

*1976 Annual Report
Richard King Mellon
Foundation*

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Richard King Mellon Foundation

1976 Annual Report

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Introduction

Two significant milestones were achieved as the philanthropic activities of the Richard King Mellon Foundation were furthered during 1976. Total grants awarded during the Foundation's twenty-nine year existence and total grant payments during the same period each surpassed \$100,000,000. The authorization in 1976 of sixty-seven new commitments amounting to \$9,821,812 boosted cumulative grant appropriations to \$109,217,391. 1976 grant payments of \$12,669,261 extended

total distributions to charitable recipients since the Foundation's inception in 1947 to \$103,643,990, an amount which exceeds the net income for the same period by \$23,182,693. Of the total funds distributed during this reporting period, \$4,526,682 represented payments toward grants approved during 1976. Unpaid grants at year-end amounted to \$5,571,130.

Grants were awarded during the year in five broad categories: Education, Social Services, Cultural Activities, Medicine, and Conservation and Civic Affairs. The first three categories received particular emphasis in 1976. Together, these fields accounted for 81 percent of the total funds awarded during the year. In terms



of the number of grants approved, the Foundation was most active in the social services field.

The Richard King Mellon Foundation continues to be most immediately concerned with the encouragement of a better quality of life for the people of the Pittsburgh region. Eighty-three percent of the 1976 grant dollars approved were directed toward projects in Pittsburgh and other western Pennsylvania communities. Only fourteen of the year's sixty-seven grants supported activities outside this area.

In recent years, the Trustees and Officers of the Richard King Mellon Foundation have made a concerted effort to encourage grantees to reexamine their priorities and objectives and to make the most efficient use of re-

sources. A similar review process was conducted internally by the Trustees of the Foundation in late 1976. The Trustees deliberated major revisions regarding the Foundation's philanthropic priorities. As a result, certain existing policies were reaffirmed and several rather significant changes in the future direction and emphasis of the Foundation's grant program were adopted.

The Trustees will continue to emphasize support for institutions and organizations in Pittsburgh and western Pennsylvania. Activities outside this region, previously dominated by projects in medicine and higher education, will be confined primarily to land conservation and wildlife preser-



vation. It is the Foundation's intention to pursue this priority on both a local and national basis.

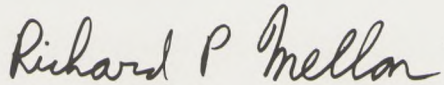
In addition to conservation, the Trustees' well-established interests in the fields of medicine and education remain leading priorities. However, with the increasing demands being placed upon the Foundation's limited resources, the scope of interest in these two fields has narrowed considerably.

The Foundation's involvement in medicine and health care will be concentrated in the Pittsburgh and western Pennsylvania areas with the major objectives of fostering community health planning and incentives for the reduction of health care costs. The improvement of the management and cooperation of member hospitals of the University Health Center of Pittsburgh continues to be of special interest.

In the field of education, the Trustees have determined that support for undergraduate higher education will be restricted to selected institutions in the immediate Pittsburgh vicinity. Certain programs at leading graduate schools nationwide may be of interest. Undertakings in primary and secondary education in western Pennsylvania will continue to be reviewed on a selective basis.

Social services, cultural activities, and civic affairs are recognized as categories essential to the quality of life in Pittsburgh but will be considered as secondary priorities. The Foundation's interests in these areas will be to work with the most efficient and essential organizations in the Greater Pittsburgh area and to support those activities which serve the largest number of people and make this area more attractive for its residents.

The pages which follow contain descriptions of the grants in the Foundation's five categories of activity and offer comments on some of the problems encountered and accomplishments realized in these fields.



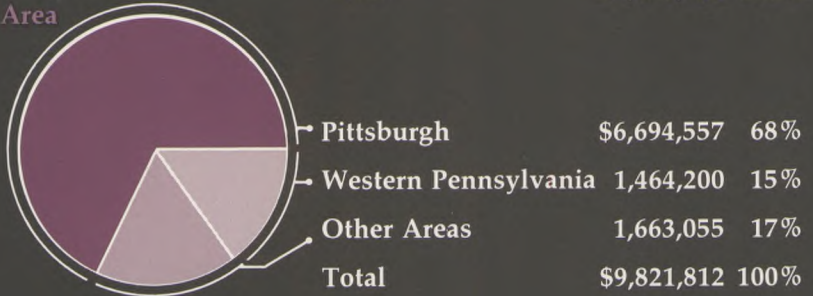
Richard P. Mellon
President

1976 Grants Approved

By Category

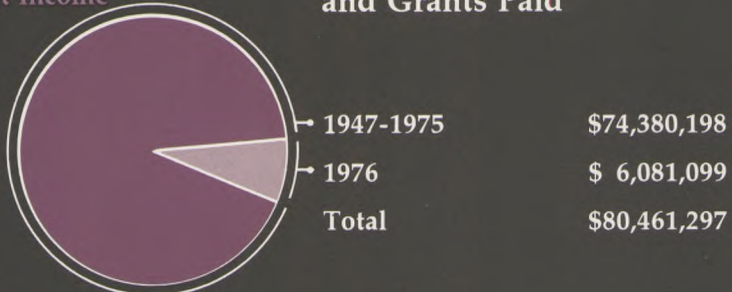


By Area

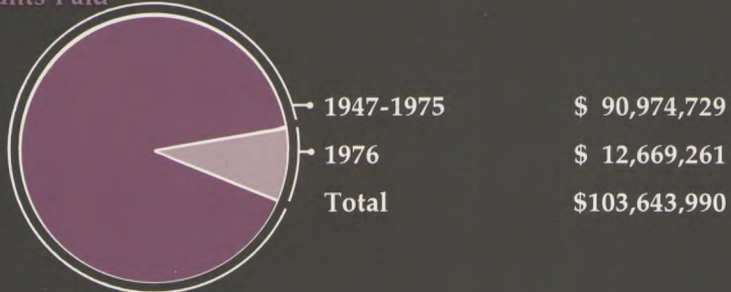


1947-1976 Net Income and Grants Paid

Net Income



Grants Paid



Education

The largest area of interest to the Trustees of the Richard King Mellon Foundation during 1976 was that of education. Commitments totaling \$3,931,210 were approved during the reporting period, representing 40 percent of the 1976 grant program. Grants for various types of projects at the undergraduate and graduate levels of higher education constituted a majority of the contributions in this category, however, private primary and secondary institutions were also recipients to an unusually large degree.

In addition to providing direct institutional support, awards were also authorized for selected scholarship programs.

Institutional Support

The Trustees of the Foundation have long been interested in the development of management capabilities of nonprofit institutions. A keen interest has been demonstrated for funding programs which are intended to strengthen and

improve existing operations and to build a more solid base for future growth.

In 1975, the Foundation made a grant for the establishment of a President's Fund at Chatham College, a private, liberal arts, women's college in Pittsburgh. Specifically, the principal purposes of the



It is hoped that the availability of the President's Fund will help attract a qualified individual to succeed Dr. Edward D. Eddy, shown here conversing with Chatham College students.

President's Fund are (1) to identify and help provide solutions to deficiencies in the academic program, (2) to increase the efficiency in management and the use of resources, and (3) to keep the institution as flexible and adaptable as possible within its chosen areas of service.

In 1976, the Trustees of the Richard King Mellon Foundation approved a second grant of \$250,000 for the President's Fund. Like the initial grant, these funds are to be used for those purposes Chatham chooses as it pursues its institutional goals and maintains and extends the distinctive strengths of its faculty, curriculum, and administration. It is also intended that the availability of such a fund will assist Chatham College in attracting a highly qualified individual to succeed Dr. Edward D. Eddy, who recently announced his resignation as President of the College following seventeen years of excellent leadership.

Major grants, both for slightly more than \$500,000, were also awarded to two local universities. One of these grants was made to the University of Pittsburgh School of Law for the establishment of distinguished professorships. The School of Law has shown its commitment to excellence in legal education by recently completing one of the finest law school buildings in the country. The establishment of distinguished professorships will enable the School to strengthen its faculty and contribute greatly to the growth of its academic excellence.

The School of Law performs a substantial role in the leadership of the city and surrounding areas. Its programs and educational quality have produced a significant number of well-trained people in the legal profession in Pittsburgh. More than 40 percent of the Allegheny County Bar Association's members are law school graduates of the University of Pittsburgh. The vast majority of its students are drawn from this region and remain here to practice.

The second recipient of a grant of approximately a half-million dollars was Duquesne University, a city university which interacts well with the business, cultural, educational, and professional interests of the area.

Its library building does not provide adequate space and resources for the University's current and future academic needs. Many volumes are inaccessible due to insufficient shelf space, and a lack of storage space has forced reductions in student seating and staff quarters. A five-story garage adjacent to the campus has been purchased and will be converted into a 110,000 square foot Library Resource Center. The new facility will triple study space, expand audio-visual resources, and include special study rooms, cubicles, and lounges.

The Center, which will be the only downtown university library available to the Pittsburgh community, will also have a profound effect on future University plans. In addition to providing an integrated library system, the new construction will result in the relocation of several other schools within the University and essentially complete Duquesne's academic building program.

Primary and Secondary Levels

Although the majority of the educational grant appropriations in 1976 were directed toward the advancement of higher education, the Trustees recognized the need for improvement in educational quality at the private elementary and secondary levels. Private schools are confronted with many of the same educational and financial challenges facing institutions of higher education.

Over the next ten to fifteen years, enrollment figures at private elementary and secondary institutions are expected to decline from present levels. The anticipated loss of students is the net result of two divergent trends: the continuing decline in the birth rate and the increasing number of families electing independent education because of dissatisfac-



Ellis School is a college preparatory day school for girls from kindergarten through twelfth grade. Students are guided toward a solid foundation of learning, one which offers opportunities for creativity and individual progress.

tion with public school systems. The prospect of declining enrollments, in combination with an inflationary environment in the future and the limits to which tuition can be raised, will require a balanced approach to a policy of fiscal austerity and the maintenance of academic excellence.

Three local independent institutions have undertaken major capital development campaigns designed to provide the resources to enable the schools to cope with the challenging period ahead. Although all three campaigns contain an element of construction or maintenance funding, a top priority in each case is endowment support, primarily for scholarship aid, faculty development, and salaries. Major grants from the Richard King Mellon Foundation were awarded toward each of these campaigns.

A \$500,000 award was made to The Ellis School, a college preparatory day school for girls from kindergarten through twelfth grade. With an enrollment of approximately 400 students, Ellis has sought to provide an environment conducive to progressive learning and personal development for its student population. It is located in an urban

residential area close to the academic-cultural center of Pittsburgh's Oakland section. Ellis School's Board of Trustees has undertaken a ten-year, \$13,300,000 capital development program designed to equip Ellis to continue its educational excellence, to demonstrate innovative capabilities, and to establish that certain joint undertakings among local private schools are both feasible and desirable. Slightly more than one-half of the capital drive goal has been designated for curriculum development and the endowment of scholarship aid and faculty salaries. The balance of the funds are allocated for special projects and for undertakings necessary to alleviate problems caused by inadequate facilities and space limitations.

Shady Side Academy, with an enrollment of approximately 800 students, was also the recipient of a \$500,000 grant from the Foundation. Shady Side operates junior and middle schools for young men, and a senior school which is coeducational. Through the years, 90 percent of the Academy's enrollment has come from the Pittsburgh area and 70 percent of the School's alumni have remained in Pittsburgh. Shady Side's capital drive of

\$4,000,000 is evenly divided between additions to endowment and projects of a construction and renovation nature. The Academy's top priority is the increased need for endowment. Most of the additional income earned will support faculty salaries so that Shady Side can attract and retain an excellent faculty. Scholarship aid for qualified young men and women of proper capability and motivation, regardless of financial circumstances, will also be generated from this endowment.

A third private secondary school, Sewickley Academy, received a \$250,000 contribution from the Foundation. Enrolling nearly 650 students, the Academy is a coeducational day school located in a residential suburb of Pittsburgh. The academic program goes from pre-school through twelfth grade. The Academy has embarked on a \$2,000,000 campaign to strengthen existing educational commitments and to allocate its resources in a way which will assure its continuance as an educational leader. Half of the campaign goal is designated for endowment to generate additional scholarship aid to insure that deserving applicants may enroll. The balance of the funds raised will be used to endow a maintenance reserve and additional faculty chairs.

Learning Disabilities

Pace School, operated by The Center for Interjacent Children, was organized in 1967 to educate children with learning disabilities. These students, ages six through twelve, possess at least average or above average intelligence but have not been able to profit from regular school programs. Pace's goal is to remedy their educational handicaps so that they may return to the classroom and learn within the traditional setting.

In 1972, the Pace School moved to its present location in the East Liberty section of Pittsburgh. The School has met with a great deal of success in this more accessible location but currently is unable to provide space for the increased number of referrals from school districts, professionals, and parents. To provide



Pace School strives to remedy the learning disabilities of children with average or above average intelligence. In response to the increasing demand for its services, Pace is expanding its educational facilities and its in-service training program for special educators.

appropriate facilities to better meet the needs of children with learning disabilities and to increase in-service training for special educators, Pace School has purchased two structures adjacent to its present building. The new facilities will provide a significant improvement in educational programming and permit enrollment to double over the next five years. To assist Pace School with the renovations associated with this expansion program, the Trustees of the Foundation approved a grant of \$100,000.

Educational Opportunities

In 1973, the Trustees took a new initiative toward expanding educational opportunity in western Pennsylvania by creating the Richard King Mellon Merit Scholarship Program. Named in memory of the late Lt. General Richard King Mellon, scholarships are to be awarded annually to twenty-five students from

Allegheny and Westmoreland Counties. The Program is administered by the National Merit Scholarship Corporation and scholastic ability is the primary qualification for obtaining an award.

One of the purposes of this Program is to encourage attendance at local universities by qualified students who otherwise might not be able to enroll. The other purpose 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.

There are presently seventy-five Richard King Mellon Merit Scholars attending colleges and universities. Reports on these scholars reveal a very satisfactory level of scholastic achievement. In addition to the original appropriation for the Program in 1973, a supplementary grant of \$249,200 to the National Merit Scholarship Corporation was recorded this year to fund the balance of the estimated cost of the first three classes of scholars through their four years of undergraduate education.

Finally, the Foundation awarded a grant of \$180,000, payable over a three-year period, to the Negro Educational Emergency Drive, an organization which provides financial assistance in the form of grants, loans, and scholarships for post-high school education to Negro students from the Greater Pittsburgh community. NEED was organized in 1963 when it became apparent that large numbers of black students from city, county, and parochial high schools were unable to afford higher education. Although some gifted students are aided by NEED, its program is deliberately geared toward average students whose opportunities for higher education are not as great. Since 1963, NEED has made over 13,500 awards. An important benefit of this program is that many students aided by NEED return to Pittsburgh as skilled, motivated employees.

The following is a list of grants approved for education programs:

Carlow College Pittsburgh, Pennsylvania <i>Two-year expansion and development of Center for Continuing Education for Women</i>	\$ 152,000
The Center for Interjacent Children Pittsburgh, Pennsylvania <i>Toward expansion of Pace School facilities</i>	100,000
Chatham College Pittsburgh, Pennsylvania <i>Contribution to President's Fund</i>	250,000
Duquesne University Pittsburgh, Pennsylvania <i>Toward Library Resource Center</i>	500,005
The Ellis School Pittsburgh, Pennsylvania <i>Support for Capital Development Program</i>	500,000
The Forman Schools, Inc. Litchfield, Connecticut <i>Capital improvements</i>	80,000
National Merit Scholarship Corporation Evanston, Illinois <i>Additional appropriation for Richard King Mellon Merit Scholarship Program</i>	249,200

Education

Negro Educational Emergency Drive Pittsburgh, Pennsylvania <i>Three-year financial assistance</i>	\$ 180,000
The Pennsylvania State University University Park, Pennsylvania <i>Forage-feeder Calf Production and Research Project</i>	50,000
St. Edmund's Academy Pittsburgh, Pennsylvania <i>Consultant's study, "Report to the Ad Hoc Pittsburgh Area Four-School Committee"</i>	40,000
Sewickley Academy Sewickley, Pennsylvania <i>Toward Step Forward Campaign</i>	250,000
The Shady Lane School Pittsburgh, Pennsylvania <i>Operating support</i>	25,000
Shady Side Academy Pittsburgh, Pennsylvania <i>Toward capital needs campaign</i>	500,000
Stanford University Palo Alto, California <i>Three-year support for Public Management Program</i>	225,000
United Negro College Fund, Inc. New York, New York <i>Support of 1976 Campaign</i>	30,000
University of Pittsburgh Pittsburgh, Pennsylvania Department of Geography <i>Study of geographic patterns of leading causes of death in Allegheny County</i>	25,000
School of Law <i>Establishment of distinguished professorships</i>	500,005
Vice Chancellor's Office for Public Affairs <i>Discretionary Fund</i>	15,000
Valley Forge Military Academy & Junior College Wayne, Pennsylvania <i>Capital needs</i>	80,000
Wellesley College Wellesley, Massachusetts <i>Three-year support to broaden Wellesley- Massachusetts Institute of Technology Exchange Program</i>	180,000
	<u>\$3,931,210</u>

Social Services

Awards to various organizations in the social services field totaled \$2,145,055, or 22 percent of the Foundation's 1976 grant program. This constitutes the second largest category of activity for the Foundation during the year.

The proliferation of organizations delivering social services to residents of Allegheny County, in combination with the increasing demands being placed on philanthropy, indicates that any efforts that can be taken to coordinate these agencies, increase their accountability, and eliminate duplication of services would be most valuable.

Between 1973 and 1975, the Richard King Mellon Foundation, at a total cost of over \$1,000,000, underwrote an area-wide program designed to train Optacon teachers and users and to subsidize the purchase of Optacons for blind individuals. An Optacon is an electronic instrument which enables a totally blind person to read ordinary printed matter immediately through tactile impressions.

The purposes of the program were to provide a new and valuable tool to the blind of the Pittsburgh region and to demonstrate the Optacon's usefulness in such a way as to encourage appropriate government agencies to make the machine a part of their own programs of assistance to blind people.

Upon the conclusion of the program, The American Foundation for the Blind

The Pressley Ridge Therapeutic Wilderness Program is a year-round, residential wilderness experience for youth with severe emotional and behavioral difficulties. Through planning their own schedules, cooking their own meals, building their own shelters, and solving their own problems, the group learns the components of responsible living.



was engaged to conduct a survey and evaluate its effectiveness. Released in 1976, the "Report on the Richard King Mellon Foundation Optacon Training and Purchase Subsidy Program" recommends that all rehabilitation facilities and school systems should routinely include Optacon training in their programs for the blind, and communities should set up centrally coordinated organizations to underwrite the costs and oversee the distribution of the devices.

Further accomplishment and realization of the program's original objectives came in 1976 when the Bureau of Education for the Handicapped of the U.S. Office of Education announced the first federally funded program for the dissemination of Optacons. An appropriation of over \$1,000,000 was approved for the first year of a three-year program aimed at distributing 1,000 Optacons to teachers and blind students across the country.

Assisting Youth

The Pressley Ridge School was formed in 1969 by the merger of The Protestant Home for Children and the Pittsburgh and Allegheny Home for the Friendless. Its objective is to treat socially, psychologically, and educationally handicapped children under the age of eighteen and to successfully return these children to the community. In addition to its day school and residential activities, Pressley Ridge started a third program in 1974, the Therapeutic Wilderness Program. Similar to the successful pioneering program at Camp Woodland Springs in Texas, the Program is a year-round, residential wilderness experience for youth with severe emotional and behavioral difficulties.

The wilderness camp is located on a 1200-acre site near Ohiopyle, Pennsylvania. The typical young person served is between eight and eighteen years of age and is an emotionally disturbed pre-



delinquent or first offender who is experiencing severe difficulties adjusting to his environment. In many cases, this camp is the last alternative before sentencing to a correctional facility.

Five groups of twelve campers with similar problems can be accommodated at individual camp sites. Each group has the responsibility for its comfort and well-being and must construct its own shelters, cut wood, and do other things necessary for safe and responsible living. During the average length of stay of nine months, it is expected that each youngster will develop self-respect and a sense of interdependence.

The curriculum at the camp is licensed by the Pennsylvania State Department of Education and is based on practical experiences rather than on traditional education programs which have failed to meet the children's needs.

To assist in the acquisition, construction, and program development of the camp, the Trustees approved a grant of \$250,000.

One of the major social and health problems confronting today's society is the increasing number of teenage pregnancies. Alarming national and local statistics regarding teenage pregnancies illustrate the need to educate youth and help them make responsible decisions regarding sexual activity. From 1970 to 1975, teenage pregnancies in Allegheny County quadrupled to 6,000 and reported abortions among teenage girls increased from 400 to 5,000. In 1975, unwed girls ten to nineteen years old gave birth to over 50 percent of all babies born out of wedlock. Based upon present trends, it is estimated that one out of three current ten-year old girls in Allegheny County will have an illegitimate baby or an abortion before the age of twenty.

The consequences of this problem have serious repercussions, not only in terms of future welfare costs but also for the newborn. A teenager runs a four to five times greater risk of pregnancy complications than a woman in her twenties. The incidence of prematurity and low birth weight is higher in teenage pregnancies, increasing the risk of such conditions as



The Planned Parenthood Center of Pittsburgh provides birth control, sexual health care, and family supportive services through medical, educational, and social programs. A Teen Center was recently established to focus on the needs of teenagers.

epilepsy, cerebral palsy, and mental retardation.

To focus on the need for sex education, medical care, and counseling for teenagers in Allegheny County, the Planned Parenthood Center of Pittsburgh, in conjunction with the University of Pittsburgh School of Public Health, has established a Teen Center located at Planned Parenthood's downtown headquarters. Male and female youngsters can receive such services as general medical screening, contraception, pregnancy determination, nutritional counseling, and venereal disease prevention and treatment. Educational efforts will inform teens of basic reproductive facts, the availability of birth control devices, the impact of irresponsible sexual activity, and factors involved in making responsible decisions. An outreach program offers

these educational services to teenagers in schools, churches, and other youth agencies. Research and evaluation during the first three-year period of the program will be conducted by the University of Pittsburgh.

A \$45,000 grant from the Richard King Mellon Foundation will provide support for the initial three-year budget of the new Teen Center.

Program Expansion

In 1975, the Friends Peace Center, a unit of The Religious Society of Friends of Pittsburgh, initiated a pilot intern program which placed recent Pittsburgh high school graduates in training with local service agencies. Internships were performed at such agencies as the Morewood Children's Center, Pittsburgh Free Clinic, and Kingsley Association. The primary objectives of the program are to offer young people a unique opportunity to work with agencies performing significant social work and to help community-based social centers recruit workers from the local area. The success of the pilot project indicates that the internship program should be expanded and that professional measurements and evaluations should be included.

In 1976, the expanded program placed thirty high school graduates in community-based social agencies for a period of one year. During the first year, compensation will be provided by the Friends Peace Center with the understanding that each cooperating agency will assume the full burden of the intern's salary at the end of that period. The students will learn how the agencies function and should develop an understanding of their ongoing concerns. Separate evaluations will be conducted at the end of each year by the interns, their supervisors, the Friends Peace Center, and a committee of education specialists from local universities.

The Trustees of the Richard King Mellon Foundation approved a grant of \$25,000 to The Religious Society of Friends of Pittsburgh to be applied toward the first year's operating budget for the expanded internship program.

Another grant for the expansion of local social service programs was awarded to the Manchester Craftsmen's Guild, a privately operated arts and crafts center located on the North Side of Pittsburgh. The center started in 1968 as an arts exposure program to assist in the artistic development of minority and youth populations. The Guild specializes in ceramics with a major emphasis on apprenticeship training and the acquisition of necessary technical pottery skills. Instruction is provided in all aspects of wheel throwing, glazing techniques, and firing procedures.

The Guild recently added photography instruction to its program. Emphasis is placed on acquiring a knowledge of technical materials and actual camera and laboratory usage. Designed to accommodate twenty students per year, the course should produce technically proficient graduates capable of sustaining employment in the field of photography. A consultant from local industry will periodically test the progress of the students and direct the program toward the needs of industry.

The Richard King Mellon Foundation provided \$20,000 toward the initial capital and operating costs for the new photography curriculum.

Employment Opportunities

Expanding job opportunities for the chronically unemployed or underemployed is a national priority. In Pittsburgh, the Bidwell Cultural and Training Center is making significant strides toward assisting local minorities with vocational and academic training in the pursuit of productive employment. Bidwell provides five distinct program areas for the benefit of inner city minorities and disadvantaged persons. Operating under manpower contracts with various government agencies, the Center provides counseling, academic and vocational training, and job placement services for approximately 700 clients annually from economically depressed areas of Pittsburgh. Bidwell also operates an outreach program, Talent Search, designed to provide the community with information re-

garding college admissions and to identify and assist minority students in fulfilling entry requirements for freshman admission to college.

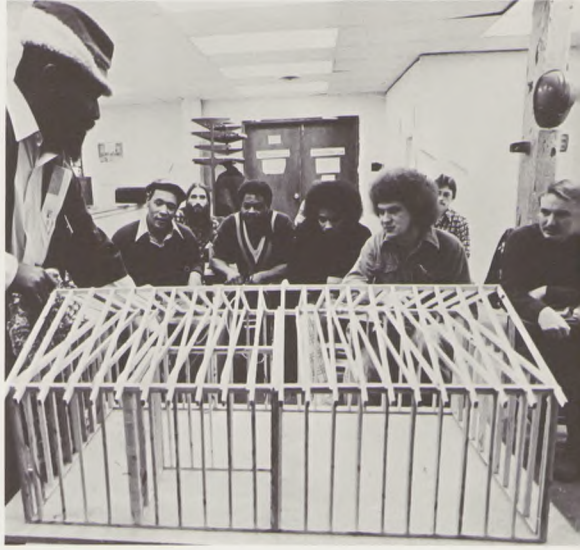
The Trustees approved a grant of \$100,000 to the Bidwell Cultural and Training Center to help establish a revolving fund. The fund will be used to sustain the transition period between program expenditures and the receipt of annual payments from various contracting agencies. This arrangement should reduce the need for a continuing pattern of short-term loan commitments which force Bidwell to amortize loan interest at the expense of private contributions.

A grant of \$15,000 for operating support was also awarded to the Female Offenders Program of Western Pennsylvania. Its major endeavor is the Pittsburgh Services for Women Offenders, a program providing supportive services, vocational counseling, and job development and placement for women on probation or parole. The prime objective of Pittsburgh Services is to stem recidivism among female ex-offenders by assisting them in gaining meaningful employment.

Each ex-offender who requests assistance is evaluated to determine her skills, aspirations, needs, and motivations. To provide an alternative to returning to prison, a specific plan is developed outlining educational or vocational training which will aid in job placement. Along with employment assistance, the program provides both direct and referral services to help former offenders enroll in job training programs, locate housing, arrange for day care for their children and, if necessary, enter drug treatment and counseling programs.

Other Programs

Serenity Farms is a rehabilitation institute for recovering alcoholics situated on 180 acres of farming country in western Pennsylvania. Over 200 clients are served each year and are housed in four farm houses built almost a century ago. To provide a productive outlet for its patients, Serenity Farms operates a farm, a printing shop, and a small shopping center which includes a service sta-



The Bidwell Cultural and Training Center operates five separate vocational and educational training programs. Here, participants receive instruction in building trades.

tion, a restaurant, and several antique and gift shops. These ventures supplement operating income to make Serenity Farms an almost self-sustaining operation. The Richard King Mellon Foundation provided capital support of \$100,000 to Serenity Farms for the purchase of necessary farm equipment and for the renovation of its residential buildings.

Support for the rehabilitation of troubled youth was provided through a grant to George Junior Republic, a private residential institution for boys ages eleven to eighteen with behavioral and personality problems. Many of the boys are delinquents and have been placed in the institution by juvenile courts or child welfare agencies. The average youth comes from a broken, lower middle class family, has average mental ability and, because of environmental or emotional problems, has encountered school difficulties.

In addition to a general education program, the Republic operates a Vocational-Technical Education Program

for students in the senior school. Basic job skills are acquired through courses such as auto mechanics and body repair, building trades, electrical repairs, food service, and welding. This Program helps to insure that students can reenter society with needed skills. In 1976, the Trustees approved a grant of \$85,000 to retire the balance of the debt incurred during the construction of the new vocational-technical building in 1975.

Approximately 25 percent of the population of the City of Pittsburgh is fifty-five years of age and over. These people have specific educational, service, and

recreational needs which must be fulfilled if they are to enjoy productive senior years. Located in East Liberty, Vintage is a comprehensive multi-purpose center for Allegheny County citizens over fifty-four years of age. Services provided include medical exams and health education, entertainment, lectures, consumer education, referral services, crafts, and hot lunch programs. Thirty-two community organizations such as the Pittsburgh Free Clinic and the Better Business Bureau work in cooperation with Vintage.

During its three years of operation, weekly attendance at Vintage has increased from 40 to 250. The building

Over 200 clients are served each year at Serenity Farms, a rehabilitation institute for recovering alcoholics. The Farms' residents are responsible for all improvements to the 180-acre property.





Located in the East Liberty section of Pittsburgh, Vintage offers a comprehensive recreational and service program for citizens 55 years of age and over.

presently being occupied is too small to adequately accommodate the expanding number of participants and the new programs planned. The Trustees of the Richard King Mellon Foundation awarded a grant of \$50,000 to Vintage during its campaign to raise funds for the

purchase and renovation of a new facility better suited to the organization's present and future plans.

The following is a list of grants approved for social service programs:

American Foundation for the Blind, Inc. New York, New York <i>Printing and distribution of "Report on the Richard King Mellon Foundation Optacon Training and Purchase Subsidy Program"</i>	\$ 3,050
American National Red Cross Pittsburgh-Allegheny County Chapter Pittsburgh, Pennsylvania <i>Renovation of headquarters building</i>	50,000
Bidwell Cultural and Training Center, Inc. Pittsburgh, Pennsylvania <i>To establish a revolving fund</i>	100,000
Bradley Center Pittsburgh, Pennsylvania <i>Renovation program</i>	50,000
The Cradle Society Evanston, Illinois <i>Toward endowment fund drive</i>	500,005

Social Services

Female Offenders Program of Western Pennsylvania Pittsburgh, Pennsylvania <i>Operating support</i>	\$ 15,000
George Junior Republic Association of Western Pennsylvania Grove City, Pennsylvania <i>Retire debt on vocational-technical school building</i>	85,000
Light of Life Rescue Mission, Inc. Pittsburgh, Pennsylvania <i>To establish women's shelter</i>	14,000
Manchester Craftsmen's Guild Pittsburgh, Pennsylvania <i>Support for new photography program</i>	20,000
Mon-Yough Mental Health Mental Retardation Services, Inc. McKeesport, Pennsylvania <i>Conditional capital matching grant</i>	25,000
Pittsburgh & Allegheny Home for the Friendless Pittsburgh, Pennsylvania <i>Support for Pressley Ridge Therapeutic Wilderness Camp</i>	250,000
Planned Parenthood Committee and Clinic of Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Three-year support for new Teen Center</i>	45,000
The Religious Society of Friends of Pittsburgh Pittsburgh, Pennsylvania <i>Support for expanded internship program</i>	25,000
Serenity Farms, Inc. Hickory, Pennsylvania <i>Farm equipment and capital improvements</i>	100,000
Tri-City Opportunities Industrialization Center, Inc. McKeesport, Pennsylvania <i>Toward purchase and renovation of building</i>	20,000
The United Way of Allegheny County Pittsburgh, Pennsylvania <i>Three-year operating funds</i>	750,000
Vintage Pittsburgh, Pennsylvania <i>Toward purchase and renovation of building</i>	50,000
The Young Life Campaign Pittsburgh, Pennsylvania <i>Support for expanded inner city responsibilities</i>	43,000
	<u>\$2,145,055</u>

Cultural Activities

Seven grants totaling \$1,890,002 were awarded in this category during 1976. These commitments comprised 19 percent of the approvals for the year. This was a larger than usual amount for cultural activities and included a \$1,000,000 conditional award for the production of a new series for public television. It was the largest grant awarded in 1976.

Other grants approved by the Trustees provided support for museums, public exhibitions, and the performing arts.

Public Television

The largest grant approved in 1976 was conditionally awarded to Family Communications, Inc. in Pittsburgh for the development and production costs of a new television series designed to meet the needs of older adults.

The series will feature Mr. Fred Rogers, who inaugurated children's programming at WQED, the Nation's first publicly supported television station. Over the past several years, his on-screen presence and personal style have evoked deeply felt responses from the elderly. *Mister Rogers' Neighborhood*, while directed toward children, has a large audience of the elderly.

The purpose of the new series, entitled *Old Friends, New Friends*, is to foster in the elderly the will to continue growing in the fullest sense. Programming will place emphasis on sustaining a belief of self-worth, increasing the motivation for continued personal growth, strengthening inner resources to combat times of loneliness and depression, and facilitating access to outside resources.

Although there have been several television programs for and about the elderly, they generally present information about day-to-day living or attempt to influence prevalent social attitudes toward the aged. *Old Friends, New Friends*, on the other hand, will try to create a television atmosphere of trust and understanding in order to present topics such as what people are doing, how they are feeling, and to discuss in an open and helpful manner specific issues attendant to aging.

In making the grant to Family Communications, the Trustees recognize that

certain risks are inherent in launching any new television series. In an effort to assure the most successful outcome, certain qualifications were agreed to by the Foundation and the grantee. It is hoped that the availability of these funds will enable Family Communications to attract from other sources the financing required for the production of a fully developed series.

Museum Support

Fort Ligonier, a frontier fort built by British and Colonial forces during their westward advance in the summer of 1758, had rotted and disappeared by the end of the eighteenth century. In 1946, citizens of Ligonier, Pennsylvania organized the Fort Ligonier Memorial Foundation for the purpose of reconstructing Fort Ligonier on its original site. The reconstructed Fort was officially opened in the summer of 1954.

Eight years later, Fort Ligonier Museum was opened as an interpretive center for the restored Fort. The Museum was the first tangible expression of the combination of people and events which shaped the history of the Ligonier area and which influenced the history of the Nation. The subsequent growth of the Museum collection was not anticipated. In addition, the archeological excavations at the Fort between 1963 and 1972 have contributed toward what is now considered to be one of the Nation's outstanding collections of artifacts of the French and Indian War.

An addition to the Museum has been



Fort Ligonier is recognized as one of the country's outstanding historical sites and a unique reconstruction. An addition to the Fort Ligonier Museum will provide larger exhibit space for its noted collection of artifacts of the French and Indian War.

proposed which will provide larger traffic areas and the exhibit space required to accommodate existing artifacts and future acquisitions. The expansion will also include an audio-visual facility in which the special aspects of the Fort Ligonier restoration project can be highlighted and educational programs for schools and other groups can be presented.

The various activities at Fort Ligonier have been financially self-sustaining. However, because only modest surpluses can be generated from its operations, funds for any major capital expenditures such as the new addition must be obtained from outside sources. The Trustees of the Richard King Mellon Foundation approved a grant of \$500,000 toward the addition to Fort Ligonier Museum.

Restoration

Phipps Conservatory, an outstanding horticultural showplace and botanical research center, was constructed in 1893 on

property owned by the City of Pittsburgh and with funds provided by Pittsburgh industrialist, Henry Phipps. The Conservatory is a tax-supported institution operating under the excellent management of the Department of Parks and Recreation of the City of Pittsburgh. Phipps ranks as the third largest conservatory in the world and the second largest in the United States. In 1976, it was entered on the National Register of Historic Places, the Nation's catalogue of historically and architecturally significant sites and structures worthy of preservation.

The Conservatory has suffered considerable deterioration since its last major renovation in the late 1930's. Necessary renovations include new glass throughout the entire structure, new electrical service and improved display lighting, replacement of the heating system, and new growing tables.

The City of Pittsburgh has committed \$350,000 in capital funds and skilled manpower toward the \$600,000 total cost of the restoration. An ad hoc citizens committee made up principally of members of the Garden Clubs of Western Pennsylvania was formed and, working through the Pittsburgh History & Landmarks Foundation, is campaigning to raise the additional \$250,000. It was



Phipps Conservatory, an outstanding horticultural showplace, is the third largest conservatory in the world and the second largest in the United States. Recently entered on the National Register of Historic Places, Phipps is undergoing major renovations.

toward this campaign that the Trustees approved a grant of \$75,000 with the hope that future City budgets will include sufficient annual maintenance funds so as to preclude any major fund raising in the future.

Performing Arts

The Pittsburgh Public Theater Corporation, which had its inaugural season in late 1975, is a professional resident theater company dedicated to high quality stage productions. Its objective is to build an audience which will support overall theatrical quality rather than individual popular productions. The City of Pittsburgh has demonstrated its support by giving the Corporation rent-free use of the Allegheny Community Theater.

In addition to presenting active resident programs involving professional artists of the highest reputation, the Theater operates a core of solidly established community programs to acquaint and

assist various public groups with the numerous elements of theatrical productions.

During its inaugural season, the Theater fulfilled its objective of developing an audience. More than 9,000 of its 11,000 annual subscriptions for the second season were sold prior to the announcement of the season's productions.

Now, following the conclusion of its second season, it must be said that the Pittsburgh Public Theater has brought quality resident productions and professional theatrical talent to the city. It has received unanimous complimentary reviews by local and New York City critics. Attendance in each of the first two years averaged over 98 percent. During both seasons, the Theater found itself in the position of having to turn down numerous ticket requests. To help satisfy the growing demand for theater in Pittsburgh, the third season will be expanded to four productions staged over a seven-month period.

In recognition of the success of the Pittsburgh Public Theater and its place in Pittsburgh's cultural environment, the Trustees of the Richard King Mellon Foundation approved a grant of \$50,000, payable over two years, to be used during the next two seasons.

Cultural Activities

The following is a list of grants approved for cultural activities:

Allegheny County Pittsburgh, Pennsylvania <i>To implement fund-raising plan for Soldiers and Sailors Memorial Hall</i>	\$ 15,000
Carnegie Institute Pittsburgh, Pennsylvania <i>To reflect market value of 1976 grant payment in-kind for grant approved in 1973</i>	2
Corcoran Gallery of Art Washington, District of Columbia <i>Acquisition Fund and renovations</i>	250,000
Family Communications, Inc. Pittsburgh, Pennsylvania <i>Conditional grant toward television production, Old Friends, New Friends</i>	1,000,000
Fort Ligonier Memorial Foundation, Inc. Ligonier, Pennsylvania <i>Toward museum expansion</i>	500,000
Pittsburgh History & Landmarks Foundation Pittsburgh, Pennsylvania <i>Toward restoration of Phipps Conservatory</i>	75,000
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania <i>Two-year general support</i>	50,000
	\$1,890,002



The Pittsburgh Public Theater's second season attracted national attention. The stage weaponry designed for its production of King Henry 5 is now being used by an Arizona theater for its presentation of Hamlet.

Medicine

During 1976, the Richard King Mellon Foundation directed 14 percent of its available funds, or \$1,385,045, to medicine.

Two grants totaling \$500,000 were awarded to the University Health Center of Pittsburgh, a corporation made up of five teaching hospitals and the Schools of the Health Professions at the University of Pittsburgh.

Four grants totaling \$120,000 were also awarded with the objective of promoting system-wide health care planning to address comprehensive community needs. The joint planning process requires that participating organizations move beyond the issues of institutional planning to a comprehensive regionalized approach.

Health Systems Planning

The federally funded Health Systems Agency of Southwestern Pennsylvania, like its predecessor organization, the Comprehensive Health Planning Association of Western Pennsylvania, is a regional health planning and resource development body. Its main purposes are to improve the health of residents in its ten-county service area, increase the accessibility and quality of the health services provided, restrain increases in the cost of health services, and prevent unnecessary duplication of health resources.

Funded by two grants totaling \$50,000 from the Richard King Mellon Foundation, the Health Systems Agency and its predecessor organization successfully developed a computerized model which evaluates health care needs, required and available resources, and estimates costs. With the Hospital Joint Planning Model, the Agency can take into account the different problems in selecting among various systems of health services for an area. The Model has the capability of assessing the financial implications of each system and thus can identify those health service options which meet the needs of the population in the most effective and efficient manner. The Model was successfully applied in several communities in northwest Allegheny County and currently is being used in eastern Allegheny County.

The Health Systems Agency is also undertaking a Regional Health Facility Study to gather and evaluate the health needs and resources in its ten-county area. The objective is to arrive at a strategy for future development of the most effective regional system of health care facilities. Decisions regarding one area have effects on other areas and these relationships must be recognized during the planning process. The Study will delineate several alternative health delivery systems. To determine which will make the most efficient use of the region's scarce health resources, each option will be evaluated in terms of its impact on future health care costs. The Study will also identify the roles and responsibilities of private organizations, hospital consortia, and the Health Systems Agency in implementing activities. The Trustees of the Foundation approved a grant of \$60,000 to underwrite the cost of the Regional Health Facility Study.

For information required to evaluate the various delivery systems, the Health Systems Agency will draw heavily from an entirely separate project, the Hospital Capital Needs Study. This Study is being conducted by the Western Division of the Pennsylvania Economy League under the sponsorship of the Allegheny Con-

ference on Community Development and should be completed in late 1977. The objectives are (1) to examine the process through which hospital improvements are determined, planned, and reviewed, (2) to identify anticipated capital improvements in Allegheny County over the next decade and estimate the extent to which financing these improvements will affect health care costs, and (3) to identify and examine the methods available for funding capital improvements. The Richard King Mellon Foundation contributed \$10,000 to the Allegheny Conference on Community Development toward the \$75,000 cost of the Economy League's Study.

Technology Evaluation

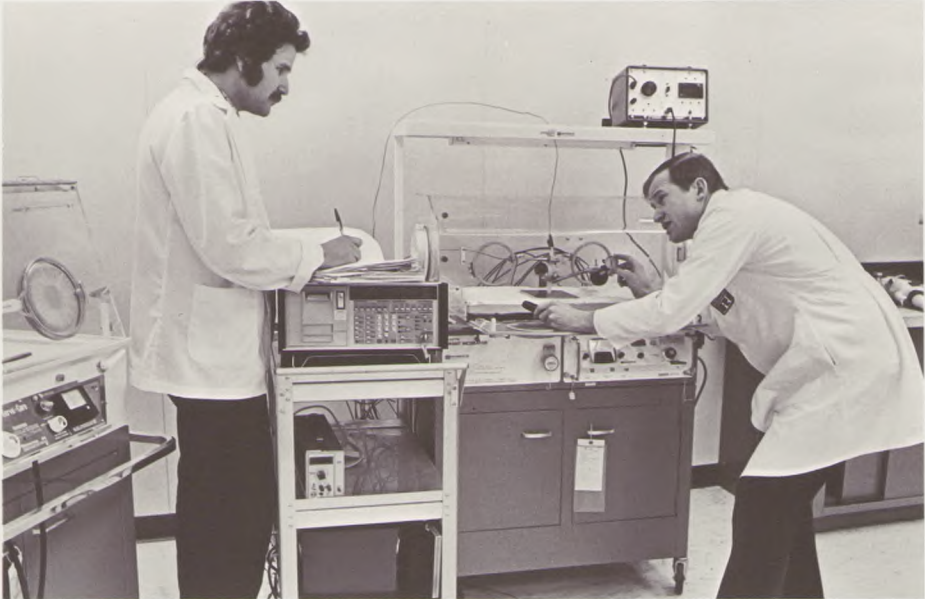
Health care technology has a direct effect on the cost of health care. Some-

Biomedical engineers from the Emergency Care Research Institute test a premature infant incubator for its safety, performance, and reliability characteristics. This information is then transmitted to hospitals to assist in the choice and purchase of such equipment.

times, effective technology can lower costs. Usually, however, technology greatly increases costs. Almost 25 percent of the cost of a new hospital is for medical equipment, and this proportion is increasing.

The real cost of health care technology must also be measured in human terms, in unnecessary hazards, injuries, and deaths. There are more than 6,000 different categories of medical devices in current use, and many are demonstrably ineffective, of inferior quality, or dangerous. This medical equipment can be found in such places as hospitals, doctors' offices, ambulances, and schools.

The Emergency Care Research Institute is involved in evaluating the safety and performance of health care devices and the costs to patients and hospitals. The Institute is engaged in applied research, technology assessment, education, publishing, and other activities aimed at improving the safety, efficacy, and cost-effectiveness of health services. During the past four years its health devices pro-



gram has saved hospitals in the United States almost three billion dollars.

Several years ago, in conjunction with the Hospital Association of Pennsylvania and the Hospital Association of New York, the Institute initiated a program to provide clinical engineering, technical, and consultative services throughout both states. To evaluate the thousands of types of diagnostic and therapeutic equipment available today, the Institute plans to establish a Clinical Engineering Center in Pittsburgh which will operate under contracts with numerous local hospitals and consortia. Pittsburgh was selected because its hospitals have a relatively strong tradition of working together in cooperative programs. Subject to the establishment of contractual relationships with hospitals, the Foundation approved a \$75,000 matching grant for the establishment of the Clinical Engineering Center.

University Health Center

During 1976, two grants totaling \$500,000 were approved for projects at two member institutions of the University Health Center of Pittsburgh.

The first was a \$300,000 grant to provide the Department of Physiology at the University of Pittsburgh School of Medicine with the resources to expand its rhesus monkey breeding facility. The Department has become an internationally recognized center for primate research and research training with special emphasis on reproductive biology. A principal focal point for these activities is a colony of rhesus monkeys established in 1967 by a grant from the Ford Foundation.

Over the last twenty years, the supply of non-human primates for biomedical research programs in the United States has been inexorably declining. More recently, the problem has been aggravated by foreign countries which have curtailed or completely prohibited the exportation of these animals. A 1975 study conducted by the National Academy of Sciences concludes that the health research enterprise in the United States must become self-sufficient in the pro-



Non-human primates play an essential role in biomedical programs and testing. In response to the increasing scarcity of these valuable animals, the Department of Physiology at the University of Pittsburgh School of Medicine is expanding its rhesus monkey breeding facility which will supply a national need in addition to its own.

duction of non-human primates as rapidly as possible.

It is the intention of the Department of Physiology to expand the rhesus monkey breeding facility which, in addition to meeting its own needs, will become a national resource for the supply of these valuable research animals. Space for 900 monkeys will be provided by the construction of a new structure and by significant expansion of the existing colony. Government funds currently are not available for construction purposes and it was toward this end that the Trustees supported this undertaking.

Physically handicapped youth from various clinics at Children's Hospital of Pittsburgh benefit from directed recreational opportunities provided by the Hospital's Therapeutic Recreation Program. Its aquatics program makes use of pool facilities at the Home for Crippled Children.

The second project funded at the University Health Center of Pittsburgh in 1976 was the establishment of a Therapeutic Recreation Program at Children's Hospital of Pittsburgh in conjunction with the University of Pittsburgh School of Medicine. The Program will bring recreational opportunities to disabled children who otherwise would never be able to develop their limited potential for physical recreation.

Severely crippled children will never be able to participate in regular school physical education programs. Others less severely handicapped may need therapeutic recreation instruction to precede or augment an adaptive physical education program. The Therapeutic Recreation Program will provide direct recreational opportunities and instruction for children between the ages of four and seventeen with physical disabilities who cannot



safely or successfully engage in a regular physical education program. In addition, it should provide a much needed liaison between the hospital and the patients' schools so that the children can return to physical activity following an illness or in spite of a physical disability.

Typical therapeutic activities, with appropriate modifications, include swimming, canoeing, skating, bowling, skiing, and horseback riding.

The Trustees of the Richard King Mellon Foundation approved a grant of \$200,000 to the University Health Center of Pittsburgh to provide three-year support for the establishment of the Therapeutic Recreation Program.

Hospital Construction

During 1976, two grants were awarded for hospital construction projects.

St. Margaret Memorial Hospital, a 250-bed general acute care hospital located in the Lawrenceville section of Pittsburgh, was the recipient of a \$500,000 grant toward the construction of a new \$32,000,000, 269-bed hospital.

In addition to the general medical-surgical services provided as a community hospital, St. Margaret offers two outstanding specialty programs, the Comprehensive Medical and Rehabilitation Program and the Family Practice Residency Program.

The present site of the seventy-five year old hospital is inadequate to accommodate the further physical plant expansion necessary for the services provided.

The new hospital will be centrally located to the area of greatest need and largest projected service.

Upon completion of the new facility in the fall of 1979, the hospital will be able to serve more completely the inpatient, outpatient, and emergency health care needs of its constituency.

The second recipient of a grant in support of new hospital construction was the South Hills Health System, a community health system providing comprehensive health care services to its primary service area. A new 411-bed facility, the Jefferson Center, is under construction and will be the System's primary supplier of acute and specialty inpatient care. The new Center will replace St. Joseph's Hospital which no longer conforms to federal standards, and which will be closed upon completion of the new Jefferson Center in mid-1977.

South Hills Health System has undertaken a \$44,000,000 project which includes both the construction of the new Jefferson Center and the remodeling of the Homestead Center, another component of the South Hills Health System. The Foundation made a grant of \$100,000 toward the System's capital fund drive.

Following is a list of grants made in 1976 for medical programs:

Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Toward Hospital Capital Needs Study conducted by Pennsylvania Economy League</i>	\$ 10,000
Comprehensive Health Planning Association of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania <i>Phase I of development of Hospital Joint Planning Model</i>	32,000
<i>Phase II of development of Hospital Joint Planning Model</i>	18,000
Emergency Care Research Institute Philadelphia, Pennsylvania <i>Conditional grant to establish a Clinical Engineering Center in Pittsburgh</i>	75,000

Medicine

Health Systems Agency of Southwestern Pennsylvania, Inc Pittsburgh, Pennsylvania <i>To underwrite cost of Regional Health Facility Study</i>	\$ 60,000
Latrobe Area Hospital Latrobe, Pennsylvania <i>Ligonier Valley Ambulance Fund</i>	85,000
St. Margaret Memorial Hospital Pittsburgh, Pennsylvania <i>Toward construction of new hospital</i>	500,000
South Hills Health System Homestead, Pennsylvania <i>Toward new facility construction</i>	100,000
University Health Center of Pittsburgh, Inc. Pittsburgh, Pennsylvania University Health Center <i>To reflect market value of 1976 grant payment in-kind for grant approved in 1975</i>	23
Children's Hospital of Pittsburgh <i>Three-year support for establishment of Therapeutic Recreation Program</i>	200,000
Eye and Ear Hospital <i>To reflect market value of 1976 grant payment in-kind for grant approved in 1973</i>	22
University of Pittsburgh, School of Medicine <i>To expand rhesus monkey breeding facility</i>	300,000
University of Pittsburgh, School of Medicine Pittsburgh, Pennsylvania <i>In support of Mellon Lectures</i>	5,000
	\$1,385,045

Conservation & Civic Affairs

During 1976, the Trustees awarded grants in this category amounting to \$470,500, or 5 percent of the year's total approvals. Although the commitments in this category are slightly less than usual, future appropriations in the conservation sector can be expected to increase considerably as the Foundation pursues activity in this field on a nationwide basis.

Grants in civic affairs ranged in purpose from sponsorship of programs and studies of statewide or national scope to annual support for two organizations vital to the continued community development and fiscal well-being of western Pennsylvania.

Land Conservation

As reported in the Introduction of this Report, the Trustees of the Richard King Mellon Foundation have redefined the interests and priorities to be pursued in the future. Land conservation, particularly as it applies to natural areas and wildlife preservation, will be of increasing interest to the Trustees. A \$200,000 grant was made to The Nature Conservancy, a national organization dedicated to the preservation of lands with ecological or environmental value. For more than twenty-five years, the Conservancy has worked with conservationists, industry, and private philanthropy and has preserved approximately a million acres of American wilderness.

The majority of the Conservancy's resources and energies are devoted to activities of identification, acquisition, and stewardship of natural areas. Approximately 60 percent of all projects are retained by the Conservancy and managed by volunteers. The remaining areas are transferred to other conservation organizations, universities, or local, state, or Federal government.

In July, 1976, a two-year program known as The American Land Trust was established to secure and protect America's significant natural land areas for future generations. The Land Trust is administered by The Nature Conservancy. Its goal is to receive from private citizens and the corporate community \$200,000,000 in donations of either

money or environmentally significant land. At least one wilderness or natural land area will be sought in each of the fifty states.

To enable the Land Trust to devote its full resources to the task of saving land for conservation and wildlife purposes,



American natural areas are fast disappearing. During 1976, The American Land Trust was formed to acquire lands through gifts and purchase. Using the expertise of The Nature Conservancy, the Trust has been successful in attracting major gifts of funds and natural areas.

the Richard King Mellon Foundation provided the balance of the funds required for the operating expenses of this program.

Support in the field of land conservation and wildlife preservation was also provided to the National Parks & Conservation Association, a private educational and scientific service organization with the primary objective of helping to protect the system of national parks, forests, and monuments in the United States.

Although the Association's central focus is on the protection of the National Parks System, it maintains a comprehensive interest in the entire environmental field. In cooperation with the National Parks Service, the Department of the Interior, and other agencies of the government, the Association acts as a constructive critic in the areas of forestry, wildlife, river basin management, and land-use planning. To accomplish its public service purposes, it must stay abreast of legislative developments, engage in consultative testimony with governmental bodies, and occasionally resort to litigation. The Trustees approved a grant of \$25,000 for operating support for the National Parks & Conservation Association.

Wildlife Propagation

A grant for \$30,000 representing two-year operating support was awarded to The Peregrine Fund, Inc., an independent organization promoting the scientific study, research, and preservation of falcons and other birds of prey, with special emphasis on those raptors classified as either likely to become threatened or in danger of extinction. Of special interest to the Fund is the peregrine falcon, a raptor which once nested by the thousands throughout the entire North American continent. In 1969, however, the American peregrine was declared an endangered species by the United States Government.

In conjunction with the Cornell Laboratory of Ornithology, The Peregrine Fund has undertaken a program for the propagation and release of the peregrine falcon. Its first goal was to develop a self-perpetuating captive peregrine population on a scale large enough to provide a continuing source of falcons for scientific, educational, and recreational uses. During the past season, over sixty-five young peregrines were produced, and next year it is anticipated that nearly one hundred will be hatched.

Steps toward the ultimate goal, the reintroduction of the peregrine falcon into all natural areas from which it has vanished, have been started. In 1975, sixteen peregrines were released into the wild, and during 1976, over forty were freed in release sites in six states.



The Peregrine Fund promotes the study, research and preservation of birds of prey classified as threatened or in danger of extinction. Workers shown here are banding a peregrine falcon prior to its release into the wild.

Public Affairs

The General Assembly of the Commonwealth of Pennsylvania typically faces a multiplicity of complex, interrelated issues and problems. It is looking

for opportunities to be better informed on the status of the Commonwealth, its people, the economy, and its natural and man-made resources.

In January, 1977, the General Assembly held a three-day seminar for the Commonwealth's Senators, Representatives, and citizens. The purpose of the seminar, entitled the *Benjamin Franklin Symposium*, was to provide the membership of the General Assembly with expert information and perspectives on the broad issues and problems of Pennsylvania and to cultivate a better understanding of important public matters. Recognized authorities from the academic and business worlds made presentations on issues of fundamental concern to Pennsylvania.

The Richard King Mellon Foundation made a grant of \$10,000 toward the operating costs of the *Benjamin Franklin Symposium* which includes several evaluation components to measure the seminar's effectiveness.

Public-Private Cooperation

Numerous events in the last several years have demonstrated that serious financial problems confront many governmental agencies and bodies. The most alarming aspect of these developments is that they have appeared without warning or adequate preparation. The dire consequences of surfacing fiscal problems serve to illustrate that sound management is as essential to government as to any business, and that it demands the interest and involvement of the business community. New business-government joint efforts are emerging across the country as state and local governments are increasingly turning to businessmen for help in solving complex management problems.

At the request of the three Commissioners of Allegheny County, a public-private cooperative program for governmental improvement was initiated in 1976 to enhance the efficiency and effectiveness of local government. The program operates under the auspices of the Committee for Progress in Allegheny County, a committee composed of twelve

selected business leaders in the Pittsburgh community, and receives assistance from the Greater Pittsburgh Chamber of Commerce. In this joint effort, analyses are specifically to be followed by implemented recommendations in County procedures and methods.

The actual work will be performed by task forces comprised of more than sixty skilled executives drawn from the private sector. County employees with complementary skills are also participating. Where appropriate loaned business personnel are not available, consultants will be hired for specialized services. The task



Under the auspices of the Committee for Progress in Allegheny County, the County Commissioners and business executives are leading a public-private cooperative effort to enhance the efficiency and effectiveness of local government.

forces will analyze, report, and make recommendations on areas such as purchasing, personnel, contract administration, business and industrial development services, records management, and a management information and monitoring system.

To help underwrite the \$250,000 operating budget of this endeavor, the Trustees approved a grant of \$75,000 to the Greater Pittsburgh Charitable Trust, a recipient of funds for the Greater Pittsburgh Chamber of Commerce.

The following is a list of grants approved for activities in the areas of conservation and civic affairs:

Conservation

National Parks & Conservation Association Washington, District of Columbia	
<i>Operating support</i>	\$ 25,000
The Nature Conservancy, Inc. Arlington, Virginia	
<i>Operating support for The American Land Trust</i>	200,000
The Peregrine Fund, Inc. King of Prussia, Pennsylvania	
<i>Two-year operating support</i>	30,000
Smithsonian Institution Washington, District of Columbia	
<i>Working capital for the Center for Natural Areas</i>	25,000
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania	
<i>Support of Laurel Highlands Conservation and Development Project</i>	20,000

Civic Affairs

ACTION-Housing, Inc. Pittsburgh, Pennsylvania	
<i>Support for Pittsburgh Neighborhood Atlas</i>	24,000
Allegheny Conference on Community Development Pittsburgh, Pennsylvania	
<i>Operating support</i>	18,000
Allegheny County Pittsburgh, Pennsylvania	
<i>Career development, District Attorney's Office</i>	7,500
Commission on Private Philanthropy and Public Needs Washington, District of Columbia	
<i>Support for follow-up of the Filer Commission Study</i>	25,000
Benjamin Franklin Symposium Harrisburg, Pennsylvania	
<i>Funding for seminar for Pennsylvania General Assembly</i>	10,000
Greater Pittsburgh Charitable Trust Pittsburgh, Pennsylvania	
<i>Support for Allegheny County governmental improvement program</i>	75,000
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania	
<i>Annual support</i>	11,000
	<u>\$470,500</u>

Appropriations and Grants Paid

	1976			
	<i>Unpaid at 12/31/75</i>	<i>Approved (Rescinded)</i>	<i>Paid (Refunded)</i>	<i>Unpaid at 12/31/76</i>
A Better Chance Inc. of Pittsburgh Pittsburgh, Pennsylvania	\$ 27,000		\$ 27,000	
ACTION-Housing, Inc. Pittsburgh, Pennsylvania		\$ 24,000	24,000	
Allegheny Conference on Community Development Pittsburgh, Pennsylvania	60,000	28,000	48,000	\$ 40,000
Unspent portion of prior year's grant		(735)	(735)	
Allegheny County Pittsburgh, Pennsylvania		22,500	22,500	
Alpha House, Inc. Pittsburgh, Pennsylvania	60,000		30,000	30,000
American National Red Cross Pittsburgh-Allegheny County Chapter Pittsburgh, Pennsylvania		50,000	50,000	
Bidwell Cultural and Training Center, Inc Pittsburgh, Pennsylvania		100,000	100,000	
Bradley Center Pittsburgh, Pennsylvania		50,000	50,000	
Carlow College Pittsburgh, Pennsylvania		152,000	152,000	
Carnegie Institute Pittsburgh, Pennsylvania	6,000,000	2	3,000,000 3,000,002*	
The Center for Interjacent Children Pittsburgh, Pennsylvania		100,000		100,000
Chatham College Pittsburgh, Pennsylvania		250,000		250,000

Richard King Mellon Foundation

	1976			
	<i>Unpaid at 12/31/75</i>	<i>Approved (Rescinded)</i>	<i>Paid (Refunded)</i>	<i>Unpaid at 12/31/76</i>
Commission on Private Philanthropy and Public Needs Washington, District of Columbia		\$ 25,000	\$ 25,000	
Comprehensive Health Planning Association of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania		50,000	50,000	
Corcoran Gallery of Art Washington, District of Columbia		250,000	250,000	
Cornell University Ithaca, New York	\$ 100,000		50,000	\$ 50,000
The Cradle Society Evanston, Illinois		500,005	500,005*	
Duquesne University Pittsburgh, Pennsylvania		500,005	500,005*	
The Ellis School Pittsburgh, Pennsylvania		500,000		500,000
Emergency Care Research Institute (Conditional) Philadelphia, Pennsylvania ...		75,000		75,000
Family Communications, Inc. (Conditional) Pittsburgh, Pennsylvania		1,000,000		1,000,000
Female Offenders Program of Western Pennsylvania Pittsburgh, Pennsylvania		15,000	15,000	
The Forman Schools, Inc. Litchfield, Connecticut		80,000	80,000	
Fort Ligonier Memorial Founda- tion, Inc. Ligonier, Pennsylvania		500,000		500,000
Benjamin Franklin Symposium Harrisburg, Pennsylvania		10,000	10,000	

Appropriations and Grants Paid

	1976			
	<i>Unpaid at 12/31/75</i>	<i>Approved (Rescinded)</i>	<i>Paid (Refunded)</i>	<i>Unpaid at 12/31/76</i>
George Junior Republic Association of Western Pennsylvania Grove City, Pennsylvania		\$ 85,000	\$ 85,000	
Greater Pittsburgh Charitable Trust Pittsburgh, Pennsylvania		75,000	75,000	
Haverford and Byrn Mawr Colleges Haverford, Pennsylvania	\$ 37,500		37,500	
Health Systems Agency of Southwestern Pennsylvania, Inc. Pittsburgh, Pennsylvania		60,000		\$ 60,000
Health and Welfare Planning Association of Allegheny County Pittsburgh, Pennsylvania	120,000		60,000	60,000
Latrobe Area Hospital Latrobe, Pennsylvania	35,000	85,000	120,000	
Light of Life Rescue Mission, Inc. Pittsburgh, Pennsylvania		14,000		14,000
Manchester Craftsmen's Guild Pittsburgh, Pennsylvania		20,000		20,000
Mon-Yough Mental Health Mental Retardation Services, Inc. (Conditional) McKeesport, Pennsylvania		25,000		25,000
National Merit Scholarship Corporation Evanston, Illinois	93,550	249,200	99,620	243,130
National Parks & Conserva- tion Association Washington, District of Columbia		25,000	25,000	
The Nature Conservancy, Inc. Arlington, Virginia		200,000		200,000
Negro Educational Emergency Drive Pittsburgh, Pennsylvania		180,000	60,000	120,000

Richard King Mellon Foundation

	1976			
	<i>Unpaid at 12/31/75</i>	<i>Approved (Rescinded)</i>	<i>Paid (Refunded)</i>	<i>Unpaid at 12/31/76</i>
Optacon Program:				
American Foundation for the Blind, Inc. New York, New York	\$ 7,000	\$ 3,050	\$ 10,050	
Pittsburgh Public Schools Pittsburgh, Pennsylvania Unspent portion of prior year's grant		(1,536)	(1,536)	
Pennsylvania Economy League, Inc., Western Division Pittsburgh, Pennsylvania		11,000	11,000	
The Pennsylvania State University University Park, Pennsylvania		50,000	50,000	
The Peregrine Fund, Inc. King of Prussia, Pennsylvania		30,000	30,000	
Pittsburgh & Allegheny Home for the Friendless Pittsburgh, Pennsylvania		250,000	250,000	
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania	40,000		20,000	\$ 20,000
Pittsburgh History & Landmarks Foundation Pittsburgh, Pennsylvania		75,000	75,000	
Pittsburgh Public Schools Pittsburgh, Pennsylvania	96,800		96,800	
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania		50,000	25,000	25,000
Pittsburgh Symphony Society Pittsburgh, Pennsylvania	50,000		50,000	
Planned Parenthood Committee and Clinic of Pittsburgh, Inc. Pittsburgh, Pennsylvania		45,000		45,000

Appropriations and Grants Paid

	1976			
	<i>Unpaid at 12/31/75</i>	<i>Approved (Rescinded)</i>	<i>Paid (Refunded)</i>	<i>Unpaid at 12/31/76</i>
The Religious Society of Friends of Pittsburgh Pittsburgh, Pennsylvania		\$ 25,000	\$ 25,000	
St. Edmund's Academy Pittsburgh, Pennsylvania		40,000	40,000	
St. Margaret Memorial Hospital Pittsburgh, Pennsylvania		500,000		\$ 500,000
Serenity Farms, Inc. Hickory, Pennsylvania		100,000	100,000	
Sewickley Academy Sewickley, Pennsylvania		250,000		250,000
The Shady Lane School Pittsburgh, Pennsylvania		25,000	25,000	
Shady Side Academy Pittsburgh, Pennsylvania		500,000		500,000
Smithsonian Institution Washington, District of Columbia		25,000	25,000	
South Hills Health System Homestead, Pennsylvania		100,000	100,000	
Stanford University Palo Alto, California		225,000	225,000	
Student Conservation Association, Inc. Vashon, Washington	\$ 25,000		25,000	
Tri-City Opportunities Industrialization Center, Inc. McKeesport, Pennsylvania		20,000		20,000
Tufts University Fletcher School of Law and Diplomacy Medford, Massachusetts	36,000			36,000
United Negro College Fund, Inc. New York, New York		30,000		30,000

Richard King Mellon Foundation

	1976			
	<i>Unpaid at 12/31/75</i>	<i>Approved (Rescinded)</i>	<i>Paid (Refunded)</i>	<i>Unpaid at 12/31/76</i>
The United Way of Allegheny County Pittsburgh, Pennsylvania		\$ 750,000		\$ 750,000
University Health Center of Pittsburgh, Inc. Pittsburgh, Pennsylvania				
University Health Center . .	\$ 600,000	23	\$ 600,023*	
Children's Hospital of Pittsburgh	100,000	200,000	250,000	50,000
Eye and Ear Hospital	918,000	22	318,000	
			600,022*	
University of Pittsburgh School of Medicine		300,000	300,000	
University of Pittsburgh Pittsburgh, Pennsylvania				
Department of Geography . .		25,000	25,000	
School of Law		500,005	500,005*	
School of Medicine		5,000	5,000	
Vice Chancellor's Office for Public Affairs		15,000		15,000
Valley Forge Military Academy & Junior College Wayne, Pennsylvania		80,000	80,000	
Veterans Hospital Radio & Television Guild Pittsburgh, Pennsylvania	15,000		15,000	
Vintage Pittsburgh, Pennsylvania		50,000	50,000	
Wellesley College Wellesley, Massachusetts		180,000	180,000	
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania		20,000	20,000	
The Young Life Campaign Pittsburgh, Pennsylvania		43,000		43,000
Totals	<u>\$8,420,850</u>	<u>\$9,819,541</u>	<u>\$12,669,261</u>	<u>\$5,571,130</u>

*Grant paid in stock

Statement of Net Assets

December 31, 1976

Richard King Mellon Foundation

Cash and receivables		\$	114,931
Investments at market quotations:			
Stocks and other equity securities	\$218,976,963		
Temporary investments	37,008,238		
Long-term debt instruments	13,046,854		
Other investments and deposits	<u>210,466</u>	269,242,521	
Program-related investments, at cost:			
Capital Stock of Columbia Corporation	3,751		
Capital Stock of Paramount Development, Inc.	1,088		
Pittsburgh Historical Collection	<u>22,631</u>	<u>27,470</u>	
Total assets		269,384,922	
Less amounts reserved for:			
Grants approved but not paid	5,571,130		
Federal excise tax	<u>636,023</u>	<u>6,207,153</u>	
Net assets		<u>\$263,177,769</u>	

The notes on page 48 are an integral part of the financial statements.

Statement of Changes in the Fund

Richard King Mellon Foundation

	Year Ended December 31, 1976	Cumulative from Inception on November 14, 1947 to December 31, 1976
Contributions received	\$ 1,541,643	\$133,295,504
Realized gain from disposition of investments	14,803,327	43,285,984
Unrealized appreciation on investments, at market quotations	28,543,387	115,350,104
	<u>44,888,357</u>	<u>291,931,592</u>
Investment income	\$ 7,741,785	\$ 91,693,429
Less:		
Administrative and investment expenses	1,024,663	8,886,334
Federal excise tax	636,023	2,345,798
	<u>1,660,686</u>	<u>11,232,132</u>
Net income	6,081,099	80,461,297
Grants paid	<u>12,669,261</u>	<u>103,643,990</u>
Grants paid in excess of net income	<u>(6,588,162)</u>	<u>(23,182,693)</u>
Increase in fund	<u>\$38,300,195</u>	268,748,899
Less amount reserved for grants approved but not paid		<u>5,571,130</u>
Net assets, December 31, 1976		<u>\$263,177,769</u>

The notes on page 48 are an integral part of the financial statements.

Investments

December 31, 1976

Number of Shares		Amount at	
		Book Value	Market Quotations at December 31, 1976
STOCKS AND OTHER EQUITY SECURITIES			
<i>Airlines and air freight</i>			
7,100	Emery Air Freight Corp.	\$ 335,670	\$ 265,363
		<u>335,670</u>	<u>265,363</u>
<i>Amusement</i>			
11,172	Walt Disney Productions	790,178	527,877
		<u>790,178</u>	<u>527,877</u>
<i>Automotive</i>			
6,500	General Motors Corp.	462,281	510,250
		<u>462,281</u>	<u>510,250</u>
<i>Banking</i>			
11,500	Citicorp	390,398	376,625
5,800	First Bank System Inc.	263,920	256,650
6,000	First International Bancshares, Inc.	345,216	260,250
1,950	J. P. Morgan & Co., Inc.	121,932	109,688
4,800	NCNB Corp.	124,133	58,200
13,900	Northwest Bancorporation	529,481	795,775
8,500	Texas Commerce Bancshares	329,275	320,875
8,000	Valley National Bank of Arizona	142,262	170,000
15,000	Virginia National Bankshares, Inc.	419,737	292,500
8,000	Wachovia Corp.	240,025	168,000
4,400	Western Bancorporation	121,885	133,100
		<u>3,028,264</u>	<u>2,941,663</u>
<i>Brewing and distilling</i>			
15,650	Anheuser-Busch Inc.	578,747	357,994
		<u>578,747</u>	<u>357,994</u>
<i>Building materials</i>			
18,000	Boise Cascade Corp.	485,566	605,250
17,000	Champion International Corp.	437,856	465,375
17,407	Georgia-Pacific Corp.	417,826	667,994
3,100	Weyerhaeuser Co.	97,354	144,150
		<u>1,438,602</u>	<u>1,882,769</u>
<i>Chemical</i>			
19,388	Air Products & Chemicals, Inc.	464,230	685,850
10,100	Dow Chemical Co.	423,092	438,088
18,000	FMC Corp.	450,451	441,000
7,100	Monsanto Co.	590,174	625,687
12,800	Nalco Chemical Co.	419,950	438,400
7,500	National Chemsearch Corp.	353,932	171,563
7,000	National Starch & Chemical Corp.	341,451	350,000
		<u>3,043,280</u>	<u>3,150,588</u>
<i>Coal</i>			
5,900	Utah International, Inc.	300,871	426,644
		<u>300,871</u>	<u>426,644</u>
<i>Construction and material handling</i>			
16,750	Caterpillar Tractor Co.	707,096	971,500
		<u>707,096</u>	<u>971,500</u>
<i>Containers</i>			
14,724	Pittway Corp.	343,165	555,831
		<u>343,165</u>	<u>555,831</u>

Richard King Mellon Foundation

Number of Shares		Amount at	
		Book Value	Market Quotations at December 31, 1976
<i>Cosmetic and household products</i>			
3,000	Avon Products, Inc.	\$ 175,576	\$ 148,500
11,000	Chesebrough-Pond's Inc.	344,492	275,000
10,200	Colgate-Palmolive Co.	308,103	280,500
5,900	Economics Laboratory, Inc.	204,600	146,763
12,340	International Flavors & Fragrances, Inc.	369,056	273,022
9,800	Procter & Gamble Co.	937,695	917,525
24,000	Revlon, Inc.	915,434	1,065,000
2,700	Tampax, Inc.	168,860	98,550
		<u>3,423,816</u>	<u>3,204,860</u>
<i>Drug</i>			
11,000	American Home Products Corp.	336,839	352,000
10,200	Eli Lilly & Co., Inc.	658,582	485,775
12,950	Merck & Co., Inc.	1,037,655	882,219
10,500	Schering-Plough, Inc.	651,388	469,875
4,000	Warner-Lambert Co.	160,076	123,500
		<u>2,844,540</u>	<u>2,313,369</u>
<i>Electrical equipment</i>			
7,500	Babcock & Wilcox Co.	269,596	262,500
14,900	Emerson Electric Co.	520,420	514,050
17,700	General Electric Co.	1,184,079	984,562
1,000	Raychem Corp.	188,314	114,000
5,800	Square D Co.	153,566	161,675
		<u>2,315,975</u>	<u>2,036,787</u>
<i>Electronics</i>			
16,000	AMP, Inc.	693,040	452,000
4,700	Hewlett-Packard Co.	462,086	410,075
1,650	Intel Corp.	100,470	97,350
12,000	International Tel. and Tel. Corp.	395,308	406,500
10,800	Motorola, Inc.	602,424	615,600
8,750	Sony Corp.	91,700	80,937
6,000	Tektronix, Inc.	343,681	411,000
1,700	Texas Instruments, Inc.	155,161	174,463
		<u>2,843,870</u>	<u>2,647,925</u>
<i>Finance</i>			
20,000	Golden West Financial Corp.	284,822	372,500
		<u>284,822</u>	<u>372,500</u>
<i>Food products</i>			
8,000	Carnation Co.	521,415	630,000
14,750	Coca-Cola Co.	1,500,438	1,165,250
2,150	DeKalb AgResearch, Inc.	75,506	74,175
10,000	Kraft, Inc.	458,726	465,000
22,075	Norton Simon, Inc.	591,661	441,509
2,300	PepsiCo., Inc.	166,972	183,137
2,600	Pillsbury Co.	102,893	106,925
8,500	Ralston Purina Co.	295,540	451,562
14,000	Standard Brands, Inc.	415,511	423,500
		<u>4,128,662</u>	<u>3,941,058</u>
<i>Hospital supply</i>			
7,400	American Hospital Supply Corp.	261,144	227,550
10,000	Baxter Travenol Laboratories, Inc.	395,084	405,000
3,200	Becton, Dickinson & Co.	106,536	108,000
20,700	Johnson & Johnson	2,094,513	1,614,600
2,700	Medtronics, Inc.	94,033	60,750
		<u>2,951,310</u>	<u>2,415,900</u>

Investments, continued

Number of Shares		Amount at	
		Book Value	Market Quotations at December 31, 1976
<i>Industrial machinery and materials</i>			
10,100	Black & Decker Manufacturing Co.	\$ 313,812	\$ 203,262
9,000	Timken Co.	460,903	477,000
		<u>774,715</u>	<u>680,262</u>
<i>Insurance</i>			
24,500	American Express Co.	869,380	995,313
20,000	Capital Holding Corp.	593,610	445,000
10,000	Colonial Penn Group, Inc.	457,642	290,000
11,500	Connecticut General Insurance Corp.	593,374	671,312
459,450	General Reinsurance Corp.	3,176,480	88,214,400
5,000	Liberty National Life Insurance Co.	175,010	126,250
1,700	Marsh & McLennan Companies, Inc.	104,201	96,475
6,500	Monumental Corp.	143,072	76,375
16,000	N.L.T. Corp.	421,725	384,000
20,000	Southwestern Life Corp.	813,483	671,250
		<u>7,347,977</u>	<u>91,970,375</u>
<i>Merchandising</i>			
10,000	Carter Hawley Hale Stores, Inc.	230,427	192,500
6,000	Federated Department Stores, Inc.	262,815	294,000
5,900	Jack Eckerd Corp.	128,130	170,362
24,000	S. S. Kresge Co.	704,953	978,000
12,000	Mervyn's	413,907	384,000
10,200	Sears, Roebuck & Co.	223,294	703,800
		<u>1,963,526</u>	<u>2,722,662</u>
<i>Multi-industry</i>			
11,500	TRW, Inc.	413,787	422,625
		<u>413,787</u>	<u>422,625</u>
<i>Non-ferrous metals and mining</i>			
251,218	Aluminum Company of America	9,521,247	14,382,231
7,500	Amax, Inc.	347,052	448,125
6,000	Cleveland-Cliffs Iron Co.	255,769	424,500
23,000	Hanna Mining Co.	1,212,486	1,242,000
		<u>11,336,554</u>	<u>16,496,856</u>
<i>Office equipment and photocopy</i>			
29,100	Bradford National Corp.	1,036,651	261,900
17,150	Burroughs Corp.	1,805,260	1,571,369
9,000	Data General Corp.	328,644	408,375
8,550	Digital Equipment Corp.	231,811	460,631
19,700	International Business Machines Corp.	3,020,698	5,498,762
4,550	Minnesota Mining & Mfg. Co.	309,606	257,644
13,300	Moore Corp., Ltd.	632,621	478,800
20,000	Rank Organisation Ltd.	187,514	42,500
9,500	Xerox Corp.	763,692	555,750
		<u>8,316,497</u>	<u>9,535,731</u>
<i>Oil and gas</i>			
9,800	Atlantic Richfield Co.	500,724	565,950
12,900	Continental Oil Co.	448,653	483,750
23,800	Exxon Corp.	1,088,520	1,276,275
2,500	Getty Oil Co.	334,392	490,625
1,777,993	Gulf Oil Corp.	28,777,217	51,339,548
1,500	Ocean Drilling & Exploration	60,378	41,250
14,700	Phillips Petroleum Co.	782,299	972,037
10,100	Standard Oil Co. of California	308,793	414,100
5,000	Standard Oil Co. (Indiana)	256,007	298,125
12,000	Texas Oil & Gas Corp.	333,326	324,000
		<u>32,890,309</u>	<u>56,205,660</u>

Richard King Mellon Foundation

Number of Shares		Amount at	
		Book Value	Market Quotations at December 31, 1976
<i>Oil and gas servicing</i>			
2,000	Baker International Inc.	\$ 98,288	\$ 90,000
8,400	Dresser Industries, Inc.	267,293	352,800
6,800	Halliburton Co.	395,856	442,850
20,500	Helmerich & Payne, Inc.	725,050	919,937
5,000	McDermott (J. Ray) & Co., Inc.	209,134	231,875
11,250	Schlumberger, N. V.	860,821	1,084,219
		<u>2,556,442</u>	<u>3,121,681</u>
<i>Paper</i>			
10,800	International Paper Co.	721,674	743,850
7,750	Union Camp Corp.	398,755	516,344
		<u>1,120,429</u>	<u>1,260,194</u>
<i>Photographic</i>			
15,100	Eastman Kodak Co.	1,654,807	1,298,600
		<u>1,654,807</u>	<u>1,298,600</u>
<i>Public utility—electric</i>			
12,000	Oklahoma Gas & Electric Co.	268,702	235,500
		<u>268,702</u>	<u>235,500</u>
<i>Public utility—telephone, etc.</i>			
26,100	American Telephone & Telegraph Co.	1,384,705	1,657,350
11,800	Central Telephone & Utilities Corp.	277,802	296,475
7,900	General Telephone & Electronics Corp.	219,569	251,813
17,000	United Telecommunications, Inc.	271,598	337,875
		<u>2,153,674</u>	<u>2,543,513</u>
<i>Publishing and printing</i>			
4,400	Deluxe Check Printers, Inc.	133,258	108,900
13,000	Gannett Co., Inc.	488,437	524,875
10,000	Time, Inc.	276,020	370,000
20,000	Times-Mirror Co.	330,500	460,000
		<u>1,228,215</u>	<u>1,463,775</u>
<i>Restaurants and lodgings</i>			
8,615	Marriott Corp.	171,822	119,533
16,000	McDonald's Corp.	893,821	854,000
		<u>1,065,643</u>	<u>973,533</u>
<i>Steel</i>			
6,000	Inland Steel Co.	242,969	305,250
		<u>242,969</u>	<u>305,250</u>
<i>Tobacco</i>			
8,000	Phillip Morris, Inc.	464,100	494,000
		<u>464,100</u>	<u>494,000</u>
<i>Trucking</i>			
4,160	Roadway Express, Inc.	130,871	187,200
		<u>130,871</u>	<u>187,200</u>
<i>Other industries</i>			
18,587	Rowe Price New Era Fund, Inc.	199,996	218,211
43,505	Rowe Price New Horizons Fund, Inc.	404,467	318,457
		<u>604,463</u>	<u>536,668</u>
	TOTAL STOCKS AND OTHER EQUITY SECURITIES	<u>104,354,829</u>	<u>218,976,963</u>

Investments, continued

Face Amount	Amount at	
	Book Value	Market Quotations at December 31, 1976
TEMPORARY INVESTMENTS		
<i>Certificates of deposit</i>		
Mellon Bank, N.A.		
\$10,000,000	4.875%, due January 13, 1977	\$ 10,000,000 \$ 10,000,000
3,000,000	5.375%, due January 13, 1977	3,000,000 3,000,000
1,300,000	5.625%, due March 14, 1977	1,300,000 1,300,000
600,000	4.90%, due February 23, 1977	600,000 600,000
100,000	5.00%, due February 8, 1977	100,000 100,000
	Total certificates of deposit	15,000,000 15,000,000
<i>Demand notes</i>		
1,196,000	CIT Financial Corp., 4.734%	1,196,000 1,196,000
	Commercial Credit Co.	
387,000	4.734%	387,000 387,000
326,000	4.859%	326,000 326,000
171,000	Ford Motor Credit Co., 4.734%	171,000 171,000
39,000	General Electric Credit Corp., 4.734%	39,000 39,000
5,000	General Electric Co., 4.734%	5,000 5,000
3,235,000	General Motors Acceptance Corp., 4.734%	3,235,000 3,235,000
162,000	U. S. Steel Corp., 4.734%	162,000 162,000
	Total demand notes	5,521,000 5,521,000
<i>Discount and interest-bearing notes</i>		
Ford Motor Credit Co. Discount Notes		
464,000	4.249%, due January 5, 1977	463,562 463,562
357,000	4.50%, due January 4, 1977	356,420 356,420
General Motors Acceptance Corp. Discount Notes		
64,000	4.50%, due January 5, 1977	63,960 63,960
Mellon National Company Interest-bearing Notes		
5,000,000	4.875%, due January 13, 1977	5,000,000 5,000,000
5,000,000	4.375%, due January 13, 1977	5,000,000 5,000,000
2,000,000	4.375%, due January 19, 1977	2,000,000 2,000,000
1,500,000	4.50%, due January 13, 1977	1,500,000 1,500,000
	Total discount and interest-bearing notes	14,383,942 14,383,942
<i>Other</i>		
U. S. Treasury Bills		
890,000	3.913%, due March 24, 1977	881,195 881,406
800,000	4.486%, due January 27, 1977	790,928 797,700
300,000	5.014%, due January 6, 1977	296,155 299,925
95,000	4.784%, due February 17, 1977	93,826 94,501
30,000	4.289%, due March 10, 1977	29,667 29,764
	Total other	2,091,771 2,103,296
	TOTAL TEMPORARY INVESTMENTS	36,996,713 37,008,238
LONG-TERM DEBT INSTRUMENTS		
<i>U. S. Treasury and Government agencies</i>		
Federal Home Loan Banks Bonds		
500,000	8.10%, due November 25, 1985	500,003 533,750
250,000	8.00%, due December 12, 1983	250,625 266,875
100,000	9.375%, due February 27, 1978	100,000 104,375

Richard King Mellon Foundation

Face Amount	Amount at	
	Book Value	Market Quotations at December 31, 1976
	<i>Government National Mortgage Association—Pass-through Mortgage Backed Securities</i>	
\$ 251,352	\$ 246,011	\$ 257,321
	<i>U. S. Treasury Notes</i>	
700,000	706,750	749,000
600,000	602,313	651,000
300,000	299,531	322,500
200,000	200,000	215,750
	<u>2,905,233</u>	<u>3,100,571</u>
	<i>Corporate obligations</i>	
	<i>Atlantic Richfield Pipeline Company Notes</i>	
1,250,000	1,245,332	1,346,875
	<i>CIT Financial Corp. Debentures</i>	
1,250,000	1,246,894	1,339,900
	<i>Ford Motor Credit Co. Notes</i>	
1,500,000	1,500,036	1,602,495
1,500,000	1,500,037	1,615,380
1,500,000	1,500,036	1,613,055
250,000	265,781	263,460
	<i>Georgia-Pacific Corp. Convertible Subordinated Debentures</i>	
300,000	366,712	360,750
	<i>Standard Oil Company of Ohio Notes</i>	
300,000	300,022	302,493
	<u>7,924,850</u>	<u>8,444,408</u>
	<i>International institution</i>	
	<i>Inter-American Development Bank Bonds</i>	
1,500,000	1,500,036	1,501,875
	<u>1,500,036</u>	<u>1,501,875</u>
	<u>12,330,119</u>	<u>13,046,854</u>
	OTHER INVESTMENTS AND DEPOSITS	
	<i>Fractional interests in surface and minerals in properties located in Maryland and West Virginia</i>	
	113,256	112,966
72,500	72,500	72,500
25,000	25,000	25,000
	<u>210,756</u>	<u>210,466</u>
	<u>\$153,892,417</u>	<u>\$269,242,521</u>

NOTE 1—Significant Accounting Policies

Basis of Accounting

The accounts of the Foundation are maintained on the cash basis except that federal excise taxes and grants approved but not paid are recorded as liabilities on the accrual basis.

Investments

For financial reporting purposes, investments are stated at current market quotations which, in the case of large holdings, do not necessarily represent realizable values. The book value of investments is cost or, for donated assets, the market quotations or appraised values at the date of receipt by the Foundation.

Realized gain or loss from disposition of investments is determined by specific cost identification, except that average cost is used for dispositions of donated investments. Unrealized appreciation or depreciation on investments is the difference between the book value and current market quotations of investments held at the end of the year.

Program-Related Investments

Program-related investments represent expenditures made in connection with charitable programs of the Foundation. In 1976 the operating assets of Columbia Corporation and Paramount Development, Inc. were sold, and the Foundation received liquidating cash distributions from these corporations. As of December 31, 1976, these corporations were substantially liquidated, and the Foundation had incurred a loss on these program-related investments of approximately \$4,054,000, which amount has been taken into account in determining realized gain from disposition of investments.

NOTE 2—Federal Excise Tax

Federal excise tax represents a four percent tax on net investment income as defined in Section 4940 of the Internal Revenue Code.

NOTE 3—Estate Distributions

Through December 31, 1976 the Foundation received at the Foundation's book value \$77,210,903 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. Through December 31, 1976 the Foundation has refunded \$707,124 pursuant to requests of the Executors. A first and partial accounting filed by the Estate covering, inter alia, \$75,431,331 of the cash and securities distributed to the Foundation has received approval by the court having jurisdiction over the administration of the Estate.

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, 1976, 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, 1976, 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, 1976, and the changes in the fund for the year then ended and for the period from November 14, 1947 to December 31, 1976, and the supporting schedules present fairly the information included therein, all in conformity with generally accepted accounting principles applied on a consistent basis.

COOPERS & LYBRAND

Pittsburgh, Pennsylvania
March 22, 1977

Information for Applicants

All inquiries and applications for grants should be addressed to:

**Mr. George H. Taber
Vice President and Director
Richard King Mellon Foundation
525 William Penn Place
Pittsburgh, Pennsylvania 15219**

There are no special forms for applying for a grant. Applications should take the form of a letter and, where applicable, include the following elements:

1. A description and the general aims of the organization making the proposal.
2. A concise statement of the need or problem being addressed.
3. The specific purpose and objective for which funds are sought.
4. A clear description of how the project will be operated and an indication of whom it will serve.
5. The qualifications of the individuals who will conduct the proposed undertaking.
6. The procedure and criteria for evaluating the effectiveness of the grant once the funds have been expended.
7. An itemized budget for the project and an explanation of how it will be financed at the expiration of the proposed grant.

All grant proposals should be accompanied by a copy of the applicant's classification ruling under current Treasury Department regulations.

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 programs have always emphasized institutions and organizations in Pittsburgh and western Pennsylvania. In this geographic area, the main fields of interest are conservation, education, and medicine and health care. The regional character of the Foundation's activities is reflected in this and all previously published reports.

Recently, the Trustees have expressed an interest in the field of land conservation in the United States.

The Foundation will not consider requests on behalf of individuals.

*Richard King Mellon
Foundation*