
ROCKEFELLER BROTHERS FUND

ANNUAL REPORT

1986

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RBF

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The Atlantic and the Pacific, the globe's two largest oceans, wash the shores of America. They are also America's highways linking it with Europe and Asia, respectively. Yet, the oceans have been used more to reach Europe than Asia during the past two hundred years. More goods, people, and messages crossed the Atlantic than the Pacific Ocean. This is only natural considering where the Americans came from, what cultural and intellectual heritages they brought with them, and how the United States has developed—that is, starting from the East and moving toward the West. But now things are changing. The United States is rapidly expanding its ties with Asia, particularly with East Asia which expands from the Japanese islands to the east to the Malay Peninsula to the west. Asia is becoming an important part of America.

It is true that, even prior to World War II, the United States had more involvement and interest in Asian affairs than any other Western country. It was the first country to officially open the doors of Japan in the mid-1850s for trade and other exchanges. It championed an open door policy for China at the turn of the century when various European powers were vying for domination of the country. The only colony the United States ever had, the Philippines, was an Asian country. But the real expansion in U.S. involvement in Asia took place with the Second World War. Since then, it has fought two major wars there. Today, the United States does more trade with the nations of Asia than with those in Europe. The growing importance of Asia to the United States is reciprocated by the increased importance of the United States to Asia. Governments and peoples of Asia look to the United States to play a role of greater consequence in their region.

The rapidly expanding relationship between the United States and Asia, particularly in the last quarter of this century, can be explained by several factors. One is the growing significance of East Asia in the world economy. The growth of Japan as an industrial power and the emergence of several countries from their previously underdeveloped status into what have become known as the newly industrializing countries have contributed to making the region the most productive, dynamic, and rapidly growing part of the world. This is in contrast with the relative decline of Europe as a center of economic vitality. It has been inevitable that the United States look to the Asian countries for increased trade and other economic exchanges.

Another factor is the changing balance of power in world relations. Asia is where the major powers of today—the United States, the Soviet Union, China, and Japan—converge. None of them can afford to neglect the strategic and political value of the region. The Soviet Union recognized the strategic importance of Asia early, and has carried out extensive military buildup since the 1970s. Now it has also begun to make aggressive and skillful diplomatic advances into East Asia.

A third factor is the shifting geographic balance between the eastern and western parts of the United States itself. During the past several decades, the western states, which are closer to the Pacific Ocean and thus to Asia, have gained in population, economic activities, and wealth relative to the eastern states which have traditionally had an Atlantic orientation. Finally, along with the increased volume of trade with the Asian countries, there has been a significant influx of Asian immigrants, changing the ethnic configuration which gives Asia a greater profile and presence within the United States. This, in turn, is bringing about greater interest and awareness among the American public about Asia and the Asians.

Unfortunately, America's greater Asian awareness is taking place at a time when the United States seems to be slipping in its position as the world's preeminent economic power. As a result of the enormous and ever-growing trade deficit, particularly vis-a-vis Japan, the United States has become the world's largest debtor nation, and Japan has surpassed it as the world's largest creditor nation. Some have even suggested the replacement of the era of "pax Americana" with that of "pax Nipponica." This is ironic because, unlike in the past when the U.S. involvement in Asian affairs was looked upon with suspicion and apprehension, many Asian countries and peoples are beginning to accept the United States as one of their own and look upon it to provide leadership in achieving peace and prosperity in the region. Indeed, the United States has an important role to play in Asia in such vital areas as regional security and diplomacy, economy, political development, and regional cooperation. For the United States, contributing to and participating in these tasks would be also serving its own interest as its fate is inseparably tied to that of the Asian countries.

Security is the most obvious, and important, area in which the United States is expected to keep its involvement in Asia. Despite the rise of Japan and China as an economic and regional power respectively, the United States remains the only country which can match the military might of the Soviet Union and hence counterbalance the security threat it presents to the region. Admittedly, many Asian countries had misgivings about U.S. involvement in the Vietnam conflict. They are also concerned about the accelerating arms race—both in conventional and strategic weapons—between the two superpowers and would not want to be dragged into big-power conflicts. However, in view of the Soviet Union's rapid military buildup and expansive deployment of its armed forces in the region, even those countries which manifest neutrality on nonalignment in reality welcome U.S. military presence in the region.

The East Asian countries, most of which enjoy market economy which emphasizes trade and other international economic relationships, are particularly interested in safeguarding their maritime activities. They thus look to the United States to play the necessary role in securing the sea lanes of communication and transportation. At the same time, the Asian countries do not have a multilateral security arrangement such as NATO which ties the security of Western Europe to that of North America. Hence, East Asian countries depend for their security upon bilateral arrangements that the United States has with a few of the Asian countries such as Japan, South Korea, and the Philippines, and de facto presence of U.S. forces in Asia and the Pacific. It is for this reason that many countries in Southeast Asia are eager to see the United States retain its military bases in the region.

The United States also has an important role to play in local security. Although there are no major local armed conflicts in the area today, tension remains in such places as the Korean peninsula, in Indochina, and along the Chinese-Vietnam border. For the most part, precarious peace is being maintained by a network of military checks and balances—i.e., between North and South Korea, China and Vietnam, the Association of Southeast Asian Nations (ASEAN) and Indochina, the Soviet Union and China, and above all, the United States and the Soviet Union. These balances, delicate as they are, can be sustained only by the active involvement, both direct and indirect, of the United States whose responsibility and interest it is to maintain peace in the area.

America's diplomatic role in Asia is equally important. In the post-Vietnam War period, the United States has succeeded in recovering its lost prestige and credibility in the region through its balanced and discreet Asian policy. Despite occasional protestations to the contrary, the nations of ASEAN, as well as countries in Northeast Asia, seem to recognize and accept the importance of U.S. presence in the region to counterbalance diplomatic and military advances by other powers such as the Soviet Union. Today, the United States can play a significant role in shaping the future of the region, particularly in cooperation with China with which it has established a cooperative relationship in recent years. This relationship will prove to be an important asset in untangling many intractable diplomatic issues, including those concerning Kampuchea and North-South Korean relations. At present, China has locked horns with Vietnam on the Kampuchea issue. At the same time, the recent North Korean tilt toward the Soviet Union has lessened Peking's ability to persuade Pyongyang. However, as China and the Soviet Union make some progress in improving their relationship, major power diplomacy will begin to have greater effect in the settlement of both of these problems.

Also critical is the U.S. role in the economic well-being and continued prosperity of the market economies in Asia. The Asian countries, which have been successful in their economic development efforts in recent years, recognize that their remarkable growth and expansion could not have been achieved without relatively free access to U.S. markets, capital, and technology. Japan, in particular, owes its post-World War II recovery and growth to the favorable international environment fostered largely by the United States. It supported and encouraged the expansion of world trade by its free trade policy and liberal spending. Even today, East Asian countries such as Japan, Taiwan, and South Korea draw their largest trade surplus through their trade with the United States.

Obviously, the United States has to do something about reducing the trade deficit. Protectionism, however, cannot be the answer to the vexing problem of trade imbalance. It will not only have serious repercussions for the continued economic growth and vitality of the Asian countries, and hence their political solvency, but also, and perhaps more seriously, disrupt the world economic order with a devastating effect on the economies of all of the countries in the world including the United States. Obviously, there are limits to what piecemeal solutions such as self-restraint, protectionist measures, and exchange rate adjustments, which are being tried at present, can accomplish to correct the trade imbalance. The answer for the United States may be found largely in strengthening its own industries, making structural adjustments where necessary, and reducing budget deficits. Thus, the most effective way for the United States to help Asia in the economic area is by setting its own economy in order and finding ways of overcoming the trade deficit without closing its doors to Asian trade.

The United States also has a role to play in the political development of the Asian countries, many of whom are undergoing political transition, both in leadership structure and institutional framework. What is the U.S. interest in this development? Can and should the United States be involved in domestic political affairs of another country? This question was most poignantly raised in connection with the recent political upheaval in the Philippines. The U.S. interest in the domestic politics of other countries, particularly allies such as the Philippines and South Korea, stems from several sources, including humanitarian considerations, fear of the rise of anti-Americanism, and concern for political stability.

Humanitarian concerns derive from the belief that, from moral and ethical points of view, the United States should not overlook, much less condone, repression and violation of human rights, particularly in a country to which it provides security support. Anti-Americanism may arise in countries in which the United States is criticized for its presumed support of regimes violating human rights and democratic principles. The United States may be accused of siding with, even supporting, repression and dictatorial rule, an accusation that provides fuel for anti-American sentiments. Finally, the United States would be concerned lest repression by a government weak in popularity and legitimacy should ultimately lead to serious political instability, thereby jeopardizing the U.S. role and interest in that country.

Whatever the U.S. position and policy concerning a country's domestic politics might be, both the government and its opponents in a country undergoing political transition are likely to attempt to mobilize the support of the U.S. government and people in their behalf. Thus, either by action or inaction, the United States may easily become involved in another country's politics in a way that makes its position extremely delicate. Nonetheless, it can play a constructive role by trying to prevent excessively repressive and harsh measures by authoritarian governments while utilizing its position as an "honest broker" between the government and its opponents in encouraging a peaceful transition to politics based on consent and moderation.

Finally, the United States can play a supportive role in promoting regional cooperation in Asia and the Pacific. Pacific regional cooperation, as it is conceived today, involves primarily economic issues. The rationale for regional cooperation is quite persuasive. The increased economic importance of the Pacific region, the growing interdependence among the region's various countries, and the recognition that protectionism in international trade may jeopardize continued economic vitality—these are the main arguments for the formation of a regional framework that can facilitate multilateral cooperation and coordination. For successful implementation of this concept, however, active U.S. participation is essential. The Asian countries indeed expect the United States to exercise a leadership role in regional community-building.

To the United States, promoting economic community is neither a new nor an alien experience. It played an important role in the initial stage of European integration starting from the late 1940s when it tried to find an effective way of implementing the Marshall Plan. Indeed, Americans provided some of the most avid enthusiasm for the EEC, and American policy steadily sought to promote its success. The United States can do the same in building the Pacific community of nations. Only this time, it will be a "community" that is inclusive rather than exclusive, and in which the United States will be a participant rather than an outsider as it was the case with the EEC.

The "community" that is emerging in the Asia-Pacific region is more than simply an economic entity. Most importantly, there is a sense of common belonging and fate that is shared by the peoples and countries of the region. Already, much has been accomplished in generating such sentiments and beliefs through the various existing activities and organi-

zations. In many ways, the United States has been instrumental in the emergence of the community spirit in the region. A number of the scholarly and intellectual activities which have brought the opinion makers of the region together have been strongly supported, if not initiated, by U.S. academic institutions and funding organizations. These same groups have also made it possible for a large part of the Asian intellectual elite to receive higher education in the United States. Many of the daily and weekly news publications serving the region are U.S.-based. All these have helped Asians to have extensive personal interaction, conduct research on regional issues, and generate community spirit. These activities have helped join not only Asians with other Asians but Asians with Americans.

Thus, America has become an important part of Asia just as Asia is becoming very much a part of the United States. The closing of the gap across the Pacific enables the United States to truly enjoy the benefits of facing two great oceans. However, the Asianization of America, as the process may be called, is not completely free of frictions and problems that inevitably result when different cultures interact closely. It creates and increases the need for greater knowledge about and understanding of each other. It is in this area of mutual learning that the private sector, including the academic institutions, foundations, and the media, can and should play a key role. The private sector has already done much to bring America closer to Asia and Asia to America. But its work is far from completed as the process of America's Asianization will continue in the future, toward the twenty-first century.

Han Sung-joo

Han Sung-joo is a professor in the Department of Political Science at Korea University, Seoul. He graduated from Seoul National University, studied for his master's degree at the University of New Hampshire, and received his Ph.D. in political science from the University of California, Berkeley. His teaching and research fields are international relations, Asian international politics, foreign and security policies of the major powers, and arms control. He has published a number of articles in Seoul and has contributed to publications of the University of California Press and Columbia University Press; he writes frequently for Asian and Western journals and newspapers, and is a columnist for Newsweek International. Dr. Han was appointed the second Rockefeller Brothers Fund Distinguished Fellow in 1986.

THE ROCKEFELLER BROTHERS FUND

AND ITS PROGRAM

The Rockefeller Brothers Fund was founded in 1940 as a vehicle through which the five sons and daughter of John D. Rockefeller, Jr., could share a source of advice and research on charitable activities and combine some of their philanthropies to better effect. John D. Rockefeller, Jr., made a substantial gift to the Fund in 1951, and in 1960 the Fund received a major bequest from his estate. Together, these constitute the basic endowment of the Fund.

The assets of the RBF at the end of 1986 were \$220,733,767 and its 148 grant payments and its matching gifts during the year amounted to \$6,841,574. Since 1940, the RBF has disbursed a total of \$348,638,490 in grants.

In June, 1983, the trustees of the Rockefeller Brothers Fund adopted program recommendations presented in a report from the Fund's planning committee. The report, the result of almost two years of work by a committee of the Fund's trustees, recommended that the principal part of the RBF's program be organized around the theme of global interdependence—One World—with two major components: resources and security. The report also recommended that the Fund continue its interests in New York City and in the well-being of the private, nonprofit sector.

PROGRAM GUIDELINES

In November, 1984, building upon the Report of the Planning Committee, the trustees of the Fund adopted the following program guidelines:

The Fund seeks to achieve its major objective of improving the well-being of all people through support of efforts in the United States and abroad that contribute ideas, develop leaders, and encourage institutions in the transition to global interdependence and that counter world trends of resource depletion, militarization, protectionism, and isolation which now threaten to move humankind everywhere further away from cooperation, trade and economic growth, arms restraint, and conservation.

The basic theme of interdependence presupposes a global outlook and, hence, internationally oriented activity. While United States problems and grantees will receive considerable attention, this will be in the context of global concerns and not simply national ones.

The Fund will make grants in four general areas. The first, "One World," is made up of two components, Sustainable Resource Use and World Security, which will receive the major portion of grant funds. The other three areas are New York City, Nonprofit Sector, and Special Concerns.

ONE WORLD	
	SUSTAINABLE RESOURCE USE
GOAL	To encourage more efficient and renewable use of natural, human, and man-made resources, in an approach that blends social, economic, and ecological concerns.
STRATEGIES	<p>Defining and advocating the philosophy of sustainable resource use on a global basis through action-research and other projects that employ comprehensive approaches to resources management;</p> <p>Implementing the philosophy of sustainable resource use through support of clusters of organizations and projects in forestry, agriculture, fisheries, and bioenergy that are creating more renewable resource practices which are less destructive to land, forest, air, water, and human resources;</p> <p>Focusing effective action on other compelling resource projects of special merit that have been initiated by others and are supportive of the Fund's primary sustainable resource objectives.</p>
	WORLD SECURITY
GOAL	To strengthen arms control, improve international relations, and encourage development, trade, and finance—recognizing that prospects for world peace are threatened not only by competing political philosophies or differing religions and cultural traditions but also by frustration and aggression bred by inequities in the sharing of food, energy, goods, and services produced by the world economy.
STRATEGIES	<p><i>Arms Control</i></p> <p>Developing new paths to arms control through support of interdisciplinary work analyzing specific nuclear and conventional arms issues, with particular attention to collaborative efforts between U.S. and Soviet groups;</p> <p>Determining the effects of nuclear weapons use on the world's life support system and the implications of the scientific findings for arms control and security;</p> <p>Halting the spread of nuclear weapons capability to other countries and groups.</p>

Supporting interrelated activities of public information and education, exchanges, internships and joint work with the Soviet Union and, particularly, Eastern Europe on substantive fields of mutual interest;

Enhancing mutual American and East Asian understanding through public information, education, and exchange; and strengthening international relations and strategic studies institutes in East Asia and helping them construct links with one another and with similar American institutions;

Increasing understanding of common interests among the industrialized nations and helping them deal more effectively with the pressing concerns of the less developed countries.

In connection with the implementation of its “One World” theme, the Fund will support projects related to the not well understood or explored connections between global resource management and global security.

NEW YORK CITY

GOAL

To improve the quality of life in New York City.

STRATEGIES

Encouraging collaborative action between the public sector and various private-sector groups, including business, labor, academic, and nonprofit organizations on projects having City-wide implications, particularly in relation to economic development policies and practices;

Strengthening vital institutions of special importance to the City.

In 1986, the trustees of the Fund authorized a special series of grants aimed at focusing effective action on public health and related issues involved with the AIDS crisis in New York City.

NONPROFIT SECTOR

GOAL	To promote the health and vitality of the nonprofit sector, both nationally and internationally.
STRATEGIES	Assisting basic research and public education with respect to nonprofits; Promoting increased individual and corporate giving, the development of new sources of income for and improved management of nonprofits, and greater international grant-making.

SPECIAL CONCERNS

GOAL	To support emergency situations and compelling new opportunities.
ILLUSTRATIONS	Providing, initially, support for human rights in Southern Africa and for comparative research and exchange between the People's Republic of China and the United States in the area of general education in the arts.

In 1985, the Fund initiated a special series of grants dealing with the current crisis in South Africa.

STRATEGIES	Strengthening the institutional capacities of indigenous organizations in South Africa that are promoting democracy for all South Africans; Assisting South African organizations devoted to the reform of education, especially at the secondary school level; Helping establish agencies and programs that prepare black South Africans for leadership positions in government and the private sector; Addressing basic issues of communications inside South Africa, particularly in relation to the black press, and special opportunities to disseminate current information about the situation in South Africa.
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Four operational “touchstones” will be a key consideration in the development of all grants. These relate to the Fund’s approach to its substantive concerns and are *not* specific areas of interest in and of themselves.

EDUCATION	of key individuals, special target groups, and the general public.
LEADERSHIP	the identification and encouragement of a new generation of leaders, national and international; assisting contact among leaders and the development of leadership networks around specific areas of Fund program interest.
LEVERAGE	using combinations of trustees and staff as well as related organizations to work toward common goals in mutually supportive ways.
SYNERGY	developing clusters of interrelated projects so as to have an impact beyond the sum of the parts.

HOW TO APPLY FOR A GRANT

To qualify for a grant from the RBF, as from most other foundations, a prospective grantee must be either a tax-exempt organization or an organization seeking support for a project that would qualify as tax exempt. A grantee must also be engaged in work that fits generally within the Fund’s guidelines (see page 12, above). A preliminary letter of inquiry is recommended for an initial approach to the Fund. Such a letter, which need not be more than two or three pages in length, should include a succinct description of the project or organization for which support is being sought and its relationship to the Fund’s program, information about the principal staff members involved, a synopsis of the budget, and an indication of the amount requested from the Fund. Letters of inquiry should be addressed to Benjamin R. Shute, Jr., Secretary, at the offices of the Fund.

(The review of inquiries is ongoing throughout the year; there are no deadline dates, and consequently the use of special or express mail services for such letters is unnecessary.)

Although the RBF has made substantial gifts to organizations and programs in which it has considerable interest, most grants run between \$10,000 and \$75,000, the average between \$25,000 and \$50,000.

It should be noted that the Fund does not make grants to individuals, nor does it, as a general rule, support research, graduate study, or the writing of books or dissertations by individuals.

GRANT PROCEDURE

Each letter of inquiry to the RBF is reviewed by one or more members of the staff, who try to be prompt in notifying applicants if their plans do not fit the current program guidelines or budgetary restraints. If a project is taken up for grant consideration, staff members will ask for additional information, including a detailed proposal, and almost certainly for a meeting with the principal organizers of the project.

A detailed proposal, when requested, is expected to include a complete description of the purpose of the project or organization, the background and the research that have led to the development of the proposal, the methods by which the project is to be carried out, the qualifications and experience of the project's or organization's principal staff members, a detailed, carefully prepared, and realistic budget, and a list of those who serve as board members or advisors to the project. Attached to each proposal must be a copy of the organization's tax exemption notice and classification from the Internal Revenue Service, dated after 1969, and a copy of its most recent financial statements, preferably audited. Proposals from former grantees of the Fund will be considered only after earlier grants have been evaluated and grantees have submitted necessary reports of expenditures of those grants.

Grants are awarded by the trustees, who meet regularly throughout the year.

Fund grantees are required to submit financial and narrative reports at specified intervals and at the end of each grant period. In addition, RBF staff members are expected to follow projects along throughout the life of the grant and to evaluate the project at the end of the period. The evaluations become part of the Fund's permanent records.

GRANT INFORMATION

In addition to publishing an annual report, the Rockefeller Brothers Fund submits grants information on a regular basis to the Foundation Center for inclusion in its publications, including *The Foundation Grants Index Bimonthly* and *The Foundation Grants Index Annual*. Foundation Center grants data also appear on line in the Foundation Grants Index data base on DIALOG and through a retrieval service available to members of the Telecommunications Cooperative Network through Dialcom. The Foundation Center maintains reference libraries in New York, New York; Washington, D.C.; Cleveland, Ohio; and San Francisco, California; and Cooperating Collections in more than 160 locations nationwide provide a core collection of Foundation Center publications. Information about the location of Cooperating Collections can be obtained from the Foundation Center by calling 1-800-424-9836 (toll-free).

ONE WORLD:
SUSTAINABLE RESOURCE USE

GOAL

To encourage more efficient and renewable use of natural, human, and man-made resources, in an approach that blends social, economic, and ecological concerns.

STRATEGY

Defining and advocating the philosophy of sustainable resource use on a global basis through action-research and other projects that employ comprehensive approaches to resources management.

Conservation Foundation
Washington, D.C.

To establish, in affiliation with the World Wildlife Fund, a Venture Fund for New Initiatives, the emphasis of which will be to articulate the philosophy of sustained resource use for human benefit in both domestic policy and international conservation action. Senior staff of both organizations will conceptualize, plan, and implement programs that explore issues relating to environmental impact of current policies of international development assistance agencies, sustainable use of land resources in agriculture and forestry, restoration of degraded lands, and creation of a legal framework for protection of the environment. **\$150,000** (over three years)

**Fund for Renewable Energy and
the Environment**
Washington, D.C.

For general budgetary purposes in support of its policy analysis and public advocacy for efficient use of natural resources and integrated problem solving in economic and resource development. The fund is planning an annual *State of the States* report (paralleling the Worldwatch Institute's *State of the World* report) to promote the formulation of guidelines and policies for a coherent vision of sustainable growth in American cities, towns, and rural areas. The report will rank state performance in air quality, soil erosion, hazardous wastes, solid waste and recycling, renewable energy, energy conservation, and groundwater protection, and will highlight innovative resource management programs and policies. Each year awards will be made to the governor and key legislator of the state with the best performance. **\$75,000** (over three years)

Friends of WWB/USA
New York, New York

Toward the establishment of an international intercommunications system among affiliates. Women's World Banking has created a broad network of self-directed third world financial institutions to help women entrepreneurs, especially in developing countries, obtain the capital, credit, and market information they need. Improved communication among the growing number of local affiliates—and between them and WWB headquarters—is needed to maintain efficient and effective operations. A program of activities has been designed that includes exchange visits for affiliate members, the preparation and distribution of annual self-assessment reports by affiliates, and the introduction of telecommunications technology, including computers and telexes. **\$125,000** (over three years)

World Wildlife Fund Washington, D.C.	To establish, in affiliation with the Conservation Foundation, a Venture Fund for New Initiatives, the emphasis of which will be to articulate the philosophy of sustained resource use for human benefit in both domestic policy and international conservation action. Senior staff of both organizations will conceptualize, plan, and implement programs that explore issues relating to environmental impact of current policies of international development assistance agencies, sustainable use of land resources in agriculture and forestry, restoration of degraded lands, and creation of a legal framework for protection of the environment. \$150,000 (over three years)
Worldwatch Institute Washington, D.C.	A contribution toward the publication of the 1987, 1988, and 1989 editions of <i>State of the World</i> . During the past three years, Worldwatch has achieved considerable success with these annual reports on progress toward a sustainable society. They contain extensive information on important environmental issues and highlight the interactions between the effect of deteriorating environmental support systems on the economy and the effect of economic trends on the maintenance of environmental support systems. Policymakers and members of the academic community and the general public are increasingly turning to them as valuable sources of information. \$300,000 (over three years)

STRATEGY	Implementing the philosophy of sustainable resource use through support of clusters of organizations and projects in forestry, agriculture, fisheries, and bioenergy that are creating more renewable resource practices which are less destructive to land, forest, air, water, and human resources.
BioEnergy Users Network Washington, D.C.	Continued core budgetary support of this new program that advocates and initiates integrated agriculture and bioenergy projects. Because many third world countries are unable to afford fuel and food imports, their interest is turning to growing more food for local consumption and producing more energy from biomass, not only to reduce debt burdens but also to create jobs, save money, and protect the environment. To help these countries obtain reliable information and expertise, the program includes a technology assessment service, a skills transfer bank and training program, and demonstration projects. \$45,000
Caribbean Conservation Association St. Michael, Barbados	For a review and planning process. New board leadership is undertaking the reformulation of the association's program and organizational structure as a region-wide institution concentrating on environmental problems and opportunities, and encouraging sustainable economic advancement. In order to gain an updated perspective on what the future mission should be in responding to evolving regional needs, board members are surveying the islands and employing consultants to examine special issues. \$50,000 (over two years)

Caribbean Conservation Association
(continued)

Renewed core support for the Eastern Caribbean Natural Area Management Program, including the establishment of a reserve fund. ECNAMP promotes an eco-development approach to regional economic growth based on sound management of natural resources and is a major implementing agency for resource management activities ranging from regional plans and strategies for national parks and protected areas to environmental training and education at universities in the Caribbean. **\$150,000**

Economic Perspectives, Inc.
McLean, Virginia

Continued support of its research and planning assistance for Polish agricultural revitalization. After an analysis of the agricultural situation since 1981 and consideration of options for its revitalization, the project's steering committee consulted with Polish authorities about establishing a foundation in Poland to facilitate renewed trade between the Polish agricultural sector and the West. To be formally established in 1987, the Foundation for Development of Polish Agriculture is expected to provide a range of services to attract foreign investors to Poland while also addressing the challenges of gaining up-to-date scientific and managerial know-how. The steering committee has also created the American Trust for Agriculture in Poland, a not-for-profit U.S. organization to assist the Polish foundation with exchanges and other contacts with the West. **\$75,000**

Environmental Policy Institute
Washington, D.C.

A special contribution for its international resources policy project that is coordinating work among U.S.-based environmental organizations to reduce harmful environmental impacts of international development projects funded by multilateral development banks. U.S. environmental leaders have sought more direct contact with third world development leaders to gain a fuller understanding of alternative agriculture and other development projects that from a resource and economic point of view are more sustainable and more appropriate to local cultures. Environmental and development leaders from industrial and developing countries are working to devise recommendations to the multilateral development banks concerning their resource-related policy and environmentally related financing criteria. **\$50,000**

Environmental Research Projects
Charleston, South Carolina

Renewed core support for the Marine Resources Management Program for the Eastern Caribbean, including the establishment of a reserve fund. Previously affiliated with the Caribbean Conservation Association, Barbados, the program's aim is to demonstrate the benefits of sustainable resource management. It involves local people in the development of techniques for marine food production, and works with fisheries departments to provide guidance and training for advancing their capacity to manage marine resources and increase fish catches. **\$50,000**

**Guangzhou Institute of Energy
Conversion**
Guangzhou, People's Republic of China

Toward a project to adapt for use on dairy farms the technology for anaerobic digestion waste-to-energy systems that have proven feasible on large pig farms, and are based on a process long used by Chinese subsistence farming households. The institute is assisting in the design and construction of a waste management system on a local dairy farm that will produce methane gas to power a converted diesel generator and supply the farm's electrical needs, and also provide fertilizer for the farm's vegetable crops and a nutrient-rich liquid slurry to stimulate the growth of plankton in the farm's fish ponds. Analytical papers on the economic and environmental advantages of the system to be prepared by the institute's staff should contribute to making this technology suitable to the rapidly developing rural lowland areas in China, and also offer policymakers a practical example of the economic and ecological benefits to be derived. Up to **\$20,000**

**Hong Kong, University of
Hong Kong**

Toward a program of advanced degree fellowships for students from China for training and research in upland resource management. Policies and practices relating to the use of natural and human resources in upland areas need to be part of the framework for sustainable development in China. The program provides training in soil reclamation and conservation, plant protection, and the cultivation of horticultural crops, fast-growing multipurpose trees, and improved forage grasses; and will create a group of young leaders who eventually will be responsible for policies relating to sustainable resource use in the upland agroecosystem. Up to **\$50,000** (over two years)

**International Institute of
Rural Reconstruction**
New York, New York

Toward its Low-Input Rice Production Project in the Philippines. Well-known for research on rice production, the institute has developed this project on small-scale rice cultivation in tropical lowland areas. A small demonstration farm is carrying on the research for land and water management and the use of fertilizers and pesticides. Results of the research will be available to local farmers, will be published in the institute's newsletter, and will be included in the training programs at the institute's headquarters in the Philippines for mid-level and senior development staff personnel from developing countries. The research will benefit the large segments of rural population engaged in small-scale rice cultivation throughout third world tropical regions, areas that have received less attention on ecologically sound farm practices than temperate regions. **\$105,000**

**International Irrigation Management
Institute**
Colombo, Sri Lanka

Toward general budgetary expenses. The institute carries out research and information exchange and conducts training programs, workshops, and conferences for managers of irrigation systems, policymakers, and educators. Through such activities, it is helping to develop more efficient management of the irrigation systems that are critical to the sustainable development of agriculture in the third world, and to improve their performance so that there are sufficient quantities of water to maintain the momentum of food production. **\$75,000** (over three years)

Island Resources Foundation
St. Thomas, U.S. Virgin Islands

Toward extending its program to strengthen the capacity of the regional private sector to improve natural resource management in the Eastern Caribbean, in particular to help chambers of commerce and professional business associations play a more effective role in supporting and implementing sustainable resource use in planning for economic advancement. The foundation's program includes technical assistance, training services, and financial incentives to assist the private sector in its growing awareness of the need and importance of protecting the natural resource heritage in the Caribbean. **\$75,000** (over two years)

Nanjing Institute of Environmental Science
Nanjing, People's Republic of China

Toward its agroecosystem program. The institute is identifying methods of ecologically sound food production that not only maintain the traditional Chinese practices of resource conservation and waste recycling but also are compatible with rural modernization trends toward larger, more efficient, and more market-oriented production units. Established in 1983, the institute directs a variety of applied research activities designed to assist central government planners in formulating long-term strategies for the effective use of natural and human resources in lowland rural areas. **\$50,000**

National Academy of Sciences
Washington, D.C.

Toward a series of four policy-oriented environmental workshops organized by the academy's National Research Council with counterpart academies in Eastern European countries. The workshops emphasize the opportunities afforded by regenerative agriculture, bioenergy, and sound land and forestry management to solve the environmental problems caused by air, water and soil pollution that are affecting all Eastern European countries, and a number of areas in the U.S. They involve scientists, politicians, government officials, and environmental practitioners in a multidisciplinary approach to scientific and economic assessments of shared problems and creating prevention programs. The workshops are also providing opportunities for improving and expanding contacts between the U.S. and Eastern Europe. **\$60,000** (over three years)

**National Association of State Departments
of Agriculture Research Foundation**
Washington, D.C.

Continued support for its Farmland Project, which provides technical assistance and educational outreach in response to requests from local, state, and regional government officials, private individuals, and nonprofit organizations. The project has developed a control program of innovative and effective approaches to the agricultural nonpoint source pollution problem; its monthly publication disseminates information about sustainable agricultural systems to reverse environmental effects of modern agricultural practices; and its monthly roundtables in the Washington, D.C., area encourage discussions on agricultural land resource issues among governmental representatives, environmental groups, and farm and commodity organizations. **\$70,000** (over two years)

Quebec-Labrador Foundation
Atlantic Center for the Environment
Ipswich, Massachusetts

Resources Development Foundation
Washington, D.C.

Sierra Club Foundation
San Francisco, California

Sussex, University of
Science Policy Research Unit
Brighton, England

Toward an exploration of models for experiential training and international exchange for the center's Inter-Regional Exchange and Policy Program. Developed to provide small, struggling community service organizations in rural areas with practical skills of environmental management, this exchange program has been operating in the Atlantic and Appalachian regions of the U.S., the Eastern Caribbean, and the British Isles. Staff are now working with like-minded agencies in their home region of New England to examine and test alternative models for exchanges, study tours, and workshops that would give experiential training in rural resource management. **\$75,000** (over three years)

Toward its international biotechnology program for involving the private sector of developed countries in enterprises in developing countries that adapt biotechnology to local needs in food, fuel, and other resource-related production systems, and also in the environment and health fields. A portion of the grant is to support a roundtable in 1987, conducted in cooperation with the Board on Science and Technology for International Development of the National Academy of Sciences, that will give developing country leaders and scientists an opportunity to present their biotechnology priorities to representatives of international funding agencies. **\$250,000**

Toward a two-week visit to the U.S. of leaders of the All Russia Society for the Protection of Nature. In November 1985 when President Reagan and General Secretary Gorbachev approved an agreement for extended American-Soviet cooperation on environmental protection, a proposal was made for the Sierra Club to be the host for such a visit. The All Russia Society, with 30 million members, including most of the leading Soviet environmentalists as well as university students and workers, is a major force in the environmental field in the Soviet Union. The visitors will travel in several parts of the U.S. and will be briefed on governmental measures for the protection of the environment, citizen influence in the U.S. on environmental policy, and cooperation in the future between the Sierra Club and other U.S. environmental groups and the All Russia Society. The visit should help in launching and increasing substantive contacts between Americans and Soviets. **\$10,000**

Toward core support of the Developing Country Group and its work with third world countries concerned about the uses of their resources. A new program has been created for reviewing choices in the formulation of science and technology policies that advocate sustainable resource use in developing countries. Under the program, attention is given to management of the relationship between research, extension, and the farmer by comparing innovative improvements in on-farm production; to policy choices for agricultural biotechnology; and to implementation of new energy technologies in rural areas. Specialized programs are to be designed for individual and workshop instruction. **\$45,000** (over three years)

Beijer Institute
(International Institute for Energy Related
Resources and the Human Environment)
Stockholm, Sweden

Roosevelt Center for
American Policy Studies
Chicago, Illinois

University Corporation for
Atmospheric Research
Boulder, Colorado

The following special, one-time grants were made to projects or organizations that had received significant support under the Fund's previous program:

Center for Community Change
Washington, D.C.

Focusing effective action on other compelling resource projects of special merit that have been initiated by others and are supportive of the Fund's primary sustainable resource objectives.

A special contribution for its policy project in the field of climatic change. The grant was a reallocation and increase of a 1985 grant to the World Commission on Environment and Development for a project concerning the issues associated with the gradual warming trend of the earth's atmosphere and the ecological and atmospheric disruptions that could occur. The project is encouraging broadened scientific participation in researching the issues to consider the view of a number of scientists that gaseous emissions into the atmosphere—largely a product of industrialization—can be reduced through conservation and energy efficiency strategies. A five-year action agenda will be prepared to emphasize policy options for national and international governmental bodies and institutions. Other project activities include an international symposium in the U.S., and in mid-1987 an international policy conference in Europe. Up to **\$150,000** (over two years)

Toward its Food and Agriculture Policy Project to research options for dealing with the current farm financing problem and its part in the U.S. agriculture crisis. The center, in conjunction with the American Farmland Trust, is playing an important role in policy deliberations on credit rate reduction as a key to establishing greater stability in the agricultural sector, and is contributing useful research toward laying the foundation for federal decision making in agriculture credit policy. **\$25,000**

For support of a climatology teleconference among scientists in the U.S. and the USSR on the greenhouse effect in the earth's atmosphere. Ten to fifteen scientists from each country will participate. The computer teleconference will provide a means for people geographically separated to communicate in an ongoing, long-term interaction. Because both countries have considerable interest in the greenhouse effect, it is a promising topic for U.S.-USSR interchange. **\$16,500**

A one-time contribution for its new development office, which will be involved in fund raising not only for a program endowment fund but also to broaden the center's base of support. The center is recognized as a premier provider of technical, financial, and policy assistance to community organizations in urban, rural, Spanish-speaking, Indian, and black and white low-income communities throughout the country. It has helped many of these organizations find the new sources of support needed because of reduced government funding. The endowment fund will help to insure the continuation of core-program services. **\$120,000** (over two years)

Development Training Institute
Baltimore, Maryland

For institutional development. After a five-year affiliation with the Corporation for Public-Private Ventures, during which the institute established a successful internship program in business and real estate development for senior staff of community-based organizations, the institute has become a separate, independent entity. The planning process for its ongoing development includes an evaluation of existing programs, a review of new program concepts and opportunities in different fields, an assessment of how to use the network of graduates now in development organizations throughout the U.S., and establishing a public relations program and fund-raising campaign. **\$75,000**

Institute of International Education
New York, New York

A special contribution toward the merger of Arts International with the institute. Five years ago Arts International was established to increase U.S. interest and participation in the international cultural area, particularly in performing and visual arts. As an information clearinghouse, it provides services to U.S. international arts and business community groups wishing to expand their outreach. The merger enables Arts International to continue to provide its services from within the institute's organizational structure and worldwide network of offices. **\$75,000** (over three years)

ONE WORLD:
WORLD SECURITY

GOAL

To strengthen arms control, improve international relations, and encourage development, trade, and finance—recognizing that prospects for world peace are threatened not only by competing political philosophies or differing religions and cultural traditions but also by frustration and aggression bred by inequities in the sharing of food, energy, goods, and services produced by the world economy.

STRATEGY

Arms Control

Developing new paths to arms control through support of interdisciplinary work analyzing specific nuclear and conventional arms issues, with particular attention to collaborative efforts between U.S. and Soviet groups.

Center on Budget and Policy Priorities
Washington, D.C.

Toward support of its Defense Budget Project to evaluate the impact of defense spending on economic growth, technology, and U.S. competitiveness in foreign markets. The project is examining the complex links between defense spending and economic growth, investment, productivity, technological progress, and international competition. Gaining a clearer understanding of these relationships is vital to policy choices that developed and developing countries alike will have to make to ensure economic well-being, a healthy international economy, and the maintenance of secure and stable international arrangements. The project's conclusions will be disseminated through a report, articles, briefings, and public presentations. **\$35,000**

**Georgetown University
Center for Strategic and
International Studies**
Washington, D.C.

Toward unofficial U.S.-Soviet meetings on nuclear risk reduction centers, a concept developed under the auspices of the university that President Reagan and Secretary General Gorbachev discussed at the Geneva Summit and agreed to begin implementing. At least two three-day meetings will be held between the U.S. working group of senators, former senior government officials, and other arms control and security specialists, and a similar group of Soviets. They will explore a range of questions about risk reduction center purposes, structure, functions, types of communications, and organizational matters. To date the work at Georgetown shows that risk reduction centers not only could help avoid superpower nuclear arms confrontations but also could perform many useful functions related to halting the spread of nuclear weapons to additional countries and groups. **\$60,000**

Nuclear Control Institute
Washington, D.C.

Toward public outreach and international participation costs of the institute's International Task Force on Prevention of Nuclear Terrorism. The world is becoming more vulnerable to nuclear terrorism as the consequence of two concurrent developments: the increasing availability of nuclear know-how and materials and the number and kinds of deployed nuclear weapons throughout the world; and the growing sophistication and boldness of terrorist organizations. The institute organized the Task Force to assess the specific risks of nuclear terrorism and to forge an agenda for preventive action and bring it to public attention on an international basis. Task Force members, drawn from nine countries, include experts in international terrorism, nuclear weapons design, deployment, and protection, security and intelligence, civil defense, and other related fields. After preparing its report, the Task Force will engage in a global outreach effort to gain support for its proposals. **\$60,000**

**Parliamentarians Global Action
for Disarmament, Development
and World Reform**
New York, New York

Toward its activities related to the verification of nuclear weapons arms control agreements, long a primary issue in arms control. This organization is working with the world's foremost experts on seismic and other verification techniques in a program of interdisciplinary analysis to devise technically sound proposals for realistic verification methods and measures and to explore the establishment of an international verification system. Founded in 1980, Parliamentarians Global Action is a network of more than 600 elected national legislators from 36 countries working together on disarmament and development issues. **\$60,000**

Princeton University, Trustees of
Princeton, New Jersey

Continued support of the Program on Nuclear Policy Alternatives' project on finite deterrence, an arms control approach involving a drastic reduction in the superpower nuclear arsenals so that they are designed only to prevent nuclear war rather than to wage it. Taking into account the full range of technical and political ramifications, the project is analyzing whether, at what levels of weaponry, and under what conditions, finite deterrence is a workable concept on which the superpowers might base their nuclear weapons policies. Through its ongoing dialogue between American and Soviet scientists, the project is having an affect on the discussion of nuclear weapons issues in both the U.S. and the USSR. **\$100,000 (over two years)**

STRATEGY

International Council of Scientific Unions
Scientific Committee on Problems
of the Environment
Paris, France

Determining the effects of nuclear weapons use on the world's life support system and the implications of the scientific findings for arms control and security.

Continued support of the committee's project on the Environmental Consequences of Nuclear War, which in 1985 released a consensus report of 300 scientists from 30 countries. The report has been widely distributed and has generated public and governmental discussion internationally about the effects of nuclear weapons use on the world's life support system. During 1987 and 1988, the project's activities will include a meeting in Bangkok of key scientists involved in nuclear war-climatic effects research to resolve controversies stemming from the most recent scientific findings, periodic meetings to assess new climatic findings and to revalidate or update estimates of the biological effects, further international public-education outreach activities, research on properties of smoke, and provision of technical assistance for country- and region-specific studies. **\$150,000** (over two years)

STRATEGY

Centre for European Policy Studies
Brussels, Belgium

Halting the spread of nuclear weapons capability to other countries and groups.

Continued support of its nonproliferation program, which involves policymakers, academics, and industrialists from twelve European countries in working toward a specific European approach to halting the spread of nuclear weapons and to devise alternative nonproliferation policies. Joined now by the Peace Research Institute Frankfurt, the program is expanding its efforts to build lines of communication to a range of European governments, some of which are major nuclear suppliers to potential nuclear weapons countries. Joint activities include a survey of West European nonproliferation policy and a policy study on the separation of civilian and military nuclear facilities in Western nuclear weapons states. **\$132,000** (over two years)

Natural Resources Defense Council
New York, New York

Continued support for Volume IV, *British, French and Chinese Nuclear Weapons and Nuclear Weapons Proliferation*, of the council's *Nuclear Weapons Databook* series, which is designed to provide decision-makers and the public with ready access to the best available information on the production and deployment of nuclear weapons worldwide. Volume IV will cover the arsenals of the smaller nuclear weapons powers and give a comprehensive overview of the nuclear weapons manufacture and delivery potential of other nations. It will also include detailed discussions of various pathways to nuclear acquisition and steps that can be taken to guard against such acquisition. **\$75,000** (over two years)

Peace Research Institute Frankfurt
Frankfurt, Federal Republic of Germany

Toward its nonproliferation program, undertaken in collaboration with the Centre for European Policy Studies, Brussels, as an intercountry European effort to focus on horizontal proliferation. Joint activities include a survey of West European nonproliferation policy and a policy study on the separation of civilian and military nuclear facilities in Western nuclear weapons states. The program, through involving European policymakers, industrialists, journalists, and academics, aims to bring the latest findings and recommendations concerning nuclear proliferation to the attention of government decision-makers and to increase European public awareness of nuclear proliferation issues. **\$68,000** (over two years)

Wisconsin, University of
Madison, Wisconsin

A contribution to the project, Nuclear Non-Proliferation: Toward a Strategy for the 1990s. The project is examining emerging international trends that if allowed to continue will seriously undermine the Non-Proliferation Treaty, which comes up for renewal in 1995 and is the greatest single barrier to the spread of nuclear weapons. The two most disturbing trends are that countries not party to the treaty are achieving the ability to put nuclear weapons together without declaring themselves nuclear weapons states; and that among parties to the treaty there is growing commercial use of nuclear weapons-ready material that is likely to become increasingly subject to theft or diversion. The project's aim is to bring to public attention a picture of the world that the present trends, if they continue, will have created by 1995 and to define a strategy for reversing the trends and maintaining a viable and meaningful Non-Proliferation Treaty. **\$75,000**

STRATEGY

International Relations, Development, Trade, and Finance
Supporting interrelated activities of public information and education, exchanges, internships and joint work with the Soviet Union and, particularly, Eastern Europe on substantive fields of mutual interest.

Alerdinck Foundation
Laag Zuthem, The Netherlands

Toward its exchange program to enable Soviet and American journalists under the age of thirty to live and work in each other's countries to gain greater knowledge and appreciation of their societies. Three-month internships will begin in 1987 for three Soviet and three American young journalists who are recent graduates of schools of journalism and have a working knowledge of the languages. The program is one of the initiatives of the Alerdinck Center for East-West Communications to bring together East and West leaders in the field of communications to help overcome the misconceptions and lack of understanding that all too often characterize East-West relations, and are reflected in the broadcast and print media. **\$90,000** (over three years)

European Cooperation Fund
Brussels, Belgium

For its East European project to provide translation and publication opportunities to East European writers, and to assist the small publishing operations in Western Europe that provide outlets for these writers. Designed to foster more informed East-West dialogue by improving Western understanding of the cultural traditions and social, political, and economic aspects of contemporary life in Eastern Europe, the project is being funded by a consortium of U.S. foundations and the European Cooperation Fund. **\$75,000** (over three years)

ISAR
Washington, D.C.

A contribution for general budgetary purposes. ISAR was founded in 1983 as the Institute for Soviet-American Relations. Through support services and technical assistance, ISAR facilitates expanded contacts and working relations between the two countries. Its handbook provides basic data on exchanges and profiles 230 nonprofit organizations, government agencies, religious groups, and universities concerned with East-West affairs. A periodic journal gives current information on significant U.S.-USSR cooperative activity and is especially helpful in coordinating the programs of agencies involved in Soviet-American exchanges in all fields. **\$45,000** (over three years)

**Woodrow Wilson International
Center for Scholars
European Institute**
Washington, D.C.

Toward the East European Program, a new program to stimulate improved analysis and understanding in the U.S. of East European relations with both Western Europe and the Soviet Union. A rotating group of U.S. and foreign experts on East Europe, particularly younger scholars, participate in seminars, lectures, and research and analysis on the historical, cultural, geographical, religious, and political diversities of the region. A wide dissemination of the program's work will be made to help policymakers, the press, the business community, and the general public acquire insights into the complexities and challenges confronting Eastern Europe today. **\$50,000**

STRATEGY

Enhancing mutual American and East Asian understanding through public information, education, and exchange; and strengthening international relations and strategic studies institutes in East Asia and helping them construct links with one another and with similar American institutions.

Asia Foundation
San Francisco, California

Toward the project, U.S.-Philippine Bases Agreement: Looking to the Future. The foundation has commissioned the Council on Foreign Relations in New York to study the Military Bases Agreement, scheduled to expire in 1991, and the issues that will arise in connection with negotiation of its extension. A concurrent project in the Philippines, funded by the recently established Philippine Council on Foreign Relations, a private, nonpartisan organization, will be the first comprehensive examination of the political, legal, social, and economic implications of the bases for the Philippines and the Filipino people. After completion of the two studies and before the 1988 periodic review of the bases agreement, the foundation will host a conference in San Francisco to present and discuss the analyses and conclusions of both sides. The two studies and the conference will contribute to a wider, informed discussion of a major issue affecting U.S.Philippine relations as well as the Asia-Pacific region. **\$70,000** (over two years)

Asia Society
New York, New York

Continued support of the public education programs of the society's Contemporary Affairs Department during a period of restructuring to establish four councils to carry on specific area programs covering China, Northeast Asia, Southeast Asia, and South Asia and address simultaneously issues that are country specific, area specific, and region specific. Over the past decade, a wide variety of programs have helped American leaders in a number of fields come to appreciate the growing interdependence between the U.S. and Asia, and have made the society well known as an independent, reliable source of balanced information on an ever-changing Asia. **\$150,000** (over three years)

Brookings Institution
Washington, D.C.

Toward the initial five years of a new East Asian Studies Program of policy research, professional discussion, and targeted public outreach on the Asia-Pacific nations and the interdependencies binding together their futures. Brookings staff are examining political, economic, and strategic issues of long-term importance to the region which cannot be adequately analyzed in conventional bilateral terms. From time to time seminars and workshops are held to bring the work of the program to the attention of government analysts, Washington-area scholars, and others with expertise in the Pacific region in order to aid a transition from bilateral policymaking to a more responsive approach to circumstances now characterizing the Pacific Basin; and to develop a better understanding of the long-term policy agenda facing the U.S. in Asia. **\$120,000** (over two years)

**California, Berkeley, University of
Institute of East Asian Studies**
Berkeley, California

Continued support of the institute's Quadrilateral Project involving 40 scholars from Japan, Korea, the U.S., and the countries of ASEAN in policy-oriented intellectual dialogues in an attempt to lay the foundations for the development of economic, political, and security policy in the region. In 1987 three workshops will be convened in Asian cities, each to focus on one of three themes: economic policies and regional interdependence, political trends within the major Asia-Pacific states and their implications for the region, and regional and global security issues. The institute will host a concluding conference in 1988 and publish collections of papers on the three themes. Similar volumes will be published in Japanese, Korean, and Indonesian. In addition to exploring and building consensus on major issues relating to regional policy developments, an important aspect of the dialogues is to strengthen and extend professional and personal ties among participants. **\$65,000** (over two years)

Chinese Scholars of International Studies
Washington, D.C.

Toward a three-day symposium on China and the World Politics, convened by a group of Chinese students enrolled at leading American universities and research institutes in degree programs in international relations and political science. Discussions were held with invited American specialists on questions of Sino-U.S. relations and the Taiwan problem, East-West relations, and international economic development. It was hoped that sharing ideas and experiences at the symposium would lead to the beginning of a network among Chinese students in the U.S. that would continue on their return to China and be of benefit to them and their institutions. **\$7,500**

Japan Center for International Exchange
Tokyo, Japan

Continued support of its Asia-Pacific related programs of exchange, research, and dialogue that have fostered the development of an extensive network of prominent scholars and professionals throughout Northeast and Southeast Asia. Influential exchange activities include the ASEAN-Japan Dialogues, the Korea-Japan Intellectual Exchange Project, and the China-Japan Scholars Conference Series. The center has also been making a significant contribution to the policymaking process in Japan and is building its research capacity to respond more effectively to requests from government sources for information on contemporary international affairs. **\$70,000** (over two years)

Lingnan College
Hong Kong

Toward an international symposium on economic relations between the People's Republic of China and the nations of Southeast Asia, sponsored by the college's Centre for Asian Pacific Studies. Participants were scholars from China, ASEAN nations, and Hong Kong, joined by academics from Japan, Korea, Taiwan, and the U.S. Recognizing that improved mutual understanding between China and its Southeast Asian neighbors is central to China's effective participation in regional affairs, the centre is planning a series of symposiums on various aspects of the China-ASEAN relationship. **\$25,000**

STRATEGY

Increasing understanding of common interests among the industrialized nations and helping them deal more effectively with the pressing concerns of the less developed countries.

Americas Society Foundation
New York, New York

Toward a project to examine development strategies for Latin American debtor countries to resume economic growth and employment generation while simultaneously dealing with external debt obligations. Four economists from Latin America and the U.S. traveled extensively in the region in an effort to advance discussion about the appropriate policy actions needed to implement changes. They met with groups from national and local governments, organized labor, business, and the academic community, and the report based on their research has been issued in English, Spanish, and Portuguese. Public educational outreach activities planned by the Americas Society for individual countries will help develop a consensus about strategies for long-term growth and stability. **\$30,000**

Council of the Americas
New York, New York

Toward a project aimed at enhancing Mexico's participation in the international economy. The project was commissioned by the U.S. Council of the Mexico-U.S. Business Committee, an organization affiliated with the Council of the Americas. Recognizing that a strategy for Mexico's long-time recovery is needed, a study has been designed to identify specific measures that Mexican and U.S. businesses, financial institutions, and government agencies might take to improve Mexico's international economic competitiveness. The study will examine government policy changes in both countries that have facilitated, or hampered, a more open economy and will review in depth recent experiences of individual Mexican export-oriented industrial enterprises. **\$50,000**

National Bureau of Economic Research
Cambridge, Massachusetts

Toward a comprehensive economic analysis of developing country debt by three working groups of economists from developed and developing countries. They are examining the functioning of international financial markets, the links between domestic policy choices and the debt crisis in various developing countries, and the prospects for global economic growth and long-term debt servicing to seek a consensus on domestic and international adjustment policies. A policy-oriented conference will be convened in 1987 to announce the project's results. Studies on the borrowing experience and economic management of individual developing countries, and also a collection of essays synthesizing the country studies and commenting on the global aspects of the debt problem, will be published in both technical and nontechnical form. **\$50,000** (over two years)

Rocky Mountain Institute
Old Snowmass, Colorado

In connection with the implementation of its "One World" theme, the Fund will support projects related to the not well understood or explored connections between global resource management and global security.

Toward the project, *The Elements of Security: New Perspectives From Resource Policy*, a multidisciplinary analysis to examine the relevance of improved resource management to the search for world peace. The project is pursuing the concept that improved resource efficiencies in key areas—supplies of energy, water, food, materials, and shelter; a sustainable economy; a healthful environment; and a healthy population—could widen the current range of security policy choices by offering the possibility of alternatives to conventional military options. **\$70,000** (over two years)

NEW YORK CITY

GOAL

To improve the quality of life in New York City.

STRATEGY

Encouraging collaborative action between the public sector and various private-sector groups, including business, labor, academic, and nonprofit organizations on projects having city-wide implications, particularly in relation to economic development policies and practices.

Harvard University
John F. Kennedy School of Government
Cambridge, Massachusetts

Toward expenses of a conference on the American city and the changes over the past twenty years that have created new conditions in city governance. Participants were former and present elected officials, public administrators, academics, and media representatives. From their experiences, the major participants discussed approaches that have been successful, and those that have not, in dealing with the need to expand employment and educational opportunities for minority groups and the poor, and meet the urban ills of crime, drugs, lack of housing, and public dependency. **\$5,000**

New York Interface Development Project
New York, New York

Toward research and a series of policy studies on neighborhood economic development efforts in New York City. Results of these efforts will be available to policymakers and the general public, and should be particularly useful to the Coalition for Neighborhood Economic Development in its work on behalf of the many small businesses and community development groups in low- and moderate-income neighborhoods, and with the city to develop policies and programs that enhance public and private investment in these neighborhoods. **\$100,000** (over two years)

**New York University
Real Estate Institute**
New York, New York

Toward the costs of the Housing Production Research Project. While recent research points to the potential for a significant number of additional jobs within New York City over the next 15 years, a lack of appropriate and adequate housing limits this prospect for the city's economy and contributes to the drain of middle-income residents into tri-state areas where competitive private-sector residential development exists. The project is compiling and analyzing objective comparative data on housing production in New York City in order to develop and promote a range of policy strategies that encourage increased private-sector housing production. **\$25,000**

STRATEGY

Strengthening vital institutions of special importance to the city.

**New York Public Library,
Astor, Lenox and Tilden Foundations**
New York, New York

Toward the costs of the institutional publications by which the library records the accomplishments of its diverse programs, collections, and departments, informs the public of its problems and needs, and describes its goals and the strategies for achieving them. Because the publications represent an aspect of institutional infrastructure important to its ongoing vitality, the library wants to establish a sponsorship program for the publications. The grant is to initiate such a special support program, and follows previous grants toward the library's revitalization. **\$100,000** (over two years)

STRATEGY

Focusing effective action on public health and related issues involved with the AIDS crisis in New York City.

Council of Churches of the City of New York
New York, New York

Toward the program of the Minority Task Force on AIDS. The task force has been established to advocate for, monitor, and begin to provide services to minority persons with AIDS. Priority is being given to producing public education materials and events to get AIDS prevention information out to communities and at-risk groups; recommending and advocating services and policies that are compassionate and protective of the civil rights of minority people with AIDS and their families; and monitoring the delivery of services. Volunteers from the community will be trained to provide care, support, and referral services. **\$70,000**

Fund for the City of New York
New York, New York

Toward a New York-New Jersey citizens' commission on AIDS, to be funded by private resources in both states including foundations and a number of corporations and banks. The commission is being organized to provide needed foresight in helping the business, political, and voluntary sectors in the metropolitan region plan a reasoned response to the epidemic and its many ramifications, with emphasis on public education, prevention, and treatment issues and policies, including the ethical and legal dimensions. **\$100,000**

Village Nursing Home
New York, New York

Toward its work to develop a model long-term care facility in New York City providing both inpatient and day-care services for persons with AIDS. The complexities of the disease, the special needs of patients, and the comparative youth of most AIDS sufferers point to the need for such facilities. Inpatient care will provide short-term rehabilitation following hospitalization, short-term stabilization of a condition or medication therapy, respite care to relieve unpaid home-care givers, and terminal care, particularly for patients who require constant supervision. Day-care services will be provided for those receiving certain treatments that do not require hospitalization, physically frail but mentally alert people, and neurologically impaired people who cannot be left unattended. **\$70,000** (over two years)

NONPROFIT SECTOR

GOAL

To promote the health and vitality of the nonprofit sector, both nationally and internationally.

STRATEGY

Assisting basic research and public education with respect to nonprofits.

Center for Responsive Politics
Washington, D.C.

Toward a project to examine and document the activities of the new political foundations that are being established to consider a specific issue or generate new ideas, or to advance particular social projects or causes. Findings of the center's research are to be presented in a publication which will also give consideration to the role of the Internal Revenue Service in regulating these foundations and advance proposals to monitor their financing. **\$15,000**

National Conference on Social Welfare
Washington, D.C.

Toward the dissemination of the work of its Project on the Federal Social Role, a wide-ranging, nonpartisan review of the present state and future directions of federal social policy. This review, together with separate studies by two other groups, makes clear that the public, private, and nonprofit sectors are more interdependent than has been appreciated, and raises questions, particularly for nonprofit leaders, about the respective roles of the three sectors and where to draw the boundaries among them. Dissemination of the project's work is important to gain public attention and stimulate constructive debate on clarifying the right balance of the interdependencies among the sectors. **\$25,000**

Urban Institute
Washington, D.C.

Continued support of its nonprofit sector project, an analysis of data on U.S. nonprofits and on government spending in program areas of concern to nonprofits. The research has provided a base of nonprofit-sector information not previously available. The data is being synthesized into reports and two books that will demonstrate the scope of the private nonprofit sector in modern American life, and describe the extent to which government at various levels has turned over delivery of a range of publicly funded human services to private, nonprofit, or for-profit organizations. **\$80,000** (over two years)

STRATEGY

Promoting increased individual and corporate giving, and the development of new sources of income for nonprofits.

Amherst College
Amherst, Massachusetts

For an investigation of ways to increase the use of deferred giving instruments in charitable giving by exploring the possibilities for making sophisticated reserved life/term income gift instruments available to a wider range of nonprofit organizations. **\$15,000**

Continued support of the investigation of deferred giving instruments for small nonprofit organizations. Results of the project's first phase indicated many nonprofits are interested in deferred giving but are impeded not only by a lack of technical knowledge and the capacity to manage trust assets but also by their need for immediate income from fund-raising activity. Six approaches to overcome these obstacles have been identified, and in the investigation's second phase models for each option are being developed and evaluated. Up to **\$40,000**

Independent Sector
Washington, D.C.

Toward preparation costs of the report, *The Charitable Behavior of Americans*. The report was developed from an analysis and interpretation of the results of a survey conducted by Yankelovich, Skelly and White, the most comprehensive attempt since the work of the Filer Commission in 1975 to discover how much Americans give and to what organizations, and to explore their attitudes toward and motivations for giving and volunteering. The report should be helpful to nonprofit executives and trustees, foundation officials, scholars, reporters, philanthropists, and others concerned with giving in America. **\$15,000**

National Assembly of National Voluntary
Health and Social Welfare Organizations
Washington, D.C.

Toward its project on competition between nonprofit and for-profit organizations. In the face of charges of unfair competition on the part of the nonprofit sector, the National Assembly is reexamining the rationale for tax exemption for nonprofit activities. Following completion of the study, public education activities will be instituted to communicate the findings to policymakers, the business community, the press, and the general public. **\$50,000** (over two years)

National Charities Information Bureau
New York, New York

A one-time grant to assist in the renewal and revitalization of the bureau, which prepares individual reports about national nonprofit organizations. To strengthen its role in the philanthropic sector, the bureau's standards have been refined to keep evaluations and reporting relevant to current fund-raising and management techniques, and its research staff has been increased to improve the quality and usefulness of agency reports. The publication, *Wise Giving Guide*, lists the organizations on which the bureau reports and indicates whether or not they conform to its standards. **\$15,000**

**New Business Ventures for
Not-for-Profit Organizations**
New York, New York

Continued operating support. Over a period of five years, this organization has created a successful consultancy program for nonprofits wishing to develop income-earning ventures in order to generate revenue to support their programs. Its staff has also provided assistance to clients needing management and financial planning before expanding into income-earning ventures. It is now undertaking a process of planning for itself to identify and pursue opportunities that fit its particular blend of skills and experience. **\$55,000** (over two years)

**New York University
Graduate School of Business Administration**
New York, New York

Toward the program, Initiatives for Not-for-Profit Entrepreneurship, established in 1985 by the Center for Entrepreneurial Studies to provide resources to nonprofits contemplating or involved in income-earning activities. Workshops, research projects, a series of case studies, a newsletter and other publications, and a formal course within the university curriculum, are being initiated under the program to help foster innovation and entrepreneurship in the nonprofit sector to create new and diversified sources of income. **\$70,000** (over two years)

STRATEGY

Promoting the improved management of nonprofits.

**Leland Stanford Junior University,
Trustees of the
Graduate School of Business**
Stanford, California

Renewed support, and a challenge grant, for the Stanford Management Internship Fund, with the goal of improving executive-level management in the nonprofit sector by encouraging business school graduates to consider careers with nonprofits and organizations to seek out the talents and skills of professional managers. The program supports student interns in professional management in nonprofit organizations and third-world development projects. Up to **\$12,000**

**Yale University
School of Organization and Management**
New Haven, Connecticut

Continued support for the school's program for student internships in nonprofit organizations, with the goal of improving executive-level management in the nonprofit sector by encouraging business school graduates to consider careers with nonprofits and organizations to seek out the talents and skills of professional managers. The grant is a challenge grant of up to \$12,000 for raising funds for the program from other sources within the university, plus an additional \$3,000 if the internship fund receives a 100 percent participation level among the first-year class. Up to **\$15,000**

MEMBERSHIPS:

Council on Foundations

Washington, D.C.

Continued membership support for 1987 of the council, a national organization representing a broad cross-section of grant-making institutions. In addition to ongoing advisory and informational services for foundations and representational activities with congressional legislators, the council's special projects include promotion of cooperation between grant makers and their counterparts in organized religion, support for the establishment of new regional associations, an initiative to foster the development of community foundations, and a program to encourage international grant making. Up to **\$25,000**

Independent Sector

Washington, D.C.

Continued membership in 1987 in this organization working to create a positive national climate for giving, volunteering, and not-for-profit initiatives. Independent Sector has developed a program of public education, stimulated research concerned with nonprofits, and developed a program to help nonprofit leadership and management improve the performance and effectiveness of the nonprofit sector. **\$7,400**

New York Regional Association of Grantmakers

New York, New York

Continued membership for 1987 in this regional association for grant-making organizations in New York, New Jersey, and Connecticut. It conducts an active program of meetings, seminars, and workshops for members that covers a wide range of topics to meet technical and administrative concerns and deal with specific areas of funding interest. Up to **\$7,125**

SPECIAL CONCERNS

GOAL

To support emergency situations and compelling new opportunities.

Africa News Service

Durham, North Carolina

For a promotional campaign for its publication, *Africa News*. Started in 1979, *Africa News* has become an authoritative resource respected by specialists on Africa for its investigative reporting, analysis of major news, and focus on policy issues. The campaign is a special effort to increase subscriptions to the level that would cover publishing costs in full. **\$25,000**

American Jewish Committee

New York, New York

Renewed support for the Harold W. Rosenthal Fellowship in International Relations that provides individuals at the beginning of their careers with an opportunity to spend a summer in Washington, D.C., working on foreign affairs issues in the office of a member of Congress or of the executive branch. Harold Rosenthal, a former RBF staff associate in international relations, was killed in a Palestinian terrorist attack at the Istanbul Airport in 1976 and the program was established by friends as a living memorial. Eleven young people have participated in the program and several are well along in promising careers in international affairs at universities and academic centers and government agencies. **\$10,000**

Columbia University in the
City of New York, Trustees of
Center for United States-
China Arts Exchange
New York, New York

Continued general budgetary support. As the leading American organization in the field of artistic exchanges in the performing, visual, and literary arts between the U.S. and the People's Republic of China, the center's exchange programs contribute significantly to the bilateral relationship between the two countries. One result of its reputation for high-quality programs is that the center has developed close working relations with governmental and nongovernmental organizations responsible for formulating cultural policies in China, and these groups are increasingly turning to the center for advice and assistance on matters related to cultural development and modernization.
\$70,000 (over two years)

African-American Institute
New York, New York

A special contribution for expanding its South Africa program, especially to strengthen the institutional capacity of indigenous organizations in the forefront of promoting democracy for all South Africans. Included also is the expansion of the institute's South African visitor program to help deepen and widen American discussion of the evolving situation in South Africa. Up to
\$150,000 (over two years)

Foundation for International Conciliation
Windsor, England

A contribution for its South African project to sponsor confidential meetings with a cross-section of people in South Africa—Afrikaners and English-speaking whites from many backgrounds, and blacks of various political persuasions and ethnic backgrounds—to discuss the nation's deep crisis and alternatives for the future. The foundation has developed a facilitation process for defining problems and widening choices to help those directly involved in conflict resolve their own problems. With the need for dialogue and contact across racial and political lines in South Africa, and with evidence of a significant number of people interested in participating, the foundation's facilitation process could provide practical assistance in the search for a relatively nonviolent settlement toward an open, pluralistic system. Up to **\$50,000**

Middlebury College
Middlebury, Vermont

A special contribution toward costs of a symposium on South Africa that addressed the challenge of thinking about creative, more positive activities in which U.S. academic communities can participate to help black South Africans. The symposium was organized to present an analysis of the South African situation by a group of knowledgeable people. It was carried on the American Public Radio Network and telephone hookups to a cross-section of colleges were arranged to encourage campus discussions on affirmative actions that can be taken. **\$25,000**

<p>Northfield Mount Hermon School Northfield, Massachusetts</p>	<p>A special contribution designated for its Independent School South African Education Program, a consortium of U.S. independent schools, each of which over the next few years will have at least one South African student in residence. The inherent inferiority of black primary and secondary education in South Africa and the school boycotts have created a need for compensatory preparation of young South Africans for a university education, which is vital to black leadership in the future South Africa. The Mount Hermon headmaster will also travel to South Africa to coordinate planning for establishing a network of independent multiracial schools to offer educational opportunities to young South Africans where possible and assist the alternative education programs that provide learning to those who refuse to attend school under the Bantu education system. \$25,000</p>
<p>Phelps-Stokes Fund New York, New York</p>	<p>For the Archbishop Tutu Film Fund, to assist with costs for two documentaries, <i>Witness to Apartheid</i> and <i>The Cry of Reason</i>. Phelps-Stokes created the Archbishop Tutu Film Fund to encourage the production of audio-visual presentations about South Africa as a means of bringing information to the American public about the impact of apartheid on the lives of blacks in South Africa. \$40,000</p>
<p>Southern African Advanced Education Project London, England</p>	<p>For the general budgetary purposes of this organization, established to create internship opportunities for South African blacks in government and private-sector organizations in the U.K., other Commonwealth countries, and the U.S. Initially, emphasis is on assigning selected individuals to posts in areas of government service now closed to black South Africans. Later, it is hoped that similar internships can be developed in the private business sector. Up to \$100,000</p>
<hr/> <p>RAMON MAGSAYSAY AWARD FOUNDATION FUND</p>	
<p>Ramon Magsaysay Award Foundation Manila, Philippines</p>	<p>To enable the foundation to increase the 1986 Ramon Magsaysay Awards to \$20,000 each. Up to five awards are presented each year to those persons (or organizations) in Asia “who exemplify the greatness of spirit, integrity, and devotion to freedom of Ramon Magsaysay,” former President of the Philippines. Awards are made in five categories: government service, public service, community leadership, international understanding, and journalism and literature. The awards are widely known in Asia, where they are regarded as accolades of high distinction. \$50,000</p>
<hr/> <p>POCANTICO FUND</p>	
<p>National Trust for Historic Preservation in the United States Washington, D.C.</p>	<p>Toward the expenses of the Pocantico Planning Project, which is defining property development and operation planning for the Kykuit Historic Park area in Pocantico Hills. \$309,568</p>

PAYMENTS MADE IN 1986 AND GRANTS OUTSTANDING

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
ONE WORLD: SUSTAINABLE RESOURCE USE (\$2,729,600 Paid)				
American Farmland Trust				
Washington, D.C.				
General program	\$ 600,000*		\$200,000	\$400,000
Beijer Institute				
Stockholm, Sweden				
Policy project on climatic change	150,000		100,000	50,000
BioEnergy Users Network				
Washington, D.C.				
Core budgetary expenses	45,000		45,000	
CAF, Inc.				
New York, New York				
Operating expenses	10,000*	\$ 8,000	2,000	
Caribbean Conservation Association				
St. Michael, Barbados				
Eastern Caribbean Natural Area Management Program and Marine Resources Program for the Eastern Caribbean	110,000*		110,000	
Review and planning process	50,000		40,000	10,000
Eastern Caribbean Natural Area Management Program	150,000			150,000
Center for Community Change				
Washington, D.C.				
Development office	120,000		60,000	60,000
Center for Resource Economics				
Covelo, California				
Start-up costs of Island Press	40,000*		40,000	
Conservation Foundation				
Washington, D.C.				
Venture Fund for New Initiatives	150,000		50,000	100,000
Coolidge, H. J., Center for Environmental Leadership				
Cambridge, Massachusetts				
Training program for foreign students and interns studying in the U.S.	75,000*	60,000	15,000*	

*Appropriation made prior to 1986

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
Development Training Institute (formerly a project of the Corporation for Public-Private Ventures) Baltimore, Maryland National Internship in Community Economic Development Institutional development activities	\$ 300,000* 75,000	\$225,000	\$ 75,000	\$ 75,000
Economic Perspectives, Inc. McLean, Virginia Polish agricultural revitalization Research and planning assistance for Polish agricultural revitalization	50,000* 75,000	25,000	25,000 75,000	
Environmental Policy Institute Washington, D.C. International resources policy project	50,000		50,000	
Environmental Research Projects Charleston, South Carolina Marine Resources Management Program for the Eastern Caribbean	50,000			50,000
Friends of WWB/USA New York, New York General budget Establishment of international inter- communications system for WWB affiliates	125,000* 125,000	100,000	25,000 50,000	75,000
Fund for Renewable Energy and the Environment Washington, D.C. General budgetary purposes	75,000		25,000	50,000
Global Studies Center (formerly Global Research and Training Center) Arlington, Virginia Initial general costs	470,000* 220,000	100,000	100,000	150,000
Global Tomorrow Coalition Washington, D.C. General budgetary support	50,000*	25,000	25,000	
Guangzhou Institute of Energy Conversion Guangzhou, People's Republic of China Project for dairy sector waste-to-energy system	20,000		10,000	10,000
Hong Kong, University of Hong Kong Advanced training and research in upland resource management for students from China	50,000			50,000

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
Institute for Alternative Agriculture Greenbelt, Maryland				
General budgetary expenses	\$ 60,000*	\$ 35,000	\$ 25,000	
Institute of International Education New York, New York				
Toward Arts International merger	75,000		25,000	\$ 50,000
International Federation of Institutes for Advanced Study Toronto, Canada				
General operating expenses over three years	450,000*		110,000	340,000
International Institute for Environment and Development Washington, D.C.				
Coordination of responses to the food and drought crisis in Africa	50,000*	25,000		25,000 ¹
International Institute of Rural Reconstruction New York, New York				
Low-Input Rice Production Project	105,000		35,000	70,000
International Irrigation Management Institute Colombo, Sri Lanka				
General budgetary expenses	75,000		50,000	25,000
International Network of Resource Information Centers Plainfield, New Hampshire				
General budgetary purposes	150,000*	50,000	45,000	55,000
International Union for Conservation of Nature and Natural Resources Gland, Switzerland				
Director General's fund	100,000*	50,000	50,000	
East European program	150,000*		50,000	100,000
Island Resources Foundation Washington, D.C.				
Improving natural resource management in the Eastern Caribbean	75,000			75,000
Nanjing Institute of Environmental Science Nanjing, People's Republic of China				
Agroecosystem program	50,000		10,000	40,000
National Academy of Sciences Washington, D.C.				
East European environmental workshops	60,000		20,000	40,000

¹ Lapsed

*Appropriation made prior to 1986

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
National Association of State Departments of Agriculture Research Foundation				
Washington, D.C.				
Farmland Project	\$ 70,000		\$ 40,000	\$ 30,000
National Audubon Society				
New York, New York				
Critical global issues project	120,000*	\$ 40,000	40,000	40,000
Natural Resources Defense Council				
New York, New York				
International program	75,000*	25,000	25,000	25,000
Nitrogen Fixing Tree Association				
Waimanalo, Hawaii				
Core program	60,000*	30,000	30,000	
Obor				
Clinton, Connecticut				
<i>State of the World</i> translations	44,300*	30,400	7,600	6,300 ²
Overseas Development Council				
Washington, D.C.				
Core program on sustainable development strategies	50,000*	25,000	25,000	
Quebec-Labrador Foundation				
Ipswich, Massachusetts				
Atlantic Center for the Environment				
Inter-Regional Exchange and Policy Program	60,000*	30,000	30,000	
Inter-Regional Exchange and Policy Program	75,000			75,000
Regenerative Agriculture Association				
Emmaus, Pennsylvania				
Sustainable agriculture practices program	150,000*		75,000	75,000
Resources Development Foundation				
Washington, D.C.				
International biotechnology project	175,000*		175,000	
International biotechnology project	250,000			250,000
Roosevelt Center for American Policy Studies				
Chicago, Illinois				
Food and Agriculture Policy Project	25,000		25,000	
Sierra Club Foundation				
San Francisco, California				
Visit to U.S. by the All Russia Society for the Protection of Nature	10,000		10,000	

² Lapsed

*Appropriation made prior to 1986

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
Society for the International Public Interest (Ashoka Society) Washington, D.C.				
General budgetary expenses	\$ 70,000*	\$ 50,000	\$ 20,000	
Sussex, University of Brighton, England Science Policy Research Unit Core support of the Developing Country Group	45,000			\$ 45,000
Turks and Caicos Development Trust Grand Turk, Turks and Caicos, B.W.I.				
General budgetary purposes	30,000*	15,000	10,000	5,000
University Corporation for Atmospheric Research Boulder, Colorado U.S.-USSR climatology teleconference	16,500			16,500
Winrock International Institute for Agricultural Development Morrilton, Arkansas Endowment fund	1,000,000*	650,000	350,000	
World Commission on Environment and Development Geneva, Switzerland Policy project on climatic change	100,000*			100,000 ³
World Resources Institute Washington, D.C. Global energy project	200,000*	100,000	100,000	
World Wildlife Fund Washington, D.C. Venture Fund for New Initiatives	150,000		50,000	100,000
Worldwatch Institute Washington D.C. <i>State of the World</i>	300,000		175,000	125,000
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ONE WORLD: WORLD SECURITY (\$2,012,500 Paid)				
AFS International/Intercultural Programs New York, New York American Center for International Exchange Leadership	\$ 300,000*	\$125,000	\$ 75,000	\$100,000

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
Alerdinck Foundation				
Laag Zuthem, The Netherlands				
Soviet-American young journalists exchange program	\$ 90,000			\$ 90,000
Americas Society Foundation				
New York, New York				
Project to examine strategies for resuming economic growth and employment generation in Latin America	30,000		\$ 30,000	
Asia Foundation				
San Francisco, California				
U.S.-Philippine Bases Agreement project	70,000		35,000	35,000
Asia Society				
New York, New York				
China Council and Asian Agenda programs	150,000*	\$100,000	50,000	
Contemporary Affairs Department	150,000		50,000	100,000
Brookings Institution				
Washington, D.C.				
East Asian Studies Program	120,000		120,000	
California, Berkeley, University of				
Berkeley, California				
Institute of East Asian Studies				
Second Quadrilateral Project for the Asia- Pacific region	65,000		35,000	30,000
Carnegie Endowment for International Peace				
Washington, D.C.				
Nuclear Non-Proliferation Project	75,000*	50,000	25,000	
Center on Budget and Policy Priorities				
Washington, D.C.				
Defense Budget Project	35,000		35,000	
Centre for European Policy Studies				
Brussels, Belgium				
Nonproliferation program	132,000		66,000	66,000
Chinese Scholars of International Studies				
Washington, D.C.				
China and the World Politics symposium	7,500		7,500	
Columbia University in the City of New York, Trustees of				
New York, New York				
East Asian Institute				
Pacific Basin Studies program	240,000*	90,000	75,000	75,000

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
Council of the Americas				
New York, New York				
Project on Mexico's competitiveness in the international economy	\$ 50,000		\$ 50,000	
European Cooperation Fund				
Brussels, Belgium				
East European publishing project	75,000		25,000	\$ 50,000
Georgetown University				
Washington, D.C.				
Center for Strategic and International Studies				
U.S.-Soviet meetings on risk reduction centers	60,000			60,000
Institute for East-West Security Studies				
New York, New York				
General budgetary support	225,000*	\$ 75,000	75,000	75,000
Institute of International Education				
New York, New York				
Committee on International Relations Studies with the People's Republic of China	240,000*	155,000	85,000	
Institute of Southeast Asian Studies				
Singapore				
Program of training and scholarly exchange	210,000*	70,000	70,000	70,000
International Council of Scientific Unions				
Paris, France				
Scientific Committee on Problems of the Environment				
Environmental Consequences of Nuclear War project	150,000		75,000	75,000
International Institute for Strategic Studies				
London, England				
Establishing Washington, D.C., office	100,000*	50,000	50,000	
ISAR				
Washington, D.C.				
General budgetary support	45,000		15,000	30,000
Japan Center for International Exchange				
Tokyo, Japan				
Toward its Asia-Pacific related programs of exchange, research, and dialogue	70,000		35,000	35,000
Lingnan College				
Hong Kong				
International symposium on relations between China and the Southeast Asian nations	25,000		25,000	

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
National Bureau of Economic Research				
Cambridge, Massachusetts				
Study of developing country debt	\$ 50,000		\$ 50,000	
National Committee on United States-China Relations				
New York, New York				
General budgetary expenses	60,000*	\$ 30,000	30,000	
Natural Resources Defense Council				
New York, New York				
<i>Nuclear Weapons Databook</i> series	75,000		60,000	\$15,000
Nuclear Control Institute				
Washington, D.C.				
Toward its International Task Force on Prevention of Nuclear Terrorism	60,000		60,000	
Parliamentarians Global Action for Disarmament, Development and World Reform				
New York, New York				
Activities related to verification of nuclear weapons arms control agreements	60,000		60,000	
Peace Research Institute Frankfurt				
Frankfurt, Federal Republic of Germany				
Nonproliferation program	68,000		34,000	34,000
Princeton University, Trustees of				
Princeton, New Jersey				
Center for Energy and Environmental Studies				
Finite deterrence project of the Program on Nuclear Policy Alternatives	100,000		100,000	
Rocky Mountain Institute				
Old Snowmass, Colorado				
Project on the Elements of Security: New Perspectives from Resource Policy	70,000		35,000	35,000
Roosevelt Center for American Policy Studies				
Chicago, Illinois				
Horizontal proliferation education project	80,000*	40,000	40,000	
Scientists' Institute for Public Information				
New York, New York				
Media outreach campaign on nuclear winter	150,000*	75,000	75,000	

*Appropriation made prior to 1986

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
Trilateral Commission (North America)				
New York, New York				
General budget	\$ 240,000*	\$ 80,000	\$ 80,000	\$ 80,000
United Nations Association of the United States of America				
New York, New York				
Nuclear nonproliferation project	150,000*	75,000	75,000	
WGBH Educational Foundation				
Boston, Massachusetts				
<i>The Nuclear Age</i> television series	150,000*	75,000	75,000	
Wisconsin, University of				
Madison, Wisconsin				
Project on Nuclear Non-proliferation: Toward a Strategy for the 1990s	75,000		75,000	
Woodrow Wilson International Center for Scholars				
Washington, D.C.				
Kennan Institute for Advanced Russian Studies				
Endowment fund	125,000*	95,000	30,000	
European Institute				
East European Program	50,000		25,000	25,000
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NEW YORK CITY				
(\$735,000 Paid)				
Bryant Park Restoration Corporation				
New York, New York				
Administration expenses for 1985 through 1986	\$ 70,000*	\$ 40,000	\$ 30,000	
Council of Churches of the City of New York				
New York, New York				
Minority Task Force on AIDS	70,000		70,000	
Fund for the City of New York				
New York, New York				
New York-New Jersey commission on AIDS	100,000			\$100,000
Harvard University				
Cambridge, Massachusetts				
John F. Kennedy School of Government				
Conference on the American city	5,000		5,000	
New York City Partnership				
New York, New York				
Core budgetary needs in economic develop- ment, housing, and youth employment and education	750,000*	60,000	347,500	342,500

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
New York Interface Development Project				
New York, New York				
Research and analysis on neighborhood economic development efforts in New York City	\$ 100,000		\$ 50,000	\$ 50,000
New York Public Library, Astor, Lenox and Tilden Foundations				
New York, New York				
Institutional publications	100,000		100,000	
New York University				
New York, New York				
Real Estate Institute				
Housing Production Research Project	25,000		25,000	
Nonprofit Coordinating Committee of New York				
New York, New York				
General operating expenses	25,000*	\$ 12,500	12,500	
Pratt Institute				
New York, New York				
Center for Community and Environmental Development				
New York Economic Development Training Program	75,000*	50,000	25,000	
South Bronx Overall Economic Development Corporation				
Bronx, New York				
Land Assemblage for Neighborhood Development Unit	70,000*	35,000	35,000	
Village Nursing Home				
New York, New York				
Model AIDS long-term care facility	70,000		35,000	35,000
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NONPROFIT SECTOR				
(\$375,008 Paid)				
Amherst College				
Amherst, Massachusetts				
Investigation into ways to increase the use of deferred giving instruments in charitable giving	\$ 15,000		\$ 15,000	
Second phase of investigation	40,000		7,300	\$ 32,700
Center for Responsive Politics				
Washington, D.C.				
Political foundations project	15,000		15,000	

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
Columbia University in the City of New York, Trustees of New York, New York Graduate School of Business Student internships in nonprofit organizations	\$ 20,000*	\$ 10,000	\$ 10,000	
Council on Foundations Washington, D.C. Membership for 1987	25,000		22,100	\$ 2,900*
Facing History and Ourselves National Foundation Brookline, Massachusetts Voluntary Tradition and the Nonprofit Sector in America Curriculum Project	45,000*	22,500	22,500	
Foundation Center New York, New York General support	50,000*	25,000	25,000	
Independent Sector Washington, D.C. Preparation costs for <i>The Charitable Behavior of Americans</i> Membership for 1987	15,000 7,400		15,000 7,400	
National Assembly of National Voluntary Health and Social Welfare Organizations Washington, D.C. Project on competition between nonprofit and for-profit organizations	50,000		25,000	25,000
National Charities Information Bureau New York, New York Contribution for 1986	15,000		15,000	
National Conference on Social Welfare Washington, D.C. Project on the Federal Social Role	25,000		25,000	
New Business Ventures for Not-For-Profit Organizations New York, New York General operating support	55,000		30,000	25,000
New York Regional Association of Grantmakers New York, New York Membership for 1987	7,125		7,125	

‡ Lapsed
*Appropriation made prior to 1986

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
New York University				
New York, New York				
Graduate School of Business Administration				
Initiatives for Not-for-Profit				
Entrepreneurship program	\$ 70,000		\$ 35,000	\$ 35,000
Leland Stanford Junior University,				
Trustees of the				
Stanford, California				
Graduate School of Business				
Student internships in nonprofit organizations	12,000		10,583	1,417 ⁵
Urban Institute				
Washington, D.C.				
Nonprofit sector project	80,000		40,000	40,000
Yale University				
New Haven, Connecticut				
School of Organization and Management				
Student internships in nonprofit organizations	15,000		15,000	
Yale University				
New Haven, Connecticut				
Institution for Social and Policy Studies				
Program on Non-Profit Organizations	150,000*	\$117,000	33,000	
<hr/>				
SPECIAL CONCERNS				
(\$608,348 Paid)				
Africa News Service				
Durham, North Carolina				
Africa News	\$ 25,000		\$ 25,000	
African-American Institute				
New York, New York				
Explorations re: the current crisis in				
South Africa	50,000*		50,000	
Expanded program related to South Africa	150,000		50,000	\$100,000
American Jewish Committee				
New York, New York				
Harold W. Rosenthal Fellowship	10,000		10,000	
Columbia University in the				
City of New York, Trustees of				
New York, New York				
Center for United States-China Arts Exchange				
Arts education exchanges	241,820*	\$161,200	80,620	
General budgetary expenses	70,000		35,000	35,000

⁵ Lapsed

*Appropriation made prior to 1986

Recipient and Purpose	Total Appropriation	Paid in Previous Years	Payment in 1986	Unpaid Balance
Foundation for International Conciliation				
Windsor, England				
South African project	\$ 50,000		\$ 30,000	\$ 20,000
Harvard University				
Cambridge, Massachusetts				
Graduate School of Education				
Comparative study of U.S.-China arts education	233,180*	\$155,452	77,728	
Middlebury College				
Middlebury, Vermont				
Symposium on South Africa	25,000		25,000	
Northfield Mount Hermon School				
Northfield, Massachusetts				
Independent School South African Education Program	25,000		25,000	
Phelps-Stokes Fund				
New York, New York				
Archbishop Tutu Film Fund	40,000		40,000	
Southern African Advanced Education Project				
York, England				
General budgetary purposes	100,000		100,000	
Woodrow Wilson International Center for Scholars				
Washington, D.C.				
African Program planning	150,000*	60,000	60,000	30,000
RAMON MAGSAYSAY AWARD FOUNDATION FUND (\$50,000 Paid)				
Ramon Magsaysay Award Foundation				
Manila, Philippines				
Awards	\$ 50,000		\$ 50,000	
POCANTICO FUND (\$309,568 Paid)				
National Trust for Historic Preservation in the United States				
Washington, D.C.				
Pocantico Planning Project	\$ 309,568		\$ 309,568	
			\$6,820,024	
Payments matching employee contributions to charitable institutions			21,550	
			<u>\$6,841,574</u>	<u>\$4,761,700⁶</u>

⁶ Total does not include lapsed items
*Appropriation made prior to 1986

RECONCILIATION OF GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR OR APPROVED FOR FUTURE PAYMENT

Unpaid Appropriations, December 31, 1985:

Principal Fund	\$5,597,248	
Ramon Magsaysay Award Foundation Fund	—0—	
Pocantico Fund	—0—	
	5,597,248	
RBF Awards in Arts Education	315,190	
		\$5,912,438

Appropriations authorized in 1986:

Principal Fund	5,760,525	
Ramon Magsaysay Award Foundation Fund	50,000	
Pocantico Fund	309,568	
RBF Awards in Arts Education	—0—	
Charitable Matching Gifts	21,550	
	6,141,643	
Less:		
Appropriations lapsed:		
Principal Fund	135,617	6,006,026
		11,918,464

Appropriations paid in 1986:

Principal Fund	6,460,456	
Ramon Magsaysay Award Foundation Fund	50,000	
Pocantico Fund	309,568	
	6,820,024	
RBF Awards in Arts Education	30,676	
Charitable Matching Gifts	21,550	
		6,872,250

Unpaid Appropriations, December 31, 1986:

Principal Fund	4,761,700	
Ramon Magsaysay Award Foundation Fund	—0—	
Pocantico Fund	—0—	
	4,761,700	
RBF Awards in Arts Education	284,514	
		\$ 5,046,214

FINANCIAL INFORMATION

Following the report of Arthur Andersen & Co.,
Independent Certified Public Accountants, are
financial statements comprising:

Financial Statements

- Balance Sheet, December 31, 1986 with Comparative
1985 Totals
 - Statement of Fund Activity for the year ended
December 31, 1986 with Comparative 1985 Totals
 - Notes to Financial Statements
-

Supplemental Schedule

- Schedule of Functional Expenses, Principal Fund for the
year ended December 31, 1986 with Comparative
1985 Totals
-

To the Board of Trustees,
Rockefeller Brothers Fund, Inc.:

We have examined the balance sheet of ROCKEFELLER BROTHERS FUND, INC. (a New York not-for-profit corporation) as of December 31, 1986 and the related statement of fund activity for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Rockefeller Brothers Fund, Inc. as of December 31, 1986 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR ANDERSEN & CO.

New York, N.Y.
April 3, 1987

ROCKEFELLER BROTHERS FUND, INC. BALANCE SHEET
December 31, 1986 With Comparative 1985 Totals

	<i>Principal Fund</i>	<i>Pocantico Fund</i>	<i>Ramon Magsaysay Award Foundation Fund</i>	<i>Asian Projects Fund</i>	<i>Total All Funds</i>	<i>Total 1985 (Note 8)</i>
Assets						
Cash	\$ 300,346	\$ 34,353	\$ —	\$ 38,949	\$ 373,648	\$ 130,861
Accounts receivable	—	10,308	2,101	—	12,409	25,907
Investments, at market value (Note 3)	192,055,788	22,958,414	1,110,294	2,259,231	218,383,727	206,994,846
Program related investments, at net realizable value:						
Program mortgage loans	653,983	—	—	—	653,983	699,373
Real estate (Note 4)	510,000	—	—	—	510,000	510,000
Other	800,000	—	—	—	800,000	800,000
	<u>\$194,320,117</u>	<u>\$23,003,075</u>	<u>\$1,112,395</u>	<u>\$2,298,180</u>	<u>\$220,733,767</u>	<u>\$209,160,987</u>
Liabilities and Fund Balances						
Grants payable	\$ 5,046,214	\$ —	\$ —	\$ —	\$ 5,046,214	\$ 5,912,438
Federal excise tax payable	456,482	45,304	1,798	416	504,000	453,980
	5,502,696	45,304	1,798	416	5,550,214	6,366,418
Fund balances	188,817,421	22,957,771	1,110,597	2,297,764	215,183,553	202,794,569
	<u>\$194,320,117</u>	<u>\$23,003,075</u>	<u>\$1,112,395</u>	<u>\$2,298,180</u>	<u>\$220,733,767</u>	<u>\$209,160,987</u>

The accompanying notes to financial statements are an integral part of this balance sheet.

STATEMENT OF FUND ACTIVITY
for the year ended December 31, 1986 with Comparative 1985 Totals

	Principal Fund	Pocantico Fund	Ramon Magsaysay Award Foundation Fund	Asian Projects Fund	Total All Funds	Total 1985 (Note 8)
Revenues:						
Contributions and bequest	\$ 261,000	\$ —	\$ —	\$ 50,000	\$ 311,000	\$ 89,500
Dividend income	3,491,997	574,565	—	—	4,066,562	4,244,634
Interest income	3,772,743	402,611	95,809	22,290	4,293,453	4,764,149
Other income	—	—	—	—	—	9,502
	7,525,740	977,176	95,809	72,290	8,671,015	9,107,785
Grants and Expenses:						
Grants awarded	5,646,458	309,568	50,000	—	6,006,026	6,948,922
Provision for Federal excise tax (Note 2)	456,482	45,304	1,798	416	504,000	453,980
Functional expenses:						
Direct charitable activities	346,324	—	—	—	346,324	325,501
Program and grant management	1,225,374	48,018	53,018	25,462	1,351,872	1,334,035
Investment management	1,282,258	122,555	5,908	—	1,410,721	1,211,749
General management	572,045	—	—	—	572,045	510,546
	9,528,941	525,445	110,724	25,878	10,190,988	10,784,733
Expense reimbursement received from Rockefeller Family Fund, Inc.	61,275	—	—	—	61,275	74,372
Excess (deficiency) of revenue over grants and expenses	(1,941,926)	451,731	(14,915)	46,412	(1,458,698)	(1,602,576)
Net Realized Gain From Securities Sales	17,526,317	1,410,570	—	(1,501)	18,935,386	15,712,082
Net Unrealized Gain (Loss) From Changes in Market Prices of Investments	(4,377,295)	(850,347)	129,285	10,653	(5,087,704)	23,634,477
	13,149,022	560,223	129,285	9,152	13,847,682	39,346,559
Excess of income over grants and expenses	11,207,096	1,011,954	114,370	55,564	12,388,984	37,743,983
Transfers From Principal Fund	(2,242,200)	—	—	2,242,200	—	—
Fund Balances, beginning of year	179,852,525	21,945,817	996,227	—	202,794,569	165,050,586
Fund Balances, end of year	\$188,817,421	\$22,957,771	\$1,110,597	\$2,297,764	\$215,183,553	\$202,794,569

The accompanying Exhibit I and notes to financial statements are an integral part of this statement.

1. Organization and purpose:

The Rockefeller Brothers Fund, Inc. (the “Fund”) is a nonprofit, charitable corporation existing under the New York not-for-profit corporation law and is classified as a private foundation as defined in the Internal Revenue Code. The Fund’s principal purpose is to make grants to local, national and international philanthropic organizations.

The Board of Trustees has designated the allocation from the Principal Fund of the following special purpose funds:

Pocantico Fund

For the planning, development and operation of the Kykuit Historic Park area at Pocantico Hills, New York as an historic park benefiting the public.

Ramon Magsaysay Award Foundation Fund

Increasing the amount of the Ramon Magsaysay Awards and other support for the Foundation’s activities.

Asian Projects Fund

Income to be used for a period of twenty years for special projects which exemplify the spirit of the Ramon Magsaysay Awards and Asian program concerns of the Fund.

2. Summary of significant accounting policies:

Basis of presentation

The Fund maintains its books on a modified cash basis. However, the accompanying financial statements are not materially different from statements which would result from the use of the accrual basis of accounting.

Investments

Investments in securities are carried at quoted market prices. Unrealized gains or losses are determined using quoted market prices at the respective balance sheet dates. Realized gains or losses from sales of securities are determined on a specific identification basis.

Program related investments with limited or no marketability are stated at fair value as determined by management.

Investments in limited partnerships are valued on the basis of the Fund’s equity in the net assets of such partnerships.

Grants payable

Grants are recorded at the time of approval by the trustees and notification to the recipient. The Fund estimates that the grants payable balance as of December 31, 1986, will be paid as follows:

	<i>Amount</i>
1987	\$3,766,214
1988	1,210,000
1989	70,000
	<u>\$5,046,214</u>

Tax status

The Fund is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as a “private foundation.” Provision has been made for Federal excise tax on net investment income.

3. Investments:

Investments as of December 31, 1986 are as follows:

	<i>Cost</i>	<i>Unrealized Appreciation (Depreciation)</i>	<i>Quoted Market or Fair Value</i>
Principal Fund:			
Short-term paper	\$ 12,272,979	\$ —	\$ 12,272,979
Stocks	106,073,732	34,758,835	140,832,567
Bonds	29,040,375	646,377	29,686,752
Venture capital partnerships	9,880,000	(616,510)	9,263,490
	157,267,086	34,788,702	192,055,788
Pocantico Fund:			
Short-term paper	3,011,468	—	3,011,468
Stocks	13,650,022	2,049,684	15,699,706
Bonds	4,247,887	(647)	4,247,240
	20,909,377	2,049,037	22,958,414
Ramon Magsaysay Award Foundation Fund:			
Short-term paper	743	—	743
Bonds	755,893	353,658	1,109,551
	756,636	353,658	1,110,294
Asian Projects Fund:			
Short-term paper	1,981,010	15,710	1,996,720
Bonds	267,568	(5,057)	262,511
	2,248,578	10,653	2,259,231
Total investments	\$181,181,677	\$37,202,050	\$218,383,727

4. Real estate:

The Fund’s real estate, which is carried at the cost to the donor, has been leased to a nonprofit organization under the terms of an agreement which expires in 2056.

5. Pension plan:

The Fund participates in the retirement income plan for employees of Rockefeller Brothers Fund, Inc. et al., a non-contributory plan covering substantially all its employees. The Fund makes annual contributions to the plan equal to the amount accrued for pension expense. However, in 1986 and 1985 no contribution was required since the plan was adequately funded as determined by the Fund’s actuaries. Accumulated plan benefits and plan net assets are presented below:

	January 1,	
	1986	1985
Actuarial present value of accumulated plan benefits:		
Vested	\$2,355,349	\$2,183,822
Nonvested	86,874	124,021
	<u>\$2,442,223</u>	<u>\$2,307,843</u>
Net assets available for plan benefits	<u>\$4,159,768</u>	<u>\$3,782,870</u>

The assumed rates of return used in determining the actuarial present value of accumulated plan benefits were 7.5% in 1986 and 6.5% in 1985, compounded annually. The effect of this change on the actuarial present value of accumulated plan benefits is not significant.

6. Related party transactions:

The Fund engages Rockefeller and Company, a related party, as one of four investment advisors. The Fund also is reimbursed for certain common expenses by Rockefeller Family Fund, Inc. In both instances, financial arrangements are determined on a fair value basis.

7. Commitments:

The Fund occupies office facilities which provide for minimum aggregate annual rental payments as follows:

Fiscal year:	
1987	\$172,800
1988	172,800
	<u>\$345,600</u>

Rent expense aggregated approximately \$256,000 in 1986.

8. Prior year’s financial statements:

The amounts shown for 1985 in the accompanying financial statements are presented to provide a basis for comparison with 1986 and present summarized totals only.

SCHEDULE OF FUNCTIONAL EXPENSES, PRINCIPAL FUND
for the year ended December 31, 1986 with Comparative 1985 Totals

EXHIBIT I

	<i>Direct Charitable Activities</i>	<i>Program and Grant Management</i>	<i>Investment Management</i>	<i>General Management</i>	<i>Total</i> 1986	1985 (Note 8)
Salaries and related expenses:						
Salaries	\$140,297	\$ 614,055	\$ 43,456	\$232,698	\$1,030,506	\$ 969,119
Group life insurance	3,433	15,031	1,064	5,696	25,224	49,567
Thrift plan	7,803	34,165	2,419	12,946	57,333	59,779
Other employee benefits	9,171	40,154	2,844	15,215	67,384	73,470
Unemployment and disability insurance	1,337	5,856	415	2,219	9,827	9,819
Social Security tax	7,460	32,661	2,313	12,376	54,810	53,451
	169,501	741,922	52,511	281,150	1,245,084	1,215,205
Other expenses:						
Consultants' fees	70,858	134,301	—	10,322	215,481	212,948
Investment services	—	—	1,181,976	—	1,181,976	1,041,574
Legal and audit fees	—	—	23,285	80,729	104,014	86,255
Travel	29,160	85,855	—	—	115,015	128,953
Rent and electricity	34,802	152,377	10,791	57,739	255,709	216,491
Telephone	5,656	24,763	1,754	9,383	41,556	59,483
Furniture and equipment	5,405	23,665	1,676	8,967	39,713	74,876
General office expenses	30,942	62,491	10,265	99,994	203,692	137,594
Publications	—	—	—	23,761	23,761	35,520
	\$346,324	\$1,225,374	\$1,282,258	\$572,045	3,426,001	3,208,899
Less, Reimbursement received for share of expenses: Rockefeller Family Fund, Inc.					61,275	74,372
					\$3,364,726	\$3,134,527

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Henry Upham Harris, Jr.

Claudine Malone

Eli Shapiro

¹ Until April 3, 1986

² Effective November 21, 1986

³ Until June 27, 1986

⁴ Effective June 27, 1986

⁵ Effective June 27, 1986

⁶ Until March 3, 1986

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Hilary K. Palmer

Rockefeller Brothers Fund

Distinguished Fellow
Han Sung-joo

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Catalina M. Griffin
Wendy Krat
Bridget Massay
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Barbara Schaubert
Robert Stone
Florence E. Thompson*
Sandra Trout
Emily Voorhis
Sandra Ziering

Consultants

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Lonna B. Jones
Marjorie S. Ravenholt
Thomas W. Wahman

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 Columbia University in the City of New York,
 Trustees of 38, 45, 50, 51
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 International Institute for Environment and
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 International Institute of Rural Reconstruction
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 International Irrigation Management Institute
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 International Union for Conservation of Nature and
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