Smith to the role of customs unions in international trade, it is also convenient to couple Viner’s name with whatever topic is of special interest to the user, thereby constraining the search in appropriate ways and producing a manageable list of hits. Similarly, searches can be limited to articles published before or after a certain date, or to articles published only in specified journals. Once the desired reference has been found, the search engine takes the user to the exact page of the hit, not just to the beginning of the article in which the hit occurs.
These accomplishments duly noted, those of us who have been closest to JSTOR are more aware than anyone else of the many respects in which it can be improved. Work is ongoing to replicate the database at another site, to test the feasibility of a score of technical enhancements, and to experiment with adding Standard Generalized Markup Language (SGML) tags to at least some back issues (to permit more structured searches and the use of hypertext links). JSTOR is committed to remain up-to-date, to continue to take advantage of advances in electronic technologies, and not to allow itself to "ossify" in a highly technical field that continues to change at a dizzying pace.

The most important open questions are by no means solely technical. Studies are being made of the ways in which JSTOR affects the way readers use journals and, by extension, the very process of scholarly communication. (For example, given access to the highly convenient search capabilities of JSTOR, will students, as well as faculty members, make fuller use of older journal literature?) Work is also underway on the development of viable economic models which will assure cost-effective access for users while protecting the revenue streams of publishers and allowing JSTOR to recover its costs.

New directions for JSTOR in 1995

Three substantive decisions concerning future directions for JSTOR were made during 1995: (1) to include more fields and more journals; (2) to "roll out" the database to an unlimited number of sites; and (3) to explore linking current issues to backfiles. Taken together, these judgments drove another decision, already noted, that was organizational in character: to preserve JSTOR's nonprofit status, but to separate it from the Mellon Foundation.

1) More fields and more journals. There was never any reason, and never any intention, to include only the fields of economics and history in JSTOR. These fields were useful starting points, but it was evident from the beginning that one of the major advantages of the JSTOR concept is that it allows scholars, and particularly those interested in topics that span disciplines, to search for materials within a number of related fields simultaneously. For example, two topics now being investigated by staff members at the Foundation—the nature and conse-
quences of affirmative action policies in college admissions and the changing role of intercollegiate athletics in American higher education—require searches of journal literature in a wide variety of fields, including economics and history, but by no means limited to these fields alone.​3

One of the nicest compliments paid to JSTOR is that, as the great potential of the project became ever more evident, scholars from many disciplines urged us to add journals—almost always in “their” fields! Some urged us to add leading journals in fields adjacent to history and economics, such as political science, sociology, finance, and area studies. And we agree that there is much to be said for assembling “clusters” of related fields. Others argued out that we should include fields, such as mathematics, which are important in and of themselves and are also relevant to scholars in other disciplines.​4 Finally, colleagues at the Foundation made the obvious point that it was odd, and even awkward, for the Foundation to appear to ignore journal literature in fields in which it continues to be an active grantmaker. Ecology, population studies, various fields within the humanities (art history, philosophy, literary criticism, and classics, among others), and higher education all come to mind immediately.

Once we had convinced ourselves, and others, that JSTOR worked, expanding the database along the general lines just suggested made eminently good sense. In considering other journals, we have been avowedly opportunistic, since we did not believe that there was any single “right” way to proceed. Our experience has taught us that there is much to be said for assign-

3 Even working within the confines of just these two fields, we found a number of articles that we would have missed absent the search capabilities of JSTOR. To give but one illustration, we found an item from a section in the 1987 volume of the Journal of Political Economy entitled Miscellany that reported the results of a sophisticated analysis by researchers at Clemson of the effects of competitive success in big-time athletics on the SAT levels of incoming students. It is highly unlikely that we ever would have learned about this article without JSTOR.

4 Interestingly, contrary to what some people assume, mathematics is a strongly historical field. Mathematicians are very interested in problems posed and proofs attempted decades ago (see, for example, the continuing interest in Fermat’s Last Theorem).
ing highest priority to fields, and to publishers, that evince a strong belief in the JSTOR concept and genuinely want to work with us in a partnership mode.

Conversations are now underway with publishers in a number of fields. We expect that, as time and circumstances allow, we will add fields, and journals within existing fields, to the initial JSTOR database. To cite just two examples, agreements have already been signed to include the Annals of Mathematics and the three journals published by the Ecological Society of America. Also, we would like to include leading journals published outside the United States.

2) “Rolling out” JSTOR to an unlimited number of sites. The responses to date of JSTOR users (including those who have attended demos as well as those at the test sites) have been extremely positive. Representatives of the library community have also been enthusiastic advocates of JSTOR. These expressions of support have led us to conclude that we should begin now to plan for general access by authorized users to at least the backfiles of an initial set of journals. In short, we are committed to making the transition from an initial test phase of the project to an ongoing operation. It is encouraging to report that we have already received commitments from the American Economic Association, the Econometric Society, the American Historical Association, the Ecological Society of America, and the publisher of the Annals of Mathematics to make the backfiles of their journals available through JSTOR at an unlimited number of sites.

Presuming that agreement as to how to proceed can be reached with the rest of our initial publishing partners, and with other publishers, we hope that it will be possible to have some number of core journals ready to “roll out” to libraries and other subscribers by the fall of 1996. But we also recognize that much work remains to be done, and that this schedule could prove to be overly ambitious. In addition to working with publishers and continuing to make technical improvements to the database, it will be necessary to define an initial set of relationships with subscribers, which will have to include agreements on subscription prices (since JSTOR must recover its costs) and proper means of
authorizing and restricting access to relevant parts of the database.\(^5\)

3) **Linking current issues to the backfiles.** A third major decision made during 1995 was to extend the initial conception of JSTOR in one major respect. As we came to appreciate its capabilities more fully, it became obvious that there was no fundamental reason to focus solely on backfiles (if one is prepared to address the complicated questions concerning pricing and revenue streams, which the inclusion of current issues presents). There are evident benefits to all parties in linking electronic archives of backfiles to electronic versions of current issues of the same journals. Such an arrangement would allow users to search the entire run of a journal, from the most recent issues back to the earliest ones, using common software. For both users and libraries, this approach would also solve the problem of how to update the historical archive, since updating would occur annually and automatically if linking were achieved. Moreover, libraries would have the option of avoiding the costly and sometimes arduous process of binding current issues and then finding space for them in the stacks.

Publishers can also benefit in significant ways, as they seek to make a smooth, affordable, and timely transition to the fast-moving world of electronic publication. For those scholarly associations and other publishers that have not yet invested in developing the technology and infrastructure to build and maintain electronic versions of their journals, JSTOR offers the opportunity to take full advantage of years of development by a nationally recognized team at the University of Michigan. In addition, through participation in JSTOR, publishers can gain assistance in distributing their journals in electronic form to authorized subscribers (libraries and individuals) and learn from others which pricing models and restrictions on access work best in pro-

\(^5\) Back-of-the-envelope calculations suggest that it will be possible to recover costs without imposing high charges. But much will depend on the level of interest by potential subscribers, since the economies of scale are so great. For some illustrative calculations, see Bowen's paper on "JSTOR and the Economics of Scholarly Communication." As that paper suggests, we believe that JSTOR will offer considerable savings to libraries, when they take account of storage costs and the costs of providing access to paper copies.
tecting revenue streams. Over time, we expect participating publishers to be able to reduce distribution and inventory costs.

Moreover, we are optimistic that JSTOR will increase the attractiveness of the participating journals to libraries and scholars worldwide, both those that currently subscribe to the paper version and those that do not. For the current subscribers, there are the many benefits of the JSTOR database previously discussed (including cost savings for libraries and the powerful search engine). In addition, many of the members of the second group—those that are not current subscribers—may lack the space and infrastructure to process and store paper copies of journals, but would benefit and might choose to subscribe if offered convenient and affordable electronic access.

The Ecological Society of America (ESA) was a major partner in the decision to develop mechanisms for linking current issues to backfiles. The leadership of the Society expressed strong interest in entering into such an arrangement with JSTOR, and agreement has now been reached on an experimental plan to link electronic versions of current issues of the Society’s three journals (including its main journal, Ecology) to the electronic backfiles. Other publishers have expressed strong interest in similar arrangements, and discussions are ongoing. To be sure, there are complex technical, economic, and administrative problems to be addressed, and it almost certainly will take longer to work out these problems to everyone’s satisfaction than it will to move ahead with the backfiles alone. But we are persuaded that linkage is the right approach, and that it is, in fact, likely to prove to be an inevitable consequence of the technical possibilities associated with digitization.

Creation of a new not-for-profit entity

The major organizational decision of the year—to locate JSTOR within a separate, self-contained not-for-profit entity—was based on our recognition of the rapidly increasing complexity of the project, its great potential, and the need to demonstrate sooner, rather than later, that JSTOR can be self-sustaining. The interrelated decisions to add fields, to make JSTOR widely available without undue delay, and to explore linking current issues to the backfiles, combined to give urgency to this change. On July 31, 1995, the new JSTOR entity was incorporated, and in
January 1996 it received a tax ruling classifying it as a 501(c)(3) Public Charity. At this writing, JSTOR is still being “incubated” at the Foundation, but it is expected to move into its own space at the New York Public Library’s new Science, Industry, and Business Library later this spring.

As a not-for-profit entity, JSTOR is prohibited by law from accumulating funds beyond its legitimate needs, and, in any case, it would have no interest in doing so. Its sole purpose is to serve the scholarly community by increasing the availability of scholarly journals and enhancing their usefulness, while concurrently reducing library costs. In these respects, the posture of JSTOR differs fundamentally from that of commercial vendors. Unlike commercial entities, the test of success for JSTOR is not merely the proverbial “bottom line,” but how well it facilitates teaching and scholarship by improving the mechanisms of scholarly communication. JSTOR works in concert with publishers as well as with libraries and the scholarly community at large, as it seeks to advance the common interests of all parties. It operates on the premise that it is only by adopting a “system-wide” perspective, which recognizes the legitimate needs of both the providers of scholarly materials and their users, that socially optimal arrangements can be put in place.6

At the same time that it is appropriate to emphasize the broad social and even philanthropic objectives of JSTOR, it is no less important to recognize that fiscal discipline is essential. The Trustees of the Foundation have always believed that JSTOR would have to be self-sustaining eventually. Perpetual subsidy

6 In creating the founding Board of Trustees of JSTOR, care was taken to assemble a group of individuals who would be known and respected by the scholarly community broadly defined—in part to assure credibility from the outset. The founding Trustees of JSTOR include: Richard De Gennaro, Librarian of Harvard College; Mary Patterson McPherson, President of Bryn Mawr College; Cathleen Synge Morawetz, Professor of Mathematics, New York University, and President of the American Mathematical Society; Gilbert R. Whitaker, Jr., Provost Emeritus and Professor of Business Economics at the University of Michigan; and R. Elton White, former President of the NCR computer company and Trustee of Berea College. In addition, as noted earlier, two members of the Foundation’s board (William G. Bowen and W. Taylor Reveley, III, a distinguished attorney from Richmond, Virginia, who has wide experience with nonprofit organizations) also serve on the board of JSTOR.
would be both unrealistic and unwise: projects of this kind must make economic sense once they are up and running. If users and beneficiaries, broadly defined, are unwilling to cover the costs, one should wonder about the utility of the enterprise. In this important respect, we are strong believers in “market-place solutions”—provided that what economists call “externalities” can be captured.

JSTOR will, of course, need to receive subscription revenue in order to cover its costs, which we believe is an achievable goal once a proper scale of operations is attained. It is hoped—though, again, there are no guarantees—that the appropriation of \$1.5 million for working capital approved by the Trustees of the Foundation in December will be sufficient to allow JSTOR to become self-supporting within roughly two years.

Finally, a word about staffing. The effective staffing of JSTOR is obviously critical to its success. At their first meeting in July, the Trustees of JSTOR elected Kevin M. Guthrie to the position of Executive Director. JSTOR has also retained the interest and commitment of Ira Fuchs, who serves as Chief Scientist of JSTOR while remaining Vice President for Computing and Information Technology at Princeton. Richard De Gennaro, who will retire as Librarian of Harvard College at the end of August 1996, has also agreed to work with Mr. Guthrie and Mr. Fuchs in the further development of JSTOR. It remains only to express our personal thanks to colleagues at the University of Michigan (especially Dan Atkins, Randy Frank, Wendy Lougee, Spencer Thomas, Kristen Garlock and Sherry Piontek) who continue to work so hard on the vast array of technical and library-related aspects of JSTOR.

\* \* \* \* \* \* \* 

In thinking about the future of JSTOR, we believe that we are still at the beginning of an enterprise that is full of promise,

\footnote{An additional comment by William Bowen: Kevin Guthrie has excellent credentials for this assignment, with an undergraduate degree in engineering, a master’s degree in business, practical experience running a small software company which he founded, and direct involvement with JSTOR from its earliest days. Most recently, Mr. Guthrie has been a Research Associate at the Foundation, studying the economics of nonprofit organizations, and he is the author of a recently published Jossey-Bass book, \textit{The New-York Historical Society: Lessons From One Nonprofit’s Long Struggle for Survival}.}
as well as replete with questions. It is also an enterprise that is seeking to operate within a rapidly changing environment. At this juncture, no one can predict the eventual outer boundaries of JSTOR, or whether, at some date, it will take on even broader functions itself or become part of another organizational structure with an even more ambitious scholarly mission. Under present circumstances, the appropriate “rules of the road” appear to be: proceed with all deliberate speed, but with at least one eye open for opportunities not even dimly perceived now.

In our work to date, we are grateful for the extraordinary help rendered by so many thoughtful people. We hope that JSTOR can continue to count on our many friends, and especially our friendly critics, for advice. Jacob Viner, the distinguished economist and discerning observer of academia cited earlier, was fond of reminding his students as well as his colleagues: “There is no limit to the amount of nonsense one can propound, when one thinks too long alone.”

William G. Bowen
Kevin M. Guthrie
March 1996
THE FOUNDATION’S ROLE IN SUPPORT OF THE HUMANITIES

From its beginnings, the Foundation has provided support for the humanities, by which we have meant not only certain fields of study—such as history, literature, and philosophy—but also the core institutions in which these fields usually find natural homes—indeed research libraries, research centers, historical societies, and art museums, as well as colleges and universities. Because the Foundation has broad interests in these fields, it operates more than one program of grant support for them. Neither a precise definition of the humanities nor a demarcation of their boundaries has been a major concern.

Rather, the several programs that provide support for advanced research and improved teaching in the humanities are connected by several themes (some of which also characterize much of the Foundation’s work beyond the humanities).

- The Foundation’s emphasis is on leading institutions.

- The Foundation’s programs are based on research about the characteristics of the institutions that the programs are intended to serve, and frequently lead to further research.

- We are concerned with nurturing talent, encouraging high levels of intellectual achievement, and strengthening advanced training.

- We expect the most important results of grants to be visible primarily over the long-term.

1 The author of this part of the report, Richard Ekman, has been Secretary of the Foundation since 1991. Previously, he held two successive positions at the National Endowment for the Humanities—director of education programs and director of research programs. Earlier, he served as Vice President and Dean of Hiram College and as Assistant to the Provost of the University of Massachusetts at Boston. Mr. Ekman received both his PhD in the history of American civilization and his undergraduate degree from Harvard University.
• We hope that the Foundation’s grants will lead to improvements in institutions that are cost-effective and, therefore, sustainable.

Most of the Foundation’s activities in the humanities are housed within its Higher Education and Scholarship program, but art conservation training programs and grants for research and publication in art history are more likely to be found within the Foundation’s Culture and the Arts program. And a program of residential fellowships for East European humanists at centers for advanced study located in Western Europe has been funded since 1991 through the Foundation’s Public Affairs program in the form of grants to the Council of American Overseas Research Centers. Still another international aspect of the humanities is being addressed through a 1995 Public Affairs grant for the training of faculty members who teach the humanities at universities throughout Africa.

The Foundation’s focus on leading institutions of research and training has meant that we have been less concerned with the “public” humanities, with introducing the humanities into untraditional settings, with increasing the number of students exposed to the humanities at elementary and secondary levels or, for that matter, in most undergraduate institutions. These worthy purposes, which have been embraced by other funders, have never been major objectives of this Foundation. Rather, our focus on the long-term health of the humanities and on strengthening the institutions where they are pursued at advanced levels has led the Foundation only occasionally to support projects of brief duration. More frequently, the Foundation has emphasized longer term projects and programs which help universities and other core institutions strengthen their capacities for high quality research and teaching.

We estimate, based on statistics compiled by The Foundation Center, that the total amount of all private foundation support for the humanities in the early 1990s was approximately $50 million per year. In a typical recent year, the Foundation appropriated approximately $25-30 million in grants for the humanities. (In 1995, not a typical year, the Foundation’s grantmaking for the humanities totaled $45 million.) The Foundation is the largest single supporter of the humanities among private foundations, usually providing about half the total.
Although the Foundation is the largest source of support among foundations, its grants remain tiny in comparison with the expenditures of educational, scholarly, and cultural institutions themselves. Most support for the humanities in colleges and universities, not surprisingly, is in the form of faculty salaries, graduate student support, and funds for libraries, with lesser amounts expended on student and faculty research, curricular development, public lectures, and exhibitions. The Foundation’s efforts, by contrast, are focused on specific purposes that we believe can be achieved by levels of grantmaking that are within our means, and are likely to lead to improvements for the long-term. A review of some of the Foundation’s recent activities may help readers to understand better what we have tried to achieve.

Universities and Advanced Training

Since 1988 the Foundation has conceived and conducted several research projects which have served both to identify academic needs and to assist in the design of programs that will address them. This approach has been as evident in the case of the humanities as in other areas of the Foundation’s activities. For example, the research conducted by William G. Bowen and Neil L. Rudenstine and reported in the 1992 publication, *In Pursuit of the PhD,* also informed the basic design of the Foundation’s Graduate Education Institutional Grants program. This program includes 49 departments of the humanities and related social sciences at ten universities, and has made it possible for universities to institute changes in the structure of their graduate programs and in the allocation of financial aid. Our aims are to improve graduate training, shorten the time it takes students to complete their PhDs, and also to raise the retention rate in these leading PhD programs. Now expending more than $6.6 million per year, approximately 90 percent of the funds support graduate students in the humanities. The results of this process are being closely monitored, and a database on the progress of graduate students in the program is maintained at the University of Michigan. Harriet Zuckerman has the main responsibility for the program.

In addition to the Graduate Education Institutional Grants program, the Foundation has, since 1980, provided funds for a program of predoctoral humanities fellowships, administered by
the Woodrow Wilson National Fellowship Foundation (under the leadership first of Robert F. Goheen and now Alvin Kernan). At one time, these fellowships provided students with three years of support, but since the advent of the Institutional Grants program, the awards have been limited to entry-level support. The Foundation's appropriation for Mellon Fellowships in 1995 was $4.2 million.

Mr. Kernan has also guided a program of Dissertation Seminars since its inception in 1992. Twenty-five grants for seminars in either history or literature have been approved. The seminars address problems that students in these fields frequently encounter when they begin to write dissertations. Under the direction of a senior member of the faculty who is regarded as an excellent teacher of graduate students, is a highly productive scholar, and is sensitive to the methodological and epistemological issues that often prove to be major stumbling blocks at this stage in graduate education, each Dissertation Seminar brings together 10-25 students to consider the broader underpinnings of their field. The faculty members who lead the seminars, Mr. Kernan reports, have said that student participants do seem better able to refine dissertation topics, resolve methodological and theoretical issues, and begin work on their dissertations. For example, Michael S. Roth's 1994 seminar for history students at the Claremont Graduate School and at nearby University of California campuses examined the works of contemporary theorists for the challenges they pose for historians' traditional concerns with judgments of truth and falsehood, and for the concept of objectivity.

The Sawyer Seminars are another highly focused program the Foundation has undertaken to strengthen the humanities in universities. In the 1993 annual report, Mr. Bowen reported on our recent thinking about area studies and the reasons why it seems less likely than it once did that area studies will continue to be the principal framework for many kinds of training and research. One result of that inquiry was the announcement of a series of seminars, named in honor of John E. Sawyer, former President of the Foundation, which are intended to provide opportunities for the comparative study of the historical and cultural origins of contemporary social, political, and economic developments. These seminars engage university faculty and advanced graduate students in research on topics that transcend
regions and time periods and which also allow such work to proceed outside permanent organizational forms of universities which might pose ongoing financial burdens. Support for the seminars is allocated competitively. Ms. Zuckerman is in charge of this program, and the 1994 annual report includes descriptions of some of the first 20 seminars.

The Foundation has also been committed to increasing the numbers of minority undergraduates who choose to pursue academic careers. Through the Mellon Minority Undergraduate Fellowship (MMUF) program, promising undergraduates are provided with a combination of professional guidance and financial support during the later years of undergraduate study and through their transition into graduate school. Because the small number of minority PhDs on the faculties of American colleges and universities is not uniquely a problem in the humanities, the MMUF program includes a range of fields. Nonetheless, three-quarters of the graduate students participating in the program are in the process of preparing themselves to become professors in disciplines of the humanities. Jacqueline Looney is the staff member at the Foundation responsible for this program.

In passing, I should note that the Foundation’s Liberal Arts Colleges program focuses on strengthening the relatively small number of undergraduate institutions in which the humanities are prominent—in some cases even dominant—in both the curriculum and in the composition of the faculty. In 1995, approximately $6 million of the Foundation’s $9 million in grants to liberal arts colleges were for purposes connected with the humanities. Alice F. Emerson and Elizabeth A. Duffy are in charge of the program, and they expect to provide a full report on its activities in the 1997 annual report.

Research Libraries

On most college and university campuses, the heart of the humanities is the library. Because most of the leading research libraries in the humanities are constituent units of the largest research universities, it would be well beyond the means of the Foundation to attempt to provide grants on a meaningful scale even to a small fraction of such institutions, let alone others. Our efforts to assist the major university libraries therefore have not focused on core support, but rather on helping to find solutions
to problems that are widely shared and on facilitating especially those solutions that depend on cooperative approaches.

In this arena, too, research has helped define our approach. The Foundation’s 1992 study, *University Libraries and Scholarly Communication*, documented the rising costs of library operations and suggested possible remedies, primarily through the use of technology. When, for example, in 1995 the Commission on Preservation and Access received its most recent grant from the Foundation, the Commission emphasized activities it hoped to undertake on the digitization of library collections. The Foundation has provided general support to the Commission since its early days, but its twin—and somewhat conflicting—earlier goals of preserving research collections (often through microfilming) and making them more readily accessible to users, have only recently been fully reconciled by an emerging emphasis on economically sustainable uses of digital technology. As the prime organizer of the National Digital Library Federation, the Commission is coordinating the digitization efforts of 15 of the largest US repositories of scholarly materials in the humanities. By minimizing duplication in acquisitions of little-used materials—and by anticipating changes in technology—it is becoming more likely that the record of human activity contained in tens of millions of published books and journals, as well as in other forms, will survive well into the future.

Another instance of the Foundation’s efforts to address problems faced by many libraries is the 1995 grant to the Association of Research Libraries (ARL) for a study of interlibrary loan practices. Building on an earlier study by the Research Libraries Group, which suggested that the costs of interlibrary loans were soaring (averaging $30.00 in 1992) at the same time that they were being used more often as alternatives to purchasing, the current ARL study expects to identify ways that interlibrary loan practices can be made more cost-effective. With sharply reduced budgets for the acquisition of humanities monographs at many libraries, finding an affordable approach to interlibrary loan, or some other means of sharing materials, has become a very high priority.

Understanding the costs of providing access to library resources in the humanities is a continuing concern of the Foundation’s. The high costs of storage and maintenance of little-used, back issues of scholarly journals, for example, led the
Foundation to make several grants in 1994 and 1995 for the Journal Storage Project; the most recent of these provides initial working capital for JSTOR, which has just been incorporated as an independent organization. (See the separate section of the annual report about JSTOR, by William G. Bowen and Kevin Guthrie.) The Foundation also made a grant in 1995 to the Council on Library Resources to support a program of small research grants on the economics of information.

The case for cooperative collection development among the leading research libraries has been bolstered, to a considerable degree, by the fact that scholarship in the humanities has become increasingly international. The Foundation has supported selective efforts to improve access to foreign library holdings, but only in a few specific subject areas of particular interest to the Foundation. For example, grants to Villa I Tatti in 1993 and 1995 have supported the establishment and development of a consortium of libraries in Florence, Italy. At present, the libraries of the Uffizi Gallery, the Dutch Art Historical Institute, the Roberto Longhi Foundation, and I Tatti’s own Biblioteca Berenson have contributed their bibliographic records to an electronic catalogue that is accessible at institutions throughout Florence and also through Harvard University’s HOLLIS system. The number of consortium libraries in Florence will grow to ten within the next two years, and the unified online catalogue of all ten collections will be linked with another electronic catalogue now being developed by a consortium of specialized libraries in Rome. The combined efforts will make a significant difference in the ability of scholars of the Italian Renaissance and related fields to pursue their research subjects.

Independent Research Libraries and Historical Societies

Symbiotic relations between research and grantmaking can be found also in the Foundation’s work with independent research libraries and historical societies. Grants to these institutions support the humanities to the extent that these remarkable repositories are largely or wholly defined by their rich collections of rare books, manuscripts, maps, and other research materials—collections that are used extensively by scholars of history, literature, and other humanistic fields.

Some of the leading independent research libraries had in earlier years received funds from the Foundation for various pur-
poses—including cataloguing projects and residential fellowships. Only in 1991, as the Foundation began to collect and analyze data on the changing finances of these institutions, did the idea emerge of offering matching endowment grants to support the core functions of these institutions. Based on analyses of their spending and investing since the 1970s in relation to the development of scholarly and educational programs, the Foundation appropriated some $11.7 million, primarily in 1992 and 1993, to help the libraries increase their endowments and to reassess their uses of income from investments. Two in-depth studies were launched (both now published, by Jossey-Bass): Jed I. Bergman’s Managing Change in the Nonprofit Sector examined the financial histories of the Huntington, Pierpont Morgan, Newberry, Folger, and American Antiquarian Society, and Kevin Guthrie’s volume, The New-York Historical Society: Lessons from One Nonprofit’s Long Struggle for Survival. These books provide case studies that we hope will be useful to many cultural and other nonprofit institutions as they examine their own financial predicaments in light of changing circumstances.

Until the 1960s, the leading independent research libraries were able to support almost their entire operations from the income earned from endowment. This was the case, in part, because the operations were simpler in the past, reflecting a more passive view of what an independent research library ought to be. As the libraries sought new ways of serving scholars and students in the 1960s and 1970s, they developed seminar and fellowship programs and launched ambitious construction and renovation projects. The sizes of their staffs expanded, as did the number of people using the libraries. At first, it was possible to finance expansion by relying heavily on grants from foundations and government agencies. But maintaining the purchasing power of their endowments while working constantly to renew grant support—a formidable challenge under even the best of circumstances—was further complicated by unanticipated, rapidly rising costs in a number of areas. By the mid-1980s, these libraries recognized that their budgets were seriously out of balance and the process began of reviewing both financial management practices and the priorities assigned to various programmatic activities.

When the results of concerted efforts by the libraries’ directors and boards of trustees began to emerge, the Foundation offered its assistance in the form of matching endowment
restricted to support the core functions of several of the leading libraries. The Folger Shakespeare Library is using its 1992 grant to endow a permanent fund for the library's scholarly publications and to provide partial support for curatorships. The American Antiquarian Society has endowed activities in conservation, a curatorship of printed books, and the directorship of the library. The Pierpont Morgan Library and the Henry E. Huntington Library also have endowed core staff positions. Similar grants have been made to several other institutions including the Virginia, Massachusetts, and Chicago Historical Societies, the Library Company of Philadelphia, and the Hagley Museum and Library.

The Foundation has less frequently in recent years supported "finite" projects at these institutions, but compelling cases for such grants do continue to arise: in 1995, for example, the New Jersey Historical Society received support for its efforts to organize and catalogue its extensive collections of early photographs, which document the development of the region. Because this project is an early, crucial step in a plan already being followed to reorganize all the collections and to relocate the entire historical society to a more functional building at a more accessible location, the Foundation awarded a grant that, at first, might appear inconsistent with our declared emphasis on core support.

Centers for Advanced Research

There are, in both the United States and Europe, a small number of centers with magnificent facilities for scholars who wish to conduct research or to write for sustained periods. One way in which the Foundation has assisted these institutions is by providing funds to support year-long fellowships-in-residence. The National Humanities Center in North Carolina, perhaps the most significant center for the humanities because its annual fellowship cohort is large and includes many fields, received funds in 1991 for several annual blocs of fellowship stipends and for matching endowment of its fellowship program. Other centers have also received funds—including, in 1993, the Center for Advanced Study in the Behavioral Sciences and Harvard University's Center for Italian Renaissance Studies (Villa I Tatti) and, in 1991, the American Academy in Rome—for use toward costs of competitively-selected, year-long humanities fellowships.
Beyond supporting individual research centers of proven value to scholars, the Foundation has tried occasionally to increase the connections between particular groups of scholars and certain kinds of institutions. We continue, as mentioned earlier, to support a program of fellowships for East European humanists at West European centers for advanced research. Through this program, teachers and scholars of the humanities from the Czech Republic, Hungary, Poland, and Slovakia have been able to spend periods in residence at such centers as the Maison des Sciences de l'Homme in Paris, the Warburg Institute in London, the Wissenschaftskolleg zu Berlin, Villa I Tatti in Florence, and several others. Each fellow is given a stipend and travel funds, and an allocation to be used to purchase books for his home institution's library. In addition to the opportunities for research in archives, museums, and other repositories and the opportunity to consult colleagues from Western Europe and the US, fellowship holders report that they have sometimes learned about schools of interpretation that are virtually unknown at home.

The Association of Research Institutes in Art History, observing that art historians in Latin America had too few opportunities for study at North American and European centers, received a 1994 grant from the Foundation to support fellowships at such institutes as the Yale Center for British Art, the Centre Canadien d'Architecture, and the American Antiquarian Society. When the Harry H. Ransom Humanities Research Center at the University of Texas at Austin noted that its rich collections, especially of 19th- and 20th-century European and American literary materials, were underutilized, the Foundation provided funds for short-term fellowships at the Center, which draw almost as many scholars from abroad as from the US.

Expanding the opportunities for scholars to work at centers for advanced research is only part of the Foundation's general concern to strengthen such centers. It is sometimes not fully recognized that hosting research fellows or seminars makes heavy demands on a center's staff and facilities. The Foundation has therefore provided several centers with core support, usually on a matching basis. The American School of Classical Studies at Athens, for example, received a grant in 1993 for matching endowment of the position of director of its Gennadius Library. Also in 1993, the Foundation provided matching endowment
grants to undergird the American Academy in Rome’s two school directorships—Classical Studies and Fine Arts—and to support the head librarian’s position at the John Carter Brown Library in Rhode Island.

Scholarly Tools and Texts

The Foundation’s support of the humanities has emphasized the long-term health of institutions already heavily invested in the humanities, but some support also continues to be provided annually for research “projects.” A “project”—to borrow from Aristotle—has a beginning, a middle, and an end. When, in the 1970s and early 1980s, the finances of both universities and funders were somewhat less constrained, most of the costs of projects were covered by external grants, and universities could afford to think of “projects” as wholly separable from the budgets of permanent departments of the university.

The tightening of budgets has led most universities and funders to a different perspective. For our part, interest in supporting research “projects” in the humanities now focuses almost exclusively on long-term collaborative projects that ultimately lead to the publication of major reference works and research tools. These invariably also require significant support from their host universities—in commitments of faculty time, working space that exceeds a faculty member’s office, graduate assistants, and computer support.

Over the past several years we have witnessed other dramatic changes in the kinds of projects that have been proposed for support, particularly with regard to their uses of technology. Reflecting the earlier norm, several grants have supported continuing work on long-term projects that have as their ultimate “product” a series of printed volumes. The Dictionary of American Regional English, based at the University of Wisconsin at Madison since it began in 1965—and which the Foundation has supported since 1977—received additional support for editorial work on volumes 3-5 (of a projected total of five). The Dictionary of Old English, which is located at the University of Toronto, and The Correspondence of Charles Darwin project, which is managed by the American Council of Learned Societies, also received grants. It is worth noting that in all three of these cases, substantial amounts of matching funds are required, reflecting the
Foundation's preference for projects that are given tangible support by their home institutions and others.

More visible in recent years have been projects for the creation of scholarly tools that include both printed and electronic components. The American Historical Association's two-volume Guide to Historical Literature, which the Foundation has supported, appeared in print in 1995, and plans are being made for it to be available electronically. The University of Houston's project to recover and publish early Hispanic literature, originally conceived as a series of books, quickly took advantage of technology to make available full databases of this material, including works whose sales would probably not have justified publication as either hardbound or paperback books. The Frick Collection's multi-volume dictionary, Spanish Artists from the Fourth to the Twentieth Century, also plans eventually to have both printed and electronic versions.

Perhaps the most ambitious of our recent grants for projects of this type is the support provided to the American Council of Learned Societies toward costs of preparing the American National Biography (ANB), a planned 20-volume collection of approximately 20,000 biographies of significant individuals in American history. A project of this scale would be even more difficult to manage without the use of digital technology, which aids not only the preparation of the initial publication, but also makes periodic updating extremely simple. Never again, it is believed, will a new edition of a biographical dictionary of prominent Americans need to be started "from scratch," as the ANB was a few years ago.

Several of the humanistic projects that have received recent support are wholly or largely electronic. The Massachusetts Institute of Technology is developing an interactive archive for the study of Shakespeare that will include the complete texts of various editions of the plays, digital images of manuscript and print correlative material, film performances, and a variety of other research materials designed to enrich both research and teaching about Shakespeare and the Elizabethan era. (Digitized images of the Folger Shakespeare Library's extensive collection of First Folios, for example, will be included.) With a similar goal, Cornell's "Making of America" digital library project plans eventually to digitize a large supply of primary source material on the history of the United States from 1850 through 1950.
Along similar lines, Dumbarton Oaks received support to develop its *Byzantine Hagiography Database*, an integrated electronic collection of material of value to scholars of Byzantium, who are not numerous and who are scattered throughout the world. We anticipate that the Foundation will continue to support a modest number of efforts to prepare scholarly tools, and these will increasingly take advantage of technology. Because funds are limited, we also anticipate giving preference to projects that have an impressive rate of past “productivity” and require collaboration by many scholars over long periods.

Scholarly Publishing

The advantages of electronic means of production and dissemination of scholarly materials are especially easy to appreciate in the case of large reference works comprised of many separate contributions: research in the humanities will undoubtedly be made easier by the increased availability in electronic form of finding aids and reference works. But the problems facing scholarly publication in the humanities are larger than the problem of sustaining reference works. In particular, the sales of humanities monographs—in many ways the basic unit for communicating the results of research in the humanities—have fallen precipitously in the past decade to the point where it is frequently not financially feasible for university presses and other publishers to undertake the publication of such works. In some fields, the problem is especially pronounced. In French history, for example, publishers report that 15 years ago the typical monograph might have sold 1,500 to 2,000 copies (when the “break-even” point for sales was approximately 1,100 copies). Today, the typical monograph in French history sells 500 copies (when the break-even point is still approximately 1,100 copies). As a result, fewer monographs are being published, sales are still low, and the temptation persists to publish ever fewer books.

To break this cycle, the Foundation is trying to assist publishers in their efforts to find ways to make the publication of

---

2 This is not the place for an extended discussion of the economics of scholarly publishing. It should be noted, however, that rising costs of paper, postage, and other elements of book manufacturing and distribution have been offset to some degree by increased retail prices and savings in the costs of editing and typesetting that computers make possible. Hence the appearance of the same break-even point in 1996 as in 1980.
humanities monographs viable once again. A 1994 grant to the University of California for its “Project SCAN,” a venture undertaken jointly by the library of the Berkeley campus and the University of California Press, focuses on both monographs and journals in two fields, classics and 19th-century literature, and proposes to test the feasibility of electronic publication of work in both fields. The potential of this approach is that it will make small print runs cost-effective and, more importantly, facilitate access to sections of books or even whole books in electronic form with the further options of allowing readers to browse, download, or print texts. The University of California is experimenting with different pricing models for each type of access in the hope of determining levels that can be sustained by publishers and are affordable for scholarly users.

Like book-length monographs, humanities journals have also been buffeted by rising costs. In discussions of the constrained acquisitions budgets of libraries, the large subscription price increases for journals in the humanities have gained less notoriety than the astronomical increases in the rates for some science journals, but they nevertheless have exerted similar pressure on library budgets. The Foundation made a grant in 1995 to Emory University for a joint effort with Scholars Press to test the feasibility of electronic versions of four journals in the field of religious studies published by the American Academy of Religion, the Society of Biblical Literature, and the American Schools of Oriental Research. Both large and small and both popular and highly specialized journals are included. These are being made available simultaneously in print and electronic form, by subscription, to both individuals and libraries.3

3 The journals are Biblical Archaeologist, Critical Review of Books in Religion, Journal of the American Academy of Religion, and Semeia. Emory and Scholars Press recognize that the technology that is available on campuses varies a great deal and is changing, so the formats of these journals may include World Wide Web, CD-ROM, and magnetic tape. (Eventually, it is believed that Internet access will become universally available on campuses.) Author submissions, editing, and peer review are being done electronically. Existing subscribers to the printed versions of the journals will receive the electronic versions—at least over the life of the project—at no cost. Any individual or institutional subscriber is permitted to read, download, or print articles. Articles are posted as soon as they are ready. Non-subscribers can gain access to the articles directly from Scholars Press, thus eliminating the need for either interlibrary loan service or high fees paid to “document delivery” firms.
One important way in which the Emory-Scholars Press project is typical of several that the Foundation has recently supported is that it was initiated by a "hybrid" organization consisting of a university, a scholarly press, and several learned societies. We have found that many of the most imaginative attempts to deal with the problems confronting scholarly publishing today bring together research libraries, presses, and learned societies in novel arrangements for editorial control, division of revenues, and production.

In the present period of innovation in scholarly publishing, there is a danger that many idiosyncratic projects will flourish, but will prove to be incompatible with one another. Happily, there are groups thinking about encouraging standardized ways of doing business. One of the most influential is the Center for Electronic Texts in the Humanities which, with grants from the Foundation in 1991 and 1994, has been a leader in efforts to establish protocols for the electronic coding of texts irrespective of choices of particular hardware and software. The Center is trying to assure that material that has been made ready for electronic access will remain widely available. Supported by both Rutgers and Princeton Universities, the Center has been especially effective in encouraging editors, librarians, and publishers to conform to the "tags" of Standard Generalized Markup Language (SGML) and to use the "headers" developed by the Text Encoding Initiative.

A Special Case: Latin American Studies

In general, the Foundation has not seized upon particular fields of study—either those that are traditional, but endangered, or those that are newly emerging—and made grants to promote their development. We have been concerned, rather, with the humanities broadly understood—sometimes supporting programs in particular disciplines or in specific interdisciplinary areas, and sometimes in encouraging the broadest kinds of humanistic perspective and understanding, such as those the Sawyer Seminars hope to encourage. Our disinclination to enter into the "culture wars" or to anticipate—or seek to influence—trends in the content of humanities scholarship stems, in part, from the Foundation's emphasis on long-term support of institutions. Another factor has been the Foundation's policy of not considering proposals from individuals. Most grants attempt to
strengthen the capacities of leading institutions to carry out high quality research and teaching in the humanities, without dwelling on the particular directions that individual research projects may take.

There are exceptions, of course, and a notable one has been the field of Latin American studies, in which the Foundation has had special interest. Unlike many fields of the humanities, Latin American studies has experienced impressive growth of student interest over the past 15 years. The job market for new PhDs in the field is also surprisingly buoyant compared with others. With rapidly rising university enrollments in many Latin American countries, the founding of many new universities there, and the increased number of scholars in those countries, there have been persistent attempts by scholars throughout the hemisphere to work collaboratively with one another.

In recognition of these changing circumstances, the Foundation has provided less general support to university centers of Latin American studies than it once did, and has focused its support of Latin American studies on two specific aspects of the field. Linking the research resources and networks of scholarly communication throughout the Western hemisphere is one major Foundation objective. A 1994 grant to the Consejo Latinoamericano de Ciencias Sociales (CLACSO) in Buenos Aires is providing training for scholars in Latin America on the uses of electronic databases. The University of Florida is digitizing a collection of rare Caribbean newspapers and the Center for Research Libraries an important collection of early Brazilian government documents, in the expectation that these materials will become readily accessible to students and scholars throughout the Western hemisphere and make possible new lines of research. And the newly formed cooperative network of 32 North American research libraries is offering scholars better access to journals, digitized documents, and the "gray literature" publications of research institutes from Mexico and Argentina. Recent grants to Brazil's Universidade de São Paulo and Fundação Getúlio Vargas, to the Universidad de Costa Rica, and to the Association of Research Libraries are allowing bibliographic records of major US and Latin American research collections to become accessible throughout the hemisphere.

The Foundation is also supporting efforts to strengthen the preparation of Latin Americanists in US universities, by building
upon the main structures of PhD programs in disciplinary departments. Grants in 1994 to four universities in which both the sociology department and other aspects of Latin American studies are strong (Johns Hopkins University, University of California at Berkeley, University of California at Los Angeles, and University of Texas at Austin) and in 1995 to three universities in which both the PhD program in history and other Latin Americanist studies are of very high quality (Harvard University, University of Chicago, and Yale University) represent the beginnings of these efforts, which we believe are more likely to be sustained by the universities even if budget reductions have adverse effects on the programs of centers and institutes that are not as integral to each university's structure.

Several multi-institutional programs in Latin American studies have also received support. The joint program of Duke University and the University of North Carolina at Chapel Hill has achieved an unusual degree of inter-institutional collaboration, and is a model of how much can be gained by cooperation. Elsewhere, impressive efforts to pool the separate strengths of three universities for graduate training in Latin American literature are being supported by a grant to Boston University for a program undertaken in cooperation with Harvard and Brown Universities. Efforts such as these, we believe, will convert the present positive trajectory of the field into institutional arrangements that will serve it well even when the current surge of popularity has ended, as it inevitably will.

The Future

Prognostications about the future of the humanities—even dire warnings of their demise—have not had much influence on their general direction. We believe, as many scholars and students do, that the humanities are intrinsically important and will survive. The Foundation can be counted upon to continue its support for these fields. The extent of our commitment is demonstrated not only by the sizeable sums that have been invested year after year, but also by the ways in which the humanities remain central to our programs, including those that have other main purposes.

We hope that other foundations may share our perspective and that support for the core institutions—independent research
libraries, scholarly presses, historical societies, independent liberal arts colleges, and research universities—will increase. But we are prepared to continue our activities even if a "sea change" does not occur.

Today even the leading institutions of education and culture struggle to maintain equilibrium and, no less than other institutions, require constant nurture. Some observers have suggested that foundations ought to be catalysts of change; that they should use their funds to encourage institutions to experiment with activities that ordinarily would not be of high priority for the use of regularly budgeted funds. Our view is that, particularly during periods of great financial risks for all cultural and educational institutions, change should be undertaken only when there is a reasonable likelihood that its results can be sustained, and that more effective and less costly ways of doing business will remain long after the period of transition that has been subsidized by a foundation's funds.

The humanities, more than many academic fields, have suffered from the lack of reliable data about their institutional condition. The Foundation has made modest efforts to improve the situation. In addition to the data collection and studies noted above, in 1993 the Foundation awarded funds to the American Council of Learned Societies to develop an inventory of existing databases on the humanities and to improve access to them. And, although the Foundation does not usually support conferences, in 1994 it supported symposia at the National Humanities Center and at Boston University, the papers of which are now being assembled into a volume of essays on the state of the humanities. Alvin Kernan is editing this volume for publication.

Because the well-being of the humanities remains a central tenet of much of what the Foundation does, my colleagues and I welcome inquiries about any aspect of the work supported by the Foundation.

Richard Ekman
March 1996
The Andrew W. Mellon Foundation

**Summary of Grants and Contributions, 1995**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservation and Environment</td>
<td>$ 2,264,735</td>
<td>$ 12,323,700</td>
<td>$ 12,052,800</td>
<td>$ 2,535,635</td>
</tr>
<tr>
<td>Cultural Programs</td>
<td>$ 16,437,369</td>
<td>$ 14,953,500</td>
<td>$ 13,090,775</td>
<td>$ 18,300,094</td>
</tr>
<tr>
<td>Higher Education and Scholarship</td>
<td>$ 21,456,647</td>
<td>$ 51,286,100</td>
<td>$ 55,677,511</td>
<td>$ 17,065,236</td>
</tr>
<tr>
<td>Population</td>
<td>$ 3,731,667</td>
<td>$ 10,361,500</td>
<td>$ 11,223,037</td>
<td>$ 2,870,130</td>
</tr>
<tr>
<td>Public Affairs</td>
<td>$ 5,007,667</td>
<td>$ 13,641,500</td>
<td>$ 15,652,955</td>
<td>$ 2,996,212</td>
</tr>
<tr>
<td>Literacy</td>
<td>$ 4,706,000</td>
<td>$ 1,818,275</td>
<td>$ 2,794,609</td>
<td>$ 3,729,666</td>
</tr>
</tbody>
</table>

Grants & Commitments—Totals .......... $ 53,604,085 $ 104,384,575 $ 110,491,687 $ 47,496,973

Contributions .......................... — $ 115,000 $ 115,000 —

Totals.................................... $ 53,604,085 $ 104,499,575 $ 110,606,687 $ 47,496,973

* Restated. Reflects cancellation in 1995 of one appropriation totalling $200,000.
The Andrew W. Mellon Foundation

Classification of Grants

CONSERVATION AND
THE ENVIRONMENT

 appropriated

Brown University, Providence, Rhode Island:
Toward costs of a program of ecological research and training ...........................................
$ 450,000

Center for Resource Economics, Washington, DC:
Toward costs of the publication program of Island Press ................................................. 375,000

Cornell University, Ithaca, New York:
Endowment of a distinguished professorship in environmental science................................. 1,500,000
Toward costs of a program of ecological research and training ............................................ 700,000
Toward support of programs of ecological research......................................................... 600,000
In support of programs of ecological research................................................................. 141,000

Dalhousie University, Halifax, Canada:
Toward costs of a program of research on coastal processes .............................................. 230,000

Earthwatch Expeditions Inc., Watertown, Massachusetts:
For general support and an evaluation of Earthwatch’s programs and financing ..................... 100,000
For general support ........................................................................................................ 50,000
CONSERVATION AND THE ENVIRONMENT (continued) Appropriated

Inform, Inc., New York, New York:

Toward costs of a collaborative conservation program with businesses........................................... 250,000

Institute of Ecosystem Studies, Millbrook, New York:

Toward costs of a visiting research scientist to complement the Foundation’s project on research experience for minority undergraduates .................. 8,700

International University Exchange Inc., Washington, DC:

Toward costs of a program of ecological research and training .......................................................... 300,000

Nature Conservancy, Inc., Arlington, Virginia:

Toward support of its Ecosystem Research Program.. 1,500,000

New England Wild Flower Society, Inc., Framingham, Massachusetts:

Toward costs of the New England Plant Conservation Program................................................. 100,000

New York Botanical Garden, Bronx, New York:

In support of its botanical information system project 800,000

Oregon State University, Corvallis, Oregon:

Toward costs of a program of ecological research and training ...................................................... 320,000
CONSERVATION AND
THE ENVIRONMENT
(continued) Appropriated

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

  Toward costs of a program of training and research
  in tropical ecology ...........................................   950,000

  For use by the emergency recovery fund of the
  Wilson Botanical Garden field station .................  50,000

Smithsonian Institution,
Washington, DC:

  Matching endowment toward support of the coopera-
  tive Smithsonian Institution-University Program of
  Advanced Studies in Plant Sciences Research.........  1,500,000

Stanford University,
Stanford, California:

  Toward costs of programs of ecological research ......  99,000

University of California at Berkeley,
Berkeley, California:

  Toward costs of programs of ecological research ......  60,000

University of California at Riverside,
Riverside, California:

  For use by the Center for Environmental Research
  and Technology toward costs of its Board of Advisors  90,000

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

  For use by the Institute of Geophysics and Planetary
  Sciences toward costs of a program of research on
  coastal processes .............................................  200,000

University of Denver,
Denver, Colorado:

  Toward costs of a program of ecological research and
  training ..........................................................  100,000
CONSERVATION AND THE ENVIRONMENT
(continued)  

University of Tennessee at Knoxville, Knoxville, Tennessee:

- Toward costs of a program of ecological research and training ........................................... 100,000

University of Washington Seattle, Washington:

- Toward costs of a program of ecological research and training ........................................... 400,000

University of Wyoming, Laramie, Wyoming:

- Toward costs of a program of ecological research and training ........................................... 300,000

Woods Hole Research Center, Woods Hole, Massachusetts:

- Toward costs of programs of ecological research ........ 400,000

World Resources Institute, Washington, DC:

- Toward costs of a collaborative conservation program with businesses ........................................... 250,000

World Wildlife Fund, Washington, DC:

- In support of a program of training and research in plant ecology ........................................... 250,000

Worldwatch Institute, Washington, DC:

- Toward support of its research and publication program ........................................... 150,000

Total—Conservation and the Environment $12,323,700
CULTURAL PROGRAMS

**Appropriated**

Acme Dance Company, Inc.,
New York, New York:

In support of efforts to adapt artistic and organiza-
tional goals to a changing economic environment ...... $ 75,000

Art Sweats, Inc.,
New York, New York:

In support of efforts to adapt artistic and organiza-
tional goals to a changing economic environment ...... 75,000

Association of Performing Arts
Presenters, Inc.,
Washington, DC:

To strengthen services to choreographers and modern dance companies ............................................. 80,000

Bowdoin College,
Brunswick, Maine:

For use by its museum to strengthen the educational role of its collections and programs .......................... 152,000

Bridgehampton Chamber Music Associates, Inc.,
New York, New York:

Matching grant toward stabilization of operations ...... 50,000

Brooklyn Institute of Arts and Sciences,
Brooklyn, New York:

Matching endowment in support of the position of Curator of American Paintings and Sculpture at The Brooklyn Museum ......................................................... 875,000

Buffalo State College Foundation, Inc.,
Buffalo, New York:

Matching endowment in support of fellowships in its conservation training program ............................... 650,000
CULTURAL PROGRAMS
(continued)

Appropriated

Carnegie Mellon University,
Pittsburgh, Pennsylvania:

For use by the Mellon Institute’s Center on the
Materials of the Artist and Conservator in support of
research in conservation science ........................................ 950,000

Center For Arts and Culture,
Washington, DC:

Toward costs of a database of institutions and
individuals engaged in cultural policy and of an
online bibliography of publications on policy issues
in the arts ........................................................................... 150,000

Columbia University,
New York, New York:

For use by its School of the Arts to develop new
initiatives and collaborations with local and national
arts institutions and artists .................................................. 50,000

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

To support costs of completing specific aspects of
institutional development ................................................... 300,000

Crossroads, Inc.,
New Brunswick, New Jersey:

Toward costs of interim leadership .................................... 50,000

Cross Performance, Inc.,
New York, New York:

In support of efforts to adapt artistic and organiza-
tional goals to a changing economic environment ...... 60,000

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

In support of efforts to adapt artistic and organiza-
tional goals to a changing economic environment ...... 300,000
CULTURAL PROGRAMS (continued)  

Appropriated

Dance Continuum, Inc.,  
New York, New York:

In support of efforts to adapt artistic and organizational goals to a changing economic environment ...... 150,000

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

In support of efforts to adapt artistic and organizational goals to a changing economic environment ...... 150,000

Dance USA,  
Washington, DC:

To strengthen services to choreographers and modern dance companies ............................................ 200,000

Dartmouth College,  
Hanover, New Hampshire:

For use by its museum to strengthen the educational role of its collections and programs ......................... 158,000

Dia Center for the Arts, Inc.,  
New York, New York:

Matching grant for a special initiative program ........ 1,000,000

Discalced, Inc.,  
New York, New York:

In support of efforts to adapt artistic and organizational goals to a changing economic environment ...... 250,000

Foundation for Dance Promotion,  
New York, New York:

In support of efforts to adapt artistic and organizational goals to a changing economic environment ...... 250,000
CULTURAL PROGRAMS
(continued)

Appropriated

Founders Society Detroit Institute of Arts,
Detroit, Michigan:

  Matching endowment to establish the Andrew W.
  Mellon Curatorial Fellowship and the Curatorship of
  European Sculpture and Decorative Arts ............... 1,000,000

Garth Fagan Dance, Inc.,
Rochester, New York:

  In support of efforts to adapt artistic and organiza-
  tional goals to a changing economic environment ...... 130,000

Gotham Dance, Inc.,
New York, New York:

  In support of efforts to adapt artistic and organiza-
  tional goals to a changing economic environment ...... 110,000

Graywolf Press,
St. Paul, Minnesota:

  Toward the costs of its leadership transition and to
  complete specific aspects of institutional development 400,000

Haleakala, Inc.,
New York, New York:

  To enhance artistic programming........................... 50,000

Harvard University,
Cambridge, Massachusetts:

  For use by its art museums to strengthen the educa-
  tional role of their collections and programs .......... 220,000

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

  To strengthen services to choreographers and
  modern dance companies................................. 125,000
CULTURAL PROGRAMS
(continued)  Appropriated

Joyce Theater Foundation, Inc.,
New York, New York:
   To strengthen services to choreographers and modern dance companies ........................................... 80,000

Margaret Jenkins Dance Studio, Inc.,
San Francisco, California:
   In support of efforts to adapt artistic and organizational goals to a changing economic environment ...... 100,000

Menil Foundation, Inc.,
Houston, Texas:
   To support a one-year conservation internship .......... 25,000

Metropolitan Opera Association, Inc.,
New York, New York:
   For its program of revivals of 20th century opera ...... 750,000

New England Foundation for the Arts,
Cambridge, Massachusetts:
   To strengthen services to choreographers and modern dance companies ........................................... 300,000

New Jersey Center for Performing Arts Corporation,
Newark, New Jersey:
   Toward costs of establishing its programming department and to implement the Performing Arts Community Subsidy ........................................... 1,500,000

New York Center for Visual History,
New York, New York:
   Toward costs of a public television series on the American theater ........................................... 300,000
CULTURAL PROGRAMS
(continued)  

Nonprofit Facilities Fund,  
New York, New York:  

To conduct a stabilization feasibility study .................. 50,000  

Paul Taylor Dance Foundation, Inc.,  
New York, New York:  

In support of efforts to adapt artistic and organiza-
tional goals to a changing economic environment ...... 300,000  

Public Radio International Inc.,  
Minneapolis, Minnesota:  

Matching grant toward costs of expanded activities.... 1,000,000  

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

In support of efforts to adapt artistic and organiza-
tional goals to a changing economic environment ...... 200,000  

Princeton University,  
Princeton, New Jersey:  

For use by its museum to strengthen the educational 
role of its collections and programs ......................... 193,000  

Ringside, Inc.,  
New York, New York:  

In support of efforts to adapt artistic and organiza-
tional goals to a changing economic environment ...... 150,000  

St. Ann’s Center for Restoration and  
the Arts, Inc.,  
Brooklyn, New York:  

To establish a fund dedicated to developing new 
works ........................................................................ 50,000
CULTURAL PROGRAMS
(continued)  Appropriated

San Francisco Performing Arts Library and Museum,
San Francisco, California:
  To complete a national catalogue of dance materials...  150,000

Stephen Petronio Dance Company, Inc.,
New York, New York:
  In support of efforts to adapt artistic and organizati-
onal goals to a changing economic environment ......  90,000

Trisha Brown Dance Company, Inc.,
New York, New York:
  In support of efforts to adapt artistic and organizati-
onal goals to a changing economic environment ......  300,000

University of Cincinnati Foundation,
Cincinnati, Ohio:
  For use by Cincinnati Classical Public Radio, Inc. to conduct a survey of contemporary music...............  15,500

University of Delaware,
Newark, Delaware:
  Matching endowment in support of fellowships in its conservation training program .........................  990,000
  For use by its Department of Art Conservation for student stipends ........................................  25,000

Williams College,
Williamstown, Massachusetts:
  For use by its museum to strengthen the educational role of its collections and programs .................  175,000
CULTURAL PROGRAMS
(continued)

Williamstown Regional Art Conservation Laboratory, Inc., Williamstown, Massachusetts:

Endowment support of its program in conservation training ............................................................. 150,000

Yellow Springs Institute for Contemporary Studies and the Arts, Chester Springs, Pennsylvania:

To assist the Institute during an organizational transition ................................................................. 50,000

Total—Cultural Programs $14,953,500
HIGHER EDUCATION
AND SCHOLARSHIP

American Academy of Arts and Sciences,
Cambridge, Massachusetts:

Toward costs of an issue of *Daedalus* and an associated conference on race, ethnicity, and religion in the context of migration ........................................... $ 40,000

American Foundation for the
University of Durham,
Annapolis, Maryland:

Toward costs of library services in its archives and special collections ........................................ 50,000

American Institute of Physics,
College Park, Maryland:

For use by its Center for History of Physics toward costs of the final phase of a study of multi-institutional collaborations in contemporary science and their documentation requirements ....................... 160,000

Associated Colleges of the South, Inc.,
Atlanta, Georgia:

In support of an electronic library for ACS institutions designed to produce significant cost-savings and improved access to library materials .................. 1,200,000

To support the cost-effective use of technology in teaching .................................................. 1,150,000

In support of planning activities for library collaboration among ACS institutions .................. 48,000

To explore the cost-effective use of technology in teaching .................................................. 46,000

Association of Research Libraries,
Washington, DC:

In support of a study of interlibrary loan operations .. 160,000

Toward costs of a cooperative, network-based approach to acquisitions and document delivery of Latin American library materials .................. 125,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued) Appropriated

Bard College,
Annandale-on-Hudson, New York:
To support the cost-effective use of technology in teaching ............................................. 300,000

Barnard College,
New York, New York:
In support of a program of postdoctoral fellowships .. 285,000

Boston University,
Boston, Massachusetts:
For use, in collaboration with Brown and Harvard Universities, toward costs of a program of graduate training in Latin American literature .................. 250,000

California Institute of Technology,
Pasadena, California:
In support of education and research in science and society through its Program in Science, Ethics and Public Policy ............................................. 425,000

Carnegie Mellon University,
Pittsburgh, Pennsylvania:
In support of seminars in literature and history for graduate students preparing to write their dissertations ............................................. 40,000

Case Western Reserve University,
Cleveland, Ohio:
In support of its Chemical Sciences Virtual Library project............................................. 650,000

Center for Advanced Study in the
Behavioral Sciences,
Stanford, California:
In support of fellowships for humanists .................. 1,000,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)  

Center for Research Libraries,  
Chicago, Illinois:  
In support of plans to make services available directly to individuals and to increase use of its collections ................................................................. 500,000

Chemical Heritage Foundation,  
Philadelphia, Pennsylvania:  
To complete its documentation activities on the contemporary history of the biomolecular sciences........ 200,000

Chicago Historical Society,  
Chicago, Illinois:  
Matching endowment to support the position of director of research collections........................................... 600,000

China Institute in America, Inc.,  
New York, New York:  
Toward costs of professionalizing its operations......... 40,000

City University of New York,  
New York, New York:  
In support of seminars in literature and history for graduate students preparing to write their dissertations ................................................................. 80,000

Claremont Graduate School,  
Claremont, California:  
In support of seminars in literature and history for graduate students preparing to write their dissertations ................................................................. 40,000

Colby College,  
Waterville, Maine:  
To support the cost-effective use of technology in foreign language teaching; in collaboration with Bates and Bowdoin Colleges................................................................. 910,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

Columbia University,
New York, New York:

Endowment grant to improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences .................. 1,000,000

To improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences ................................................. 650,000

Matching endowment of programs in Middle Eastern studies, with particular attention to maintaining the capacity for language instruction .................................................. 500,000

For a study of college and university accreditation and accountability .................................................. 190,000

To support the preparation of translations of 18th- and 19th-century Latin American literary works which illuminate the subject of national identity ...... 150,000

In support of Sawyer Seminars on historical and cultural sources of significant contemporary developments .................................................. 100,000

Commission on Preservation and Access,
Washington, DC:

For use as program support ........................................... 1,200,000

In support of a project to prepare Portuguese translations of documents on the preservation of library materials and to conduct workshops for librarians and archivists in Brazil ................................. 40,000
Cornell University, Ithaca, New York:

To improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences ............................................. 650,000

Council on Library Resources, Washington, DC:

Toward costs of a program of small research grants on the economics of information ............................................. 250,000

Duke University, Durham, North Carolina:

In support of a fellowship program for PhDs in Latin American studies who wish to become research librarians ............................................. 230,000

Emory University, Atlanta, Georgia:

Toward costs of a project, in cooperation with Scholars Press, to test the feasibility of electronic journals in the field of religious studies ...................... 250,000

In support of seminars in literature and history for graduate students preparing to write their dissertations ............................................. 45,000

Fisk University, Nashville, Tennessee:

To support the establishment of a personal computer network that will enhance the effectiveness of faculty advising of undergraduates while simultaneously enhancing the general capacity of the University for more efficient use of human and financial resources .. 300,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

Appropriated

Five Colleges, Inc.,
Amherst, Massachusetts:

To support collaborative electronic library activities ... 1,100,000

Frick Collection,
New York, New York:

Toward costs of completing volumes 2 and 3 of
*Spanish Artists from the Fourth To the Twentieth Century: A Critical Dictionary* ............................................. 300,000

Fundação Getúlio Vargas,
Rio de Janeiro, Brazil:

Toward costs of a training program for the staff of
100 libraries in Brazil’s BIBLIODATA/CALCO
network ........................................................................... 335,000

In support of a project to prepare Portuguese translations of documents on the preservation of library materials and to conduct workshops for librarians and archivists in Brazil ............................................. 210,000

Furman University,
Greenville, South Carolina:

To support the cost-effective use of technology in
teaching; in collaboration with Wofford College........... 610,000

Gallaudet University,
Washington, DC:

To support the cost-effective use of technology in
teaching ........................................................................... 300,000

Georgia State University,
Atlanta, Georgia:

For a review of research on the economics of science 12,000

Grinnell College,
Grinnell, Iowa:

To support the cost-effective use of technology in
teaching ........................................................................... 285,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

Harvard University,
Cambridge, Massachusetts:

Matching endowment of programs in Middle Eastern studies, with particular attention to maintaining the capacity for language instruction........................................... 950,000

To improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences .................................................. 650,000

For use by its Center for Italian Renaissance Studies (Villa I Tatti) toward development of a consortium of libraries in Florence, Italy .................................................. 511,000

Toward costs of strengthening doctoral training in Latin American history ............................................. 481,000

In support of a sequence of seminars for young foreign and US scholars on the formative years of American history .................................................. 400,000

In support of a program of teaching and research in the area of science and society............................................. 400,000

Toward costs of completing The Harvard Guide to African American History .......................................... 15,000

JSTOR,
New York, New York:

For use as working capital for the initial phase of its operations as an incorporated not-for-profit entity ..... 1,500,000

Toward the organization's initial expenses ......................... 50,000

Johns Hopkins University,
Baltimore, Maryland:

For use by the National Foreign Language Center as general support .................................................. 750,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

<table>
<thead>
<tr>
<th>Appropriated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toward editorial costs of <em>The Papers of Dwight David Eisenhower</em></td>
</tr>
<tr>
<td>Johnson C. Smith University, Charlotte, North Carolina:</td>
</tr>
<tr>
<td>In support of faculty development and enhancement of the institution’s general capacity to make more efficient use of its human resources</td>
</tr>
<tr>
<td>Kenyon College, Gambier, Ohio:</td>
</tr>
<tr>
<td>To support collaborative electronic library activities; with The College of Wooster, Denison University, Oberlin College, and Ohio Wesleyan University</td>
</tr>
<tr>
<td>Lafayette College, Easton, Pennsylvania:</td>
</tr>
<tr>
<td>To support the cost-effective use of technology in teaching; in collaboration with Lehigh University</td>
</tr>
<tr>
<td>Massachusetts Institute of Technology, Cambridge, Massachusetts:</td>
</tr>
<tr>
<td>In support of its Shakespeare Electronic Archive project</td>
</tr>
<tr>
<td>Medieval Academy of America, Cambridge, Massachusetts:</td>
</tr>
<tr>
<td>Toward costs of providing electronic access to the Academy’s publications</td>
</tr>
<tr>
<td>Middlebury College, Middlebury, Vermont:</td>
</tr>
<tr>
<td>To support the development of electronic foreign language teaching materials</td>
</tr>
</tbody>
</table>
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

Appropriated

National Humanities Center,
Research Triangle Park, North Carolina:

In support of Sawyer Seminars on historical and
cultural sources of significant contemporary
developments ........................................... 200,000

New Jersey Historical Society,
Newark, New Jersey:

Toward costs of conserving and organizing its
photographic collections ............................... 425,000

New York Public Library,
New York, New York:

In support of studies of the potential for
collaboration with The New-York Historical Society
regarding library collections .......................... 50,000

Northwestern University,
Evanston, Illinois:

In support of a program of postdoctoral fellowships . 800,000

For use by the Center for Urban Affairs and Policy
Research toward costs of a volume examining test
score differences between Blacks and whites ........ 35,000

In support of the initial cost of data collection for
the Foundation's "College and Beyond" research
project ....................................................... 12,500

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

To plan an environmental semester-abroad program
for liberal arts colleges .................................. 250,000

Princeton University,
Princeton, New Jersey:

For use by its Survey Research Center to complete
the survey of matriculants who enrolled at 32 selective colleges and universities in 1951 and 1976 ........ 1,350,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)  

Appropriated

Matching endowment of programs in Middle Eastern studies, with particular attention to maintaining the capacity for language instruction...... 950,000

For research on the post-college educational, occupational, and personal histories of matriculants who enrolled at 32 selective colleges and universities in 1951 and 1976........................................ 845,000

In support of the second phase of a major study of faculty retirement, which is being carried out in collaboration with TIAA-CREF ................................. 810,000

To improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences ............................................ 650,000

For use by its Survey Research Center toward initial costs of a survey of matriculants who enrolled at 32 selective colleges and universities in 1951 and 1976... 50,000

Toward costs of a proposed conference on international finance ........................................................................... 10,000

Reed College,
Portland, Oregon:

To support the cost-effective use of technology in teaching .......................................................... 300,000

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

Toward costs of research on the relations between academic institutions and industry in the sciences and for developing a series of inquiries on national and international science policy ........................................... 34,000
Rice University,
Houston, Texas:

- In support of seminars in literature and history for graduate students preparing to write their dissertations ............................................ 35,000
- In support of the initial cost of data collection for the Foundation's "College and Beyond" research project ............................................ 3,000

Smith College,
Northampton, Massachusetts:

- To improve educational effectiveness and to gain financial efficiencies ............................................ 350,000

Social Science Research Council,
New York, New York:

- In support of the Mellon Minority Undergraduate Fellowship Program's Predoctoral Research Grant Program ............................................ 1,325,000
- In support of the Mellon Minority Undergraduate Fellowship Program's annual summer conferences .... 650,000
- In support of transitional expenses associated with the Mellon Minority Undergraduate Fellowship Program's summer conference ................................... 8,000

Spelman College,
Atlanta, Georgia:

- To support the cost-effective use of technology in teaching ............................................ 400,000

Stanford University,
Stanford, California:

- To improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences ............................................ 650,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

*Appropriated*

In support of an experimental program of graduate research workshops in the humanities......................... 375,000

For use by its Center for Economic Policy Research for a study of the impact of early retirement incentive programs at the University of California ..... 95,000

For use by its Center for Economic Policy Research toward costs of a study of retirements from the University of California faculty................................. 25,000

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

In support of seminars in literature and history for graduate students preparing to write their dissertations ............................................................... 46,500

Teachers College, Columbia University, New York, New York:

In support of a project to gather and analyze data on private historically Black colleges and universities ..... 27,600

Thomas Jefferson Center for the Protection of Free Expression, Charlottesville, Virginia:

In support of a symposium on the state of the humanities................................................................. 9,000

Universidade de São Paulo, São Paulo, Brazil:

In support of retrospective conversion of library catalogue records....................................................... 350,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued) Appropriated

University of California at Berkeley, Berkeley, California:

To improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences................................. 650,000

Matching endowment of programs in Middle Eastern studies, with particular attention to maintaining the capacity for language instruction................................. 500,000

For use by its Graduate Division for a pilot study of the careers of US doctoral recipients in selected disciplines........................................ 50,000

In support of seminars in literature and history for graduate students preparing to write their dissertations................................................................. 49,000

For historical studies of the changing place of religion in American universities ...................... 20,600

University of California at Los Angeles, Los Angeles, California:

In support of Sawyer Seminars on historical and cultural sources of significant contemporary developments ...................................................... 175,000

For use by its Graduate School of Education for a study of changes in university organization in Europe 110,000

To provide electronic access in Latin America to the Hispanic American Periodicals Index ............... 20,000
Appropriated

University of Chicago, Chicago, Illinois:

Endowment grant to improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences .......... 1,000,000

To improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences ........................................... 650,000

Matching grant in support of the Midwest Faculty Seminar........................................... 570,000

Matching endowment of programs in Middle Eastern studies, with particular attention to maintaining the capacity for language instruction........................................... 500,000

Toward costs of strengthening doctoral training in Latin American history........................................... 453,000

University of Kentucky, Lexington, Kentucky:

Toward costs of completing the *Electronic Beowulf* project........................................... 50,000

University of Michigan, Ann Arbor, Michigan:

To improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences ........................................... 650,000

Matching endowment of programs in Middle Eastern studies, with particular attention to maintaining the capacity for language instruction........................................... 500,000
HIGHER EDUCATION
AND SCHOLARSHIP
Appropriated
(continued)

For use by the Inter-University Consortium for Political and Social Research in support of a project offering research training and data sources to faculty members from historically Black colleges and universities .......................... 165,000

For historical studies of the changing place of religion in American universities............................................ 28,700

In support of the initial cost of data collection for the Foundation's "College and Beyond" research project................................. 5,000

University of North Carolina at Chapel Hill, Chapel Hill, North Carolina:

In support of the Minority Undergraduate Research Assistant Program and for a study of its effectiveness .......................... 325,000

For use by the Institute for Academic Technology toward development of a musicologist's user interface and a demonstration of its use................................. 50,000

To complete the current phase of a study of two-year colleges and historically Black colleges and universities............................. 19,000

University of Pennsylvania, Philadelphia, Pennsylvania:

To improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences................................. 650,000

University of Pittsburgh, Pittsburgh, Pennsylvania:

Matching endowment of predoctoral fellowships in Latin American archaeology ............................................. 210,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

University of Rochester,
Rochester, New York:

In support of seminars in literature and history
for graduate students preparing to write their
dissertations ............................................ 40,000

University of Texas at Austin,
Austin, Texas:

In support of a program of short-term research
fellowships at the Harry Ransom Humanities
Research Center .............................................. 260,000

In support of seminars in literature and
history for graduate students preparing to
write their dissertations ............................................ 40,000

University of Wisconsin at Madison,
Madison, Wisconsin:

Matching grant toward editorial costs of the
Dictionary of American Regional English .................... 150,000

University of Wisconsin at Stevens Point,
Stevens Point, Wisconsin:

For historical studies of the changing place of
religion in American universities ............................................ 21,200

Vassar College,
Poughkeepsie, New York:

In support of the development of the “American
Arts and Letters Network,” an effort to increase
coordination among electronic resources in the arts
and the humanities ............................................. 100,000
HIGHER EDUCATION
AND SCHOLARSHIP
(continued)

Wellesley College,
Wellesley, Massachusetts:

For a feasibility study of cost-effective administrative
collaborations by a group of higher education
institutions .......................................................... 50,000

In support of the initial cost of data collection for
the Foundation’s “College and Beyond” research
project ................................................................. 4,000

Wesleyan University,
Middletown, Connecticut:

To support the cost-effective use of technology in
foreign language teaching; in collaboration with
Connecticut and Trinity Colleges ................................. 850,000

Williams College,
Williamstown, Massachusetts:

To support the cost-effective use of technology in
teaching .............................................................. 250,000

Woodrow Wilson National Fellowship
Foundation,
Princeton, New Jersey:

In support of the Mellon Fellowships program ........... 4,200,000

In support of an effort to preserve, through
digitization, the files of fellows for the period
from 1945 to 1971 ................................................... 15,000

Xavier University of Louisiana,
New Orleans, Louisiana:

In support of faculty development and enhancement
of the institution’s general capacity to make more
efficient use of its human resources ......................... 52,000
Yale University,  
New Haven, Connecticut:

To improve the quality and effectiveness of graduate education while reducing time-to-degree and attrition rates in selected departments of the humanities and related social sciences ................................................ 650,000

Toward costs of strengthening doctoral training in Latin American history .................................................. 430,000

For a study of the effects of participation in athletics and other extracurricular activities on students at Yale and at Amherst .................................................. 200,000

In support of Sawyer Seminars on historical and cultural sources of significant contemporary developments ........................................... 100,000

Total—Higher Education and Scholarship $51,286,100
POPULATION

AVSC International, New York, New York:

In support of research on the integration of services for sexually transmitted diseases into family planning programs ................................................................. $ 480,000

Alan Guttmacher Institute, New York, New York:

In support of population research and analysis .......... 1,000,000

Australian National University, Canberra, Australia:

In support of postdoctoral fellowships in anthropological demography ........................................ 300,000

Brown University, Providence, Rhode Island:

For use by its Population Studies and Training Center toward costs of disseminating materials on anthropological demography ........................................ 12,000

Columbia University, New York, New York:

For use by the Center for Population and Family Health in support of reproductive health activities in developing countries ....................................................... 450,000

For use by its Center for Population and Family Health in support of family planning services in New York City ................................................................. 300,000

Cooperative for Assistance and Relief Everywhere, Inc., Atlanta, Georgia:

For a program to expand the provision of reproductive health services in refugee settings ......... 300,000
<table>
<thead>
<tr>
<th>Organization</th>
<th>Description</th>
<th>Appropriated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Health International, Research Triangle Park, North Carolina:</td>
<td>In support of contraceptive development</td>
<td>925,000</td>
</tr>
<tr>
<td>Indiana University, Bloomington, Indiana:</td>
<td>In support of a visiting fellowship in anthropological demography</td>
<td>50,000</td>
</tr>
<tr>
<td>International Center for Research on Women, Washington, DC:</td>
<td>In support of research on the integration of services for sexually transmitted diseases into family planning programs</td>
<td>535,000</td>
</tr>
<tr>
<td>International Projects Assistance Services, Carrboro, North Carolina:</td>
<td>Toward costs of a program of post-abortion family planning services</td>
<td>50,000</td>
</tr>
<tr>
<td>International Rescue Committee, Inc., New York, New York:</td>
<td>For a program to expand the provision of reproductive health services in refugee settings</td>
<td>300,000</td>
</tr>
<tr>
<td>JSI Research and Training Institute, Arlington, Virginia:</td>
<td>For a program to expand the provision of reproductive health services in refugee settings</td>
<td>600,000</td>
</tr>
<tr>
<td></td>
<td>In support of research on gender and population policy</td>
<td>100,000</td>
</tr>
</tbody>
</table>
Marie Stopes International Ltd,
London, England:

For a program to expand the provision of reproductive health services in refugee settings .......... 300,000

National Academy of Sciences,
Washington, DC:

For use by the Institute of Medicine, in support of activities related to contraceptive development .......... 25,000

Pennsylvania State University,
University Park, Pennsylvania:

In support of a visiting fellowship in anthropological demography .............................................. 60,000

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

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

Population Council,
New York, New York:

In support of contraceptive development .......... 1,200,000

In support of research on the integration of services for sexually transmitted diseases into family planning programs .............................................................. 485,000

Toward costs of disseminating materials on the family, gender, and population policy in the Middle East .......... 4,500

Program for Appropriate Technology in Health,
Seattle, Washington:

To support its work in contraception and reproductive health ............................................................... 750,000

Rush-Presbyterian-St. Luke’s Medical Center,
Chicago, Illinois:

In support of contraceptive development ......................... 360,000
University of Chicago, Chicago, Illinois:

In support of a visiting fellowship in anthropological demography ......................................................... 50,000

University of Maryland at College Park, College Park, Maryland:

In support of research on gender and population policy .............................................................................. 400,000

University of North Carolina at Chapel Hill, Chapel Hill, North Carolina:

In support of a visiting fellowship in anthropological demography ......................................................... 60,000

University of Texas at Austin, Austin, Texas:

In support of a visiting fellowship in anthropological demography ......................................................... 50,000

Western Consortium for Public Health, Berkeley, California:

For use by its Pacific Institute for Women’s Health in support of research on the integration of services for sexually transmitted diseases into family planning programs ............................................................... 150,000

World Health Organization, Geneva, Switzerland:

In support of contraceptive development ...................... 360,000

For a program to expand the provision of reproductive health services in refugee settings ............. 135,000

Total—Population $10,361,500
PUBLIC AFFAIRS

Appropriated

Adam Mickiewicz University, Poznan, Poland:
For costs of library automation in the Poznan Consortium ............................................ $ 850,000

Agricultural University of Gödöllö, Gödöllö, Hungary:
In support of professorial study trips to the United States ............................................. 3,400

American Academy of Arts and Sciences, Cambridge, Massachusetts:
In support of its Center for Evaluation ................................................................. 775,000

American University in Bulgaria, Sofia, Bulgaria:
Toward costs of library development and other institutional needs .................................. 183,000

Association of American Publishers, New York, New York:
To enable young East European publishers to attend the Frankfurt Book Fair .................. 3,000

Atlantic Council of the United States, Washington, DC:
In support of the Council’s Andrew J. Goodpaster Fund ............................................ 50,000

CAB International, Wallingford, England:
Toward costs of implementation of Phase II of its project to improve access to agricultural information in Hungary ................................................................. 20,500
Toward costs of strengthening the scientific information resources of the Ministry of Agriculture in Hungary ................................................................. 14,500
Carnegie Endowment for International Peace, Washington, DC:

Toward costs of preparing and publishing an analysis of migration research................................. 100,000

Central Europe Institute, Washington, DC:

Toward costs of its small-business development programs in Slovakia ........................................... 100,000

Centro Estudios de Estado y Sociedad/CEDES, Buenos Aires, Argentina:

To support its core research functions ....................... 135,000

City University of Bellevue, Bellevue, Washington:

For library acquisitions and information systems at the Economics University of Bratislava, Slovakia..... 100,000

Civic Education Project, Inc., New Haven, Connecticut:

For an assessment of needs and the progress of reform in social science higher education in Eastern Europe .......................... 50,000

College of Staten Island, Staten Island, New York:

Toward costs of completing a study of the performing arts......................................................... 8,000

Columbia University, New York, New York:

Matching grant in support of the Economics Honors Program at Warsaw University ....................... 250,000
Cooperative for Assistance and Relief Everywhere, Inc.,
Atlanta, Georgia:

In support of activities designed to increase minority participation in international affairs ................................ 100,000

Cornell University,
Ithaca, New York:

For PhD training of a Slovak student at the School of Agriculture and Life Sciences ................................ 70,000

Educational Testing Service,
Princeton, New Jersey:

In support of the project, “Perspectives on Diversity in Selected School Districts and the Communities They Serve” ........................................... 50,000

Florida International University,
Miami, Florida:

For a study of the academic orientations of native and immigrant-minority students ............................... 130,000

Facultad Latinoamericana de Ciencias Sociales/Sede Argentina,
Buenos Aires, Argentina:

To support its core research functions ....................... 100,000

Facultad Latinoamericana de Ciencias Sociales/Sede Chile,
Santiago, Chile:

To support its core research functions ....................... 100,000

Forum for Intercultural Communication, Inc.,
Washington, DC:

Toward costs of a one-day workshop to train women business owners in Poland in new initiatives and communication techniques ............................... 7,000
PUBLIC AFFAIRS
(continued) Appropriated

Foundation Center,
New York, New York:

In support of the National Taxonomy of Exempt Entities verification project ........................................ 35,000

Foundation for Teaching Economics,
Davis, California:

Toward costs of its 1995 workshops in the Czech Republic, Hungary, Poland, and Slovakia................... 50,000

Global Center,
New York, New York:

In support of a project on opportunities for minorities in international affairs ........................................ 24,000

George Mason University,
Fairfax, Virginia:

For the final phase of (1) modernizing the budgeting procedures of the City of Plzen and (2) introducing in a number of Czech cities a National Industrial Certification Program............................................ 88,000

Harvard University,
Cambridge, Massachusetts:

For use by the Center for Business and Government of the John F. Kennedy School of Government toward costs of research on the division of economic responsibilities between Federal and state governments........................................ 56,000

Howard University,
Washington, DC:

Toward costs of establishing a noncirculating reference library and reading room at its Center for International Affairs ........................................ 80,000
PUBLIC AFFAIRS
(continued)

Institute for EastWest Studies, Inc.,
New York, New York:

Toward support of its Banking Finance Assistance
Center in Budapest ............................................ 19,500

Instituto de Estudos Econômicos, Sociais
e Políticos de São Paulo,
São Paulo, Brazil:

To support its core research functions ....................... 135,000

Instituto Latinoamericano de Doctrina y
Estudios Sociales,
Santiago, Chile:

To support its core research functions ....................... 95,000

Instituto Universitário de Pesquisas
do Rio de Janeiro,
Rio de Janeiro, Brazil:

To support its core research functions ....................... 135,000

International Management Center Foundation,
Budapest, Hungary:

Toward costs of automating its library ...................... 40,000

Jagiellonian University,
Krakow, Poland:

For the final phase of the automation project of the
Krakow Library Consortium .................................... 200,000

For equipment needs at its Business School .............. 100,000

Loyola Marymount University,
Los Angeles, California:

Toward costs of establishing a center for technology
management in Poland ........................................... 165,000
PUBLIC AFFAIRS
(continued)

MBA Enterprise Corps,
Chapel Hill, North Carolina:

For continuation of its program of placing recent US
MBA graduates in Eastern Europe ....................... 150,000

Mount Holyoke College,
South Hadley, Massachusetts:

To integrate the Kosice Library Information Network
into the Czech and Slovak Library Information
Network ........................................................... 476,000

For costs of automating the library of the Academy
of Sciences in the Czech Republic, and of integrating
it into the Czech and Slovak Library Information
Network ........................................................... 350,000

For costs of retroconversion at Czech and Slovak
library consortia ................................................. 150,000

For costs of administering library projects in the
Czech Republic and Slovakia ................................. 147,000

National Bureau of Economic Research,
Cambridge, Massachusetts:

In support of a study of the relationships among eco-
monic theory, empirical research, and public policy ... 75,000

National Center For Nonprofit Boards,
Washington, DC:

To support two publications on governance .......... 40,000

National Charities Information Bureau,
New York, New York:

Matching grant to implement a two-year plan for
achieving long-term financial stability ................... 100,000

National Coalition of Advocates for Students,
Boston, Massachusetts:

To develop three new immigrant education initiatives 50,000
National Conference of State Legislatures, Denver, Colorado:
For use by the Immigrant Policy Project of the State and Local Coalition on Immigration .......................... 320,000

National Endowment for Democracy, Washington, DC:
Toward costs of development of the International Forum for Democratic Studies .......................... 50,000

National Széchenyi Library, Budapest, Hungary:
To provide improved access to the Internet for Library staff and to introduce a modern system of reader registration and control ................................ 45,000

New School for Social Research, New York, New York:
Toward costs of a professional-development fellowship program for East European junior faculty members in the social sciences .......................... 163,000

Pacific Council on International Policy, Los Angeles, California:
In support of activities designed to increase minority participation in international affairs .......................... 120,000

Palacký University, Olomouc, Czech Republic:
Toward costs of Phase III of a project to computerize the University and its operations ............ 32,000

Polish-American Small Business Advisory Foundation, Warsaw, Poland:
In support of small-business counseling and entrepreneurial training in Poland .......................... 125,000
PUBLIC AFFAIRS
(continued)

Population Resource Center,
Washington, DC:

Toward costs of educational briefings for Congress
on immigration issues................................. 25,000

Princeton University,
Princeton, New Jersey:

Toward costs of participation in library meetings in
Torun, Poland by a representative of the Princeton
University library........................................... 2,100

RAND Corporation,
Santa Monica, California:

For a study of the economic performance and
mobility of immigrant women......................... 430,000

In support of a study of the effects of immigration
on California’s education system....................... 312,000

In support of research on the economic mobility of
immigrant women ........................................ 20,000

Resources Development Foundation,
New York, New York:

Toward costs of fostering appropriate municipal
credit market mechanisms in Hungary.............. 220,000

SPEDD, Inc.,
Wexford, Pennsylvania:

For a business-and-marketing development program
in Hungary to be conducted in cooperation with the
Talent Foundation ........................................... 59,500

Sabre Foundation,
New York, New York:

Toward costs of its book and journal donation
activities in Eastern Europe.......................... 155,000
PUBLIC AFFAIRS
(continued)  Appropriated

Stanford University,
Stanford, California:

In support of a National Academy of Sciences Panel Study entitled “Developing a Research Agenda on the Education of Limited English Proficient and Bilingual Students” ................................................. 50,000

Talent Foundation,
Szeged, Hungary:

For a business-and-marketing development program in Hungary to be conducted in cooperation with SPEDD, Inc. ......................................................... 57,500

TechnoServe, Inc.,
Norwalk, Connecticut:

For agricultural development and technology transfer in Poland ................................................................. 150,000

Tomás Rivera Center,
Claremont, California:

In support of activities designed to increase minority participation in international affairs ......................... 200,000

University of Cape Town Fund, Inc.,
New York, New York:

Toward costs of graduate education, faculty development, and library support ......................... 1,500,000

For use as fellowships for faculty of African universities in the arts, humanities, and social sciences ....... 290,000

For use by the University of Cape Town and the Western Cape Tertiary Institutions Trust to develop a plan for the Cape Library Cooperative (CALICO) program in South Africa ................................. 50,000
University of Iowa, Iowa City, Iowa:
To support continuation of the Emerging Free Market Economy Program

University of Lodz, Lodz, Poland:
For costs of library automation in the Lodz Consortium

University of Minnesota, Minneapolis, Minnesota:
For continued development of an MBA program at the Warsaw School of Economics

University of Texas at Austin, Austin, Texas:
In support of a program of research and other activities on immigration and inter-group relations in the United States
In support of a program of research and other activities on immigration and inter-group relations in the United States

University of Utah, Salt Lake City, Utah:
Matching grant to assist the development of Hungary's higher education system through various structural improvements

University of Warsaw, Warsaw, Poland:
For use by the Library of its American Studies Center toward costs of automation and security
PUBLIC AFFAIRS
(continued)

University of the Witwatersrand,
Johannesburg, South Africa:

To establish a postgraduate mentoring program........ 1,410,000

Vanderbilt University,
Nashville, Tennessee:

To support the project, “Economics Goes to
College”.......................................................... 12,500

World Peace Foundation,
Boston, Massachusetts:

In support of a project, “Dialogue for Development:
The Political and Economic Reconstruction of Haiti”.... 30,000

Total—Public Affairs                           $13,641,500
LITERACY

American Association for the Advancement of Science, Washington, DC:

Towards support of Project 2061, a nationwide program aimed at improving the scientific literacy of students in grades K-12 ...................... $ 300,000

Indiana University, Bloomington, Indiana:

For use by its Center for Reading and Language Studies for research on Classroom Inc., an educational intervention that uses computer simulations..... 170,000

Russell Sage Foundation, New York, New York:

Towards costs of preliminary research on the effectiveness of workplace simulations designed by Classroom, Inc. ................................. 7,275

University of California at Berkeley, Berkeley, California:

For use by its Graduate School of Education in support of the Fostering a Community of Learners project........................................... 325,000

University of California at San Diego, San Diego, California:

For use by the Laboratory of Comparative Human Cognition in support of two meetings of participants in the 5th Dimension research consortium .............. 16,000

University of Pittsburgh, Pittsburgh, Pennsylvania:

For use by its Learning Research and Development Center in support of research on the use of computer simulations in increasing the literacy and workplace competence of high-school students ........... 1,000,000

Total—Literacy ................................. $1,818,275
CONTRIBUTIONS

Appropriated

Association of Governing Boards of Universities and Colleges, Washington, DC:
   For general support ............................................... $ 30,000

Eviction Intervention Services, New York, New York:
   For general support ............................................... 25,000

Foundation Center, New York, New York:
   For general support ............................................... 30,000

Nonprofit Coordinating Committee of New York, New York:
   For general support ............................................... 30,000

Total—Contributions $ 115,000

Grand Totals $104,499,575
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 statements of activities and cash flows present fairly, in all material respects, the financial position of The Andrew W. Mellon Foundation (the "Foundation") at December 31, 1995 and 1994, 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.

As discussed in Note 2 to the financial statements, the Foundation changed its method of accounting for grants in the year ended December 31, 1995.

New York, New York
March 20, 1996
The Andrew W. Mellon Foundation

*Balance Sheet*

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketable securities</td>
<td>$2,084,438</td>
<td>$1,812,860</td>
</tr>
<tr>
<td>Interest in coal properties</td>
<td>80,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Limited liquidity investments</td>
<td>269,838</td>
<td>236,447</td>
</tr>
<tr>
<td>Cash</td>
<td>8,664</td>
<td>366</td>
</tr>
<tr>
<td>Dividend and interest income receivable</td>
<td>10,424</td>
<td>12,314</td>
</tr>
<tr>
<td>Coal property income receivable</td>
<td>2,654</td>
<td>3,916</td>
</tr>
<tr>
<td>Receivable from unsettled securities sales</td>
<td>16,436</td>
<td>10,041</td>
</tr>
<tr>
<td>Federal excise tax refund receivable</td>
<td>1,837</td>
<td>4,222</td>
</tr>
<tr>
<td>Property, at cost less accumulated depreciation of $1,684 and $1,361 at December 31, 1995 and 1994, respectively</td>
<td>10,877</td>
<td>11,157</td>
</tr>
<tr>
<td>Total assets</td>
<td>$2,485,168</td>
<td>$2,191,323</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND PRINCIPAL BALANCE** |          |          |
| Grants payable          | $23,277  | $53,804  |
| Deferred federal excise tax | 6,241    | 2,053    |
| Payable from unsettled securities purchases | 44,832   | 27,741   |
| Accrued expenses        | 1,413    | 2,280    |
| Total liabilities       | 75,763   | 85,878   |
| Principal balance       | 2,409,405| 2,105,445|
| Total liabilities and principal balance | $2,485,168| $2,191,323|

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

Statement of Activities

For the years ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In thousands)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INCOME FROM INVESTMENTS:

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>$41,022</td>
<td>$37,961</td>
</tr>
<tr>
<td>Dividends</td>
<td>33,665</td>
<td>30,011</td>
</tr>
<tr>
<td>Income from coal properties</td>
<td>12,381</td>
<td>14,309</td>
</tr>
<tr>
<td>Income from limited liquidity investments</td>
<td>2,861</td>
<td>2,489</td>
</tr>
<tr>
<td></td>
<td>89,929</td>
<td>84,770</td>
</tr>
</tbody>
</table>

Less: Investment expenses

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depletion of coal properties</td>
<td>(8,339)</td>
<td>(9,049)</td>
</tr>
<tr>
<td></td>
<td>(20,000)</td>
<td>(6,000)</td>
</tr>
<tr>
<td></td>
<td>61,590</td>
<td>69,721</td>
</tr>
</tbody>
</table>

EXPENSES:

Program grants and contributions

( net of cancellations or refunds of prior-year grants)

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program grants and contributions</td>
<td>94,735</td>
<td>118,022</td>
</tr>
<tr>
<td>Salaries, pensions and benefits</td>
<td>5,161</td>
<td>4,739</td>
</tr>
<tr>
<td>Other administrative and office expenses</td>
<td>3,150</td>
<td>3,012</td>
</tr>
<tr>
<td>Provision for federal excise tax</td>
<td>1,973</td>
<td>1,652</td>
</tr>
<tr>
<td></td>
<td>105,019</td>
<td>127,425</td>
</tr>
</tbody>
</table>

Deficit of income over expenses

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net realized gain on investments</td>
<td>126,960</td>
<td>91,282</td>
</tr>
<tr>
<td>Increase (Decrease) in unrealized appreciation of investments, net of deferred federal excise tax</td>
<td>205,202</td>
<td>(159,503)</td>
</tr>
<tr>
<td>Cumulative effect of change in accounting method for grant commitments</td>
<td>15,227</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>303,960</td>
<td>(125,925)</td>
</tr>
</tbody>
</table>

Change in principal balance

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal balance at beginning of year</td>
<td>2,105,445</td>
<td>2,231,370</td>
</tr>
<tr>
<td>Principal balance at end of year</td>
<td>$2,409,405</td>
<td>$2,105,445</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Statement of Cash Flows

For the years ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>1995 (In thousands)</th>
<th>1994 (In thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from investment income and operations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sources of cash</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>$76,577</td>
<td>$67,514</td>
</tr>
<tr>
<td>Income from coal properties</td>
<td>13,643</td>
<td>10,962</td>
</tr>
<tr>
<td>Federal excise tax refund</td>
<td>2,410</td>
<td>2,355</td>
</tr>
<tr>
<td>Other Income</td>
<td>250</td>
<td>104</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td>92,880</td>
<td>80,935</td>
</tr>
<tr>
<td><strong>Uses of cash</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment of grants and contributions</td>
<td>(110,035)</td>
<td>(105,619)</td>
</tr>
<tr>
<td>Payment of investment expenses</td>
<td>(9,062)</td>
<td>(9,087)</td>
</tr>
<tr>
<td>Payment of salaries and other administrative expenses</td>
<td>(8,133)</td>
<td>(7,398)</td>
</tr>
<tr>
<td>Payment of federal excise tax</td>
<td>(2,000)</td>
<td>(4,000)</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>(129,230)</td>
<td>(126,104)</td>
</tr>
<tr>
<td><strong>Net cash from investment income and operations</strong></td>
<td>(36,350)</td>
<td>(45,169)</td>
</tr>
<tr>
<td>Other sources and (uses) of cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>1,380,036</td>
<td>1,894,076</td>
</tr>
<tr>
<td>Other marketable securities</td>
<td>1,230,098</td>
<td>1,618,402</td>
</tr>
<tr>
<td>Receipts from limited liquidity investments</td>
<td>60,166</td>
<td>12,090</td>
</tr>
<tr>
<td>Capital gains distributions from mutual funds</td>
<td>17,055</td>
<td>18,322</td>
</tr>
<tr>
<td>Settlement of financial instruments</td>
<td>14,662</td>
<td>(16,302)</td>
</tr>
<tr>
<td>Capital asset sale</td>
<td>—</td>
<td>926</td>
</tr>
<tr>
<td>Purchases of investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>(1,420,009)</td>
<td>(1,818,745)</td>
</tr>
<tr>
<td>Other marketable securities</td>
<td>(1,177,964)</td>
<td>(1,570,345)</td>
</tr>
<tr>
<td>Purchases of limited liquidity investments</td>
<td>(59,354)</td>
<td>(90,059)</td>
</tr>
<tr>
<td>Capital asset additions</td>
<td>(42)</td>
<td>(3,631)</td>
</tr>
<tr>
<td><strong>Net cash from other sources</strong></td>
<td>44,648</td>
<td>44,734</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash</strong></td>
<td>8,298</td>
<td>(435)</td>
</tr>
<tr>
<td>Cash at beginning of year</td>
<td>366</td>
<td>801</td>
</tr>
<tr>
<td>Cash at end of year</td>
<td><strong>$8,664</strong></td>
<td><strong>$366</strong></td>
</tr>
</tbody>
</table>

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

**Reconciliation of Change in Net Assets to Net Cash from Investment Income and Operations**

For the years ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in net assets</td>
<td>$303,960</td>
<td>($125,925)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash from investment income and operations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative effect of change in accounting method</td>
<td>(15,227)</td>
<td>—</td>
</tr>
<tr>
<td>(Increase) decrease in appreciation of investments</td>
<td>(209,390)</td>
<td>162,758</td>
</tr>
<tr>
<td>Realized gain on investments</td>
<td>(126,960)</td>
<td>(91,282)</td>
</tr>
<tr>
<td>Undistributed income from limited liquidity investments</td>
<td>(2,614)</td>
<td>(2,385)</td>
</tr>
<tr>
<td>(Decrease) increase in grants payable</td>
<td>(15,300)</td>
<td>12,403</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>323</td>
<td>362</td>
</tr>
<tr>
<td>Depletion of coal properties</td>
<td>20,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Increase (decrease) in deferred federal excise tax provision</td>
<td>4,188</td>
<td>(3,255)</td>
</tr>
<tr>
<td>Decrease in federal excise tax receivable</td>
<td>2,385</td>
<td>7</td>
</tr>
<tr>
<td>Decrease (increase) in interest and dividend receivable</td>
<td>1,890</td>
<td>(458)</td>
</tr>
<tr>
<td>Decrease (increase) in coal property income receivable</td>
<td>1,262</td>
<td>(3,347)</td>
</tr>
<tr>
<td>Decrease in accrued expenses</td>
<td>(867)</td>
<td>(47)</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(340,310)</td>
<td>80,756</td>
</tr>
<tr>
<td>Net cash from investment income and operations</td>
<td>($36,350)</td>
<td>($45,169)</td>
</tr>
</tbody>
</table>

**Supplemental Cash Flow Information**

| Undistributed capital gains on limited liquidity investments | $24,781 | $6,525 |

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of The Andrew W. Mellon Foundation (the Foundation) have been prepared in accordance with generally accepted accounting principles (GAAP) which requires the use of management's estimates. The significant accounting policies followed are described below.

Investments:
Investments in marketable securities are stated at market value. Market value is determined using daily closing last trade prices, where available, for all tradeable instruments on any global stock exchange. Realized gains and losses on investments in securities are calculated based on the first-in, first-out identification method.

The value of the coal properties is determined based on an estimate of the remaining coal reserves and the discounted value of the anticipated future income. The coal properties are recorded at their estimated current value of $80 million at December 31, 1995 and $100 million at December 31, 1994. The cost of these properties, adjusted for accumulated depletion, was $856 thousand at December 31, 1995 and $897 thousand at December 31, 1994.

Limited liquidity investments, which are carried at cost, are primarily made under agreements to participate in limited partnerships. Due to their nature, the market value of these investments is not readily determinable.

Grants:
The Foundation changed its method of accounting for grant expenses effective January 1, 1995. In 1994, all grants were recorded as expenses when approved by the Trustees. In 1995, the Foundation continued to record unconditional grants as expenses when approved by the Trustees. Conditional grants, which are primarily matching grants, were recorded as expenses when the condition had been met. This change in accounting policy is more fully described in Note 2.

Federal Excise Tax:
The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. However, the Foundation is subject to a federal excise tax. The Foundation follows the policy of providing for federal excise tax on the net appreciation (both realized and unrealized) of investments. The deferred federal excise tax in the accompanying financial statements represents tax provided on the net unrealized appreciation of investments.

Property:
Property is primarily buildings which are depreciated over their useful lives, generally twenty-five years.
Expenses:
Investment expenses are the costs of portfolio management, including fees for investment management, custody, and advisory services. Other administrative and office expenses include all costs of operating the Foundation offices, including maintenance and depreciation.

NOTE 2—CHANGES IN ACCOUNTING:
Effective January 1, 1995, the Foundation changed its method of recording grant expense to conform with the requirements of Statement of Financial Accounting Standards ("SFAS") No. 116, "Accounting for Contributions Received and Contributions Made", which states that conditional promises to give shall be recognized as expense when the conditions are substantially met. Certain grant appropriations are approved by the Trustees subject to the grantee fulfilling specific conditions, most frequently that all or a portion of the grant funds be matched in a specified ratio.

The cumulative effect of this change at January 1 is a credit for the change on the Statement of Activities and a reduction in grants payable on the Balance Sheet of $15,227 thousand. Also, the expense of program grants in 1995 was reduced $8,993 thousand as a result of this change. See Note 5 for the amount of grants payable and grant commitments as of December 31, 1995.

In 1995, the Foundation also adopted SFAS 117, "Financial Statements of Not-for-Profit Organizations", which establishes standards for external financial statements. The significant change in the financial statements of the Foundation is the requirement to present a statement of cash flows.

NOTE 3—INVESTMENTS:
Marketable securities held at December 31, 1995 and 1994 are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 1995</th>
<th>December 31, 1994</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Market Value</td>
<td>Cost</td>
</tr>
<tr>
<td></td>
<td>(in thousands)</td>
<td>(in thousands)</td>
</tr>
<tr>
<td>Equities.............</td>
<td>$1,398,411</td>
<td>$1,109,944</td>
</tr>
<tr>
<td>Fixed Income........</td>
<td>518,861</td>
<td>493,155</td>
</tr>
<tr>
<td>Short-term...........</td>
<td>164,557</td>
<td>164,544</td>
</tr>
<tr>
<td>Other ...............</td>
<td>2,609</td>
<td>4,783</td>
</tr>
<tr>
<td>Total..............</td>
<td>$2,084,438</td>
<td>$1,772,426</td>
</tr>
</tbody>
</table>

Pursuant to its limited partnership agreements, the Foundation is committed to contribute approximately $151 million as of December 31, 1995 in additional capital over the next ten years. Unpaid commitments at December 31, 1994 were $137 million.

As a result of its investing strategies, the Foundation is a party to a variety of financial instruments. These financial instruments may include equity, fixed income, and foreign currency futures and options contracts, foreign currency forwards, and interest rate cap and floor contracts. Much of the Foundation's off-balance-sheet exposure represents strategies that are designed to reduce the interest rate and market risk.
inherent in portions of the Foundation's investment program. Changes in the market values of these financial instruments are recognized currently in the Statement of Activities.

Through certain investment managers, the Foundation purchases and sells forward currency contracts whereby the Foundation agrees to exchange one currency for another on an agreed-upon date at an agreed-upon exchange rate to minimize the exposure of certain of its marketable securities to adverse fluctuations in financial and currency markets. As of December 31, 1995 and 1994, the Foundation had forward currency contracts with notional amounts totaling $122 million and $50 million, respectively. The category "Other" at December 31, 1995 includes approximately $122 million both in assets and liabilities related to open foreign currency contracts, which are carried at market value.

During the course of 1995, the Foundation purchased below-market put options on the S&P 500 index in order to provide protection for a portion of its portfolio held in securities which are represented in the index. This strategy was financed in part by selling above-market call options on the S&P 500 index. The category "Other" at December 31, 1995 includes assets of approximately $2.5 million, representing the purchase of 2,000 S&P 500 put option contracts, expiring in March 1996, with a strike price of $540; 2,000 S&P 500 put option contracts, also expiring in March 1996, with a strike price of $550; and 3,500 S&P 500 put option contracts, expiring in June 1996, with a strike price of $565.

Through a securities lending program managed by its investment custodian, the Foundation loans certain stocks and bonds included in its investment portfolio to qualified investors. These investors are required to deposit cash of a like amount with the investment custodian as collateral on such loans. The Foundation's investment custodian has indemnified the program against counterparty risk. The Foundation's gross securities loaned to certain investors at December 31, 1995 amounted to approximately $44 million.

Financial instruments such as those described involve, to varying degrees, elements of market risk and credit risk in excess of the amounts recorded on the balance sheet. Market risk represents the potential loss the Foundation faces due to the decrease in the value of financial instruments. Credit risk represents the maximum potential loss the Foundation faces due to possible non-performance by obligors and counterparties of the terms of their contracts.

Management does not anticipate that losses, if any, resulting from its market or credit risks would materially affect the financial position and Statement of Activities of the Foundation.
NOTE 4—FEDERAL EXCISE TAX:

The Internal Revenue Code imposes an excise tax on private foundations equal to 2% of net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income). This tax is reduced to 1% when a foundation meets certain distribution requirements under Section 4940(e) of the Internal Revenue Code. The Foundation qualified for the 1% tax rate in 1995 and 1994.

The provision for federal excise tax consists of a current and deferred provision. The current provision for 1995 on net investment income at 1% was $2,052 thousand. The change in unrealized appreciation reflected on the Statement of Activities includes a provision for deferred taxes based on net unrealized appreciation on investments at 2%. The increase in unrealized appreciation in 1995 resulted in an increase of the deferred federal excise tax liability of $4,188 thousand.

The balance sheet at December 31, 1995 reflects a refund receivable for federal excise tax primarily due to the refund requested for 1991.

NOTE 5—GRANTS AND CONTRIBUTIONS:

As described in Note 2, the Foundation changed its method of accounting for grant commitments in 1995. Grant appropriations include both conditional and unconditional grants. Unconditional grants are expensed when appropriated. Conditional grants, primarily matching grants, are considered commitments and are not recorded as expense until such time as the conditions of the grant are met.

The following table of grant activity by major program area includes all grant appropriations approved during 1995.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Appropriated</td>
<td>Paid</td>
</tr>
<tr>
<td>Conservation and the Environment</td>
<td>$2,265</td>
<td>$12,053</td>
</tr>
<tr>
<td>Cultural Programs</td>
<td>16,437</td>
<td>14,954</td>
</tr>
<tr>
<td>Higher Education and Scholarship</td>
<td>21,456</td>
<td>51,286</td>
</tr>
<tr>
<td>Population</td>
<td>3,732</td>
<td>10,362</td>
</tr>
<tr>
<td>Literacy</td>
<td>4,706</td>
<td>1,818</td>
</tr>
<tr>
<td>Program grants &amp; commitments — Totals</td>
<td>$53,604</td>
<td>$104,385</td>
</tr>
<tr>
<td>Contributions</td>
<td>—</td>
<td>115</td>
</tr>
<tr>
<td>Totals</td>
<td>$53,604</td>
<td>$104,500</td>
</tr>
</tbody>
</table>
Grant and grant commitment activity is summarized below.

| Amount  |  
|---------|---
| **Amount (in thousands)** |  
| Grants Payable: |  
| Grants payable at December 31, 1994 | $53,804  
| Cumulative effect of change in accounting method for grant commitments | (15,227)  
| Grant cancellation | (200)  
| Adjusted grants payable at January 1, 1995 | 38,377  
| Grant expense: |  
| Unconditional grants | 94,329  
| Conditional grants | 1,178  
| Less grant payments | (110,607)  
| Grants payable at December 31, 1995 | $23,277  
| Net Grant Expense: |  
| Conditional and unconditional grants | $95,507  
| Grant cancellation | (200)  
| Grant refunds | (572)  
| | $94,735  
| Grant Commitments: |  
| Grant commitments at January 1, 1995 | $15,227  
| Conditional grants appropriated | 10,171  
| Less grants meeting conditions for payment | (1,178)  
| Grant commitments at December 31, 1995 | $24,220  

Prior-year grants refunded or cancelled were approximately $1,459 thousand in 1994.