

**Richard King Mellon
Foundation**

1973 Annual Report

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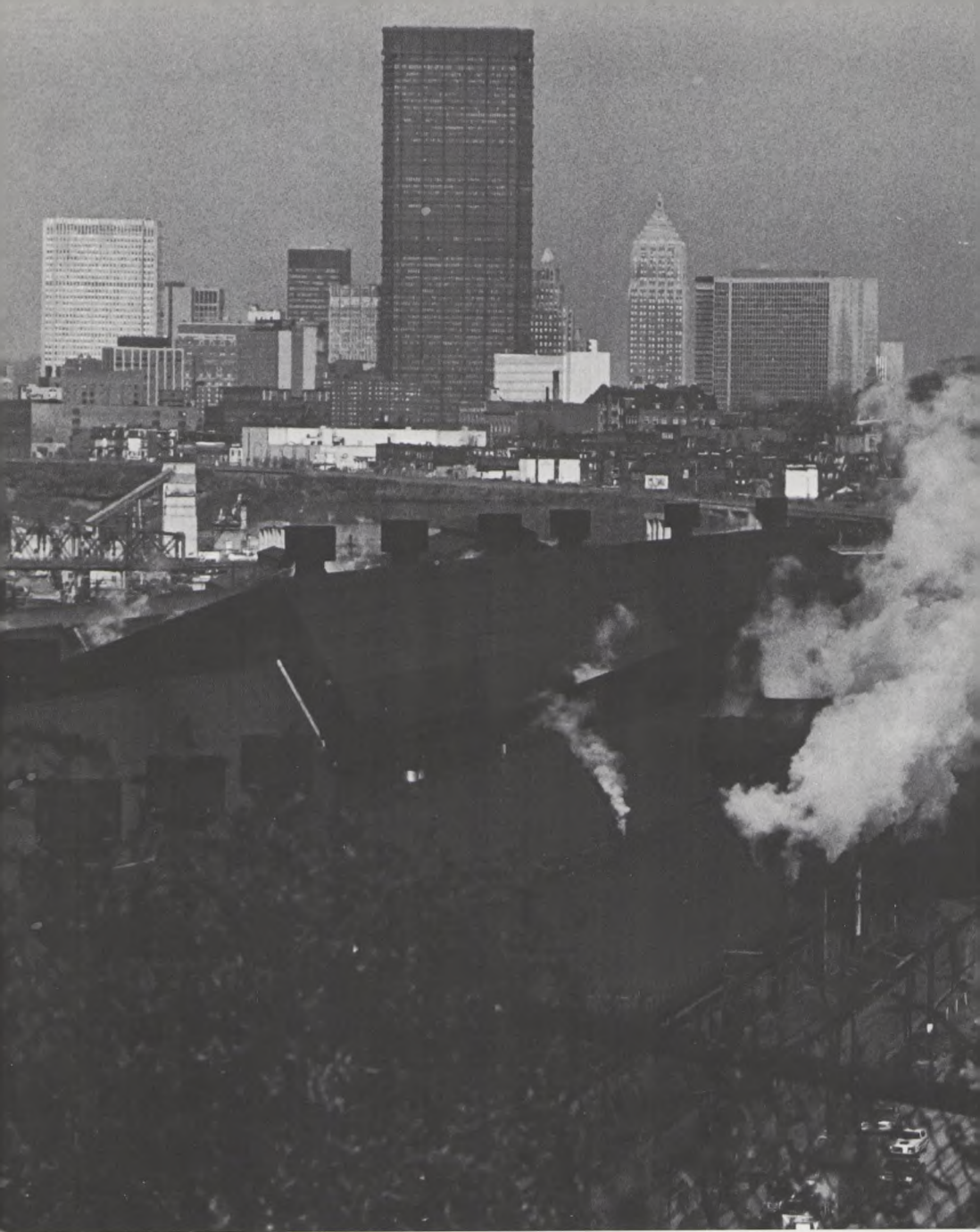
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Richard King Mellon Foundation

1973 Annual Report

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Introduction

In 1973, the Trustees of the Richard King Mellon Foundation approved 55 grants amounting to a total of \$20,127,875. The grants were awarded to organized charities in six broad categories: cultural activities,



medicine, education, social services, civic affairs, and conservation.

Cultural activities, medicine, and education received particular emphasis in 1973. Taken

together, these fields accounted for 84 percent of total funds awarded.

In terms of number of grants approved, the Foundation was most active in social services, a fact due largely to the inception of the Optacon project, described in the fourth chapter of this report.

As in the past, the Trustees centered their attention upon the Pittsburgh region. Eighty-eight percent of 1973 grant funds were directed toward charitable undertakings in Pittsburgh and other western Pennsylvania communities. Only 12 of the year's 55 grants supported activities taking place outside the region.

In 1973, the Richard King Mellon Foundation made the largest single commitment in its history, an award of \$10,000,000 to Carnegie Institute. This unusually large grant will make possible substantial improvements to the Carnegie Museum of Natural History.

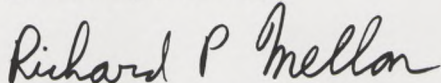
The Foundation launched two programs of its own during the year. First, the Trustees created the Richard King Mellon Merit Scholarships to be awarded annually to 25 college students from Allegheny and Westmoreland Counties. The scholarships honor the memory of the donor

of the Foundation, Lt. General Richard K. Mellon, who died in 1970.

Second, an important innovation in the education and rehabilitation of the blind was introduced into the Pittsburgh area in the form of the Foundation's Optacon project. Through eight Pittsburgh agencies, the Foundation is demonstrating the various uses of the Optacon in the hope that acceptance and availability of the device may become more widespread.

The year's large grants to the University Health Center of Pittsburgh and to Mercy Hospital fall within the framework of the traditionally strong interest of the Foundation in medical education and delivery of health care. Major funding was provided to the Health Center for support of the teaching program of Eye and Ear Hospital, and for establishment of a maternal/fetal intensive care unit at Magee-Womens Hospital. The Foundation is also underwriting the initial cost of a family practice residency at Latrobe Area Hospital.

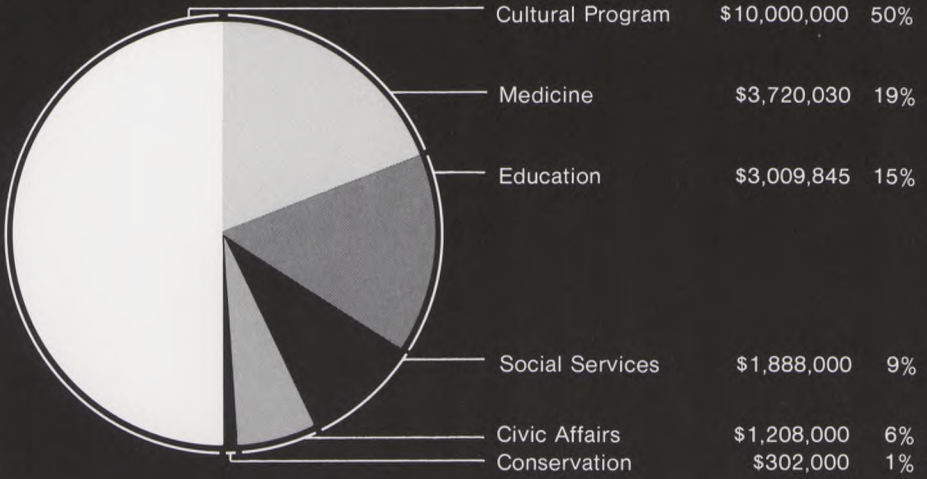
The Richard King Mellon Foundation continues to be most immediately concerned with the encouragement of a better life for the people of the Pittsburgh region. We believe that this basic mission is justified by the accomplishments and experiences of 26 years of organized philanthropic activity.

A handwritten signature in cursive script that reads "Richard P. Mellon". The signature is written in dark ink and is positioned above the printed name and title.

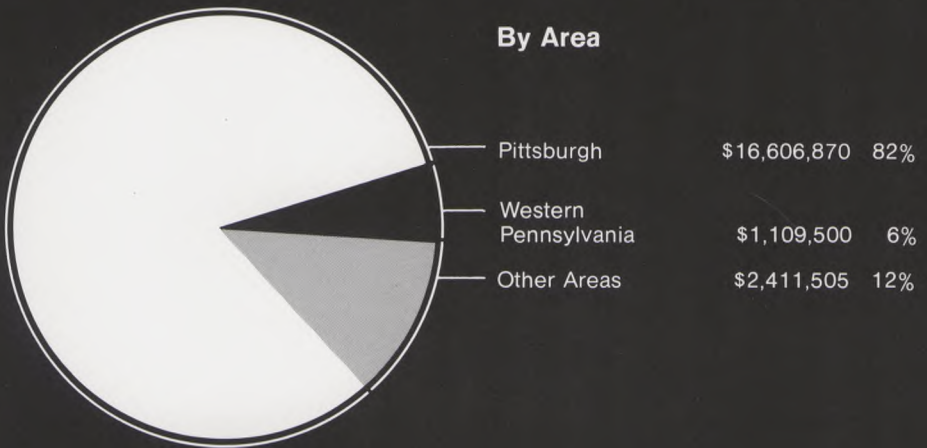
Richard P. Mellon
President

1973 Grants Approved

By Category



By Area



1947-1973 Net Income and Grants Paid

Net Income

1947-1972
\$53,862,028
88%

1973
\$7,209,165
12%

Total
\$61,071,193



Grants Paid

1947-1972
\$58,763,436
85%

1973
\$10,102,695
15%

Total
\$68,866,131



Cultural Program

Carnegie Institute

Carnegie Institute and Library main building, seen here from the University of Pittsburgh Cathedral of Learning, covers nearly seven acres in Pittsburgh's Oakland section. The new Sarah Scaife Gallery, center, forms the east wing of the complex. The campus of Carnegie-Mellon University is in the background.

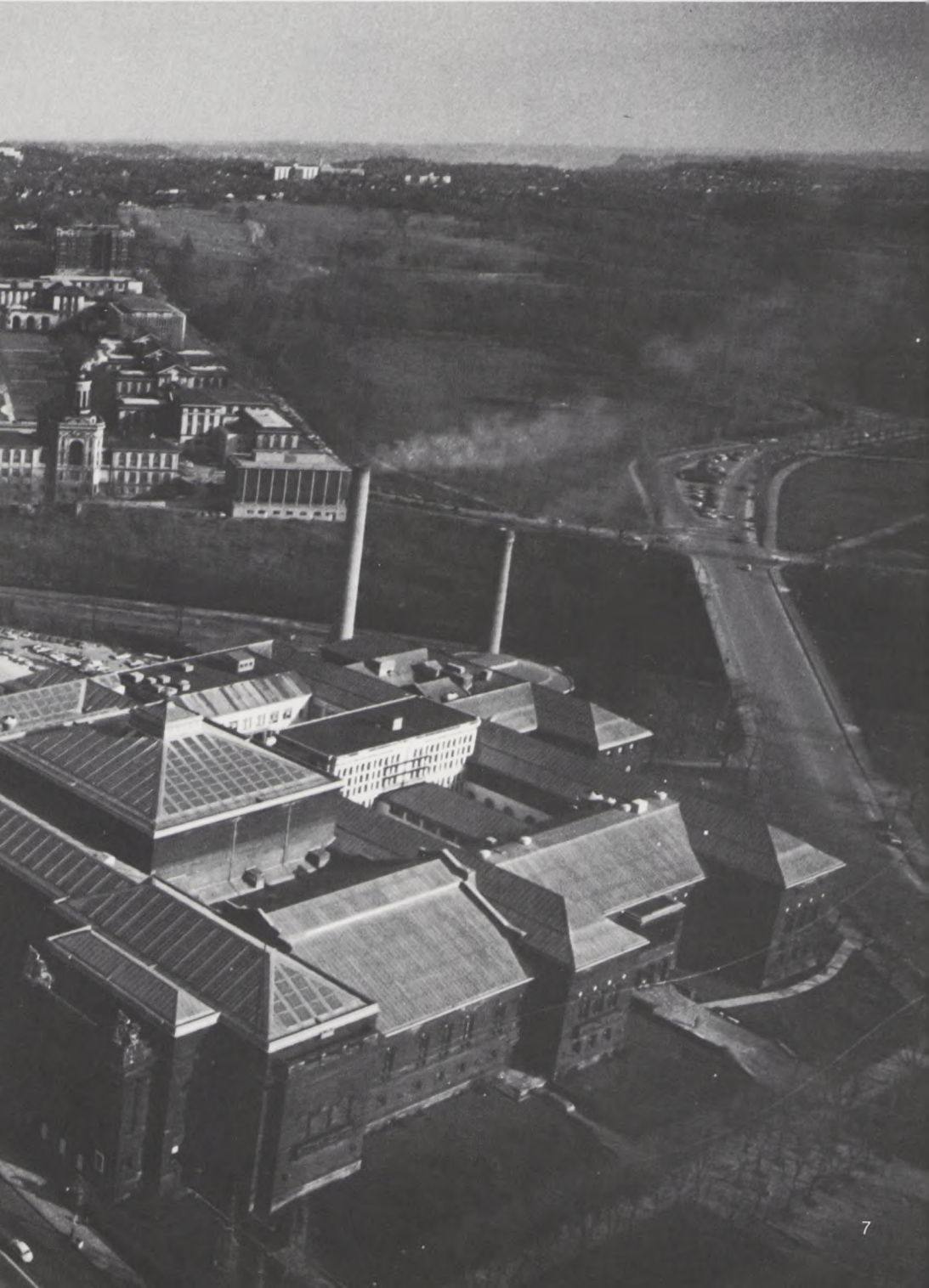


Community cultural life in Pittsburgh thrives mainly on a handful of independent institutions which give the city its showcases for the arts and provide encouragement for a wide range of cultural activities.

The Richard King Mellon Foundation always has concentrated

its support of Pittsburgh cultural activities upon these major institutions, rather than upon individual or small group activity, so that the benefits of its cultural grants can be shared by a wide public.

In 1973, the Foundation gave \$10,000,000, the largest grant in



Cultural Program



Artist Jerome Connally painting background of new North American Elk Habitat Group in Carnegie Museum of Natural History.

its history, to Carnegie Institute for the Institute's \$32,900,000 development program for the 1970's. The unusually large commitment was made because of Carnegie Institute's critical importance to the cultural life of Pittsburgh and because major funding is needed for support of the Institute's activities and building improvements. The campaign is the first large-scale fund raising effort in the Institute's history.

The Institute plans 30 new or renovated art galleries and exhibit halls for its two museums, the Museum of Art and Carnegie Museum of Natural History. Extensive alterations will be made within the Museum of Natural History, complementing the construction of the new Sarah Scaife Gallery of the Museum of Art, due to open in the fall of 1974.

Funds will also be used to build endowment for professional staff

and curatorial positions.

The Foundation's grant of \$10,000,000 is essentially unrestricted, except that the funds are earmarked for maintaining and improving the programs of the Carnegie Museum of Natural History as determined from time to time by the President and Board of Trustees of Carnegie Institute.

In concrete terms, this means that some of the money will be used for the first facelifting in the Museum's history, and some for support of the people who operate the programs of the Museum's ten scientific sections and of Powdermill Nature Reserve, the Museum's field research station.

Carnegie Museum of Natural History is one of a small number of museums in the United States with large collections of materials pertaining to natural history and man's past. While the Museum plays an active part in the educational process of every school child in the Pittsburgh metropolitan area, its research program—the continuing process of adding to man's knowledge of the plants and animals of the world—is of national importance.

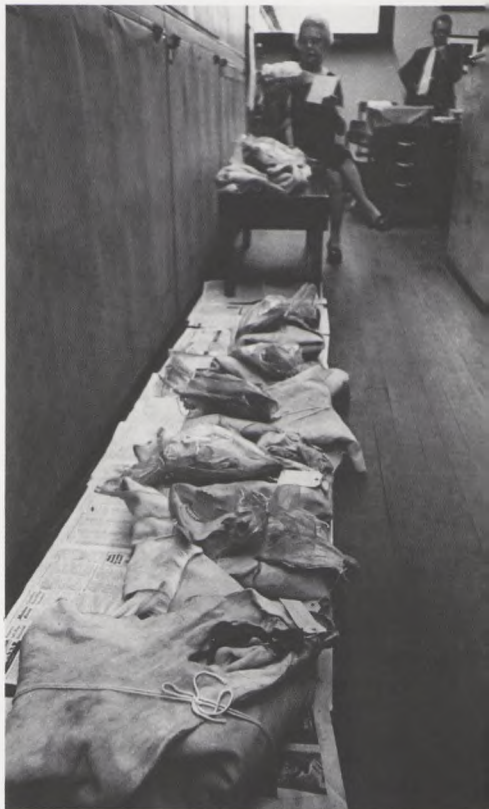
Staffed by some 90 curators and associates, the scientific sections of the Museum strive to realize a single goal: development of a complete inventory of the nation's flora and fauna. This is obviously a long-term quest, but one with certain ancillary studies of immediate relevance.

In every year since 1964, the Richard King Mellon Foundation has provided annual support for the Carnegie Museum of Natural History, including approximately one-half the cost of maintaining Powdermill Nature Reserve. The commitment of \$10,000,000, which will be paid over four years, is in

lieu of further annual support. It is intended to place the goals of the Museum's ten-year master plan within reasonable reach, and thus to form the basis for a wider, community effort to maintain the quality of one of the nation's great natural history museums.

The grant to Carnegie Institute was the Foundation's sole appropriation for cultural purposes in 1973.

Animal skins catalogued and ready for cold storage, Carnegie Museum of Natural History.



Medicine

Delicate operation: eye surgery in progress at Eye and Ear Hospital, University Health Center of Pittsburgh.

The Richard King Mellon Foundation's interest in medicine has been directed throughout most of the Foundation's history to improving medical training and the delivery of medical care in the Pittsburgh area. The same direction prevailed in 1973, when funds awarded for medical purposes comprised 19 percent of the year's total grant appropriations.

The Foundation, together with the Richard King Mellon Charitable Trusts, has been deeply involved for many years in the development of the University Health Center of Pittsburgh, a federation of the Schools of the Health Professions of the University of Pittsburgh with five teaching hospitals.

The evolution of the University Health Center into a strong organization, one in which the common good is placed above individual priorities, has been disappointingly slow. The goal of an integrated system remains viable, however, and is strongly supported by this Foundation. Two grants totaling \$2,000,000 were made for separate Health Center projects in 1973.

Eye & Ear

The larger of the two grants, \$1,500,000, was awarded in support of education in ophthalmology and otolaryngology at Eye and Ear Hospital, a Health Center member.

For more than 40 years, the center for teaching ophthalmology and otolaryngology at the University of Pittsburgh has been Eye and Ear Hospital, with the result that the staff of the Hospital comprises the major faculty of the two departments. The educational services provided by Eye and Ear include teaching at the undergraduate and graduate levels as well as research.

Fiscal pressures currently weigh-

ing heavily upon teaching hospitals like Eye and Ear jeopardize their ability to carry on their teaching and patient care roles simultaneously at the desired level of quality. The Foundation's grant, which will be paid over a period of five years, is intended to provide the medium-term financial stability that Eye and Ear needs in order to continue the development of its teaching program. The grant will also tie the Hospital more closely into the University Health Center.

Intensive Care

The smaller of the two awards to the University Health Center of Pittsburgh, \$500,000, was made for establishment of a maternal/fetal intensive care unit at Magee-Womens Hospital, the teaching hospital in obstetrics and gynecology for the University of Pittsburgh Schools of Medicine and Nursing.

The new unit will provide optimum inpatient care for women with high-risk pregnancies, pregnancies that could result in loss of life or birth of a retarded or badly deformed child. The maternal/fetal intensive care unit will be like other specialty intensive care facilities such as coronary care units, burn centers, and general surgical intensive care units, in that it will bring to bear upon a critical life-and-death situation the most sophisticated combination of trained personnel and up-to-date equipment available.

All obstetricians in Allegheny County will be able to refer their high-risk patients to the new unit. The facility is one of only five or six of its kind in the nation, and is expected to save 25 infant lives and prevent 25 cases of mental retardation per year.



Family Practice

Through the sustained efforts of the Richard King Mellon Foundation and others, the Latrobe Area Hospital has become a modern, full-service health center serving not just the town of Latrobe, Pennsylvania, but numerous surrounding communities as well. In 1973, the Foundation helped the Hospital to affiliate with Jefferson Medical College, Philadelphia, for the purpose of establishing a family practice education program. Latrobe Area Hospital has now become a teaching hospital for the new family practice program of Jefferson.

During their junior year in medical school, approximately ten Jefferson students will spend six weeks at Latrobe in a family practice clerkship. In their senior year, those students interested in family practice will spend three months or more at Latrobe, particularly in the new ambulatory care center.

Jefferson will supply Latrobe with between two and four resident physicians in family practice. The affiliation is expected to improve recruitment results at Latrobe and to afford the hospital a broad range of consultation services involving the Jefferson residents and professors. The \$260,000 provided by the Foundation to initiate the program will be expended over a three-year period for faculty and transportation costs and student housing.

Physician's Assistant Program

Alderson-Broaddus College received a grant of \$245,000 from the Foundation in 1973 for completion of its nursing and allied health sciences building. Alderson-Broaddus is a small liberal arts college located 120 miles south of Pittsburgh, in Philippi, West



Virginia.

The inclusion of this grant in the medical program of the Foundation, while somewhat exceptional, is due to the fact that Alderson-Broaddus was the first institution of higher education in the nation to establish a degree program for training the newest member of the health team,



New life, new identity: a nurse records a newborn's footprint at Magee-Womens Hospital, University Health Center of Pittsburgh. 6,300 babies were born at the Hospital in 1973.

the physician's assistant. Alderson-Broadus is uniquely able among small liberal arts colleges to carry on such a program because it has a nursing program and a well-equipped hospital on its campus.

Approximately one-third of the College's 1,000 students are now enrolled in health-related programs, and students are entering the physician's assistant program at the rate of 50 a year. Most of the first two classes of graduates (the program began in 1968) are now working in primary-care practice settings, relieving doctors of routine duties such as history-taking and screening examinations.

The Alderson-Broadus physician's assistant program provides a good example of foundations and government working together. The original support for the program came from the Commonwealth Fund and has been extended by the Robert Wood Johnson Foundation. Other private foundations joined the Richard King Mellon Foundation in making construction grants, while various agencies of the U. S. Government applied more than \$1,000,000 to the operating and building phases of the project.

Hospital Construction

The Foundation has expended more than \$5,000,000 over the years for construction of new hospital facilities. A further \$1,000,000 was added to this total in 1973 in the form of a grant to Mercy Hospital, Pittsburgh, toward the \$30,000,000 cost of replacing its present facility with a new structure.

Mercy is the oldest hospital west of the Alleghenies, and its present quarters are worn out. The Pittsburgh metropolitan area needs a new Mercy Hospital for many



New hospital site: with the excavation nearly completed, foundation work for the new Mercy Hospital gets underway. Parts of the old Mercy complex can be seen in the background.

reasons, but chiefly because the hospital serves a large population. With a capacity of approximately 600 beds, Mercy admits more than 17,000 patients each year. Its emergency room handles 30,000 patients annually and outpatient clinic visits exceed 31,000.

Also an important part of Mercy's role in Pittsburgh is service to the mainly poor and black population of the Hill District. In 1972, 7,600 visits were made to the three primary care stations operated by Mercy in the Hill.

With the exception of University Health Center members, Mercy trains more interns and residents than any other Pittsburgh hospital, and 64 percent of Mercy-trained doctors are currently practicing in western Pennsylvania.

Planning & Evaluation

The continuing interest of the Foundation in promoting better health planning for western Pennsylvania manifested itself in 1973 in further support of the operations of the Western Pennsylvania Comprehensive Health Planning Agency.

The purpose of this newly formed organization is to improve the delivery of care to the 3.5 million residents of 12 western Pennsylvania counties by 1) assisting local planning efforts, 2) collecting and distributing useful information, and 3) advising the public and local governments of unmet needs.

During the last two years, Western Pennsylvania Comprehensive Health Planning has become the only health planning agency in Allegheny County. Established

pursuant to Act of Congress, the Agency is designed to foster a partnership between public and private funds in regional health planning. Since the Foundation has now contributed nearly \$500,000 to this effort, it is hoped that more Pittsburgh-area corporations and private foundations will join the partnership before long.

The Foundation also made a grant of \$75,000 for a two-year study of the mental health services provided by the Allegheny County Mental Health and Mental Retardation Program (MH/MR), an agency funded primarily by state

and county government at the current level of some \$18,000,000 a year.

A thorough evaluation is particularly needed in view of the rapid growth of MH/MR since the program began in 1969. The patient load of MH/MR contract agencies has escalated from 1,500 to a current level of 43,000 annually. The study will be performed by a panel of 15 experts drawn from around the country.

The following is a list of 1973 awards for medical programs:

Alderson-Broadus College Philippi, West Virginia <i>Completion of Building for Paramedical and Nursing Programs...</i>	\$ 245,000
Allegheny County Mental Health and Mental Retardation Program Pittsburgh, Pennsylvania <i>Evaluation of Services</i>	75,000
Latrobe Area Hospital Latrobe, Pennsylvania <i>Establishment of Family Practice Education Program in Affiliation with Jefferson Medical College</i>	260,000
Mercy Hospital Pittsburgh, Pennsylvania <i>Toward Construction of New Hospital Building</i>	1,000,005
St. John's General Hospital of Allegheny County Pittsburgh, Pennsylvania <i>Operating Support of Manchester Health Center</i>	35,000
University Health Center of Pittsburgh Pittsburgh, Pennsylvania Eye and Ear Hospital <i>Support for Teaching Programs in Ophthalmology and Otolaryngology Operated in Conjunction with University of Pittsburgh School of Medicine</i>	1,500,000
Magee-Womens Hospital <i>Establishment of Maternal/Fetal Intensive Care Unit</i>	500,000
Urban League of Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Promotion of Health Careers for Blacks</i>	15,000
Western Pennsylvania Comprehensive Health Planning Agency, Inc. Pittsburgh, Pennsylvania <i>Operating Support</i>	90,000
Supplemental appropriation to Rockefeller University, New York, N.Y., <i>to reflect market value of 1973 grant payment-in-kind for grant approved in 1972</i>	25
	<u>\$3,720,030</u>

Education

Fifteen percent of the Richard King Mellon Foundation's 1973 grant program was committed to the field of education. As in past years, the program emphasized, but was not restricted to, higher education.

It is widely known, of course, that the private sector of the nation's dual system of higher education is in financial trouble. While the troubles may not be universal, there can be no doubt that the combined forces of inflating costs and shrinking enrollment are placing a heavy strain upon the over committed resources of many private colleges.

The fact that Pennsylvania and many other states are moving toward increasing public funding of private institutions suggests that the problem of private college financing has progressed beyond the point where private philanthropy can provide the whole solution. That is not to say that traditional private support is becoming meaningless, however. Private contributions are more essential now than ever to the preservation of the qualities of diversity and independence inherent within our dual system.

Whether contributions should take the form of aid to institutions or aid to students is a question that may be answered best according to particular circumstances. In 1973, the Richard King Mellon Foundation took initiatives of both types. Awards were also made for non-traditional and professional education.

Institutional Support

Chatham College received a grant of \$1,225,020 for completion of its new library, which opened in September, 1973. The library has been named for the late Mrs.





The entrance facade of the Jennie King Mellon Library, Chatham College. The Library is designed for 200,000 volumes. One-story wing at left connects the Library with a small theatre.

Education

Richard Beatty Mellon, mother of the donor of this Foundation and a member of the class of 1887 at the College.

The Jennie King Mellon Library is designed for 200,000 volumes. Its 59,000 square feet include conference-seminar rooms, an art exhibition area, individual faculty and student areas, a microfilm reading room, a special collections room, and an all-night study room.

Chatham is a small liberal arts college for women. In 1970, as a number of similar colleges opted for coeducation, Chatham stoutly reaffirmed its commitment to single-sex education.

Recently, Chatham President Edward D. Eddy has said, "Women's education cannot be a purely enriching experience separated from what a woman will do for the rest of her life. When we face the fact that 90 percent of women college graduates will be gainfully employed, we know that the education of women has to get off the mountaintops and into the arena of their future employment."

Chatham has earned major foundation support by demonstrating an ability for self-renewal and building upon strength. The Jennie King Mellon Library is one of the basic facilities which the college needs for vigorous pursuit of its institutional goals.

A grant of \$500,000 was awarded to Lehigh University. For nearly a century, Lehigh has concentrated upon providing American private industry with trained manpower and research facilities. A study reported in *Scientific American* a few years ago showed that Lehigh ranked in the first six institutions in this country in the proportion of its alumni who had reached one of the top two positions among the 600 largest U. S. corporations.

In Pittsburgh, Lehigh's impact is particularly apparent. More than 850 Lehigh alumni live here and about 100 of these are principal executives of Pittsburgh-area firms. At present, more than 200 students from Pittsburgh are enrolled at Lehigh.

The Foundation's grant will be utilized for endowment of scholarships at Lehigh, in accordance with the University's aim to assist more students from middle-income families hard hit by necessary tuition increases.

Institutional Cooperation

One positive outgrowth of the financial crisis in higher education has been the growing trend toward intercollegiate sharing of resources. Muhlenberg and Cedar Crest, neighboring colleges in Allentown, Pennsylvania, have used Foundation backing to make notable advances in cooperating with one another.

In 1971, the Foundation provided funding for a study of ways in which Muhlenberg and Cedar Crest might cooperate across the board. In 1973, a three-year grant of \$150,000 was made to enable the colleges to follow through with the study's principal recommendations.

The colleges have committed these funds, together with monies of their own and support from the Carnegie Corporation of New York, to operation of a joint planning office. The efforts of this office have been directed initially toward creation of an integrated, computerized business operation to serve both colleges. Plans for furthering academic cooperation are in the discussion stage. Muhlenberg and Cedar Crest already share student housing

and the services of a joint librarian.

The initial survey of opportunities for cooperation between Muhlenberg and Cedar Crest was performed by the Institute for Educational Development under the direction of Dr. Samuel B. Gould and Mr. Matthew J. Cullen, Jr. Recently, the Institute also studied the fiscal implications of faculty appointment and development practices at 12 Pennsylvania colleges, and evolved from the study a system for projecting the consequences of faculty employment practices.

A grant of \$50,000 from the Foundation is helping the Institute to develop this faculty cost model to the point of maximum value to a broad range of institutions of higher learning. The purpose of the effort is to help eliminate guesswork in the most critical area of decision making in an educational institution's budget.

Non-Traditional Education

"Non-traditional education" is a popular term for reference to any type of study which occurs outside the normal educational framework. The fact that the Foundation's funds have been used largely for improvements within the normal framework of American education should not indicate a lack of interest in non-traditional education; rather, the Foundation increasingly is seeking opportunities to encourage worthwhile initiatives for programs of study that will take place outside the regular classroom. Two such opportunities presented themselves in 1973.

First, at the post-secondary level, the member colleges of the East Central College Consortium received a grant of \$150,000 toward the development of a joint external

degree program. The members of the Consortium are: Bethany College, Heidelberg College, Hiram College, Marietta College, Mount Union College, Muskingum College, and Westminster College—all private liberal arts colleges in Pennsylvania, Ohio, and West Virginia.

The seven Consortium colleges propose to operate an external degree program for qualified persons living within fifty miles of any one of them. The program is aimed at the student outside the typical undergraduate age category who is qualified for college work but who has been unable to attend college or complete a degree. The Foundation's grant is conditioned upon the success of the Consortium in raising the rest of the money needed to pay for the three-year first stage of the program.

At the high school level, a program of different orientation but still non-traditional in nature has been started with Foundation funding. With a grant of \$115,000, the McKeesport Area School District in the heavily industrialized Monongahela Valley has embarked upon a broad effort to involve students in jobs in business, service agencies, and local government during the regular school year.

This "senior semester" project has been designed to introduce students to the world of work through a sustained work experience. Both the college-bound and non-college-bound high school senior will spend at least a semester of supervised, full-time work for an organization such as McKeesport Hospital, the Housing Authority of McKeesport or the McKeesport *Daily News*. It is hoped that the experience will enable students to make more informed career choices.

Education

Training Urban Managers

In 1971, the Graduate School of Business at Stanford University began a program in graduate business administration designed to train future urban managers—people who will guide and operate the agencies of the governments of urban areas in the United States.

The Urban Management Program recruits top-flight college graduates for a two-year course combining standard M.B.A. training with study of urban government and on-the-

job experience. The recruiting process favors students with some work experience, and all but three of the 21 students in the class of 1974 worked for at least one full year prior to entering the program.

The central aim of the Stanford program is to promote the application of sophisticated methods of modern business management to the complex problems of urban management. Of the program's first 16 graduates, 12 are now concentrating their energies upon

McKeesport Area Senior High School seniors learning commercial art and advertising in a local studio. They are participating in the school's Foundation-funded Senior Semester Project.



urban problem-solving, either in governmental jobs or with private firms acting as consultants to local governments.

The Richard King Mellon Foundation has supported the Stanford Urban Management Program with a three-year grant of \$450,000. The program has been developed as a model for other colleges and universities.

Educational Opportunity

The Foundation took a new initiative this year toward expanding educational opportunity in western Pennsylvania by creating the Richard King Mellon Merit Scholarships. These scholarships are to be awarded annually to 25 students from Allegheny and Westmoreland Counties, beginning in September, 1974.

The scholarships have been established to honor the memory of Lt. General Richard King Mellon, who died in 1970, and are administered by the National Merit Scholarship Corporation of Evanston, Illinois. Scholastic ability, as measured by the National Merit Scholarship Corporation tests, is the prime qualification for obtaining one of the awards.

The Foundation has stipulated that five of the 25 scholarships be given to students entering the University of Pittsburgh and five to students entering Carnegie-Mellon University. The other 15 are to any college of the student's choice. The awards will range from \$500 to \$2,000, depending upon the student's need, and are renewable annually for the full four years of college, provided the student remains in good standing.

One of the purposes of this grant is to encourage attendance at local universities by qualified students

who otherwise might not be able to go to college. The universities believe that an increased enrollment of top students from the local community will have a beneficial effect upon their undergraduate programs.

The other purpose of the Richard King Mellon Merit Scholarships is to make the nation's best collegiate education available to the best students from the Pittsburgh region without restriction as to their choice of college. The entire program will be watched carefully to determine long-range benefits to both the students and the community.

A report on the first group of Richard King Mellon Merit Scholars reveals a very satisfactory level of scholastic achievement. Fourteen of the students are ranked No. 1 in their class and six are either second or third. The awards cover the full range from \$500 to \$2,000.

The Foundation took a somewhat different approach to the expansion of educational opportunity at the secondary-school level.

First, seed money was provided for an intensification of the ABC program in Pittsburgh.

For a decade, A Better Chance Independent Schools Talent Search, Inc. (ABC), has been engaged successfully in the recruitment and placement of disadvantaged and minority-group students in the nation's leading secondary schools. ABC targeted Pittsburgh for a stepped-up recruitment drive, and now a Pittsburgh ABC chapter has been organized to make 25 new placements in ABC member schools each year.

The Foundation's grant of \$54,000 will underwrite slightly more than one-third of the Pittsburgh ABC effort for a period of two years. ABC and the member schools will

Education

match every \$1 raised in Pittsburgh with \$3 of their own.

A further effort to expand educational opportunity was supported through the Pittsburgh Public Schools with an award to meet local matching requirements for federal funding of a year-round work/study program. The program

gives students who might drop out of school for financial reasons a chance to earn income for self-support.

The Foundation made the following grants in support of education in 1973:

A Better Chance—Independent Schools Talent Search, Inc. Boston, Massachusetts <i>Recruitment and Scholarship Program for Disadvantaged Youth of the Pittsburgh Area</i>	\$ 54,000
Chatham College Pittsburgh, Pennsylvania <i>Completion of Jennie King Mellon Library</i>	1,225,020
Hiram College Hiram, Ohio <i>Development of External Degree Program under Auspices of East Central College Consortium</i>	150,000
Institute for Educational Development New York, New York <i>Development and Demonstration of Faculty Cost Model</i>	50,000
Lehigh University Bethlehem, Pennsylvania <i>Support of Capital Funds Program</i>	500,000
McKeesport Area School District McKeesport, Pennsylvania <i>Establishment of Career Education Program for High School Seniors</i>	115,000
Muhlenberg and Cedar Crest Colleges Allentown, Pennsylvania <i>Support of New Cooperative Activity, Including Establishment of Chancellor's Office</i>	150,000
National Merit Scholarship Corporation Evanston, Illinois <i>Establishment of Richard King Mellon Merit Scholarship Program</i> ..	210,800
The Pennsylvania State University University Park, Pennsylvania <i>Forage-feeder Calf Production and Research Project</i>	60,000
Pittsburgh Public Schools Pittsburgh, Pennsylvania <i>Work Experience Program</i>	20,000

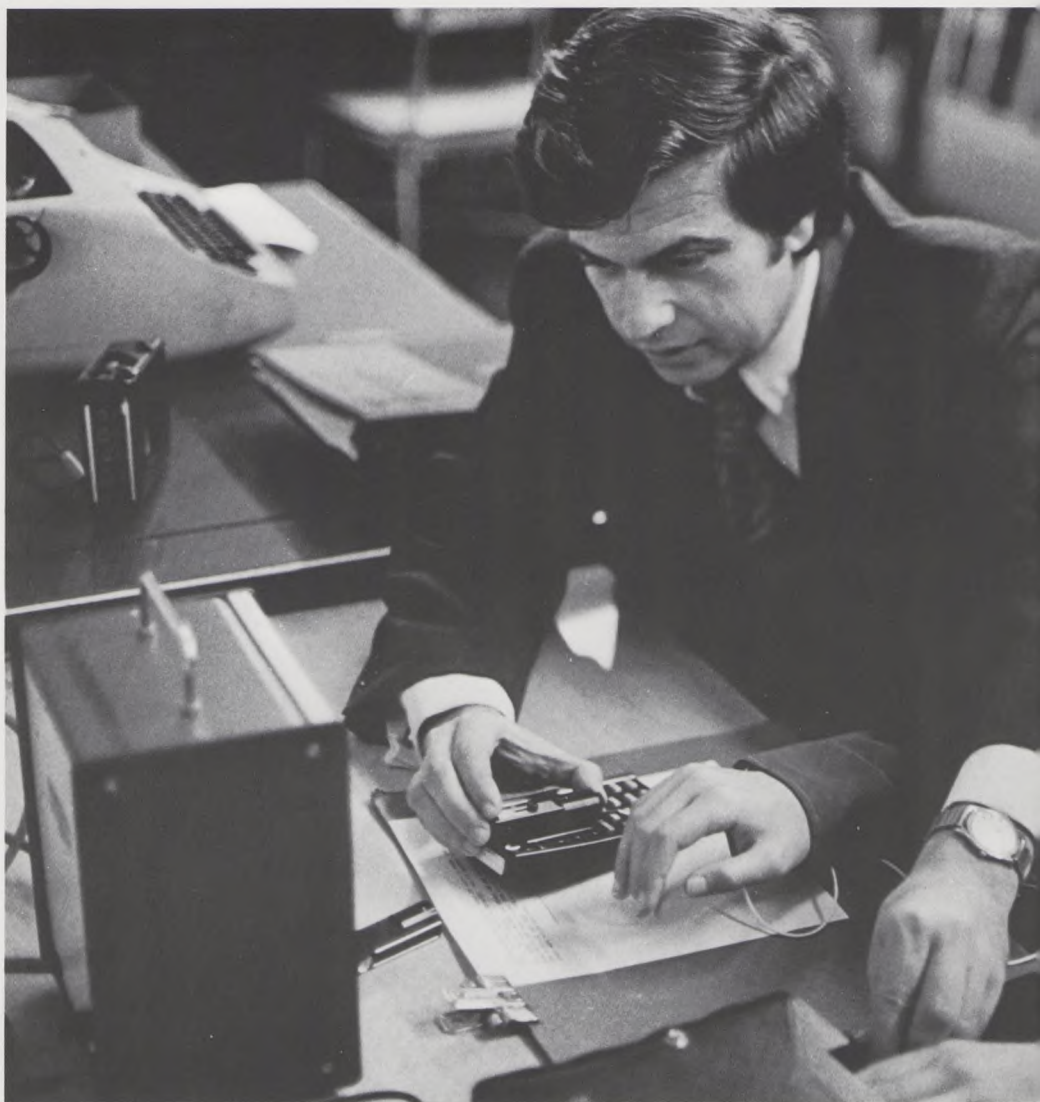
Stanford University Palo Alto, California <i>Support of Urban Management Program In Graduate School of Business</i>	450,000
United Negro College Fund, Inc. New York, New York <i>Support of 1973 Campaign</i>	25,000
Supplemental appropriation to Carnegie-Mellon University, Pittsburgh, Pa., <i>to reflect market value of 1973 grant payment-in-kind for grant approved in 1972</i>	25
	\$3,009,845

Social Services

Support for improvements in the delivery of social services in the Pittsburgh area amounted to \$1,888,000 in 1973, or nine percent of the total grant program. The major activity in this field was the operation of the Richard King Mellon Foundation Optacon project.

The Optacon Project

The Optacon is a recent invention that gives blind people direct and independent access to ordinary printed matter. The Foundation is putting an Optacon in the hands of every blind adult and child in southwestern Pennsylvania who



can profitably use one.

The purposes of the project, the only one of its kind in the nation, are (1) to provide a new and valuable tool to the blind of the Pittsburgh region, and (2) to demonstrate the Optacon's usefulness in such a way as to en-

courage appropriate government agencies to make the machine a part of their own programs of assistance to blind people.

Despite the existence of Braille and recordings, the basic educational and vocational problem of blindness remains lack of access to reading material. Many things a blind person needs to read or would enjoy reading are not available in Braille or on records or tapes.

The Optacon is a portable, electronic instrument about the size of a cassette tape recorder. By means of the latest integrated circuit technology, it converts visual images into tactual representations which can be felt—and thereby “read”—by blind persons.

While reading with an Optacon is relatively slow, the privacy and independence which the machine makes possible for blind persons are invaluable. From an educational and vocational viewpoint, the Optacon cuts down on the need for Braille transcription and reader services.

The Optacon was developed at Stanford University by Professor John G. Linvill and Dr. James C. Bliss. The U. S. Office of Education funded the research and development, but a private concern, Tele-sensory Systems, Inc., was formed to undertake serial production.

Training and Subsidy

In order to provide both an effective model and a comprehensive service, the Foundation organized

Dr. James C. Bliss, left, co-inventor of the Optacon, shows Ted Krum, a seventh grader at the Western Pennsylvania School for Blind Children, how his Optacon can be used to read the display of an electronic calculator.



Social Services

the Optacon project into three parts: teacher training, training for Optacon users, and subsidy for purchase of Optacons by people who successfully complete training.

The project began in full force in June, 1973, and has been scheduled to run for two years. By the end of that time, it is hoped that the appropriate state and federal agencies will have shown interest in emulating the Pittsburgh model.

During the summer of 1973, the University of Pittsburgh's Department of Special Education and Rehabilitation ran special institutes to train the more than 30 teachers needed to staff the Optacon training programs getting underway through-

out the region. Also, the Department has made Optacon instruction a permanent part of its curriculum for future teachers of the visually handicapped.

Free Optacon training for school-age children is provided by the Allegheny Intermediate Unit (public schools of Allegheny County), the Pittsburgh Public Schools, and the Western Pennsylvania School for Blind Children. The Pittsburgh Public Schools and the Western Pennsylvania School have created stationary Optacon centers within their own buildings, while the Intermediate Unit uses itinerant teachers to carry Optacon instruction to each Allegheny County school in which a blind student



Optacon training at the Pittsburgh Branch, Pennsylvania Association for the Blind. The trainee, left, scans printed material with tiny camera held in her right hand, while simultaneously feeling

raised letter images with the forefinger of her left hand, resting on the Optacon tactile array. In the background is the visual display which can be read by the Optacon instructor seated at right.

is located. The ages and abilities of the students in the program vary widely.

Blind adults receive free Optacon training at the Pittsburgh Branch, Pennsylvania Association for the Blind, at the Vocational Rehabilitation Center of Allegheny County, and from the staff of the Pittsburgh District Office, Bureau for the Visually Handicapped, Pennsylvania Department of Public Welfare. These agencies have given priority to individuals who can use an Optacon to improve their job status.

Once trained, participants in the Optacon project have an opportunity to purchase an Optacon at prices all can afford. Students high-school age and younger may obtain an Optacon for \$100 payable within a year of the purchase date; for adults the price is \$500 payable within five years. The amount of subsidy supplied by the Foundation in each case is substantial, as the commercial price of an Optacon is \$3,450. All payments are made to the agencies, which will use receipts to finance additional Optacon purchases.

Evaluation

The need for competent, third-party evaluation of the project has been met through a grant to the American Foundation for the Blind, which is surveying the training programs and interviewing Optacon users during the period March, 1974—June, 1975.

The Richard King Mellon Foundation earmarked \$800,000 for the Optacon project in 1973, and may commit additional funds in 1974. What will the project accomplish? At the very least, a number of blind people in the Pittsburgh area—around 150 by June 30, 1975—will come to possess a skill heretofore

beyond their reach: the ability to read ordinary print on their own.

All signs point to a greater accomplishment, however. There is a real chance that agencies serving the blind in other communities and on a statewide basis will adopt the model of the Richard King Mellon Foundation Optacon project for their own use. If this happens, the Optacon will eventually represent a permanent improvement in the system of educating and training blind people.

Expansion of Facilities

The Foundation made grants in 1973 to several Pittsburgh social agencies to help them expand and improve their facilities. Chief among these awards were commitments of \$300,000 and \$250,000, respectively, to the Pittsburgh Branch, Pennsylvania Association for the Blind (PAB) and the Vocational Rehabilitation Center of Allegheny County (VRC).

For 64 years, PAB has provided visually handicapped residents of Allegheny County a wide variety of services, including sheltered employment, rehabilitation counseling, distribution of Braille materials and "talking books", screening for eye disease, and, now, Optacon training and purchase subsidy. The agency has launched a public campaign to raise nearly \$5,000,000 for expansion and renovation of its headquarters.

VRC will use the Foundation's grant of \$250,000 toward construction of an addition to its present facility. This agency has grown rapidly since moving into its new building in 1969, and now handles an average daily caseload of 119 people requiring diagnostic, counseling, training, and job placement services in order to overcome

Social Services

their handicaps and live useful lives.

Handicapped clients of the Vocational Rehabilitation Center of Allegheny County receive individualized, expert evaluation and training that will help them to lead normal, productive lives.

Group Home, Learning Disabilities

The Foundation's continuing interest in providing better care and education for the mentally retarded in the Pittsburgh area was made manifest in 1973 through a grant to a new group home for retarded children, Horizon Homes, Inc. The group home is a relatively



new concept based upon the principle that small residential units located as near as possible to the retarded child's home can provide better care than large institutions serving whole regions.

Horizon Homes, the first venture of its kind in Pittsburgh, offers extended care for up to 18 children, ages 3-18, in an adapted, single-

family residence in Highland Park. Plans have already been formulated for other Horizon Homes in other Pittsburgh neighborhoods.

The social and educational problems of children with learning

The solarium at Horizon Homes, Inc., offers a bright and peaceful setting for supervised play.



Social Services

disabilities are receiving increasing attention around the country at this time. In Pittsburgh, the principal advocate for the special needs of learning-disabled children has been the Allegheny County Association for Children with Learning Disabilities, Inc. (ACL D). The Foundation awarded ACL D a grant in 1973 for establishment of a Learning Disability Center at Allegheny General Hospital. Headed by a professional educational psychologist, the Center's purpose is to diagnose and treat problems of a perceptual, conceptual, or coordinative nature.

project support during 1973 to various other Pittsburgh agencies whose services to the handicapped and the disadvantaged are essential threads in the fabric of community life.

Two grants, for example, were made for summer programs providing inner-city youth with constructive outdoor recreation. Other funds were directed toward improving facilities for rehabilitating the physically handicapped.

In 1973, The Foundation supported the United Fund of Allegheny County with a leadership contribution of \$200,000.

The following is a list of grants approved in 1973 for social service programs, including those described above:

Other Programs

In line with general policy, the Foundation provided capital or

Allegheny County Association for Children with Learning Disabilities Pittsburgh, Pennsylvania <i>Establishment of Diagnostic Center</i>	\$ 60,000
Allegheny County Society for Crippled Children and Adults Pittsburgh, Pennsylvania <i>Toward Purchase of Headquarters Building</i>	30,000
Roberto Clemente Memorial Foundation Pittsburgh, Pennsylvania <i>Memorial Grant for Relief of Nicaraguan Earthquake Victims and Establishment of Youth City</i>	100,000
Gateway Farm, Inc. Pittsburgh, Pennsylvania <i>Operating Support</i>	50,000
Horizon Homes, Inc. Pittsburgh, Pennsylvania <i>Retirement of Mortgage on Group Home for Retarded Children</i>	50,000
Optacon Program:	
Allegheny Intermediate Unit Pittsburgh, Pennsylvania <i>Optacon Training Program</i>	\$ 43,500
<i>Optacon Purchase Subsidy Revolving Fund</i>	45,500
	89,000

Greater Pittsburgh Guild for the Blind Bridgeville, Pennsylvania		
<i>Optacon Purchase Subsidy Revolving Fund</i>		\$ 52,500
Pennsylvania Association for the Blind, Pittsburgh Branch Pittsburgh, Pennsylvania		
<i>Optacon Training Program</i>	\$ 30,570	
<i>Optacon Purchase Subsidy Revolving Fund</i>	90,000	
<i>Optacon Purchase Subsidy Revolving Fund for the Bureau of Visually Handicapped, Commonwealth of Pennsylvania</i>	<u>35,100</u>	155,670
Pittsburgh Public Schools Pittsburgh, Pennsylvania		
<i>Optacon Training Program</i>		27,000
University of Pittsburgh Pittsburgh, Pennsylvania		
<i>Teacher Training Program</i>		64,250
Vocational Rehabilitation Center of Allegheny County Pittsburgh, Pennsylvania		
<i>Optacon Training Program</i>	53,000	
<i>Optacon Purchase Subsidy Revolving Fund</i>	70,000	
<i>Optacon Training Program for the Bureau of Visually Handicapped, Commonwealth of Pennsylvania</i>	<u>41,500</u>	164,500
Western Pennsylvania School for Blind Children Pittsburgh, Pennsylvania		
<i>Optacon Training Program</i>	46,000	
<i>Optacon Purchase Subsidy Revolving Fund</i>	<u>101,500</u>	147,500
Unappropriated Optacon Funds		99,580
Pennsylvania Association for the Blind, Pittsburgh Branch Pittsburgh, Pennsylvania		
<i>Expansion and Renovation of Headquarters Building</i> ...		300,000
Protestant Episcopal Diocese of Pittsburgh Pittsburgh, Pennsylvania		
<i>Improvements to Sheldon Calvary Camp</i>		20,000
The United Fund of Allegheny County Pittsburgh, Pennsylvania		
<i>Support of 1973 Campaign</i>		200,000
Vocational Rehabilitation Center of Allegheny County Pittsburgh, Pennsylvania		
<i>Construction of Addition to Headquarters Building</i>		250,000
Youth Opportunities Unlimited, Inc. Pittsburgh, Pennsylvania		
<i>Summer Program</i>		<u>28,000</u>
		<u>\$1,888,000</u>

Civic Affairs & Conservation

Appropriations supporting further planning for the economic development of the Pittsburgh area, for study of important national issues, and for conservation of natural areas account for \$1,510,000 or seven percent of the 1973 grant program.

Pittsburgh Advances

The Allegheny Conference on Community Development, in an attempt to counteract economic stagnation in the Pittsburgh area, has launched a new nine-county economic development effort, Penn's Southwest Association.

Leaders from government, labor, and various community organizations, as well as top business executives, form the membership of the Association. A small professional staff with experience in

Executive committee members of Penn's Southwest Association discuss economic development. Seated left to right are: J. David Barnes, Senior Vice President of Mellon Bank; James H. Higgins, President of Mellon Bank and President of Penn's Southwest; John M. Arthur, Chairman of the Board of Duquesne Light Company and Chairman of Penn's Southwest; and Jay D. Aldridge, Executive Director of the Association.



business, planning, and communications has been assembled to carry out a detailed marketing program to (1) establish an identity for the nine-county area; (2) improve the internal and external images of the area; and (3) establish entities in the region that will be positive economic generators.

There have been some beneficial results already. As of late 1973, for example, six new industries providing 510 jobs annually had been placed in the region through the Association's efforts. In the meantime, the Association is working with other good prospects identified through the marketing program.

The Foundation's three-year grant of \$450,000 to Penn's Southwest is underwriting basic staff costs.

A five-year grant of \$150,000 to the Allegheny Conference on Community Development will provide funding for an advisory staff position intended to help the Conference reassume a key role in civic planning. The Program Adviser will begin to reorient the Conference toward emphasis of economic as well as social development. The position carries a joint appointment as University Professor of Public Affairs at the University of Pittsburgh so that the same individual can combine the practical and academic approaches to community problems.

National Issues

Few public policy studies enjoy greater recurring impact upon decision makers in government than The Brookings Institution's annual publication, *Setting National Priorities*. This thorough, analytical review of the President's budget finds its way into the hands of most Senators, Representatives, and

influential bureaucrats.

For example, *Setting National Policy: The 1974 Budget* was published July 19, 1973, and within less than three weeks, 300 members of Congress had requested copies. Sales of the 1973 report ultimately exceeded 30,000 copies.

The Foundation awarded Brookings a grant of \$300,000 toward the cost of preparing and publishing *Setting National Priorities* in the three years, 1974-76. The Foundation entered into this venture through a continuing desire to add to public understanding of critical national issues. If the annual budget is an Administration's principal vehicle for setting national priorities, then it should be understood as widely as possible by the electorate. The Brookings study is simply the best available means of accomplishing this purpose.

For a number of years, the Foundation has made small operating grants to the Committee for Economic Development (CED), which, like Brookings Institution, is a non-partisan, non-political organization for the study of national issues, particularly economic issues. A terminal operating grant was awarded to CED in 1973 on the basis that henceforth the Foundation will allocate funds to CED not for general operations, but for particular studies. For example, CED's current policy statement project entitled, *Problems and Potentials of Economic Growth: The Energy Problem*, is partially funded by a grant from the Foundation.

Another Foundation grant, a two-year award of \$200,000, is helping to establish, in Pittsburgh, a new National Center for Juvenile Justice. This grant, along with those of other Pittsburgh foundations, responds to the call of the National

Council of Juvenile Court Judges for an organization to provide consultative and research services to juvenile courts and related agencies throughout the United States.

Judge Maurice B. Cohill, Jr., of the Fifth Judicial District, Pittsburgh, has led the move to organize the Center, which now occupies quarters at the University of Pittsburgh School of Law. With a small professional staff, the Center has already begun its basic work of providing objective, practical data upon which others can base informed decisions as to betterment of the juvenile justice system.

A grant of \$100,000 was awarded to the Roberto Clemente Memorial Foundation to honor the memory of the late Pittsburgh Pirate right fielder. The grant was for Nicaraguan earthquake relief and establishment of Youth City in Clemente's native Puerto Rico.



Conserving Wetlands

Due to large commitments in other fields of interest, only a relatively small sum, \$302,000, was earmarked for conservation in 1973. This is not a reflection of diminished interest in conservation, but simply a matter of temporary circumstance. The Foundation has a lasting concern for land and wildlife conservation that can be expected to manifest itself repeatedly in the future.

Almost the entire 1973 appropriation, or \$300,000, was devoted to a single project, Four Holes Sanctuary, a joint undertaking of the National Audubon Society and The Nature Conservancy.

Four Holes Sanctuary, near Charleston, South Carolina, contains the last large stand of virgin cypress trees on the North American continent. Like all wetlands, Four Holes is a haven for birds and a nursery for aquatic life. The Sanctuary contains several rare and endangered wildlife species.

The Foundation first supported conservation of this natural area in 1972, after it had been saved by the National Audubon Society and The Nature Conservancy. The 1973 grant reflects the need to protect the Sanctuary through purchase of additional land on its periphery, and to eliminate indebtedness tied to the original 3,400-acre purchase. A portion of the grant is conditioned upon a matching requirement designed to attract support for Four Holes from South Carolina and neighboring states.

The following is a summary of the Foundation's appropriations for civic affairs and conservation in 1973:

Civic Affairs

ACTION-Housing, Inc. Pittsburgh, Pennsylvania <i>Operating Support</i>	\$ 67,000
Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Operating Support</i>	165,000
Brookings Institution Washington, D. C. <i>Publication of Setting National Priorities</i>	300,000
Committee for Economic Development New York, New York <i>Operating Support</i>	15,000
National Juvenile Court Foundation, Inc. Reno, Nevada <i>Establishment in Pittsburgh of National Center for Juvenile Justice</i>	200,000
Penn's Southwest Association Pittsburgh, Pennsylvania <i>Staffing Grant</i>	450,000
Pennsylvania Economy League, Inc., Western Division Pittsburgh, Pennsylvania <i>Operating Support</i>	11,000
TOTAL, CIVIC AFFAIRS	<u>\$1,208,000</u>

Conservation

Loyalhanna Watershed & Environmental Association, Inc. Ligonier, Pennsylvania <i>Conduct of Feasibility Study</i>	\$ 2,000
National Audubon Society New York, New York <i>Matching Grant for Completing Acquisition of Four Holes Swamp</i> ..	<u>300,000</u>
TOTAL, CONSERVATION	<u>\$ 302,000</u>

Appropriations and Grants Paid

	12/31/72 Unpaid	1973		12/31/73 Unpaid
		Approved	Paid	
A Better Chance—Independent Schools Talent Search, Inc. Boston, Massachusetts	\$ 20,000	\$ 54,000	\$ 47,000	\$ 27,000
ACTION-Housing, Inc. Pittsburgh, Pennsylvania		67,000		67,000
Alderson-Broadus College, Inc. Philippi, West Virginia		245,000	245,000	
Allegheny College Meadville, Pennsylvania	500,000			500,000
Allegheny Conference on Community Development Pittsburgh, Pennsylvania		165,000	45,000	120,000
Allegheny County Association for Children with Learning Disabilities Pittsburgh, Pennsylvania		60,000	60,000	
Allegheny County Mental Health and Mental Retardation Program Pittsburgh, Pennsylvania		75,000	75,000	
Allegheny County Society for Crippled Children and Adults Pittsburgh, Pennsylvania		30,000	30,000	
Allegheny East Mental Health & Mental Retardation Center, Inc. Pittsburgh, Pennsylvania	50,000		50,000	
Allegheny Intermediate Unit Pittsburgh, Pennsylvania	15,000		15,000	
Allegheny Valley School for Exceptional Children Pittsburgh, Pennsylvania	125,000		125,000	
Bank Street College of Education New York, New York	125,000		75,000	50,000
Brookings Institution Washington, D. C.		300,000	100,000	200,000
Carnegie Institute, Museum of Natural History Pittsburgh, Pennsylvania	307,500	10,000,000	307,500	10,000,000
Carnegie-Mellon University Pittsburgh, Pennsylvania	1,000,000	25	1,000,025*	

Richard King Mellon Foundation

	12/31/72 Unpaid	1973		12/31/73 Unpaid
		Approved	Paid	
Chatham College Pittsburgh, Pennsylvania	\$ 30,000	\$ 1,225,020	\$ 800,020* 455,000	
Roberto Clemente Memorial Foundation Pittsburgh, Pennsylvania		100,000	100,000	
Committee for Economic Development New York, New York		15,000		\$ 15,000
Dartmouth College Hanover, New Hampshire	50,000		25,000	25,000
Ducks Unlimited, Inc. New York, New York	300,000		100,000	200,000
Gateway Farm, Inc. Pittsburgh, Pennsylvania		50,000	50,000	
Hampshire College Amherst, Massachusetts	250,000		250,000	
Harmarville Rehabilitation Center, Inc. Harmarville, Pennsylvania	200,000		200,000	
Hiram College Hiram, Ohio		150,000		150,000
Horizon Homes, Inc. Pittsburgh, Pennsylvania		50,000		50,000
Institute for Educational Development New York, New York		50,000		50,000
Johns Hopkins University Washington, D. C.	150,000		50,000	100,000
Keystone Tall Tree Girl Scout Council Kittanning, Pennsylvania	35,000		35,000	
Latrobe Area Hospital Latrobe, Pennsylvania	620,000	260,000	520,000	360,000
Lehigh University Bethlehem, Pennsylvania		500,000		500,000
Lincoln-Larimer Athletic Association, Inc. Pittsburgh, Pennsylvania	50,000		50,000	

Appropriations and Grants Paid

	12/31/72 Unpaid	1973		12/31/73 Unpaid
		Approved	Paid	
Loyalhanna Watershed & Environmental Association, Inc. Ligonier, Pennsylvania		\$ 2,000	\$ 2,000	
McKeesport Area School District McKeesport, Pennsylvania		115,000	115,000	
McKeesport Hospital McKeesport, Pennsylvania	\$ 100,000		100,000	
Mercy Hospital Pittsburgh, Pennsylvania		1,000,005	1,000,005*	
Metropolitan Pittsburgh Public Broadcasting Pittsburgh, Pennsylvania	300,000		100,000	\$ 200,000
Muhlenberg and Cedar Crest Colleges Allentown, Pennsylvania		150,000	50,000	100,000
National Academy of Science Washington, D. C.	300,000		100,000	200,000
National Audubon Society New York, New York		300,000		300,000
National Industrial Conference Board, Inc. New York, New York	10,000		10,000	
National Juvenile Court Foundation, Inc. Reno, Nevada		200,000		200,000
National Merit Scholarship Corporation Evanston, Illinois		210,800		210,800
Negro Educational Emergency Drive Pittsburgh, Pennsylvania	60,000		60,000	
Optacon Program: Allegheny Intermediate Unit Pittsburgh, Pennsylvania		89,000	89,000	
Greater Pittsburgh Guild for the Blind Bridgeville, Pennsylvania		52,500	38,000	14,500
Pennsylvania Association for the Blind, Pittsburgh Branch Pittsburgh, Pennsylvania		155,670	95,670	60,000

Richard King Mellon Foundation

	12/31/72 Unpaid	1973		12/31/73 Unpaid
		Approved	Paid	
Pittsburgh Public Schools Pittsburgh, Pennsylvania		\$ 27,000	\$ 27,000	
University of Pittsburgh Pittsburgh, Pennsylvania		64,250	64,250	
Vocational Rehabilitation Center of Allegheny County Pittsburgh, Pennsylvania		164,500	112,000	\$ 52,500
Western Pennsylvania School for Blind Children Pittsburgh, Pennsylvania		147,500	94,200	53,300
Unappropriated		99,580		99,580
Pace School McKeesport, Pennsylvania	\$ 50,000		50,000	
Penn's Southwest Association Pittsburgh, Pennsylvania		450,000		450,000
Pennsylvania Association for the Blind, Pittsburgh Branch Pittsburgh, Pennsylvania		300,000		300,000
Pennsylvania Economy League, Inc., Western Division Pittsburgh, Pennsylvania		11,000		11,000
The Pennsylvania State University University Park, Pennsylvania		60,000		60,000
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania	25,000		25,000	
Pittsburgh Free Clinic Pittsburgh, Pennsylvania	25,000		25,000	
Pittsburgh Public Schools Pittsburgh, Pennsylvania		20,000	20,000	
Protestant Episcopal Diocese of Pittsburgh Pittsburgh, Pennsylvania		20,000		20,000
Psychological Service of Pittsburgh Pittsburgh, Pennsylvania	25,000		25,000	
Reading is FUNdamental c/o Chatham College Pittsburgh, Pennsylvania	100,000		100,000	

Appropriations and Grants Paid

	12/31/72 Unpaid	1973		12/31/73 Unpaid
		Approved	Paid	
Recording for the Blind, Inc. New York, New York	\$ 50,000		\$ 50,000	
Rockefeller University New York, New York	1,000,000	\$ 25	1,000,025*	
St. John's General Hospital of Allegheny County Pittsburgh, Pennsylvania		35,000	15,000	\$ 20,000
Shady Lane School Pittsburgh, Pennsylvania	150,000		100,000	50,000
Squirrel Hill Urban Coalition c/o United Jewish Federation of Pittsburgh Pittsburgh, Pennsylvania	10,000		10,000	
Stanford University Palo Alto, California		450,000	150,000	300,000
Treasurer of the United States of America Washington, D. C.	270,000		270,000	
The Tri-County Conservancy of the Brandywine, Inc. Chadds Ford, Pennsylvania	250,000		250,000	
The United Fund of Allegheny County Pittsburgh, Pennsylvania	150,000	200,000	150,000	200,000
United Negro College Fund, Inc. New York, New York		25,000		25,000
University Health Center of Pittsburgh Pittsburgh, Pennsylvania Eye and Ear Hospital	72,000	1,500,000	18,000	1,554,000
Magee-Womens Hospital		500,000		500,000
University of Pittsburgh Pittsburgh, Pennsylvania Arsenal Family & Children's Center	50,000		50,000	
Falk School	25,000		25,000	
School of Medicine	100,000		50,000	50,000
Urban League of Pittsburgh, Inc. Pittsburgh, Pennsylvania	100,000	15,000	100,000	15,000

Richard King Mellon Foundation

	12/31/72 Unpaid	1973		12/31/73 Unpaid
		Approved	Paid	
Vocational Rehabilitation Center of Allegheny County Pittsburgh, Pennsylvania		\$ 250,000		\$ 250,000
Western Pennsylvania Comprehensive Health Planning Agency, Inc. Pittsburgh, Pennsylvania		90,000	\$ 90,000	
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania	\$ 65,000		35,000	30,000
Western Pennsylvania School for Blind Children Pittsburgh, Pennsylvania	200,000		200,000	
Wilkes College Wilkes-Barre, Pennsylvania	100,000		100,000	
Woods Hole Oceanographic Institution Woods Hole, Massachusetts	250,000		250,000	
World Affairs Council of Pittsburgh Pittsburgh, Pennsylvania	75,000		50,000	25,000
Youth Opportunities Unlimited, Inc. Pittsburgh, Pennsylvania		28,000	28,000	
	<u>\$7,739,500</u>	<u>\$20,127,875</u>	<u>\$10,102,695</u>	<u>\$17,764,680</u>

*Grants-in-kind

Statement of Net Assets

December 31, 1973

Richard King Mellon Foundation

Cash and receivables		\$	843,540
Investments, at market quotations:			
Stocks and other equity securities	\$239,707,148		
Temporary investments	37,798,162		
Other investments and deposits	<u>1,495,212</u>		279,000,522
Escrow deposit (see Note)			240,000
Program-related investments, at cost:			
Capital Stock of Columbia Corporation	5,037,727		
Capital Stock of Paramount Development, Inc.	648,200		
Pittsburgh Historical Collection	<u>22,631</u>		<u>5,708,558</u>
Total assets			285,792,620
Less amounts reserved for:			
Grants approved but not paid	17,764,680		
Federal excise tax	<u>317,940</u>		<u>18,082,620</u>
Net assets			<u><u>\$267,710,000</u></u>

NOTE TO FINANCIAL STATEMENTS

Through December 31, 1973, the Foundation received \$76,952,893 in cash and securities from the Estate of the late Richard K. Mellon, representing distributions received on account of its interest in the Estate. In consideration of these distributions from the Estate to the Foundation prior to the audit and confirmation of the Estate's final account, the Foundation agreed to refund on demand all or any part of such distributions which may be determined to have been improperly made and to pay to the Executors on demand such amount as may be necessary to save them harmless from any loss resulting from their making such advancement prior to the audit and confirmation of a final account. At the request of the Estate the Foundation on February 7, 1973, made an escrow deposit of \$240,000 in an account established in connection with negotiations looking toward settlement of litigation in which the Estate is a party and the outcome of which will directly affect the Foundation's right to retain the distributions from the Estate. The Foundation understands that there has not yet been an audit and confirmation of a final account of the Estate.

Statement of Changes in the Fund

Richard King Mellon Foundation

	Year Ended December 31, 1973	Cumulative from Inception on November 14, 1947 to December 31, 1973
Contributions received		\$129,698,986
Gain or (loss) from investments sold or distributed in pay- ment of grants	\$(1,370,961)	26,659,301
Unrealized appreciation or (depreciation) on invest- ments, at market quotations	<u>(35,377,372)</u> (36,748,333)	<u>136,911,331</u> 293,269,618
Investment income	\$ 8,280,604	\$68,182,789
Less:		
Administrative and investment expenses	753,499	6,146,992
Federal excise tax	<u>317,940</u>	<u>964,604</u>
	<u>1,071,439</u>	<u>7,111,596</u>
Net income	7,209,165	61,071,193
Grants paid	<u>10,102,695</u>	<u>68,866,131</u>
Grants paid in excess of net income	<u>(2,893,530)</u>	<u>(7,794,938)</u>
Increase or (decrease) in fund	<u>\$(39,641,863)</u>	285,474,680
Less amount reserved for grants approved but not paid.		<u>17,764,680</u>
Net assets, December 31, 1973		<u>\$267,710,000</u>

Investments

December 31, 1973

Number of Shares		Amount at	
		Market Quotations at Date of Receipt or Cost of Acquisition	Market Quotations at December 31, 1973
STOCKS AND OTHER EQUITY SECURITIES			
	<i>Airlines & air freight</i>		
1,800	Emery Air Freight Corp.	\$ 104,602	\$ 107,775
		<u>104,602</u>	<u>107,775</u>
	<i>Amusement</i>		
11,250	Walt Disney Productions.	869,508	531,563
		<u>869,508</u>	<u>531,563</u>
	<i>Apparel and textiles</i>		
6,000	Simplicity Pattern Co., Inc.	295,839	220,500
		<u>295,839</u>	<u>220,500</u>
	<i>Banking</i>		
11,000	Citizens & Southern National Bank.	229,639	214,500
2,500	First National City Corp.	113,160	114,375
3,000	NCNB Corp.	116,682	118,500
19,000	Northwest Bancorporation.	735,858	1,144,750
16,000	Patagonia Corp.	200,262	146,000
3,000	United Virginia Bankshares Inc.	116,757	79,875
15,000	Virginia National Bankshares, Inc.	419,364	363,750
5,000	Wachovia Corp.	192,973	157,500
		<u>2,124,695</u>	<u>2,339,250</u>
	<i>Brewing & distilling</i>		
4,000	Anheuser-Busch Inc.	197,073	131,500
		<u>197,073</u>	<u>131,500</u>
	<i>Broadcasting & cable TV</i>		
30,000	American Broadcasting Companies, Inc.	770,351	697,500
		<u>770,351</u>	<u>697,500</u>
	<i>Building materials</i>		
4,230	Georgia-Pacific Corp.	146,862	162,326
4,000	Weyerhaeuser Co.	115,959	156,500
		<u>262,821</u>	<u>318,826</u>
	<i>Business services</i>		
2,000	American District Telegraph Co.	111,722	79,000
		<u>111,722</u>	<u>79,000</u>

Richard King Mellon Foundation

Number of Shares		Amount at	
		Market Quotations at Date of Receipt or Cost of Acquisition	Market Quotations at December 31, 1973
	<i>Chemical</i>		
7,000	Air Products & Chemicals, Inc.....	\$ 344,995	\$ 280,000
20,000	Hercules, Inc.....	665,451	690,000
		<u>1,010,446</u>	<u>970,000</u>
	<i>Construction & material handling</i>		
10,000	Clark Equipment Co.....	546,312	465,000
		<u>546,312</u>	<u>465,000</u>
	<i>Containers</i>		
10,400	Pittway Corp.....	378,148	309,400
		<u>378,148</u>	<u>309,400</u>
	<i>Cosmetic & household products</i>		
11,700	Avon Products, Inc.....	1,357,554	745,875
2,500	Chesebrough-Pond's, Inc.....	197,000	150,625
30,200	Colgate-Palmolive Co.....	910,279	751,225
3,000	Economics Laboratory, Inc.....	114,569	118,875
19,000	Gillette Co.....	1,080,115	681,625
1,000	International Flavors & Fragrances, Inc.....	95,098	79,875
1,000	Procter & Gamble Co.....	96,880	92,000
1,800	Revlon, Inc.....	117,805	105,750
1,000	Tampax, Inc.....	99,005	57,000
		<u>4,068,305</u>	<u>2,782,850</u>
	<i>Drug</i>		
10,200	Eli Lilly and Co., Inc.....	654,472	756,075
11,350	Merck & Co., Inc.....	986,353	916,513
7,900	Schering-Plough, Inc.....	585,023	560,900
4,000	Squibb Corp.....	413,769	323,000
10,000	Syntex Corp.....	776,601	1,148,750
3,200	Warner-Lambert Co.....	143,627	119,600
		<u>3,559,845</u>	<u>3,824,838</u>
	<i>Electrical equipment</i>		
17,000	Emerson Electric Co.....	606,731	739,500
21,000	General Electric Co.....	1,410,197	1,323,000
1,400	Sony Corp.....	52,481	42,000
		<u>2,069,409</u>	<u>2,104,500</u>
	<i>Electronics</i>		
35,500	AMP, Inc.....	1,081,830	1,380,063
6,000	Beckman Instruments, Inc.....	243,061	170,250
700	Hewlett-Packard Co.....	54,835	56,612
10,000	Motorola, Inc.....	592,246	492,500
		<u>1,971,972</u>	<u>2,099,425</u>

Investments (continued)

Number of Shares		Amount at	
		Market Quotations at Date of Receipt or Cost of Acquisition	Market Quotations at December 31, 1973
<i>Finance</i>			
10,000	Household Finance Corp.....	\$ 285,497	\$ 196,250
		<u>285,497</u>	<u>196,250</u>
<i>Food products</i>			
30,000	Beatrice Foods Co.	704,998	641,250
6,000	Carnation Co.	391,521	366,000
6,500	Coca Cola Co.	906,346	822,250
10,000	Kraftco Corp.	458,726	380,000
31,775	Norton Simon, Inc.	975,896	516,344
1,700	Pepsico, Inc.	141,964	117,937
10,000	Quaker Oats Co.	392,522	288,750
24,000	Ralston Purina Co.	828,984	996,000
		<u>4,800,957</u>	<u>4,128,531</u>
<i>Hospital supply</i>			
4,400	American Hospital Supply Corp.	182,257	172,150
6,500	C. R. Bard, Inc.	169,820	136,500
3,000	Becton, Dickinson & Co.	109,506	112,500
13,600	Johnson & Johnson Co.	1,607,639	1,533,400
		<u>2,069,222</u>	<u>1,954,550</u>
<i>Industrial machinery & materials</i>			
1,000	Black & Decker Manufacturing Co.	120,272	100,000
6,000	Hughes Tool Co.	327,835	513,000
		<u>448,107</u>	<u>613,000</u>
<i>Insurance</i>			
35,000	Capital Holding Corp.	997,363	1,076,250
6,000	Colonial Penn Group, Inc.	329,566	344,250
19,500	Connecticut General Insurance Corp.	989,791	1,060,313
621,450	General Reinsurance Corp.	4,296,493	126,775,800
10,000	Liberty National Life Insurance Co.	350,020	327,500
2,000	MGIC Investment Corp.	115,653	65,750
6,000	Marlennan Corp.	301,344	259,500
4,000	Monumental Corp.	106,507	57,000
16,000	N.L.T. Corp.	421,725	274,000
30,000	Southwestern Life Corp.	1,211,506	1,147,500
		<u>9,119,968</u>	<u>131,387,863</u>
<i>Merchandising</i>			
6,500	Jack Eckerd Corp.	202,694	162,500
11,000	S. S. Kresge Co.	396,029	360,250
32,000	Melville Shoe Corp.	927,193	348,000
20,000	Rite Aid Corp.	669,927	325,000
9,000	Sears, Roebuck & Co.	127,414	722,250
		<u>2,323,257</u>	<u>1,918,000</u>

Richard King Mellon Foundation

Number of Shares		Amount at	
		Market Quotations at Date of Receipt or Cost of Acquisition	Market Quotations at December 31, 1973
<i>Multi-industry</i>			
18,000	TRW, Inc.....	\$ 634,949	\$ 321,750
30,000	Textron, Inc.	976,303	585,000
		<u>1,611,252</u>	<u>906,750</u>
<i>Non-ferrous metals & mining</i>			
167,479	Aluminum Company of America	9,482,506	12,184,097
1,500	American Metal Climax Inc.	68,999	76,875
28,000	Hanna Mining Co.	1,474,854	1,428,000
3,000	Utah International, Inc.	134,976	148,500
		<u>11,161,335</u>	<u>13,837,472</u>
<i>Office equipment & photocopy</i>			
9,000	Avery Products Corp.	397,628	317,250
29,100	Bradford Computer & Systems, Inc.	1,032,116	669,300
6,250	Burroughs Corp.	1,402,527	1,302,344
12,000	Data General Corp.	452,651	453,000
1,400	Digital Equipment Corp.	117,918	142,625
17,150	International Business Machines Corp.	2,638,438	4,231,762
7,300	Minnesota Mining & Mfg. Co.	602,953	569,400
2,000	Moore Corp. Ltd.	115,131	110,000
15,000	Rank Organisation Ltd.	157,437	116,250
5,000	Xerox Corp.	736,266	613,750
		<u>7,653,065</u>	<u>8,525,681</u>
<i>Oil & gas</i>			
2,000	Atlantic Richfield Co.	217,786	217,500
1,600	Exxon Corp.	146,458	150,600
4,000	Getty Oil Co.	449,944	640,000
1,985,268	Gulf Oil Corp.	32,132,009	46,901,956
8,000	Kerr-McGee Corp.	500,808	720,000
2,000	Mobil Oil Corp.	124,507	106,000
12,000	Phillips Petroleum Co.	577,767	822,000
10,000	Santa Fe International Corp.	244,413	475,000
1,000	Standard Oil Co. of Indiana	85,295	103,750
20,000	Texaco, Inc.	751,244	587,500
		<u>35,230,231</u>	<u>50,724,306</u>
<i>Oil & gas servicing</i>			
2,600	Halliburton Co.	471,843	502,450
2,000	Schlumberger, N.V.	187,722	263,750
		<u>659,565</u>	<u>766,200</u>
<i>Paper</i>			
10,000	Kimberly-Clark Corp.	410,515	322,500
		<u>410,515</u>	<u>322,500</u>

Investments (continued)

Number of Shares		Amount at	
		Market Quotations at Date of Receipt or Cost of Acquisition	Market Quotations at December 31, 1973
<i>Photographic</i>			
12,400	Eastman Kodak Co.	\$ 1,659,160	\$ 1,438,400
4,000	Polaroid Corp.	544,841	279,500
		<u>2,204,001</u>	<u>1,717,900</u>
<i>Public utility—telephone, etc.</i>			
6,000	American Telephone & Telegraph Co.	307,429	300,750
17,000	Continental Telephone Corp.	401,738	310,250
4,000	General Telephone & Electronics Corp.	117,088	100,000
		<u>826,255</u>	<u>711,000</u>
<i>Publishing & printing</i>			
15,000	American Greetings Corp.	660,650	517,500
3,000	Deluxe Check Printers Inc.	108,756	91,500
15,000	Gannett Co. Inc.	567,967	480,000
20,000	Times-Mirror Co.	372,261	320,000
		<u>1,709,634</u>	<u>1,409,000</u>
<i>Restaurants & lodgings</i>			
6,200	Holiday Inns Inc.	137,186	82,150
17,125	Marriott Corp.	467,854	325,375
18,000	McDonald's Corp.	690,169	1,026,000
15,000	Sambo's Restaurants, Inc.	438,416	241,407
		<u>1,733,625</u>	<u>1,674,932</u>
<i>Tobacco</i>			
6,000	Philip Morris, Inc.	716,359	688,500
		<u>716,359</u>	<u>688,500</u>
<i>Trucking</i>			
4,000	Roadway Express, Inc.	130,871	151,000
3,500	Ryder System, Inc.	124,263	99,750
		<u>255,134</u>	<u>250,750</u>
<i>Other industries</i>			
3,500	Natomas Co.	193,483	247,625
18,587	Rowe Price New Era Fund, Inc.	199,996	219,141
36,505	Rowe Price New Horizons Fund, Inc.	353,297	292,770
10,000	Scholl, Inc.	311,681	232,500
		<u>1,058,457</u>	<u>992,036</u>
	TOTAL STOCKS AND OTHER EQUITY SECURITIES	<u>102,617,484</u>	<u>239,707,148</u>

Richard King Mellon Foundation

Face Amount		Amount at	
		Market Quotations at Date of Receipt or Cost of Acquisition	Market Quotations at December 31, 1973
TEMPORARY INVESTMENTS			
<i>Certificates of deposit</i>			
\$3,000,000	Manufacturers Hanover Trust Co., 9.30% Certificate of Deposit, due Mar. 28, 1974. . . .	\$ 2,999,469	\$ 3,000,000
6,000,000	Mellon Bank N.A., 9.75% Certificate of Deposit, due Jan. 14, 1974.	6,000,000	6,000,000
6,000,000	Mellon Bank N.A., 8.50% Certificate of Deposit, due June 12, 1974.	6,000,000	6,000,000
2,000,000	Mellon Bank N.A., 9.80% Certificate of Deposit, due Jan. 25, 1974.	2,000,000	2,000,000
2,000,000	Mellon Bank N.A., 9.75% Certificate of Deposit, due Feb. 15, 1974.	2,000,000	2,000,000
1,000,000	Mellon Bank N.A., 9.75% Certificate of Deposit, due Jan. 14, 1974.	1,000,000	1,000,000
	Total certificates of deposit.	<u>19,999,469</u>	<u>20,000,000</u>
<i>Demand notes</i>			
242,000	CIT Financial Corp., 8.062% Demand Notes . . .	242,000	242,000
2,445,000	Commercial Credit Co., 8.062% Demand Notes .	2,445,000	2,445,000
908,000	Ford Motor Credit Co., 8.422% Demand Notes.	908,000	908,000
552,000	General Electric Credit Corp., 7.927% Demand Notes	552,000	552,000
1,790,000	General Electric Co., 7.927% Demand Notes . .	1,790,000	1,790,000
5,559,000	General Motors Acceptance Corp., 8.422% Demand Notes	5,559,000	5,559,000
450,000	RCA Corp., 8.422% Demand Notes.	450,000	450,000
323,000	U. S. Steel Corp., 8.062% Demand Notes	323,000	323,000

Investments (continued)

Face Amount		Amount at	
		Market Quotations at Date of Receipt or Cost of Acquisition	Market Quotations at December 31, 1973
\$ 542,000	Westinghouse Credit Corp., 7.927% Demand Notes	\$ 542,000	\$ 542,000
800,000	Westinghouse Electric Corp., 8.469% Demand Notes	800,000	800,000
	Total demand notes	13,611,000	13,611,000
	<i>Discount and interest-bearing notes</i>		
250,000	Allstate Financial Corp., 9.75% Discount Note, due Jan. 7, 1974	249,188	249,526
1,294,000	Clark Equipment Credit Corp., 9.643% Interest- bearing Note, due Jan. 4, 1974	1,294,000	1,294,000
600,000	Ford Motor Credit Co., 9.75% Discount Note, due Jan. 4, 1974	597,563	599,350
250,000	Ford Motor Credit Co., 9.50% Discount Note, due Jan. 2, 1974	249,604	249,868
800,000	General Electric Credit Corp., 9.625% Discount Note, due Jan. 9, 1974	797,433	798,075
700,000	General Motors Acceptance Corp., 9.50% Discount Note, due Jan. 15, 1974	697,229	697,229
	Total discount and interest-bearing notes ..	3,885,017	3,888,048
	<i>Other</i>		
300,000	U. S. Treasury Bills, 7.0%, due Jan. 17, 1974 ..	297,961	299,114
	Total other	297,961	299,114
	TOTAL TEMPORARY INVESTMENTS	37,793,447	37,798,162

Richard King Mellon Foundation

Face Amount		Amount at	
		Market Quotations at Date of Receipt or Cost of Acquisition	Market Quotations at December 31, 1973
OTHER INVESTMENTS AND DEPOSITS			
\$1,440,000	William Coal Corp., Notes, 5.625%, due Sept. 15, 1981	\$ 1,440,000	\$ 1,257,242
	Fractional interests in surface and minerals in properties located in Maryland and West Virginia	113,260	112,970
100,000	Limited Partnership in New York Plaza Associates—Plaza II	100,000	100,000
25,000	Dwelling House Building and Loan Assoc., 5% Savings Account.	25,000	25,000
	TOTAL OTHER INVESTMENTS AND DEPOSITS.....	<u>1,678,260</u>	<u>1,495,212</u>
	TOTAL INVESTMENTS	<u>\$142,089,191</u>	<u>\$279,000,522</u>

To the Trustees of Richard King Mellon Foundation:

We have examined the statement of net assets of Richard King Mellon Foundation as of December 31, 1973, the related statement of changes in the fund for the year then ended and for the period from the Foundation's inception on November 14, 1947 to December 31, 1973, and the supporting schedules of investments and appropriations and grants paid. 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 above-mentioned financial statements present fairly the net assets of Richard King Mellon Foundation at December 31, 1973, and the changes in the fund for the year then ended and for the period from November 14, 1947 to December 31, 1973, and the supporting schedules present fairly the information included therein, all in accordance with generally accepted accounting principles applied on a consistent basis.

COOPERS & LYBRAND

Pittsburgh, Pennsylvania
March 26, 1974

Design:
Robert Bowden
Photography:
John Alexandrowicz

Information for Applicants

All inquiries and applications for grants should be addressed to

Mr. Elston R. Law
Vice President and Director
Richard King Mellon Foundation
525 William Penn Place
Pittsburgh, Pennsylvania 15230

Applications should take the form of a letter containing a statement of the applicant's general aims and an explanation of the specific purpose for which funds are sought, including goals, proposed method of operation, and itemized budget. Documentation of the applicant's classification under current Treasury Department regulations should be forwarded with the application.

The Richard King Mellon Foundation is a private, grant-making foundation with no restrictions as to fields of interest or geographic area. As a matter of practice, however, the Foundation's grant program has always emphasized institutions and organizations in Pittsburgh and western Pennsylvania. The regional character of the Foundation's activities is reflected in this and all previous published reports.

The Foundation will not consider requests on behalf of individuals.

Richard King Mellon Foundation