

1978 Annual Report

**Richard
King
Mellon
Foundation**

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*Deceased May 6, 1978

1978 Annual Report

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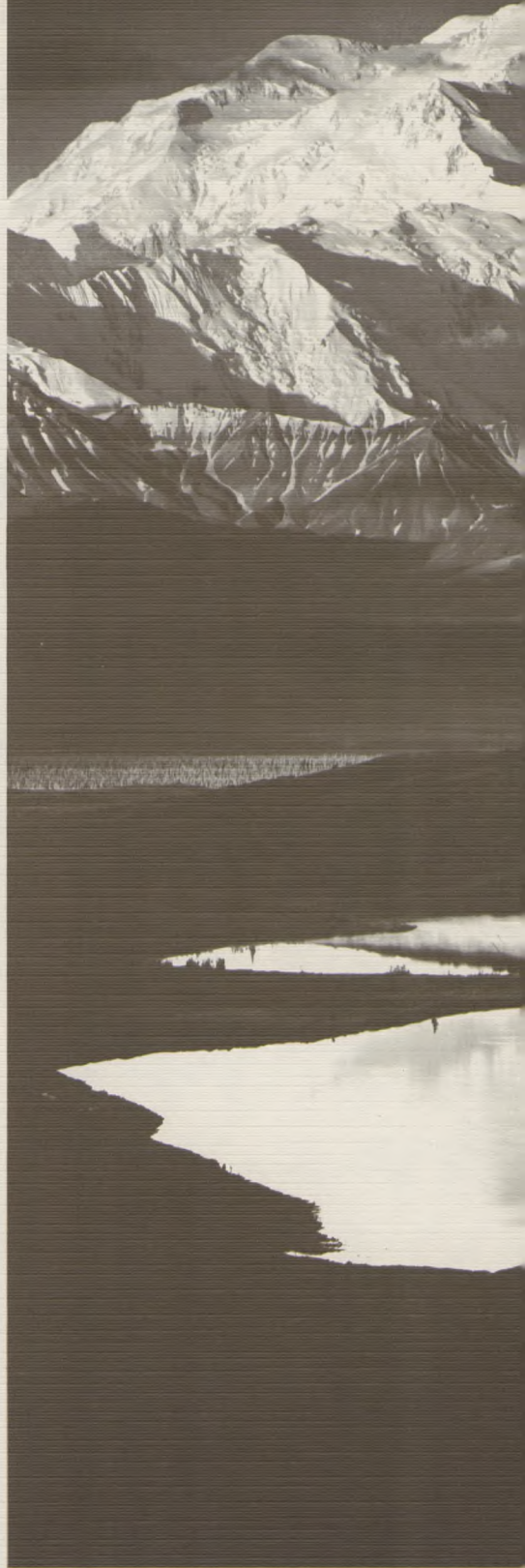
President's Report

The Trustees of the Richard King Mellon Foundation authorized forty-eight new grants totaling \$12,038,660 during 1978, bringing the Foundation's total appropriations to charitable organizations during its thirty-one year existence to \$130,959,381.

During the year, the Foundation made grant disbursements totaling \$9,400,448, including \$5,641,160 on awards approved in 1978. Since its inception, the Foundation has made grant payments of \$120,741,880, exceeding the net income for the same period by \$22,017,970. Unpaid grants at the end of 1978 amounted to \$10,217,501.

The Richard King Mellon Foundation continues to be concerned with the encouragement of a better quality of life in the Pittsburgh region. Almost 60 percent of the 1978 grant dollars approved were directed toward projects in Pittsburgh and other western Pennsylvania communities. On a historical basis, this represents a diminished allocation for charitable activities in this geographical region and is a consequence of the Foundation's emphasis in the field of land conservation and wildlife preservation on a national scale.

Grants were awarded during the year in five broad categories: Con-





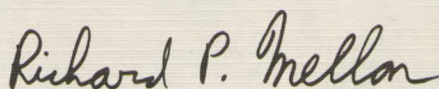
servation, Education, Cultural and Civic Affairs, Social Services, and Medicine. The Trustees' well-established interest in the fields of conservation and education was demonstrated again in 1978. Grant approvals in these two categories represented approximately 75 percent of the Foundation's total 1978 appropriations.

The prime concern of the Foundation's Trustees is land conservation and wildlife preservation. A \$3,000,000 grant was awarded to The Nature Conservancy, Inc. to help establish the Pine Butte Swamp Preserve in northwestern Montana. A \$600,000 commitment was approved for The Conservation Foundation, Inc. to undertake new projects in the field of land use and urban development, and a \$500,000 award, payable over five years, was approved for Ducks Unlimited, Inc. for discretionary support.

Two other separate grants of significant size were awarded in the category of education. The Trustees approved a commitment of \$2,000,000 to Valley School of Ligonier to be added to the institution's endowment, and the University of Pittsburgh Faculty of Arts and Sciences was the recipient of a grant of \$1,200,000 to establish the Richard King Mellon Chair in the natural sciences.

It is with deep sorrow that the Trustees and Officers of the Richard King Mellon Foundation record the death of Mr. George M. Henderson, a Trustee of the Foundation, on May 6, 1978. Mr. Henderson exhibited a keen understanding of philanthropic programs and participated actively in the Foundation's deliberations. His contributions will be sorely missed.

The ability of the Foundation to continue its grant programs, as further described in the chapters of this Report, is in great measure related to the Foundation's asset base, which decreased slightly from \$240,339,171 to \$237,318,094 during 1978.

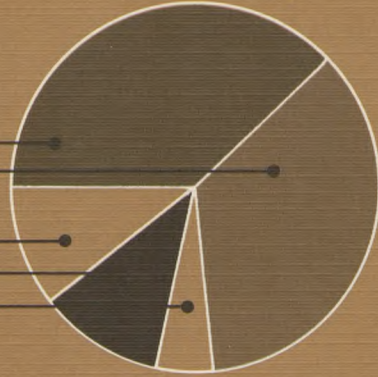


Richard P. Mellon
President

1978 Grants Approved

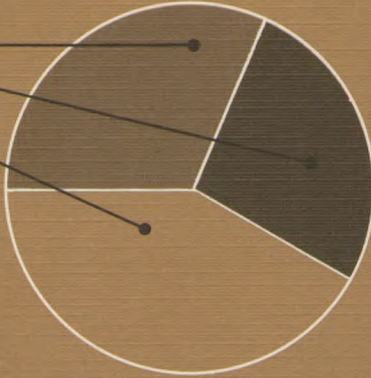
By Category

Conservation	\$ 4,593,750	38%
Education	4,345,700	36%
Cultural & Civic Affairs	1,360,710	11%
Social Services	1,174,500	10%
Medicine	564,000	5%
	<u>\$ 12,038,660</u>	<u>100%</u>



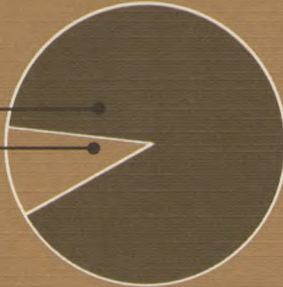
By Area

Pittsburgh Western	\$ 3,898,250	32%
Pennsylvania	3,146,410	26%
Other Areas	4,994,000	42%
	<u>\$ 12,038,660</u>	<u>100%</u>



1947—1978 Net Income and Grants Paid

Net Income	
1947—1977	\$ 88,408,714
1978	<u>10,315,196</u>
Total	<u>\$ 98,723,910</u>



Grants Paid	
1947—1977	\$111,341,432
1978	<u>9,400,448</u>
Total	<u>\$120,741,880</u>



Conservation

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During 1978, the Trustees of the Richard King Mellon Foundation placed major emphasis on conservation. Ten grants totaling \$4,593,750, or 38 percent of the Foundation's 1978 grant authorizations, were made for conservation projects.

Land conservation and wildlife preservation are the Foundation's foremost

priority in the coming years. Conservation represents an area of activity to be pursued on both a local and national basis, and is the Foundation's primary interest outside western Pennsylvania.

The prime concern of the Foundation's efforts in conservation focuses on funding acquisitions of significant natural wilderness areas, both to protect

A \$3 million grant from the Foundation enabled The Nature Conservancy to exercise purchase options on almost 7,000 acres of land and establish the Pine Butte Swamp Preserve in northwestern Montana. From atop Pine Butte looking west, Ear Mountain is in the background.



lands from development and to assist in wildlife preservation. Normally, the Foundation will not make conservation grants for endowment or for academic programs at colleges or universities.

Grants authorized during 1978 for conservation focused on land acquisition, wildlife preservation, land use planning, and education.

Conserving Natural Areas

The Trustees of the Richard King Mellon Foundation approved a \$3,000,000 grant to The Nature Conservancy, Inc. for its Land Preservation Fund to help establish the Pine Butte Swamp Preserve in northwestern Montana.

On the Rocky Mountain Front, south of Glacier National Park, lies the proposed Pine Butte Swamp Preserve, comprised of 40,000 acres unique to North America. It contains a diversity of habitats and a variety of plant and animal species, representing a combination of ecological, paleontological, and archaeological features found nowhere else. Approximately 10,000 acres of wooded freshwater swamp, spring creeks, and flood plains of the Teton River provide the nucleus of the wildlife refuge. Pine Butte Swamp provides habitat for an extraordinary variety of wildlife including grizzly and black bear, cougar, bobcat, lynx, wolf, coyote, badger, mule and white-tailed deer, bighorn sheep, moose and elk, as well as nesting golden eagles, prairie falcons and merlin, sharp-tailed grouse, and long-billed curlew.

Pine Butte Swamp, adjacent to the Bob Marshall Wilderness Area, one of the Nation's largest tracts of unspoiled land, is threatened by intensifying land use and subdivision. For this reason, the Nature Conservancy has undertaken a protection program to purchase private lands as they become available and assemble the Pine Butte Swamp Pre-

serve. The Preserve will be retained as one of the Conservancy's almost seven hundred separate natural area preserves. It will be the first such Conservancy preserve in Montana, the largest in the Northwest, and one of a dozen of the organization's showcase sanctuaries across the Country.

The \$3,000,000 grant provided by the Richard King Mellon Foundation was a key element in enabling the Conservancy to exercise purchase options on almost 7,000 acres of the first critical components of the Preserve. The grant, used as a loan from the Conservancy's revolving Land Preservation Fund, will be repaid through a public fund-raising campaign. The grant will then be combined with a 1977 grant of \$4,000,000 from this Foundation to the Land Preservation Fund to be used again and again to save endangered natural areas around the Country.

Wildlife Propagation

Ducks Unlimited, Inc. was formed in 1937 as a membership organization dedicated to the wise conservation of waterfowl. Its purpose is to raise funds for developing, preserving, restoring, and maintaining the waterfowl habitat on the North American continent.

Over 65 percent of the continent's waterfowl begin life in the three Canadian provinces of Alberta, Saskatchewan, and Manitoba. The United States Government, realizing that Federal funds could not be spent for conservation in Canada, granted tax exemptions for contributions to programs of reclaiming and preserving these prime waterfowl breeding grounds. To actually construct the projects and to handle the many facets of such large building programs, a companion Canadian corporation called Ducks Unlimited (Canada) was formed.

In its efforts to perpetuate the continent's waterfowl resources, Ducks

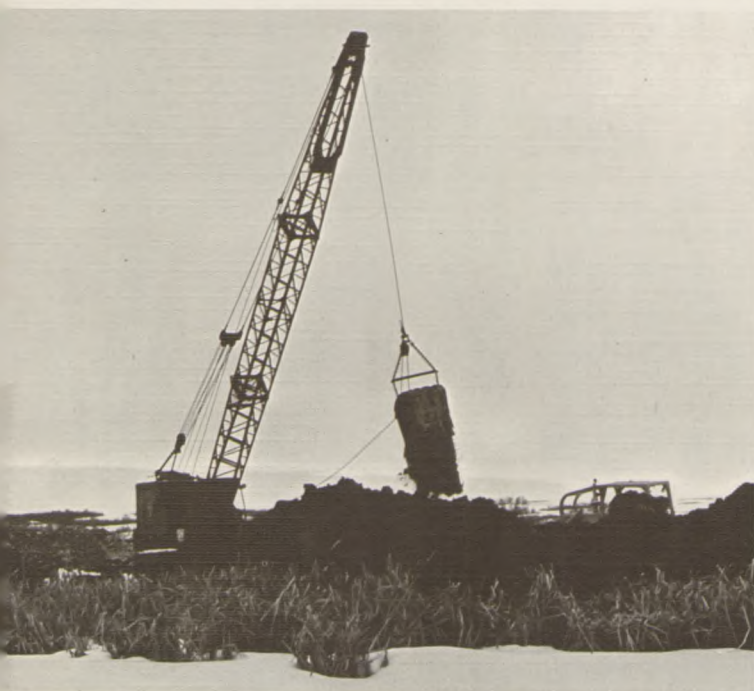
Conservation

Unlimited has built water control structures such as dams, dikes, and levees. In conjunction with its wide-ranging construction programs, highly trained biologists and engineers regularly inspect the projects, evaluate production, supervise the planting of aquatic food plants, and direct other tasks essential to insuring top utilization of the areas.

Water control projects range from small units of less than fifty acres to huge marshland complexes of over half a million acres, and it is estimated that an additional six million acres of

erating purposes. Since its inception, Ducks Unlimited has received awards totaling approximately \$1.7 million from the Richard King Mellon Foundation and related charitable interests.

The second grant awarded for wildlife preservation was 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



Ducks Unlimited strives to develop, preserve, and maintain the waterfowl habitat on the North American continent. Heavy equipment helps restore an overgrown prairie marsh during a winter construction program.

habitat are needed to better stabilize the continent's waterfowl populations.

In support of its commendable achievements and goals, the Trustees of the Richard King Mellon Foundation approved a grant of \$500,000, payable over a five-year period, to Ducks Unlimited, Inc. which has the discretion to use these funds for either acquisition or op-

either as 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 North American continent. In 1969, however, the American peregrine was declared an endangered species by the United States Government.

In 1970, with initial funding provided by the World Wildlife Fund and in conjunction with the Cornell Laboratory of Ornithology, The Peregrine Fund undertook a program for the propagation and release of the peregrine falcon. The Peregrine Fund has institutional breeding lofts located both at Cornell University and at Fort Collins, Colorado in cooperation with the Colorado Division of Wildlife. These lofts currently contain more than 130 peregrines. From its inception through the end of the 1977 breeding season, The Peregrine Fund has raised a total of 229 young falcons from twenty-nine females.

Experimental work on the release and establishment of peregrines into natural areas began in 1974 and has expanded significantly since that time. A total of 133 young peregrine falcons has been released so far into the wild at release sites in several different states.

The Trustees of the Richard King Mellon Foundation approved a commitment of \$150,000 to The Peregrine Fund, Inc. to be paid over a three-year period, representing operating support for its activities aimed at preserving the peregrine falcon.

Land Use

The Conservation Foundation is a research and communication organization dedicated to encouraging proper and wise management of the earth's resources.

In late 1975, The Conservation Foundation began its program of business and environment to improve public understanding of the relationships between environmental policies and the economy and to explore opportunities for resolving complex polarizing issues.

As a part of its program of business and environment, The Conservation Foundation is undertaking new projects addressing major economic and environmental issues in the field of land use

and urban development. It proposes to assist in formulating a constructive response to a significant challenge facing the conservation community, that of understanding the economic consequences of land use and conservation measures and applying that understanding to refining existing programs and formulating new incentives. The Foundation intends to explore and create opportunities for conservation and business leaders to cooperate in meeting both conservation and economic development goals. New land use and conservation initiatives must now be evaluated with a greater degree of economic sensitivity than has been customary in the past.



As a part of its program of business and environment, The Conservation Foundation is undertaking new projects addressing major economic and environmental issues in the field of land use and urban development.



The Wilderness Society, a conservation organization dedicated to the preservation of wilderness areas, has coordinated and conducted a nationwide education campaign to help preserve large portions of vast wilderness in Alaska.

The projects will examine the impact of environmental regulations on the locations of industry and will review techniques for improving the efficiency of the siting process by minimizing delays and reducing complexities.

The Conservation Foundation also

proposes to examine ways in which the air quality programs and economic development programs of central cities interrelate and can be coordinated.

Results of such research should prove useful in working toward the goals of improving environmental quality

and enhancing the vitality of urban centers. The Trustees of the Richard King Mellon Foundation approved a grant of \$600,000, payable over a two-year period, to The Conservation Foundation, Inc. to initiate these projects in land use and conservation as a part of its larger program in business and environment.

Education

The Wilderness Society, founded in 1935, has a long and active history in the conservation movement. It is dedicated to the preservation of wilderness areas as educational, scientific, and recreational resources essential to our civilization. For the past few years the Society's first priority has been the protection, by law, of large portions of Alaska's vast wilderness.

In 1978, the Wilderness Society launched a campaign to educate the American public on the Alaska national interest lands and to coordinate conservationists in their educational efforts. The future of over 100,000,000 acres of wildlands, the Nation's last vestige of pristine ecosystems, was at stake.

Through its Alaskan Education Program, the Wilderness Society sought to inform the American public of what was at stake in the debate over the Alaska lands. Through its intensified campaign, the Society gathered and disseminated natural resource and economic data on the national interest lands and provided expert testimony when invited by Congress. The Society's eleven regional field representatives developed grass roots awareness of the Alaska lands issues through meetings and workshops held across the Country to educate Americans.

The Society's educational efforts culminated on December 1, 1978 when President Carter used his authority under the Antiquities Act of 1906 to protect 56,000,000 acres of Alaska by

proclaiming seventeen new Alaska national monuments. At the same time, the Secretary of the Interior withdrew another 50,000,000 acres for future study. The battle is not yet over, as Congress must act to permanently protect areas not affected by the President's action. The Wilderness Society is committed to a program that will insure lasting protection for the ever-diminishing wild heritage in Alaska.

The Trustees of the Foundation evidenced their concern for the conservation and preservation of the public lands in Alaska by approving a grant of \$50,000 to The Wilderness Society for its Alaskan Education Program.

Outward Bound is an organization addressing the nontraditional educational development of individuals by conducting courses of a highly strenuous, physically, and mentally challenging nature. The twenty-one to twenty-eight-day courses are held year-round in remote wilderness areas and are designed to help an individual gain a better understanding of his own resources and limitations. It is an educational experience of self-discovery, confidence building, and personal growth which uses a series of increasingly difficult mental and physical challenges as its teaching media. Programs center around such activities as rafting, mountain climbing, rappelling, hiking, sailing, and skiing.

Standard courses are offered in remote natural settings around the Country through seven separately incorporated Outward Bound schools. Enrollment is open to all individuals in good health who are over the age of sixteen and one-half years. More than forty thousand people have taken Outward Bound courses since its inception in the United States in 1964. In recent years, Outward Bound has had annual atten-



Outward Bound uses a series of difficult mental and physical challenges in remote wilderness areas as an educational experience of self-discovery, confidence building, and personal growth.

In 1976, Outward Bound, Inc. established an endowment fund in Pittsburgh to provide scholarship aid for area youth who need financial assistance to attend one of the seven Outward Bound schools. The Trustees of the Richard King Mellon Foundation approved a \$50,000 matching grant to Outward Bound, Inc. to be applied to the corpus of the Pittsburgh Scholarship Fund provided that Outward Bound is able to obtain an equal amount of funding by the end of 1980.

The Audubon Society of Western Pennsylvania is a volunteer conservation organization and a chapter of the National Audubon Society. The local Society, formed in 1916, has 2,500 members and is dedicated to the conservation of wildlife, plants, soil, and water through education and outdoor activities.

In 1976, a 90-acre tract of land was donated to the Western Pennsylvania Conservancy. The tract is ideally suited for environmental education activities and is now operated as the Beechwood Farms Nature Reserve. It represents a cooperative undertaking by the Audubon Society of Western Pennsylvania which is responsible for operating the programs, and the Western Pennsylvania Conservancy which is responsible for capital improvements to the property.

The Audubon Society of Western Pennsylvania is operating Beechwood

dances of approximately six thousand people.

In addition to providing the students with an experience which will lead to a greater self-awareness and understanding, the Outward Bound courses also offer to young people from varied backgrounds the opportunity to gain greater insight into and respect for the natural heritage of this Country. Community service is also an integral part of the Outward Bound course. Students staff rescue stations, work in community projects, assist forest rangers, and help in programs for the elderly and the retarded.

Farms, the largest private nature reserve in Allegheny County, through its volunteer resources and a minimum staff. As an environmental education center, it is serving the community and local schools throughout the metropolitan Pittsburgh area.

The Trustees of the Richard King Mellon Foundation approved a grant of \$20,000, payable over a two-year period, to the Audubon Society of Western Pennsylvania, Inc. to help underwrite its operating budget for the next two years.

The following is a list of grants approved in 1978 for conservation activities:

Audubon Society of Western Pennsylvania, Inc.	
Pittsburgh, Pennsylvania	
Two-year operating support for Beechwood Farms Nature Reserve	\$ 20,000
The Conservation Foundation, Inc.	
Washington, District of Columbia	
Two-year support for projects in land use and conservation	600,000
Ducks Unlimited, Inc.	
Chicago, Illinois	
Five-year support	500,000
National Audubon Society, Inc.	
New York, New York	
Support for land acquisition	80,000
The Nature Conservancy, Inc.	
Arlington, Virginia	
Acquisition of natural areas	3,000,000
Outward Bound, Inc.	
Greenwich, Connecticut	
Challenge matching grant toward Pittsburgh Scholarship Fund	50,000
The Peregrine Fund, Inc.	
King of Prussia, Pennsylvania	
Three-year operating support	150,000
Pittsburgh Regional Planning Association	
Pittsburgh, Pennsylvania	
Study of environmentally sensitive and vacant areas in the City of Pittsburgh	30,000
Western Pennsylvania Conservancy	
Pittsburgh, Pennsylvania	
Support for Laurel Highlands Conservation and Development Project	13,750
Support for land acquisition	100,000
The Wilderness Society	
Washington, District of Columbia	
Alaskan Education Program	50,000
	<u>\$4,593,750</u>

Education

Richard
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The second largest area of activity for the Richard King Mellon Foundation during 1978 was education. Eight grants totaling \$4,345,700 were approved during the reporting period, representing 36 percent of the 1978 grant program.

The Trustees' primary interest in this category is higher education. Although support for undergraduate higher education is restricted to selected institutions in the immediate Pittsburgh vicinity, certain programs at leading graduate schools nationwide have been of interest. Major awards during the year were made to the University of Pittsburgh and Yale University.

Private primary and secondary institutions benefitted to an unusually large degree in 1978, being the recipients in total of approximately \$2,500,000.

Primary and Secondary Levels

In 1978, the Trustees approved a grant of \$2,000,000 to Valley School of Ligonier, founded in 1947 to provide an

academic program of elementary education from kindergarten through eighth grade. Since its founding, the School has served the Ligonier Valley and adjacent communities by providing a private coeducational day school with the highest academic standards. Enrollment has increased steadily over the years to the present 150 students.

The School has established both a curriculum and a philosophy of education that blend classical tradition and modern methodology. One of the foremost objectives in the establishment of Valley School was to provide the highest possible degree of individual training for its pupils and to develop the maximum potential of each child. Small classes allow teachers to offer close personal attention, making it possible to discover and bring out principal attributes and talents in each student.

Valley School has excellent physical facilities for its superb academic and physical education programs. To help



Valley School of Ligonier provides an academic program of elementary education from pre-school through eighth grade. The Foundation awarded the School a \$2 million capital grant to strengthen its endowment.

insure the maintenance of these fine qualities, the Trustees of the Richard King Mellon Foundation approved a commitment of \$2,000,000 to Valley School of Ligonier to be added to the institution's endowment to provide a sound financial base from which the School can carry on its programs.

St. Edmund's Academy, with an enrollment of approximately 200 students, was the recipient of a \$300,000 grant from the Richard King Mellon Foundation. As an elementary day school for boys from nursery through ninth grade, St. Edmund's stresses sound academic preparation in the traditional courses of study. Instruction in music and art serve to enrich a well-rounded curriculum of academic and physical education programs.

By presenting the student with opportunities to pursue a variety of activities and interests, St. Edmund's tries to provide an environment in which the student can develop a positive self-concept and be a contributing member of his community.

The Board of Trustees of St. Edmund's Academy has undertaken a capital development campaign to enable the Academy to continue to meet the educational and financial challenges facing all academic institutions. Additional endowment is needed to generate further scholarship aid and to support faculty salaries so that St. Edmund's can attract and retain an excellent faculty. Capital funds are also required to alleviate problems caused by inadequate facilities and space limitations. The Richard King Mellon Foundation approved a grant of \$300,000 toward this capital drive.

A third private school, Kiskiminetas Springs School, received \$250,000 from

the Foundation during 1978. With an enrollment of nearly 260 students, the School is a college preparatory boarding school for boys in grades nine through twelve. It is located on a 300-acre campus approximately thirty miles east of Pittsburgh.

The School upholds high academic standards and maintains a strong faculty and a complete curriculum. Students are offered a quality education and benefit from small classes where strict attention is paid to individual needs. Equally central to its program is the development of personal standards of honesty, integrity, and self-discipline.

During 1978, the Trustees of the Foundation awarded a grant of \$250,000 to Kiskiminetas Springs School to provide assistance for various capital needs. A portion of the grant will be added to the School's endowment to generate additional scholarship aid and support for faculty salaries. The balance of the grant will be applied to necessary improvements to the School's physical plant.

Higher Education

The third largest grant approved in 1978 by the Richard King Mellon Foundation was an award of \$1,200,000 to the University of Pittsburgh Faculty of Arts and Sciences for the establishment of the Richard King Mellon Chair in the natural sciences. The grant will be used to endow a Chair in either the Department of Chemistry or the Department of Biological Sciences.

In 1967, the University combined its programs in the natural sciences, the humanities, and the social sciences to form the Faculty of Arts and Sciences. Since that time, the natural sciences have benefited greatly from the development of strong teaching and research programs. Specifically, funds from the National Science Foundation helped bring the Department of Chemistry to a



The Foundation approved a grant of \$1.2 million to the University of Pittsburgh Faculty of Arts and Sciences for the establishment of the Richard King Mellon Chair in the natural sciences, in either the Department of Chemistry or the Department of Biological Sciences.

position of strength and helped the Department achieve a reputation for excellence, notably in organic and physical chemistry.

The Department of Biological Sciences was created in 1976 by the merger of the three separate departments of biochemistry, biology, and biophysics and microbiology. Since that time, the Department has been growing in strength and importance and has been attracting excellent scholars to its faculty and excellent students to its programs.

The Foundation's grant to create the Richard King Mellon Chair in the natural sciences will further the University's

efforts to strengthen its programs and hopefully provide the impetus to propel them into a position of national eminence.

Further support for higher education was provided through a grant to the School of Organization and Management at Yale University. Founded in 1976, the School offers men and women of exceptional promise, motivation, and achievement the opportunity to prepare for careers in business, government, and nonprofit enterprises.

Through a two-year graduate program leading to a Master's degree in Public and Private Management, the School seeks to prepare future executives to manage new institutions and those undergoing rapid change.

The Yale School of Organization and Management is taking a new approach toward the education of managers by combining within a single setting the fundamental concerns of a traditional school of business administration and those of a school of public administration or public policy.

The establishment of the Master's Program represents a major educational response by Yale to the increasing inter-relationship between business and government and to the professional career mobility among corporations, governmental agencies, and nonprofit concerns.

The Trustees of the Richard King Mellon Foundation approved a grant of \$250,000 toward the Founder's Fund, designed to provide resources for the School's growth and development during its first five years.

The following is a list of programs approved in 1978 for education programs:

The Center for Interjacent Children	
Pittsburgh, Pennsylvania	
Challenge matching grant for Pace School	\$ 50,000
Kiskiminetas Springs School	
Saltsburg, Pennsylvania	
Capital support	250,000
National Merit Scholarship Corporation	
Evanston, Illinois	
Additional appropriation for Richard King Mellon	
Merit Scholarship Program	280,700
St. Edmund's Academy	
Pittsburgh, Pennsylvania	
Toward capital campaign	300,000
University of Pittsburgh	
Pittsburgh, Pennsylvania	
Faculty of Arts and Sciences	
To establish the Richard King Mellon Chair	
in the natural sciences	1,200,000
Graduate School of Business	
Support to establish Center	
for Economic Education	15,000
Valley School of Ligonier	
Ligonier, Pennsylvania	
Endowment support	2,000,000
Yale University	
School of Organization and Management	
New Haven, Connecticut	
Toward Founder's Fund	250,000
	<u>\$4,345,700</u>

Cultural & Civic Affairs

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During 1978, the Trustees of the Richard King Mellon Foundation awarded grants in this category amounting to \$1,360,710, or 11 percent of total 1978 approvals.

The major portion of these funds was awarded for cultural activities in western Pennsylvania. Three grants were approved to help support performing arts organizations in Pittsburgh and a major contribution was authorized for public television. A grant of \$100,000 was also approved to the National Gallery of Art in Washington, D. C. This represents an exception to the cul-

tural interests and priorities of the Foundation which are almost exclusively devoted to Pittsburgh and western Pennsylvania.

Nine grants totaling \$380,710 were directed toward civic involvement. Support was concentrated in Pittsburgh and western Pennsylvania for both program and operating requirements.

Public Broadcasting

In 1953, WQED-TV was established as the Nation's first community-owned, educational television station. It is now the major component of Metropolitan



Metropolitan Pittsburgh Public Broadcasting has undertaken a \$7.5 million capital and program campaign to allow the organization to maintain the important qualities that sustain its leadership position as a major production center.

Pittsburgh Public Broadcasting, Inc. and is a leading production center in public television broadcasting. It has led the Nation in both children's and adult programming since its inception with such favorites as *Mister Rogers' Neighborhood*, *Once Upon a Classic*, *Previn and the Pittsburgh*, and *National Geographic Society Specials*.

In addition to WQED-TV, Metropolitan Pittsburgh Public Broadcasting also owns and operates a second educational television station and an FM radio station and publishes a monthly city magazine which parallels its community service activities in broadcasting.

Metropolitan Pittsburgh has undertaken a \$7,500,000 capital and program campaign to allow the organization to maintain the important qualities that sustain its leadership position as a major production center. It faces critical demands in the area of capital equipment acquisition for the television and radio broadcasting operations. A program development fund for radio and television will also be established to develop pilot programs and to produce programs which have great promise for underwriting and promotion. Metropolitan Pittsburgh Public Broadcasting is also seeking funds to help increase its viewing and listening audience through a long-term promotion campaign and by supplementing its publicity and development department staff.

The Trustees of the Richard King Mellon Foundation approved a grant of \$250,000 to Metropolitan Pittsburgh Public Broadcasting, Inc. to be applied to its highest priorities in the program and development campaign.

Performing Arts

The Richard King Mellon Foundation has always concentrated its support of Pittsburgh cultural activities on major institutions, rather than upon

individual or small group activity, so that the benefits of the cultural grants can be shared by a wide public.

The Pittsburgh Symphony Society operates the Pittsburgh Symphony Orchestra and Heinz Hall for the Performing Arts. The Pittsburgh Symphony Orchestra is one of the major symphony orchestras in the Nation. In recent years, it has seen a great move forward in its reputation regionally, nationally, and internationally, and is currently performing in its eighth consecutive sold-out subscription season.

As labor and maintenance costs increase, it has become of greater necessity for corporations and foundations to help support the performing arts. Three major foundations, the National Endowment for the Arts, the Howard Heinz Endowment, and the Andrew W. Mellon Foundation, have awarded challenge grants totaling \$3,350,000 to the Pittsburgh Symphony Society. These grants must be matched with \$7,650,000 by the spring of 1980. The majority of the funds to be raised will be added to the Society's endowment in order to maintain the financial stability and level of excellence already achieved.

Following a review of the Society's financial needs and priorities, the Trustees approved a grant of \$500,000 toward the matching campaign. It is a policy, however, of the Richard King Mellon Foundation not to contribute concurrently to both capital and operating needs of an organization. For this reason, the \$100,000 unpaid portion of a prior multi-year grant toward the Society's Sustaining Fund was rescinded.

The Pittsburgh Public Theater, 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 the-



The Pittsburgh Public Theater, which had its inaugural season in late 1975, has developed into a performing arts resource that produces professional resident theater of the highest quality, with a repertory that includes classics, contemporary works (photo: The Blood Knot by Athol Fugard) and new plays.

atrical quality rather than individual popular productions.

Now in its fourth season, it is clearly evident that the Pittsburgh Public Theater has developed into a performing arts resource that is making a positive contribution to the quality of life in Pittsburgh by producing professional resident theater of the highest quality with a repertory that includes classics, as well as contemporary works and new plays. Attendance during the first four years has averaged over 92 percent of capacity and to help satisfy the growing demand for theater in Pittsburgh, the fourth season was expanded to five productions staged over a seven-month period.

In recognition of its success and contributions to Pittsburgh's cultural environment, the Trustees approved a grant of \$70,000 to The Pittsburgh Public Theater Corporation representing operating support for the next two seasons.

The third performing arts organization selected for support in 1978 was the Pittsburgh Ballet Theater which was founded in 1970 as an independent organization to develop area talent and to fill the need for professional dance arts in western Pennsylvania. In addition to staging ninety performances a year, the Ballet Theater also conducts lecture demonstrations in Pittsburgh area schools and provides free public performances for handicapped and underprivileged citizens of western Pennsylvania. The Ballet also performs on tour in and outside of the United States.

The rapid growth and success of the Pittsburgh Ballet Theater during its first eight years has placed it among the nine major ballet companies in the United States. Recognizing that the economic structure of most performing arts groups makes it impossible to survive



The rapid growth and success of the Pittsburgh Ballet Theater has placed it among the nine major ballet companies in the United States.

without public support, and acknowledging that the Pittsburgh Ballet Theater has developed as one of the national ballet theaters, the Trustees of the Richard King Mellon Foundation approved a grant of \$60,000, to be paid \$20,000 a year for the next three years.

Exhibition Support

The regional character of the Foundation's cultural activities is reflected in this and previously published annual reports. An exception to this policy was made during 1978 with the authorization of a \$100,000 grant to the National Gallery of Art in Washington, D. C.

In June, 1978, the new East Building addition to the National Gallery of Art was dedicated and opened to the public. The building, which doubles the square footage of the Gallery, is the result of gifts totaling \$95,000,000, in approximate thirds, from Mr. Paul Mellon; his sister, the late Ailsa Mellon Bruce; and the Andrew W. Mellon Foundation.

The inaugural show in the new East Building exhibition galleries was entitled, *The Splendor of Dresden: Five*

The Splendor of Dresden: Five Centuries of Art Collecting, the inaugural exhibition in the new East Building of the National Gallery of Art, contained seven hundred objects from eight Dresden museums.



Centuries of Art Collecting. The show, as uniquely spectacular as the building, contained seven hundred objects from eight Dresden museums including major Old Master paintings, sculpture, drawings, prints, ivories, arms, and armor.

Following the inaugural presentation in the National Gallery, the exhibition is being displayed in New York and San Francisco. Support for the use of the Dresden exhibit is provided primarily by a corporate challenge grant that the participating museums have agreed to share in matching.

The \$100,000 award from the Richard King Mellon Foundation to the National Gallery of Art will be applied toward the matching share required to underwrite its inaugural show. The Trustees provided this support in recognition of the National Gallery's role as a national art resource.

Civic Affairs

In 1976, at the request of the three Commissioners of Allegheny County, a public-private cooperative program for governmental improvement was initiated to enhance the efficiency and effectiveness of County government. The program operated under the auspices of a group of twelve selected business leaders in the Pittsburgh community with assistance from the Greater Pittsburgh Chamber of Commerce.

In 1978, as a result of the success of the County program, a careful evaluation was made to determine whether a kindred undertaking would be desirable for the City of Pittsburgh government. After extensive discussions with the Mayor, it was determined that such an effort was essential and the Committee for Progress and Efficiency in Pittsburgh was established.

The actual work will be performed by skilled executives drawn from the private sector and City employees

with complementary skills. Task forces will analyze, report, and make recommendations on areas such as computer services, meter readings, workmen's compensation, supplies, purchasing and inventory control, and procedures standardization.

To help underwrite the \$100,000 operating budget of this endeavor, the Trustees approved a grant of \$30,000 to the Greater Pittsburgh Charitable Trust.

During 1978, the Trustees of the Richard King Mellon Foundation also approved a grant of \$90,000, payable in equal installments over a three-year period, for operating support to The Foundation Center, a nonprofit organization which gathers, analyzes, and disseminates factual and statistical information on all grant-making foundations. The Center, located in New York City, performs these services both for the foundation field and for the general public in an effort to strengthen the social usefulness of private foundations in this Country. The Center's two main purposes are to be a useful resource for anyone interested in applying to grant-making foundations, and to compile reliable descriptive data and statistics on the foundation field for the use of foundation trustees and officers, regulatory agencies, and other interested organizations and individuals. The Center does this through a wide variety of publications and a nationwide network of cooperating library facilities.

The Center has become a respected and authoritative source among those seeking foundation funds. It has high visibility among nonprofit organizations in this Country and its efforts to make basic foundation information equally accessible to all are widely recognized.

The following is a list of grants approved in 1978 for cultural and civic affairs:

Cultural

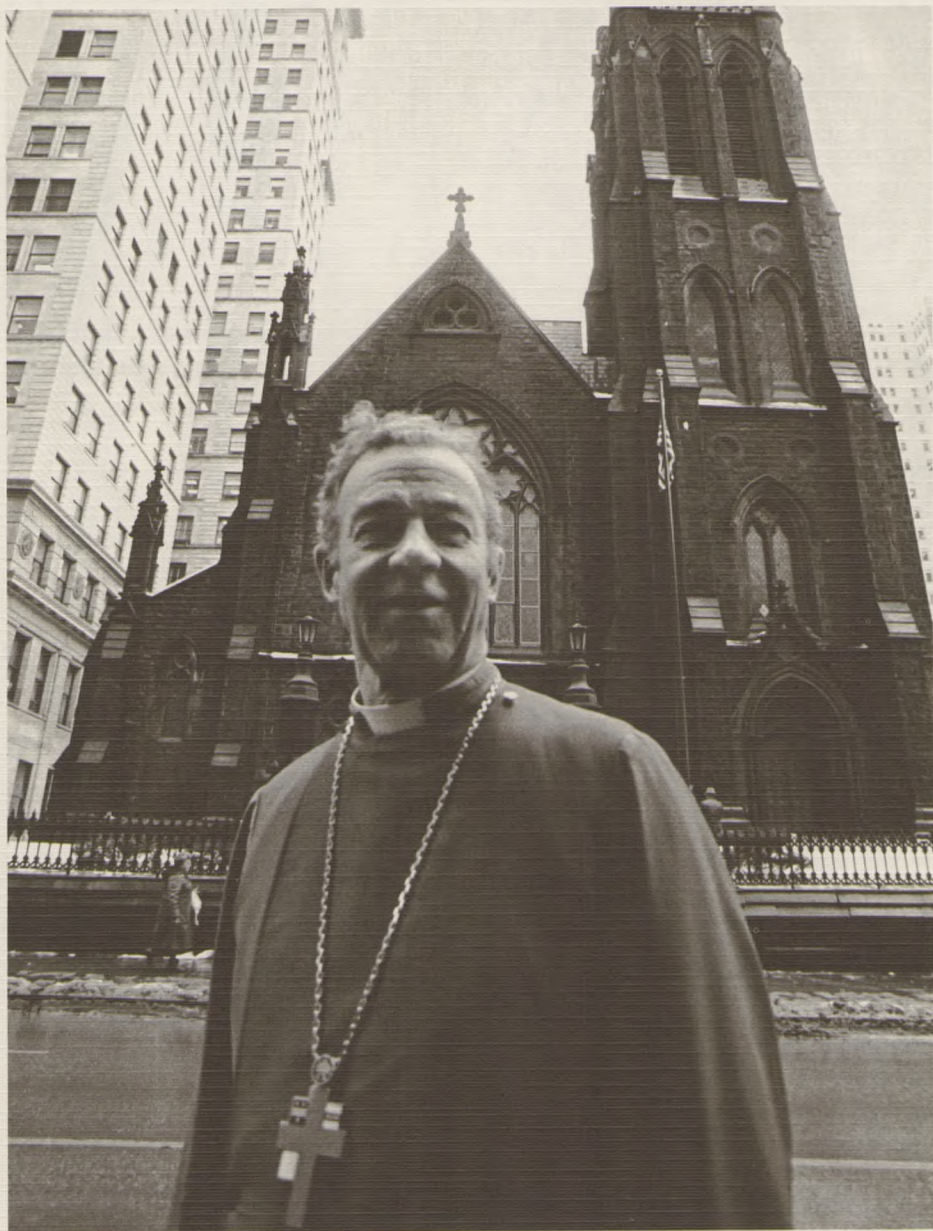
Metropolitan Pittsburgh Public Broadcasting, Inc. Pittsburgh, Pennsylvania	
Toward capital campaign	\$ 250,000
National Gallery of Art Washington, District of Columbia	
To help underwrite inaugural exhibition in East Building	100,000
Pittsburgh Ballet Theater Pittsburgh, Pennsylvania	
Three-year operating support	60,000
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania	
Two-year general support	70,000
Pittsburgh Symphony Society Pittsburgh, Pennsylvania	
Toward matching campaign	500,000

Civic Affairs

Allegheny Conference on Community Development Pittsburgh, Pennsylvania	
Operating support	18,000
Three-year staffing grant	90,000
Crosstown Thoroughfare Study	10,000
Aviation Research Corporation Pittsburgh, Pennsylvania	
Operating support	20,000
The Foundation Center New York, New York	
Three-year support	90,000
Greater Pittsburgh Charitable Trust Pittsburgh, Pennsylvania	
Committee for Progress and Efficiency in Pittsburgh	30,000
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania	
Annual support	11,000
The Pittsburgh Foundation Pittsburgh, Pennsylvania	
Toward corpus of Ligonier Valley Endowment	41,710
World Affairs Council of Pittsburgh Pittsburgh, Pennsylvania	
Two-year support for Education Program	70,000
	<u>\$1,360,710</u>

Social Services

Richard
King
Mellon
Foundation



The Right Reverend Robert B. Appleyard has presided as Bishop of the Protestant Episcopal Diocese of Pittsburgh for the past eleven years.

During 1978, awards to eight social service organizations amounted to \$1,174,500, or 10 percent of the Founda-

tion's total grant dollars approved.

One million dollars represented support provided to two Episcopal organi-

zations providing effective social and ecumenical ministry in this geographic area. Other social services grants were directed toward organizations serving disadvantaged youngsters.

In accordance with the Foundation's geographical restrictions on grants in this category, all awards made during 1978 supported improvement in the provision and delivery of social services to citizens of Allegheny County and western Pennsylvania.

Local Ministry

In 1978, two grants totaling \$1,000,000 were approved to Episcopal organizations in western Pennsylvania. The first was a \$500,000 grant to the Protestant Episcopal Diocese of Pittsburgh, operating under the jurisdiction of The Right Reverend Robert B. Appleyard, who has presided as Bishop of the Diocese for the past eleven years. The Diocese serves the eleven-county portion of southwestern Pennsylvania, an area of 8,300 square miles.

The Diocese is the coordinating body for ten regional districts under its jurisdiction and it seeks to strengthen the worship, education, and training for Christian discipleship that its seventy-three individual parishes provide for their members.

The Diocese also maintains several facilities which are available to area residents. Trinity Cathedral, the home of the Diocese, is an urban parish church which ministers to city dwellers of all backgrounds and projects Christian living into the Pittsburgh business community. The Episcopal Church Home provides residential and skilled care for elderly men and women. The Episcopal Conference Center hosts retreats for young people, vestries, diocesan groups, lay leaders, and clergy, while Sheldon Calvary Camp, located on the shores of Lake Erie, provides summer camping

sessions for youngsters of all backgrounds from southwestern Pennsylvania.

The Protestant Episcopal Diocese of Pittsburgh has undertaken a campaign to raise \$3,200,000 for its Renewal Fund. Capital improvements totaling approximately \$1,400,000 are required at diocesan-related institutions. One million dollars will be applied to local diocesan programs aimed at parish development, new ministries, and expanded education within the Diocese of Pittsburgh, and \$800,000 will be directed to the national Episcopal Church for the expansion of its ministry at home and overseas.

Recognizing the substantial contributions that the Diocese makes to both its parishioners and the community at large in southwestern Pennsylvania, the Trustees of the Richard King Mellon Foundation approved a grant of \$500,000 to the Protestant Episcopal Diocese of Pittsburgh to be applied toward the western Pennsylvania priorities of the Renewal Fund.

Founded in 1948, St. Michael's of the Valley Episcopal Church is located in Ligonier, Pennsylvania and is a constituent parish of the Protestant Episcopal Diocese of Pittsburgh. The Church provides community outreach services and supports many community programs through direct participation, financial aid, or by providing the use of its facilities. St. Michael's also participates extensively in ecumenical activities with other parishes and organizations in the area.

To help insure that St. Michael's continues to be a vital institution in the Ligonier Valley, the Trustees of the Richard King Mellon Foundation approved a grant of \$500,000 to be added to the endowment of the Church.

Youth Programs

In 1967, six Boys' Clubs in the Pittsburgh area merged and later adopted the name, Boys' Club of Western Pennsylvania. The communities in which these clubs were located could no longer provide adequate financial support on an individual basis and the Clubs merged for the economic efficiencies to be realized. Since that time, important changes have been achieved, including expanded service to the communities, a higher level of professional counseling and guidance, increased membership, and a broader variety of offerings to meet the needs of the diverse ages and interests.

The purpose of the Boys' Club of Western Pennsylvania is to enhance the quality of life for youth, with particular

emphasis on male members from urban communities. It strives to be the primary source of professional guidance, informal education, behavioral counseling, physical fitness, and leadership for its members.

Two additional units have joined the Boys' Club since the original merger and membership at all units now totals approximately 5,500 children, of which 25 percent are girls. Nearly 25 percent of the Clubs' members come from families who receive welfare support and 25 percent of the youngsters come from single-parent families.

Boys' Club has initiated a \$5,000,000 campaign to finance necessary capital needs at its eight club facilities and its two resident camps. The largest single undertaking is the construction of a new



Boys' Club of Western Pennsylvania represents a primary source of guidance, counseling, and leadership for its 5,500 members. It has initiated a \$5 million campaign to improve its eight club facilities and two resident camps.

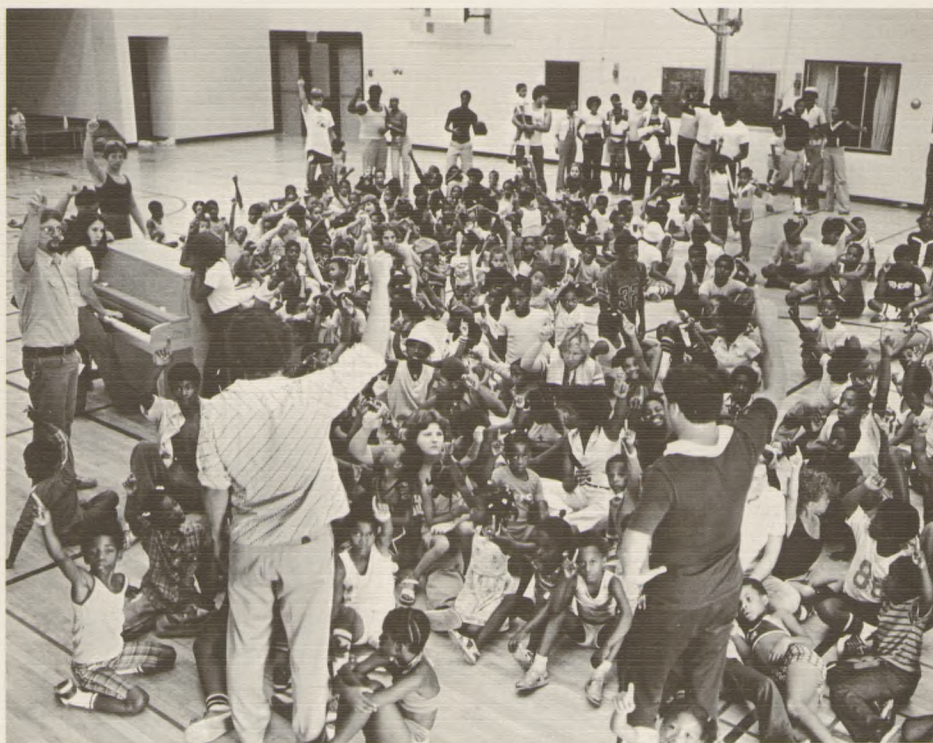
clubhouse to replace one which was destroyed by fire. All seven other clubs and the camps will benefit from major renovations or improvements designed to materially improve these community facilities. The Trustees of the Richard King Mellon Foundation approved a grant of \$50,000 to the Boys' Club of Western Pennsylvania to be applied toward the capital campaign.

A second grant to help improve opportunities and the quality of life for disadvantaged youth was awarded to Youth Opportunities Unlimited, Inc., located on the North Side of Pittsburgh. Youth Opportunities operates on a year-round basis and seeks to develop

the potential of youngsters in that area as citizens, workers, and individuals through a positive Christian approach.

Programs are offered in sports, Bible study, crafts and hobbies, child care, and other activities. The staff works in cooperation with local schools and courts, and experience has shown that the programs' efforts are most effective in adding guidance and leadership to the lives of youngsters in the area.

For the past ten years, Youth Opportunities has also operated a summer day program at a local high school. Daily attendance for the seven-week program ranges from three hundred to four hundred children. The youngsters, ages three to fifteen, are involved in various activities including baseball, music, crafts, day trips, and Bible study. Each



A two-year grant from the Foundation enabled Youth Opportunities Unlimited to double the number of youngsters served by its summer day program.

Social Services

child is provided a free lunch which is furnished by local food producers or suppliers.

The Trustees of the Richard King Mellon Foundation approved a commitment of \$40,000 to Youth Opportunities Unlimited, Inc., to be paid over a two-year period, to enable the summer day program to be expanded to a second school, thus doubling the number of youngsters able to benefit from the leadership and direction provided.

The third grant in support of underprivileged youth was awarded to the Pittsburgh Association for the Improvement of the Poor, an organization which for years provided lodging, food, and work programs for homeless men, but whose primary program currently is the operation of its Fresh Air Camp.

The 260-acre property, located in a beautiful wooded valley, provides a series of two-week outings for approximately six hundred boys and girls six to twelve years old. The camp provides a needed service in the community. Most of these children are from low-income families throughout Pittsburgh and Allegheny County and for many of them Fresh Air Camp is the first experience of outdoor life.

In 1976, after the Association ended its residential program for homeless men, it determined that future efforts should be directed toward improving the program and facilities at the Camp. Since that time, a series of capital improvement projects has been undertaken. In 1978, the Trustees of the Richard King Mellon Foundation approved a capital grant to the Pittsburgh Association for the Improvement of the Poor in the amount of \$15,000 to be applied to priority needs at Fresh Air Camp.

Consumer Education

The Better Business Bureau of Western Pennsylvania endeavors to further business honesty, protect the public from unfair or fraudulent business practices, and educate consumers on how to shop and do business more wisely. The Bureau receives approximately 150,000 telephone inquiries a year, or an average of six hundred calls a day. The increasing number and complexity of inquiries has made it impossible for the Bureau to furnish as complete information as it would like to any one caller.

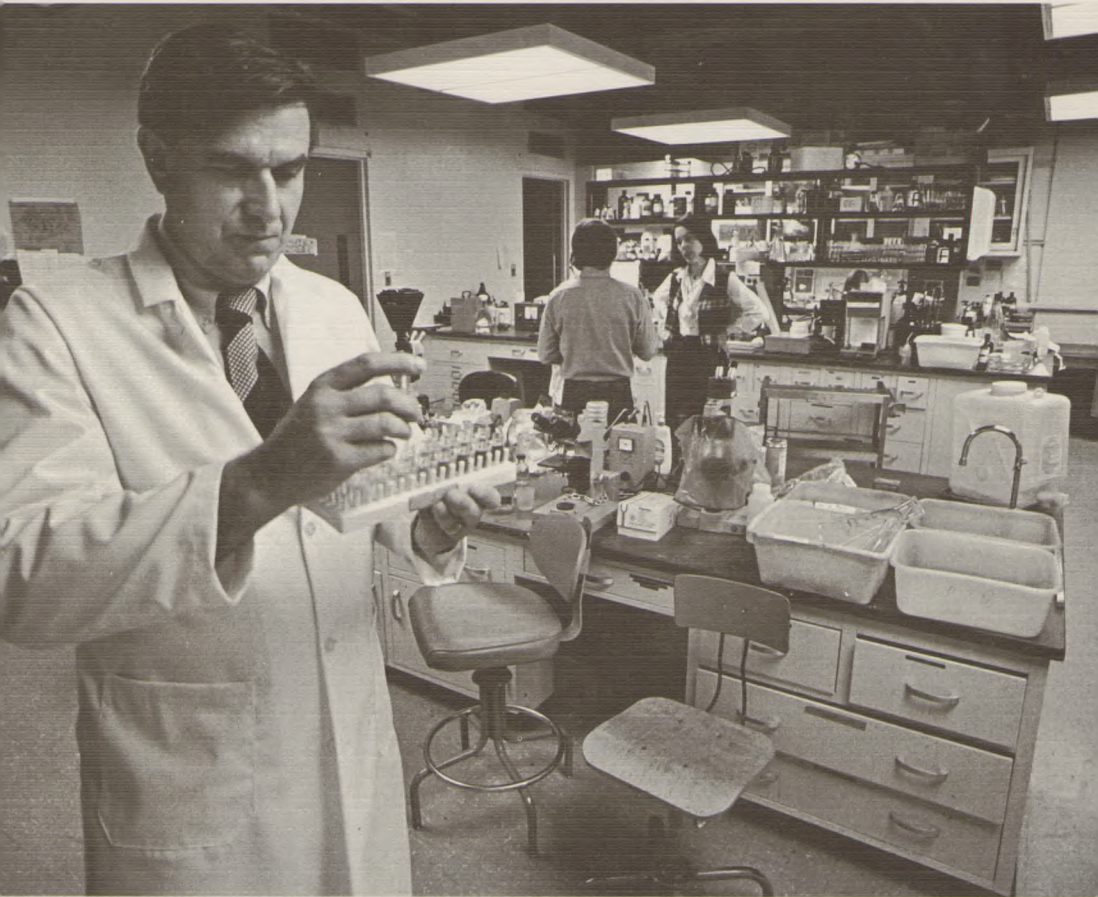
In order to provide a more efficient and comprehensive information system, the Bureau is proposing to establish a consumer education service recorded on cartridge tapes. The service will enable the Bureau to offer more detailed information to a larger number of callers. It is estimated that five hundred of the six hundred daily callers seek information that will be contained on the cartridges. Each phone operator's time per call will be reduced by one-half, thereby permitting the acceptance of a higher volume of incoming calls.

The cartridge tape system of consumer education is being developed as a model which, if successful, will then be available for replication by other Better Business Bureaus around the Country.

The Trustees of the Richard King Mellon Foundation approved a grant of \$30,000 to the Better Business Bureau Educational Foundation, Inc. The funds provided to initiate this pilot program will be used for the development of the cartridge tapes and to purchase the capital apparatus necessary to equip the program.

The following is a list of grants approved in 1978 for social service programs:

Better Business Bureau Educational Foundation, Inc. Pittsburgh, Pennsylvania To develop cartridge tape system for consumer education service	\$ 30,000
Boys' Club of Western Pennsylvania Pittsburgh, Pennsylvania Capital support	50,000
Health and Welfare Planning Association Pittsburgh, Pennsylvania To conduct evaluation of Urban Youth Action	9,500
Pittsburgh Association for the Improvement of the Poor Pittsburgh, Pennsylvania Improvements at Fresh Air Camp	15,000
Pittsburgh Pastoral Institute Pittsburgh, Pennsylvania Two-year operating support	30,000
Protestant Episcopal Diocese of Pittsburgh Pittsburgh, Pennsylvania Renewal Fund	500,000
St. Michael's of the Valley Episcopal Church Ligonier, Pennsylvania Endowment support	500,000
Youth Opportunities Unlimited, Inc. Pittsburgh, Pennsylvania Two-year support for expanded summer program	40,000
	<u>\$1,174,500</u>



Researchers in the University of Pittsburgh School of Medicine have developed a gonorrhea vaccine and are now ready to conduct a critical evaluation on human beings.

The Trustees approved seven grants in this category amounting to \$564,000, or 5 percent of the 1978 total commitments. Although activity in this area was reduced from prior years, the Trustees continue to maintain an interest in medical programs of need and quality. However, because fewer grant dollars are now available for the Foundation's medical program, it must be a highly selective one.

Awards were again concentrated on organizations in Pittsburgh and western Pennsylvania. Larger grant approvals

include an award of \$150,000 to the Health and Welfare Planning Association in support of its Health Education Center, and a \$100,000 grant to the University Health Center of Pittsburgh, Inc. to help underwrite the evaluation of a gonorrhea vaccine.

In addition, a \$174,000 grant was authorized to the Mayo Foundation for three-year research support.

Research Support

Throughout most of the Richard King Mellon Foundation's history,

medical research has not been the primary focus of the Foundation's medical program. In 1978, however, two grants of significant size were approved for research undertakings, primarily because each was being conducted by an organization of top reputation and each represented a possible scientific breakthrough that may have the potential to translate laboratory research findings into procedures applicable to humans in the relatively near future.

In 1978, a commitment of \$174,000 was authorized to the Mayo Foundation, the parent organization for the Mayo Graduate School of Medicine, the Mayo Clinic, the Mayo Medical School, and Mayo research programs. The funds provided by this grant are to help underwrite the cost of research in the area of mineral metabolism as it pertains to a variety of related bone and mineral diseases, such as osteomalacia and rickets.

It has been known for many years that vitamin D is of vital importance in the mineralization of bones and that its use will prevent various bone disorders and deficiency states. In recent years, a large amount of new work has been conducted regarding vitamin D metabolism and it is now recognized that vitamin D itself is inactive until the kidney and liver transform it into complex hormones that have biological activity. Further study is required, however, to understand the complex process of the body's use of the vitamin and the relationships between bone, the intestine, and the liver and kidney.

Other determinants of bone and mineral metabolism are understood but a lack of knowledge regarding the effects of vitamin D has limited the ability to fully comprehend the abnormal physiology and processes of bone and mineral metabolism.

The research efforts by clinicians at the Mayo Foundation should greatly increase available knowledge of mineral metabolism in diseases associated with severely disabling and crippling effects, including skeletal pain, deformity, and growth disorders. The grant provided by the Richard King Mellon Foundation will be paid over a three-year period during which it is hoped that this research will point the way to successful methods of treatment and prevention of these serious problems.

In 1975, the Richard King Mellon Foundation supported an early stage of work in the development of a gonorrhea vaccine at the University of Pittsburgh School of Medicine. The need for funding at that time was acute and the support provided enabled the development of the vaccine to continue and eventually further support from the National Institutes of Health and the United States Army was obtained. Approximately \$750,000 of government support has been provided for this project over the past four years.

The gonorrhea vaccine has now been developed to the point that the School of Medicine is ready to conduct a critical evaluation which should conclusively demonstrate the ability of the vaccine to prevent gonorrhea and encourage the Federal Government to undertake wider scale field trials of it.

The evaluation will be conducted using a group of sixty volunteer subjects and vaccine approved by the Food and Drug Administration. The evaluation should demonstrate the safety and effectiveness of the vaccine and determine quickly and efficiently the dosages required and the vaccine's ability to protect against a variety of bacterial strains. A positive assessment could eliminate several years from the development cycle and provide a clear demonstration

Medicine

of the vaccine's potential.

The Trustees of the Richard King Mellon Foundation approved a grant of \$100,000 to the University Health Center of Pittsburgh, Inc. to be used by its member constituent, the University of Pittsburgh School of Medicine, to proceed with the human challenge phase of the vaccine evaluation.

Hospice Program

Normal systems of health care delivery are rarely designed to effectively provide for the special medical, emotional, and spiritual needs of the dying patient. There are few facilities which are available to the terminally ill patient and his family after definite treatment has been exhausted and no further medical treatment is planned. A recognized need exists to provide special care which lends support to both the patient and the family faced with this situation. Hospice care, a relatively new concept, does address these needs.

Forbes Health System recently established the first hospice program available to terminally ill patients in western Pennsylvania. The basic goal of the Forbes Hospice Program is to provide palliative care for the dying and assistance for the patient's family. A secondary goal of the Program is to create an atmosphere which enables and encourages the terminally ill patient to live as normal a life as the illness will allow.

The Hospice Program particularly stresses home care for these patients because recent studies have shown that terminally ill individuals prefer to live out their lives at home. Regularly scheduled visits to the patient's home are made by a staff of doctors, nurses, social workers, and volunteers specializing in hospice care.

An eight-bed inpatient hospice unit has been established at a Forbes Health System facility to be utilized only in those cases where the patient has no



Forbes Health System has established the first hospice program available to terminally ill patients in western Pennsylvania. Its goal is to provide palliative care for the dying and to encourage the patient to have as normal a life as the illness will allow.

family or friends to look after him, or in those instances where the patient's family requires a temporary rest from the emotionally demanding care which they are providing for the dying member at home.

Since the hospice concept in this Country is relatively new, third party payers have been reluctant to accept it on a reimbursement basis. A program usually must be in operation for two to three years and demonstrate effective service before third party reimbursement is available.

The Trustees of the Richard King Mellon Foundation believe the Forbes Hospice Program provides a valuable service and attends to the special and long neglected needs of the terminally ill. A grant of \$50,000, payable over a



The Health Education Center has been able to demonstrate the economic and social advantages of an agency promoting comprehensive community health education in a coordinated and standardized manner.

two-year period, was awarded to the Forbes Health System to help underwrite the demonstration period.

Education

In 1975, aided by a three-year grant from the Richard King Mellon Foundation and support from other local foundations, the Health Education Center was established under the auspices of the Health and Welfare Planning Association. The Center coordinates the health education activities of public and private agencies involved in health activities in southwestern Pennsylvania in order to provide the citizens of that area with information and education regarding the maintenance of good health. Although curative information is readily available, the Center places particular

emphasis on preventive health education.

Stressing coordination and cooperation, the Center has linkages with 350 public and private agencies, including the Health Systems Agency of Southwestern Pennsylvania and the Allegheny County Health Department. By fostering interagency cooperation and discouraging the duplication of activities and the ineffective use of scarce resources, the Center has been able to demonstrate the economic and social advantages of a coordinating agency to promote comprehensive community health education under a specific standardized set of guidelines.

The Trustees of the Richard King Mellon Foundation approved a grant of \$150,000 to help underwrite the operat-

Medicine

ing budget of the Center during its fourth and fifth years, a period during which the Center is urged to further expand its base of public and private financial support.

A grant of \$16,000 was awarded to the University Health Center of Pittsburgh, Inc. to sponsor a two-day symposium for fifty of the most prominent pediatric surgeons from this Country and abroad. The symposium, planned for September, 1979, will be held at Children's

Hospital of Pittsburgh, a member institution of the University Health Center.

The symposium will assess the mortality, postoperative complications, and long-term functional results which are being achieved in the major congenital anomalies which are treated at children's hospitals. It is planned that papers will be given and discussed and that a publication of the symposium would be of great value to many other pediatricians and surgeons both in this Country and around the world.

The following is a list of 1978 awards for medical programs:

Community Nursing Service Greensburg, Pennsylvania Construction of building	\$ 15,000
Forbes Health System Pittsburgh, Pennsylvania To help establish Hospice Program	50,000
Health and Welfare Planning Association Pittsburgh, Pennsylvania Two-year support for Health Education Center	150,000
Latrobe Area Hospital Latrobe, Pennsylvania Ligonier Valley Ambulance Fund	59,000
Mayo Foundation Rochester, Minnesota Research support	174,000
University Health Center of Pittsburgh, Inc. Pittsburgh, Pennsylvania Children's Hospital of Pittsburgh Symposium for pediatric surgeons	16,000
University of Pittsburgh School of Medicine Evaluation of gonorrhoea vaccine	100,000
	\$564,000

Appropriations and Grants Paid

Richard King Mellon Foundation

	1978			
	Unpaid at 12/31/77	Approved (Rescinded)	Paid (Refunded)	Unpaid at 12/31/78
Allegheny Conference on Community Development Pittsburgh, Pennsylvania		\$ 118,000	\$ 58,000	\$ 60,000
Americans for Energy Independence, Inc. Washington, District of Columbia	\$ 10,000		10,000	
American Wind Symphony Orchestra Pittsburgh, Pennsylvania	10,000			10,000
Audubon Society of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania		20,000	10,000	10,000
Aviation Research Corporation Pittsburgh, Pennsylvania		20,000	20,000	
Better Business Bureau Educa- tional Foundation, Inc. Pittsburgh, Pennsylvania		30,000	30,000	
Boys' Club of Western Pennsylvania Pittsburgh, Pennsylvania		50,000	50,000	
Carnegie-Mellon University Pittsburgh, Pennsylvania	1,000,000		1,000,000	
The Center for Interjacent Children Pittsburgh, Pennsylvania		50,000		50,000
Community Nursing Service Greensburg, Pennsylvania		15,000	15,000	

Richard King Mellon Foundation

Appropriations and Grants Paid

	1978			
	Unpaid at 12/31/77	Approved (Rescinded)	Paid (Refunded)	Unpaid at 12/31/78
The Conservation Foundation, Inc. Washington, District of Columbia	\$ 50,000	\$ 600,000	\$ 50,000	\$ 600,000
Ducks Unlimited, Inc. Chicago, Illinois		500,000	100,000	400,000
Family Communications, Inc. Pittsburgh, Pennsylvania....	500,000		500,000*	
Forbes Health System Pittsburgh, Pennsylvania....		50,000	25,000	25,000
The Foundation Center New York, New York		90,000	30,000	60,000
Greater Pittsburgh Charitable Trust Pittsburgh, Pennsylvania....		30,000	30,000	
Health and Welfare Planning Association Pittsburgh, Pennsylvania....		159,500	84,500	75,000
Kiskiminetas Springs School Saltsburg, Pennsylvania		250,000	250,000	
Latrobe Area Hospital Latrobe, Pennsylvania		59,000	59,000	
Mayo Foundation Rochester, Minnesota		174,000	58,000	116,000
Metropolitan Pittsburgh Public Broadcasting, Inc. Pittsburgh, Pennsylvania....		250,000	250,000	
Mon-Yough Mental Health Mental Retardation Services, Inc. McKeesport, Pennsylvania ..	25,000		25,000	
National Audubon Society New York, New York		80,000	80,000	

	1978			
	Unpaid at 12/31/77	Approved (Rescinded)	Paid (Refunded)	Unpaid at 12/31/78
National Gallery of Art Washington, District of Columbia		\$ 100,000	\$ 100,000	
National Merit Scholarship Corporation Evanston, Illinois	\$ 96,688	280,700	135,888	\$ 241,500
The Nature Conservancy, Inc. Arlington, Virginia	3,500,000	3,000,000	1,500,000	5,000,000
Negro Educational Emergency Drive Pittsburgh, Pennsylvania	60,000		60,000	
Outward Bound, Inc. Greenwich, Connecticut		50,000		50,000
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania		11,000	11,000	
The Peregrine Fund, Inc. King of Prussia, Pennsylvania		150,000	50,000	100,000
Pittsburgh Association for the Improvement of the Poor Pittsburgh, Pennsylvania		15,000	15,000	
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania		60,000	20,000	40,000
Pittsburgh, City of Department of City Planning Pittsburgh, Pennsylvania	27,600		27,600	
The Pittsburgh Foundation (Challenge matching grant) Pittsburgh, Pennsylvania	1**	41,710	41,710	1**
Pittsburgh Pastoral Institute Pittsburgh, Pennsylvania		30,000	15,000	15,000

Appropriations and Grants Paid

	1978			
	Unpaid at 12/31/77	Approved (Rescinded)	Paid (Refunded)	Unpaid at 12/31/78
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania		\$ 70,000	\$ 35,000	\$ 35,000
Pittsburgh Regional Planning Association Pittsburgh, Pennsylvania		30,000	30,000	
Pittsburgh Symphony Society Pittsburgh, Pennsylvania	\$ 100,000	500,000		500,000
Rescission of prior commitment		(100,000)		
Protestant Episcopal Diocese of Pittsburgh Pittsburgh, Pennsylvania		500,000	500,000	
St. Edmund's Academy Pittsburgh, Pennsylvania		300,000	300,000	
St. Michael's of the Valley Episcopal Church Rector, Pennsylvania		500,000	500,000	
The United Way of Allegheny County Pittsburgh, Pennsylvania	250,000		250,000	
The University of Georgia College of Agriculture Experiment Stations Athens, Georgia	550,000		240,000	310,000
University Health Center of Pittsburgh, Inc. Pittsburgh, Pennsylvania Children's Hospital		16,000	16,000	
University of Pittsburgh, School of Medicine		100,000	100,000	
University of Pittsburgh Pittsburgh, Pennsylvania School of Medicine	1,500,000			1,500,000
Graduate School of Business		15,000	15,000	
Faculty of Arts & Sciences .		1,200,000	1,200,000***	

	1978			Unpaid at 12/31/78
	Unpaid at 12/31/77	Approved (Rescinded)	Paid (Refunded)	
Valley School of Ligonier Ligonier, Pennsylvania		\$2,000,000	\$1,000,000***	\$1,000,000
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania		113,750	113,750	
The Wilderness Society Washington, District of Columbia		50,000	50,000	
World Affairs Council of Pittsburgh Pittsburgh, Pennsylvania		70,000	70,000	
Yale University New Haven, Connecticut		250,000	250,000	
Youth Opportunities Unlimited, Inc. Pittsburgh, Pennsylvania		40,000	20,000	20,000
Totals	<u>\$7,679,289</u>	<u>\$11,938,660</u>	<u>\$9,400,448</u>	<u>\$10,217,501</u>

*Paid to Metropolitan Pittsburgh Public Broadcasting, Inc.
Pittsburgh, Pennsylvania

**See Note 3 on page 44

***Grant-in-kind

Statement of Net Assets

December 31, 1978

Richard King Mellon Foundation

Cash and receivables		\$	151,097
Investments at market quotations:			
Stocks	\$180,175,652		
Temporary investments	47,475,129		
Long-term debt instruments	19,804,083		
Other investments and deposits	<u>255,303</u>		247,710,167
Program-related investment, at cost:			
Pittsburgh Historical Collection.....			<u>22,331</u>
Total assets			247,883,595
Less amounts reserved for:			
Grants approved but not paid	10,217,501		
Federal excise tax	<u>348,000</u>		<u>10,565,501</u>
Net assets			<u>\$237,318,094</u>

The notes on page 44 are an integral part of the financial statements.

Statement of Changes in the Fund

Richard King Mellon Foundation

	Year Ended December 31, 1978	Cumulative from Inception on November 14, 1947 to December 31, 1978
Contributions received		\$134,714,949
Realized gain from dis- position of investments	\$9,880,197	54,899,805
Unrealized appreciation or (depreciation) on invest- ments, at market quotations	<u>(11,277,810)</u> (1,397,613)	<u>79,938,811</u> 269,553,565
Investment income	<u>\$11,727,659</u>	<u>\$112,808,161</u>
Less:		
Administrative and investment expenses	1,064,463	10,965,973
Provision for federal excise tax	<u>348,000</u> <u>1,412,463</u>	<u>3,118,278</u> <u>14,084,251</u>
Net income	10,315,196	98,723,910
Grants paid	<u>9,400,448</u>	<u>120,741,880</u>
Grants paid less than or (in excess) of net income	<u>914,748</u>	<u>(22,017,970)</u>
Increase or (decrease) in fund	<u>\$(482,865)</u>	247,535,595
Less amount reserved for grants approved but not paid		<u>10,217,501</u>
Net assets, December 31, 1978		<u>\$237,318,094</u>

The notes on page 44 are an integral part of the financial statements.

Summary of Investments

December 31, 1978

Richard King Mellon Foundation

	Amount at	
	Book Value	Market Quotations at December 31, 1978
STOCKS		
Common stocks:		
Aerospace	\$ 455,313	\$ 524,750
Airlines and air freight	348,667	311,275
Amusement	616,900	503,412
Apparel and textiles	360,408	292,025
Automotive	350,767	304,487
Banking	2,889,053	2,632,856
Brewing and distilling	684,113	465,087
Broadcasting and cable television	1,209,009	1,472,775
Building materials	1,836,821	1,714,655
Business services	449,715	417,750
Chemical	2,109,316	1,701,087
Coal	7,696	5,212
Construction and material handling	392,078	655,600
Containers	656,770	659,384
Cosmetic and household products	3,221,904	2,875,545
Drug	2,456,796	2,306,006
Electrical equipment	2,742,430	2,282,356
Electronics	1,537,798	1,476,156
Farm equipment	259,324	318,875
Finance	294,328	478,387
Food products	4,966,751	4,600,029
Hospital supply	2,919,067	2,512,737
Industrial machinery and materials	787,498	594,075
Insurance	6,268,694	74,851,916
Merchandising	2,804,578	3,185,987
Multi-industry	73,810	69,100
Non-ferrous metals and mining	5,501,754	5,990,209
Office equipment and photocopy	6,638,462	7,310,000
Oil and gas	33,278,796	45,835,191
Oil and gas servicing	2,331,067	3,294,743
Paper	255,333	214,600
Photographic	2,225,114	1,434,250
Public utility—electric	869,688	813,075
Public utility—gas	166,233	149,975
Public utility—telephone, etc.	2,174,439	2,353,737
Publishing and printing	2,018,597	2,138,125
Railroads	51,494	45,450
Railroad equipment	44,003	50,500
Restaurants and lodgings	1,008,294	828,763
Steel	276,974	244,500
Tire and rubber	16,423	12,912
Tobacco	1,101,173	1,234,900
Trucking	113,748	64,350
Other industries	737,687	819,323
Total common stocks	<u>99,508,883</u>	<u>180,046,127</u>

	Amount at	
	Book Value	Market Quotations at December 31, 1978
Preferred stocks:		
Banking	\$ 176,111	\$ 123,975
Industrial	<u>5,642</u>	<u>5,550</u>
Total preferred stocks	<u>181,753</u>	<u>129,525</u>
TOTAL STOCKS	<u>99,690,636</u>	<u>180,175,652</u>
TEMPORARY INVESTMENTS		
Certificates of deposit	19,547,489	19,546,094
Demand notes	10,226,000	10,226,000
Discount and interest-bearing notes	16,563,762	16,563,762
U.S. Treasury bills	901,259	902,273
Other short-term investments	<u>237,000</u>	<u>237,000</u>
TOTAL TEMPORARY INVESTMENTS	<u>47,475,510</u>	<u>47,475,129</u>
LONG-TERM DEBT INSTRUMENTS		
Corporate bonds:		
Financial	8,030,597	7,775,603
Industrial	1,967,887	1,894,590
Public utility—electric	245,181	244,073
Public utility—telephone, etc.	<u>706,883</u>	<u>687,790</u>
Total corporate bonds	10,950,548	10,602,056
U.S. Treasury and Government agencies	9,093,858	8,789,319
Other long-term obligations	<u>445,746</u>	<u>412,708</u>
TOTAL LONG-TERM DEBT INSTRUMENTS	<u>20,490,152</u>	<u>19,804,083</u>
OTHER INVESTMENTS AND DEPOSITS		
Fractional interests in surface and minerals in properties in Maryland and West Virginia	113,255	253,500
Miscellaneous investments and deposits	<u>1,803</u>	<u>1,803</u>
TOTAL OTHER INVESTMENTS AND DEPOSITS	<u>115,058</u>	<u>255,303</u>
TOTAL INVESTMENTS	<u>\$167,771,356</u>	<u>\$247,710,167</u>

A complete list of investments may be obtained by writing to: Richard King Mellon Foundation
Office of the Controller
525 William Penn Place
Pittsburgh, Pennsylvania 15219

Notes to Financial Statements

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.

NOTE 2—Provision For Federal Excise Tax

Federal excise tax represents a tax on net investment income as defined in Section 4940 of the Internal Revenue Code. The current rate is two percent.

NOTE 3—Challenge Matching Grant

In 1977 the Foundation approved a challenge matching grant to The Pittsburgh Foundation to be applied to the corpus of the Ligonier Valley Endowment. Under the terms of this grant, the Foundation is committed to pay to the grantee a sum equal to the total amount of all contributions to the Ligonier Valley Endowment received through May 31, 1980.

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, 1978, 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, 1978, and the supporting summary of investments and schedule of 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 aforementioned financial statements present fairly the net assets of Richard King Mellon Foundation at December 31, 1978, and the changes in the fund for the year then ended and for the period from November 14, 1947 to December 31, 1978, and the supporting summary of investments and schedule of appropriations and grants paid present fairly the information included therein, all in conformity with generally accepted accounting principles applied on a consistent basis.

COOPERS & LYBRAND

Pittsburgh, Pennsylvania
March 23, 1979

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.

The Trustees are also interested in the field of land conservation in the United States.

The Foundation will not consider requests on behalf of individuals.

**Richard
King
Mellon
Foundation**