ROSENBERG FOUNDATION
ANNUAL REPORT – 1978

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ROSENBERG FOUNDATION
210 Post Street, San Francisco, California 94108

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PRESIDENT'S MESSAGE

Since 1938, the Rosenberg Foundation has been making grants in the rural areas of California. Much of that support has gone to the Central Valley, one of the great farming regions of the world, and in particular to the San Joaquin section of that valley. Our interest in children and youth has led to investing in improved services for children and youth and in trying to make the social and economic climate in which they grow up more just and hospitable to them. The grants have ranged from support for recreation, child care and birth control programs in the 1940's to migrant health and bilingual education in the 1950's, self-help housing and community development in the 1960's and sewer projects and land reform in the 1970's.

In April of 1978, the Board of Directors of the Foundation spent a day in the San Joaquin Valley talking with many of the people with whom we have been privileged to work. Some of them have connections with the Foundation going back a quarter century. We were impressed, and often deeply moved, by their dedication and perseverance. We were also impressed by the enormous changes that have taken place. Schools, health services and housing have improved, sometimes strikingly so. Other changes are less encouraging. Land and building prices have risen dramatically, putting the kind of self-help housing we supported earlier out of reach of low-income families. The half million irrigated acres of the Westlands Water District stretches to the horizon along the great California Aqueduct and is owned in blocks as large as 100,000 acres. Whatever may be said about the merits of enforcing the 160 acre limitation in federal reclamation law to break up these holdings, for us standing there, one impression crowded out all others. We saw no children, no schools, no houses, no healthy communities.

Following our trip, the Board concluded that we should try to gain a new perspective on what was happening in the rural farming areas of California. We wanted to learn whether our grants, small as they are in relation to the size and wealth of these areas, were at least addressing the critical problems. We wondered if there were not new forces in motion which were affecting the lives of families and children, forces which we did not understand or even know about.

To help us begin to explore these concerns, we asked Lou Cannon to look at rural agricultural California for the Foundation. Mr. Cannon has observed and written about social developments in California, including the rural areas, for almost his entire career in journalism, and has covered the political life of the country from Washington to Sacramento to city hall. He was the principal writer for the recent *Washington Post* series on "Mex-America" and it was this experience in particular that we hoped would give us another view of the problems that will emerge in the last decades of this century.

The essay printed here is the result. It does not evaluate the Foundation's current grants or assess the impact of the new forces on rural communities and institutions. We did not expect that it would. It does have a straight-forward message. There are new migrant farmworkers, the "undocumented" Mexicans who have come across the border and are increasingly the source of labor for California farms. But there is a difference between them and the people of "The Grapes of Wrath" and the Mexican-Americans of the 1960's. These new people do not exist officially. Everyone involved – government, the growers, the farm unions, and even the migrants themselves – has a stake in pretending they do not exist. And if they do not exist, they have no problems which are anyone's responsibility but their own.

We do not know yet what this message means for the Rosenberg Foundation and its focus on families and children. But it seemed so important that we wanted others to hear it.

Lewis H. Butler
President

Lou Cannon is the Western Bureau Chief of The Washington Post *and has previously served as a White House Correspondent for the* Post. *He has worked on several California newspapers and is the author of* Ronnie and Jesse: A Political Odyssey, The McCloskey Challenge *and* Reporting: An Inside View.

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NEW FACTORIES IN THE FIELD
An Essay On Agriculture

by Lou Cannon

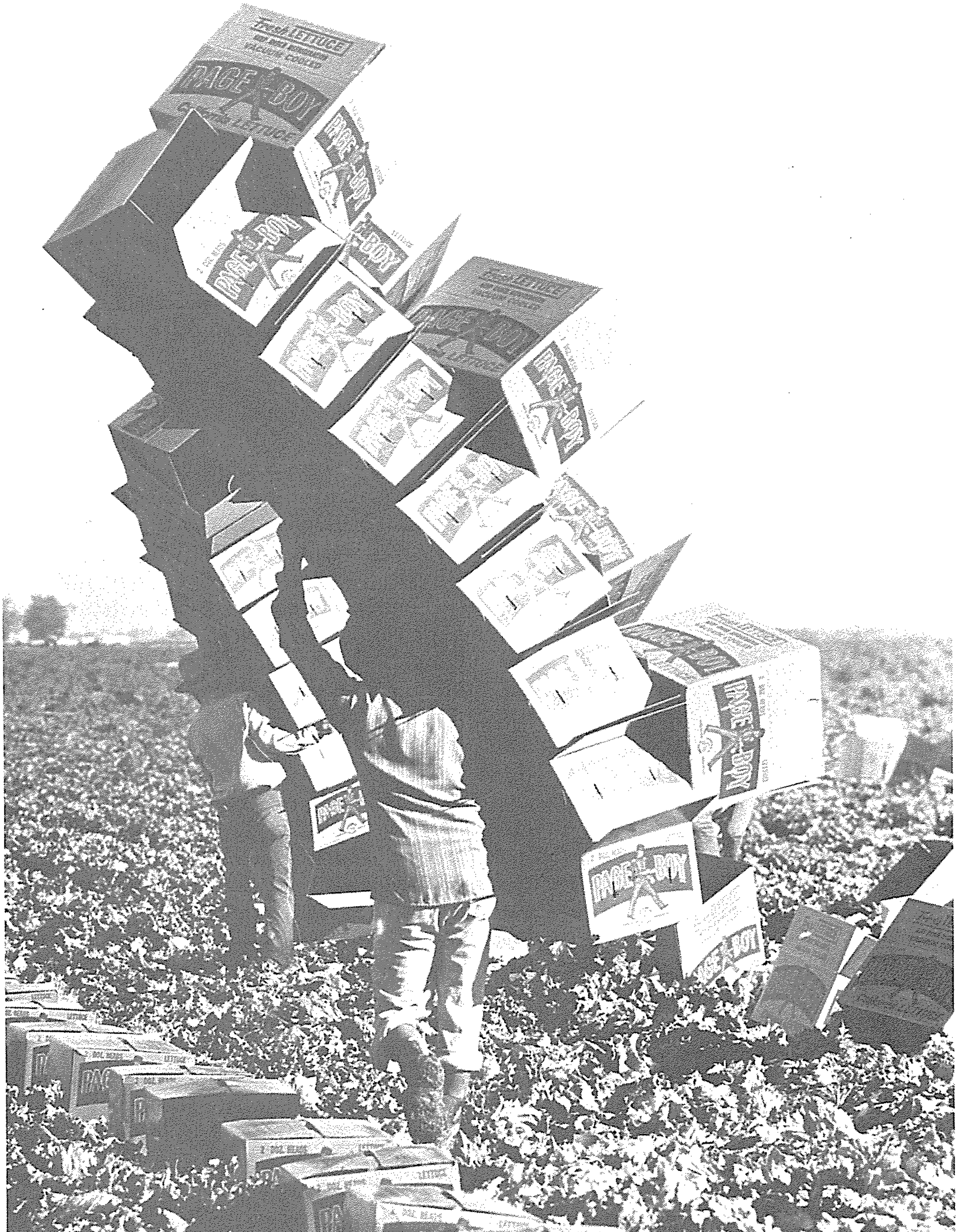
California agriculture is at once a marvel and a disgrace. It is a cornucopia of diversity and abundance that celebrates both the natural riches of the California nation-state and the industry and inventiveness of those who settled, acquired and farmed its valleys. Only four nations in the world have a larger agricultural output than California, which produces 40 per cent of the nation's food and vegetables and nearly a quarter of its total food supply on 34 million acres of farmland. More than 200 crops, ranging from alfalfa seed to walnuts, are grown commercially in the state, and California leads the nation in 60 of them. In agriculture, California truly sets the pace for the world.

What Carey McWilliams once called "a hidden California" occupies the same territory as these bountiful fields and ranches. It is the historic California where successions of subjugated or imported workers – Indians, first, then Mexicans, Chinese, Japanese, Filipinos, Hindus, Armenians, Portugese, and Mexicans again – have tilled the land and harvested the crops at a small fraction of the pay and amenities enjoyed by their urban compatriots. It is a California that has had, in John Mamer's words, "surely the most elaborate record of farm labor strife" during the past century, a conflict he ascribes to the widespread employment of seasonal farm labor. It is a California where investigators consistently have found widespread poverty, disease, bad housing, ignorance and even starvation. It is a California that most of us consign to yesterday but which still exists in the trackless row crops and cotton fields and orchards of the San Joaquin, Salinas, and Imperial valleys.

Forty years ago this hidden California became starkly visible through the near-simultaneous publication of two immensely controversial books. One was a powerful work of fiction containing trip-hammer blows of fact, the other a non-fiction inquiry into migrant labor as compelling as any novel. The fictional book was *The Grapes of Wrath* by John Steinbeck, the non-fiction *Factories in the Field* by Carey McWilliams. Together they presented a dual portrait of exploitation, neglect and hardship that subsequently was confirmed in grim detail by a U.S. Senate investigation headed by Senator Robert La Follette of Wisconsin.

When the La Follette Committee reported its findings to the Senate on Oct. 12, 1942, the embattled U.S. Navy was just winning its first night naval battle against Japan and the Germans still seemed assured of victory at Stalingrad. The horror stories of farm labor were eclipsed by the greater horrors of the war. By then the "factories" of which McWilliams had written were already on their way to becoming the full-fledged agri-business combines that we know today, the Japanese-Americans of California had been interned and the first Mexican braceros – with the words "De Las Democracias Sera La Victoria" scribbled on their Pullman cars – had just arrived in Stockton. Few were interested at the time.

In the generation and a half since those first braceros arrived in California, much has changed while everything has remained the same in agriculture. There have been no braceros, more braceros and no braceros again, and now there is a vast, uncomputed tide of unsanctioned but accepted immigration that annually brings more farmhands into California than the legal bracero program ever did.


Fresh LETTUCE
PAGE BOY

Today that immigration has made California the cutting edge in the transnational conflict between the United States and Mexico, a conflict that directly presents to this country the challenges and opportunities of those underfed and overpopulated nations that have been called "the third world." Mexican access the United States is a dynamic reality in the foreign policy of the two countries, a reality upon which depends our own future access to Mexican oil and natural gas. Though most of the immigration is urban in character, the overwhelmingly Mexican nature of the migratory farm force in the Southwest means that the conflict is likely to be focused in the fields. And it is there that the greatest disparities exist. While there have been some improvements in wages and working conditions for farm workers, every inquiry I have heard of finds that they are still ill-paid, ill-housed, ill-cared-for and often ill-fed. "Farm wages and working conditions have improved," writes Mamer, "but, relative to nonfarm wages and working conditions, there has been only modest change."

From my interviews for this essay and from a *Washington Post* series I wrote with other reporters which we called "MexAmerica," I am convinced that it is this lack of change that has created the unique condition in California agriculture of a farm labor force composed of workers who are either citizens of Mexico or who have strong cultural ties to this neighboring nation which once ruled the entire Southwest. In no other region of the world is one nation so dependent on another for its harvests. One consequence of this dependence became evident this year in the Imperial Valley when Mexican workers refused to break a strike called by Cesar Chavez and insufficient non-Mexicans were obtainable to keep the lettuce from rotting in the fields.

Those of us who covered this strike made much of the supposedly newfound militance of these Mexican nationals. But it would have been well for us to have remembered that the historic goal of Mexican farm workers, in their own country or elsewhere, was land. That this is still a goal became evident from interviews where Mexican workers spoke of the land as their own and talked, in personal rather than political terms, of owning part of it. Last December in Salinas, a Mexican-American named Gregorio described to me with great enthusiasm the freedom and sense of accomplishment he felt from participating in a strawberry cooperative where half of what he grows is his own. This is, unfortunately, a rare experience either in the United States or Mexico for most farm workers .

The land-owning aspirations of people like Gregorio have only rarely been considered in the United States. No doubt this is partly because of the language barrier. I suspect, however, that the larger reason is because of a generally unstated but widely shared conventional wisdom that the migrant farm worker was simply going to disappear. In this technological view, machines were to replace men in the agricultural factories, much as they were supposed to do in the industrial ones. This has not happened. Tomato harvesters and similar mechanical marvels have eliminated many jobs but have created others. Additional land has come into cultivation, some of it in labor-intensive crops. While farm worker employment held nearly steady in the years from 1950 to 1977, the number of California farms dropped from 144,000 to 75,000 and the number of farmers by a similar amount. What has been vanishing in California is not the farm worker, but the family farm.

These numbers reflect the increasing monopolization of an agricultural system that already was highly monopolized. And other trends also point in the same direction of fewer farmers and larger farms. For instance, the businesses

involved in agriculture are in many cases vanishing even more quickly than the small farming enterprises they once served. The number of tomato canneries in California declined from 56 in the mid-1950s to 25 today. Further down the food chain, in a kind of agri-business from below, the number of canning cooperatives increased from one to four as farmers bought out a few old canneries and some of their brand-name labels in an effort to assure themselves of a market by doing their own first-stage processing. In every case, the trend has been to larger units of production and to greater concentration of ownership.

It is this concentration that has given unions their chance in California agriculture. As Chavez explains it, the big corporations, particularly those with industrial experience, were accustomed to doing business with unions and did not consider it an insult to negotiate with them. These corporations knew that wage increases could be passd on to the consumer in the form of price increases and they accepted unions as simply one of the costs of doing business. "The local grower, big or small, is the one who feels there must be no union," says Chavez.

Chavez' perceptions have not met with universal acclaim. In radical folklore, the farm workers were supposed to struggle side by side with small farmers against the greedy, corporate giants. What actually happened in the celebrated and successful national grape boycott was that the smallest growers, mostly of Italian or Yugoslav descent, went near or over the brink of financial ruin while the targets of the action, the bigger growers, came to terms with the union and prospered. This, too, has often been the industrial experience.

Putting aside a needless strike or two against small farmers, it is difficult to fault Chavez' strategy of recognizing corporate farms as the best opportunity for the long-denied day of California farm unionism. Most of the California family farmers whom I know, admirable though they may be, want nothing to do with a union in any way, shape or form. Unions function best not in families but in large, impersonal settings and it would be hard to find anything less personal than the large, corporate farms I have visited in the Central Valley.

On the corporate side, there are those who have begun to realize the discreet benefits of unionization, although it still is unfashionable in most farming communities to say so publicly. One Southern California farm manager, after obtaining a pledge that I would not use his name, told me that his corporation had resisted the United Farm Workers of America but may have been better off for having lost the fight. He then told me of an instance where the company wanted the workers to pick overtime during a busy harvest week. The workers didn't want to, he said, but the UFW insisted that they honor their hard-won contract.

It is perhaps another indication of the growing industrial character of the agricultural union that the workers did, in fact, comply with the UFW and work the necessary overtime.

The organization of these farm workers is overlayed on an immigration from Mexico that is at once vast and uncomputed. In preparing our series on "MexAmerica," *Post* reporters interviewed Mexican immigrants who had "made it" in California, most of them after entering the country without legal papers. We examined academic studies based on interviews with hundreds of Mexican workers who cross and re-cross the border each year. And we talked to law enforcement and welfare officials and to growers about the consequences of Mexican immigration. What follows is a summary of our conclusions.

First of all, no one has made even a remotely precise estimate of illegal immigration from Mexico into the United States. The range of numbers given, 4

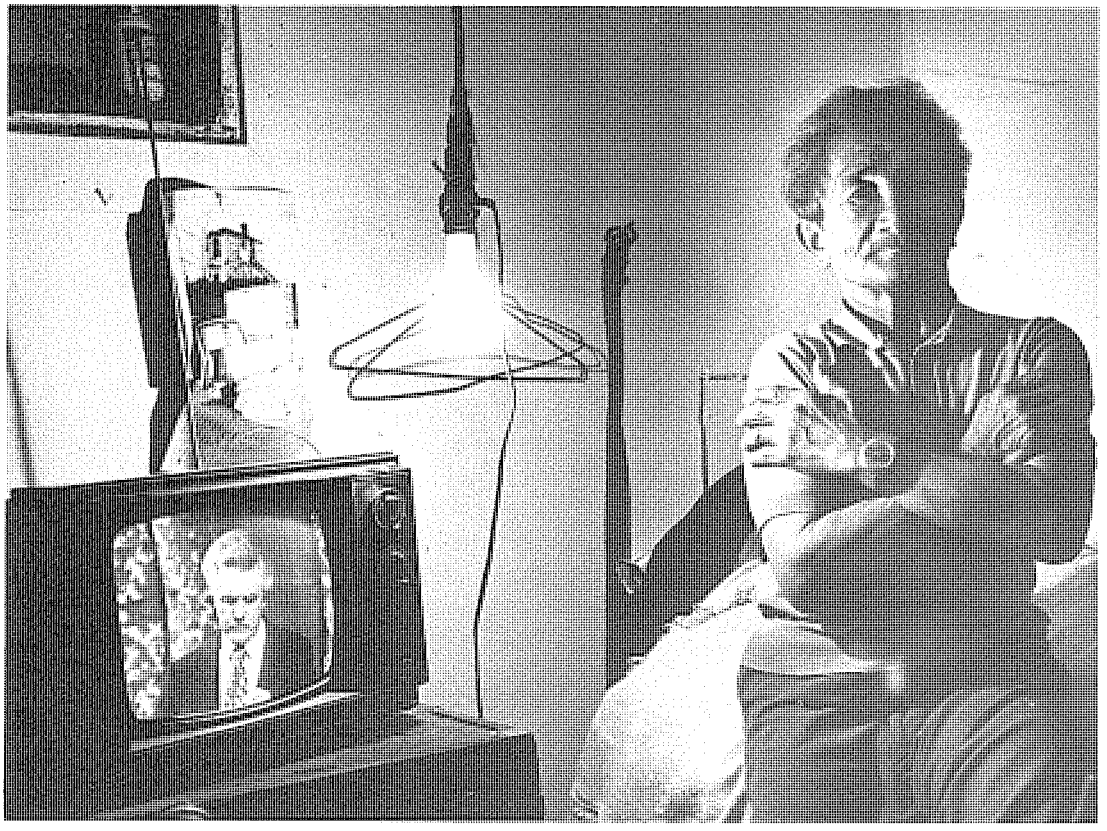
million to 12 million, is so great as to be almost meaningless. As Barry Fadem, former director of the California office of the Southwest Boarder Regional Commission puts it: "If you talk about hordes, you use the 12 million figure; if you talk about economic contribution, you use the 4 million." Similarly, for reasons we shall examine shortly, no one has even the remotest idea about how many of the 200,000 hired farm laborers in California are illegal immigrants, or "undocumented workers," as the Mexicans prefer to call themselves. The common view in the San Joaquin, Salinas and Imperial valleys is that the numbers of illegals are as great or greater than under the legal bracero program, which expired in 1964.

While we lack good information on the quantity of the immigration, we know a great deal about its quality. Most of the immigrants come from impoverished areas of central rural Mexico, where unemployment rates may exceed 50 per cent. The ones who come are the "risk-takers" of their own society, in which successful immigration to the United States is a badge of achievement. Most of the immigrants have crossed and re-crossed the border many times, further confounding those elusive immigration statistics. In the United States they occupy a shadow world of fieldhands, bus boys and day laborers who work for $2 an hour or less for employers who do not speak their language, in jobs most Americans are unwilling to perform. The *Post* estimated that they earn three to six times a day what they would make in their own country, and this estimate may be far too conservative. Many, of course, would make nothing in their own country, for they would be unemployed.

These Mexicans come to California across an invisible border into a land with familiar climate and geography that their ancestors once called home. They need not have read McWilliams' *North From Mexico* to know that this is their natural fan of settlement. The same pattern prevails in their own country where Guatemalans – called "wet ankles," Herman Castillo tells me, because they have to wade a river even shallower than the Rio Grande – to come illegally north to a better life in Mexico. Small wonder that Mexicans who come north regard immigration to the United States as the most natural of odysseys.

This passage of people from a poor country to a rich one across a virtually unguarded border is neither new or novel. The belief of Mexican immigrants that they can better themselves in Los Estados Unidos hasn't changed much over the decades. What has changed is the attitude of Mexican-Americans, many of them the children of illegal immigrants, toward the new arrivals from Mexico. "More often than not, the U.S. citizen of Mexican ancestry feels a kinship to this immigrant, at least in the geography of his mind," I wrote in the *Post* series. Historically, however, the Mexican-American often was reluctant to express this kinship, for a variety of reasons. The new arrivals reminded some Mexican-Americans of their own illegal entry years before, or that of their parents, and stirred old fears of deportation. Others, imbued by the mythic ideal of the melting pot, wanted simply to be considered "Americans" without hyphenation. The new arrivals seemed a threat to these assimilationists and helped keep anti-Mexican prejudice alive.

Now that Mexican-Americans are becoming an influential minority for the first time since the Treaty of Guadalupe Hidalgo in 1848, this attitude is fading. The growing number of Mexicans in town and country and the persistence of the Spanish language have revived cultural consciousness. Once Chavez denounced illegal Mexican workers as a direct threat to his unionization efforts. Now, he acknowledges that his union includes many "undocumented workers" and says no question is asked about a worker's citizenship. In this, Chavez is simply following a practice long pursued by many growers.



This change from Mexican-American solidarity to Mexican solidarity has enormous consequences for the prospects of farm unionization in California. The main reason that the Teamsters were unable to destroy the United Farm Workers in 1973 after growers had recognized the Teamsters as bargaining agents is that they did not, in most cases, have the support of Spanish-speaking fieldhands. The importance of Mexican solidarity was demonstrated most dramatically in this year's walkout in the Imperial Valley lettuce fields, which Chavez called "a dream strike" because of its virtual absence of strikebreakers. Because of appeals to union solidarity, harrassment of would-be strikebreakers and the heroic image which Chavez holds on both sides of the border for many of Mexican descent, the cheap, plentiful Mexican labor that used to be available to break any border strike was not forthcoming. "No Mexican farm worker in his right mind is going to break this strike," Chavez told me matter-of-factly the day after a visit to the lettuce fields. "It's just impossible."

One of the reasons, said Chavez, that Mexicans felt the way they did was that the workers on strike in the lettuce fields no longer were migrants in the true sense of the word. There is now a year-round economy, or nearly so, in the Imperial Valley and most of those who struck the carefully selected targets of the UFW are Mexican nationals who cross the border each day on legal "green cards" entitling them to work in the United States. The potential Mexican strikebreakers would be hurting their neighbors, said Chavez, rather than migrants who moved north to pick the next crop.

Fair enough, for these workers. But there are true migrants remaining, and these, for the most part, are Mexicans, too. One of the consequences of the elimination of the legal bracero program is that an illegal one has taken its place, bringing with it unrecorded misery. Within a few miles of El Porvernir – the self-help housing project which the Rosenberg Foundation and others have supported with money, enouragement, and hope – I saw two housing projects where the migrants stay during the harvest of tomatoes, melons, cotton and other crops. One was a Potemkin Village of neat houses complete with private garden plots and recreational areas, all of it provided by a kindly grower's widow who has decided to treat campesinos like human beings. The other project was a cluster of tumbled-down shacks that posed as houses and comprised a decaying agricultural slum where raw sewage leaked onto the winter fields. My guide, a Mexican-American who lived in El Porvernir, said that many of the illegals who worked each summer in the fields around Mendota would have thought this slum was paradise. These modern migrants sleep in sheds and abandoned railway structures and in fields. There are fewer houses for them than there were in 1939.

What I am struggling to say is this: When Carey McWilliams wrote *Factories in the Field* and afterward when he served as director of immigration and housing under Gov. Culbert Olson; when the wartime bracero program was created by those patriotic immigrants to Stockton; when the post-war bracero program flourished against the loud protests of the liberals, church groups, labor unions and emerging Hispanic groups; when all these things happened, people built shacks and houses, however poor, and revised programs, however grower-dominated, and they were inspected by public officials and Senate committees and journalists. The migrants existed then, and there was some effort to improve their lot. The official reality of today is that they do not exist. I have talked to growers who say that most of their workers in certain crops in certain months are illegals, but they cannot acknowledge it publicly on pain of losing their labor. I have talked

to UFW organizers who say that in certain crops at certain times a healthy minority, and perhaps a majority, of their members are undocumented workers. But these migrants, unlike their predecessors, are part of a secret system that has been officially eliminated. They have no rights or protections, and this makes it possible for unscrupulous growers to use their services and then call in the Immigration and Naturalization Service just before pay day. Growers say that the UFW also exploits the illegal migrant's constant fear of deportation. Harry Kubo, president of the Nisei Farmers League, compares the plight of the illegal migrant farmer to that of the Japanese taken off his land and interned during World War II. As Kubo puts it: "He has no rights that he can claim."

Factories in the Field began with a poem, "The Nomad Harvester" by Marie De L. Welch. She drew an historical distinction between nomads who follow the flocks and harvesters who are "men of homes."

But ours is a land of nomad harvesters.
They till no ground, take no rest, are homed nowhere.
Travel with the warmth, rest in the warmth never;
Pick lettuce in the green season in the flats by the sea.

We cared better for these nomad harvesters when we officially recognized their existence. We cannot do that now. Chavez cannot officially welcome "undocumented workers" to the United States and the UFW. The growers cannot say that they are running a bracero program by some other name. The government cannot acknowledge that its immigration service, and most especially President Carter's so-called limited amnesty program, is an in-house joke. But that does not relieve us of computing the consequences. And it would be my urging that someone who cares about the Mexican-Americans in general and about farm labor in particular sponsor a serious and detailed study of migrant farm worker experience in California. "For all the rhetoric," says John Mamer, "we have no comprehensive study of a farm worker's actual experience."

It also seems to me that we need to study, in depth and some detail, the experiences of those relatively few campesinos who have obtained an opportunity to farm for themselves, either individually, or as members of a cooperative. People like Gregorio, the 33-year-old former cannery fork-lift driver whom I interviewed in a muddy strawberry field near Salinas, find it difficult to go into farming. Gregorio had felt hassled in the cannery, disliking his boss and the recurrent speedups. The cooperative was an hour's drive away because there was no affordable housing for his wife and children in Salinas. Gregorio was not sure he wanted to be in a cooperative. This is what he said: "It's hard work. I didn't think it would be this hard. But sometimes you feel good when you're in the sunshine and there's nobody to push you around."

It is not a feeling that very many farmworkers have ever had.

EARLY CHILDHOOD DEVELOPMENT: New programs which appear to have unusual promise of encouraging the normal, healthy development of young children both as individuals and as members of a diverse society.

BANANAS $40,692
Berkeley, Ca.

Family day care is the most frequently-used form of out-of-home child care in the United States. Many parents find family day care economical, convenient and responsive to the needs of their children. For policymakers, family day care is something of a problem. Some family day care is unlicensed and most family day care is unsubsidized. Bananas, like several other child care information and referral organizations, has demonstrated an effective and low-cost method to increase efficiency in family day care. Through its family day care respite-resource program, Bananas is strengthening existing services and promoting the development of new family day care. The project offers respite service to family day care operators, workshops for persons working with children, counseling and consultation to day care operators and consultation and assistance to prospective day care operators. Because of its deep involvement in family day care, Bananas is in a particularly good position to identify public policy modifications which will increase the quality, quantity and accessibility of family day care. (Third grant)

CHILDREN'S COUNCIL OF SAN FRANCISCO: THE TOY CENTER $29,717
San Francisco, Ca.

The cost of child care is one of the major issues in public child care policy. Family day care homes and parent-initiated playgroups and cooperatives are generally less expensive than child care centers. These new forms of care are often more convenient in terms of location and hours and often more responsive to parent preferences in terms of discipline, diet and style. From a policy perspective, the major weakness of these informal and parent-initiated models is their uneven quality. They are often perceived as custodial in nature in contrast to programs whose primary objectives are educational. The Toy Center is providing assistance to those child care forms which are presumed to be the weakest. Through example and through its training workshops, the Center assists day care providers to expand the range of opportunities and activities available to children in their care. The Center attempts to improve the quality of care without increasing its cost. (Third grant)

CENTER FOR NEW CORPORATE PRIORITIES $32,782
Los Angeles, Ca.

A 1977 housing study prepared by the Southern California Association of Governments concluded that "inadequate rental housing for families with children is the largest single component of housing need". The study also found that "inadequate rental housing for children affects minorities and female-headed households significantly more severely than households overall".
Recent surveys of available rental housing have found that 60% to 80% of all apartments advertised for rent exclude children and that apartments which accept children charge higher rents than those which exclude children. The Fair Housing for Children Project will conduct research, public education and community organizating related to the extent of discrimination in housing against children and their families with particular emphasis on five California cities.

MILLS COLLEGE $11,876
Oakland, Ca.

There is a growing awareness that modern medicine, with its reliance on specialization and technology, results in special problems for the hospitalized child. The sick or injured child, in addition to a health problem, suffers also from the separation from home and family and the disruption of school, play and friendships. Mills College, over a three-year period, will test a pilot child development curriculum to train Child Life Specialists for work with hospitalized children. ($14,649 for second year and $19,652 for third year.)

NATIONAL COUNCIL ON CRIME AND DELINQUENCY $25,000
San Francisco, Ca.

Correctional research has generally neglected the relationship of incarcerated women and their children. We know very little about the consequences of a mother's incarceration for the healthy development of her child, although we do know that nearly two-thirds of the incarcerated women in the United States have children. NCCD will supervise a model weekend child care program for inmate mothers and their children at Pleasanton Federal Correctional Institution and will attempt to spread the model to other institutions with women inmates.

ADOLESCENT AND OLDER YOUTH: New programs in which young people have joint responsibility for planning and implementation and which will strengthen their relationship with the community.

CENTER FOR COMMUNITY JUSTICE $45,695
Washington, D.C.

A survey of complaint resolution mechanisms in California high schools found that 44% of the schools have complaint procedures but that these are generally ineffective because of narrow scope, lack of credibility among students, lack of student involvement and informal procedures. Using criteria drawn from the Ward Grievance Procedure which the Center for Community Justice established successfully in the California Youth Authority, the Center has assisted students, faculty and administrators at high schools in Sacramento and Vallejo to design and operate procedures for resolving school grievances. During the 1978-1979 year, the project will be fully implemented at the two pilot schools and the effectiveness of the procedures will be evaluated for application to other schools.

CENTER FOR WOMEN'S STUDIES & SERVICES $9,330
San Diego, Ca.

High school age feminists are often isolated and unaware of women's programs and services at other schools. The Center for Women's Studies and Services will involve 5 to 10 young women from San Diego area high schools in the publication of a young women's section of a feminist newspaper. The women will learn journalism skills and publish a newspaper to provide communication among young women in San Diego high schools.

CITIZENS POLICY CENTER $34,860
Santa Barbara, Ca.

Based on the analysis that there is a need for mechanisms to enable youth to make the transition from "social adolescence" to independence, the Open Road Program of Citizens Policy Center was established as a statewide program in 1975. Open Road creates opportunities in work, business, education and public life which will enable young people to assume responsibility, test ideas, modify institutions and learn. This fourth and final grant will continue the involvement of young people in the implementation of the recommendations of a Study of Counseling and Guidance in California Schools, carry out two new youth inquiries and train young people for participation in decision-making. (Fourth grant.)

GALT JOINT UNION HIGH SCHOOL DISTRICT $3,500
Galt, Ca.

To increase the range of program alternatives available in a small, rural high school, Galt High School has adopted the Independent Study option authorized in 1976 by the California Legislature. During the first year, 12 of the 35 teachers in the school and 50 of the 900 students participated in projects in agriculture, art, English and government. Galt High School will establish a joint faculty – student working group to plan and design a program of student-managed enterprises in which students will assume responsibility for planning, management, production and marketing. Among the enterprises to be considered will be the manufacture and sale of greenhouses, the operation of a landscaping service and the operation of a nursery.

LEGAL SERVICES FOR CHILDREN $35,000
San Francisco, Ca.

The needs of individual children often go unrepresented in juvenile court, civil litigation and administrative proceedings. Legal Services for Children, the first comprehensive legal service program of its kind in the United States, uses a team composed of an attorney and a caseworker to represent children and to design concrete community-based plans which are appropriate to the child's specific needs and which are an alternative to the plans proposed by the courts. Legal Services for Children has represented children in dependency, delinquency, abuse and neglect cases as well as with civil problems with school discipline, access to education programs and guardianship. The Foundation grant, along with grants from five other Bay Area foundations, will enable Legal Services for Children to continue. (Third grant)

YOUTH ADVOCATES $30,000
San Francisco, Ca.

The recent attention in the media to problems of child pornography and teenage prostitution have resulted in public concern about the problem but little clarity about the extent and nature of the problem. Youth Advocates, which has been operating a program for runaways in the Haight Ashbury district of San Francisco since 1967, is finding there is a growing number of young people, primarily runaways and push-outs, who are involved in prostitution as a means of economic survival or as a method of finding affection, glamor and excitement. Youth Advocates will augment its program of counseling, shelter and other services with more intensive crisis service and longer-term care in an effort to meet the needs of young men and women involved in prostitution, or who have suffered sexual abuse or who are members of sexual minorities.

For the design of a program evaluation: $250

THE YOUTH PROJECT $24,772
San Francisco, Ca.

Approximately 60 California school districts have adopted the independent study option authorized by the California Legislature in 1976. The option allows schools to create educational alternatives and provide an opportunity for high school students to assume responsibility for their own education through the promotion of student-initiated learning experiences. With a 1977 grant from the Foundation, the California High School Independent Study Project provided consultation to California school districts to assist them to establish independent study programs. With the current grant, the project will organize the statewide network of independent study administrators and teachers in a self-sustaining consortium and provide consultation to California school districts in the design and operation of independent study. The Independent Study Project will also test the concept of the work laboratory and the concept of student-managed enterprises in an effort to demonstrate models which will enable students to develop skills in the process of working together, structuring work tasks and managing small task groups. (Second grant)

The lack of capital for start-up costs is an obstacle to the establishment and expansion of student-managed enterprises in California high schools. A supplemental grant will enable the California High School Independent Study Project to assist the Condor Conservation Club at Mesa Verde High School in Citrus Heights to relocate and expand a student-operated recycling center.

RURAL DEVELOPMENT: Programs to enhance the quality of life for children and their families in rural areas of California.

CABRILLO IMPROVEMENT ASSOCIATION $27,620
Saticoy, Ca.

The farmworker families who purchased a condemned labor camp to prevent eviction are now rehabilitating the housing and exploring economic development activities which will increase employment in the camp. The residents are establishing a tile manufacturing company which will train farmworkers to produce ceramic floor tiles for the new and rehabilitated houses of the camp and eventually for sale to commercial markets. (Second grant)

CHILDREN'S RIGHTS GROUP $26,900
San Francisco, Ca.

Since it was first involved in the successful effort to introduce a breakfast program in the San Francisco Schools, Children's Rights Group has used the techniques of community organization and technical consultation to expand the participation of rural, migrant and other low-income children in federal feeding programs in California. The federal government has awarded Children's Rights Group five federal grants to continue the children's nutrition project in eleven western states. Although the federal grants have been approved, there will be delays in processing the payment of the grants. The Foundation's loan will enable the Children's Rights Group to continue its program while awaiting receipt of the federal funds.

MATTOLE VALLEY COMMUNITY CENTER $6,538
Petrolia, Ca.

The Mattole River Valley is an area of about 300 square miles in southwestern Humboldt County. The Valley has produced agricultural products since 1857 and was heavily logged between 1955 and 1965. The logging has virtually eliminated lumber as a source of employment in the Valley and, along with overgrazing, has resulted in erosion which has reduced the irrigated farm land in the Valley, destroyed the natural habitat and reduced the economic resource base for residents of the Valley. The Mattole Valley Community Center plans to reestablish the resource base through restoration and environmentally-sound practices. With the Foundation's grant, the Center will restore a fish habitat on Mill Creek as a native hatchery for anadromous species, monitor the effectiveness of the pilot habitat restoration and develop plans for environmentally-sound production for this remote and depleted valley.

NATIONAL LAND FOR PEOPLE FOUNDATION $25,000
Fresno, Ca.

Since 1902, federal reclamation law has included provisions designed to guarantee that the benefits of federal water development will be received by family farmers rather than land speculators or large corporations. In the 600,000 acre Westlands Water District of California, a small number of industrial and agricultural corporations own substantial land in excess of the 160 acre limitation. National Land for People Foundation sponsors research, public education and litigation on issues related to land ownership and public policy, with particular emphasis on the enforcement of the reclamation laws, in an effort to create land ownership opportunities for former farm workers and family farmers. (Third grant)

RURAL COMMUNITY ASSISTANCE CORP. $12,222
Sacramento, Ca.

RCAC, a new organization established with a grant from the Foundation, provides training and technical assistance to community-based organizations involved in rural housing, manpower training and community development. The organization will be assisting Indian reservations and rancherias in California with the operation of water systems and the planning of comprehensive water, sewage and solid waste systems. The organization will be producing training materials and operating manuals for housing rehabilitation projects as well as work plans and application packages for water and sewer projects in 30 or more rural communities. A two year loan from the Foundation will enable RCAC to purchase equipment to improve its efficiency and productivity.

SELF-HELP ENTERPRISES $38,260
Visalia, Ca. $15,000

The Foundation has had a long relationship with Self-Help Enterprises and has made grants to spread the self-help housing model, experiment with new program components and to enable extremely low-income families to participate in the program. A 1975 Self-Help Enterprises' survey determined that 9 San Joaquin communities have no water system, 22 communities have no sewage system and that 56 communities have systems which are inadequate. As a result, the Foundation assisted SHE to establish a program of consultation and assistance to small rural communities in the development and improvement of water and sewage systems. SHE is currently assisting more than 40 communities to obtain financing to develop adequate systems, to improve the operations and maintenance of existing systems and to stimulate the assumption of governmental responsibility for the quality of such systems.

Since 1965, Self-Help Enterprises has been using mutual help techniques to assist farm worker families to build new homes and rehabilitate existing houses. The increasing cost of land and materials has forced SHE to consider new approaches in its program to improve housing for low income farm workers. SHE is now proposing to organize a separate corporation which will assume the housing advocacy, housing technical assistance and rural policy functions previously carried out by the Community Development Program of Self-Help Enterprises. SHE will continue to provide direct housing services in construction, rehabilitation and sewer and water development in the 7 San Joaquin Valley counties of California.

THE ENVIRONMENTAL COMMUNITY HOUSING ORGANIZATION, INC. (TECHO) $34,000
Watsonville, Ca.

The lack of land suitable for building has caused interruption in the housing production activities of The Environmental Housing Organization. TECHO has carried out a lengthy investigation of innovations in housing materials and design and is proposing to address the relative unavailability and high cost of land through increased housing density in self-help duplexes and cooperative housing. This grant will enable TECHO to complete its study of alternative housing technology and to incorporate the practical innovations into housing designs which can be submitted for government approval. TECHO will also organize and train a group of low-income families for self-help construction and cooperative home ownership and management. (Second grant)

VALLEY CHILDREN'S HOSPITAL & GUIDANCE CLINIC $49,400
Fresno, Ca.

The Fresno County Health Department and various community-based organizations have established clinics to serve rural and low-income areas of the County. These clinics are intended to make health care accessible and to reduce the costs of unnecessary hospitalization. The Health Promotion Project of the Valley Children's Hospital will experiment with various health education techniques to assist patients to understand and manage certain minor but common medical problems. The project will assess the effectiveness of these management techniques in improving community well-being and reducing unnecessary clinic use. (Third grant)

VALLEY HEALTH TEAM, INC. $24,077
San Joaquin, Ca.

The West Side, a rich agricultural area of 1,900 square miles in western Fresno County, has 16 small communities, a large low-income population and inadquate health care services. West Side Rural Health Conference has assisted communities to design health plans, develop new services and coordinate existing services. During this third and final year, West Side Rural Health Conference will continue its community health planning and coordination activities while strengthening other organizations sufficiently that the Conference can phase out at the end of 1979 and pass its responsibilities to successor organizations. (Third grant)

VALLEY REGIONAL TRAINING CENTER $3,500
Fresno, Ca.

Local government in the Central Valley of California has responded to Proposition 13 by reducing some nonessential expenditures, postponing others and freezing employment. The prospect of reduced revenues has encouraged some small towns and special district to consider new approaches to government reform, including the consolidation of services, the use of joint jurisdictional agreements and the use of shared staff arrangements. The Valley Regional Training Center will convene 50 to 75 elected officials and top administrators from local government in the San Joaquin Valley to review various methods of increasing efficiency in local government and to identify approaches which are applicable to their communities.

CHARITABLE ACTIVITIES DIRECTLY ADMINISTERED BY THE FOUNDATION $1,000
Collect information on rural issues.

PHILANTHROPIC PROCESS: New and continuing efforts selected by the Foundation to strengthen the performance of private philanthropy in a changing society.

THE FOUNDATION CENTER $5,334
New York, N.Y. $2,500

There are more than 26,000 private, grant-making foundations in the United States and nearly 3,000 which give away $50,000 or more annually, yet relatively few foundations make information available about their activities and interests. The Foundation Center, through its program of publications, library collections and other services, compiles and disseminates information about foundations to grant-seekers, foundations, government and the general public.

The Foundation's grant includes partial support, over a three year period, of the national program of the Center and the Bay Area library established by The Foundation Center, in coorperation with northern California foundations in 1977.

National Program ($5,333 in 1979 and $5,333 in 1980).

Bay Area Program ($2,500 in 1979 and $2,500 in 1980).

WOMEN AND FOUNDATIONS/CORPORATE PHILANTHROPY $15,000
New York, N.Y.

Studies of the response of the foundation field to the women's movement have shown that women account for 19% of all foundation trustees and 29% of all foundation professional staff. As one researcher commented, "The foundation world has been troubled and unsettled by the women's movement which seems to have presented a unique funding problem for foundation executives who are overwhelmingly male". Since its spontaneous organization in 1975, Women and Foundations/Corporate Philanthropy has been increasing the awareness of women's issues within the foundation field. Beginning in 1978, the organization has employed professional staff to provide information to the foundation field on issues and problems affecting women. (First grant)

Women and Foundations/Corporate Philanthropy, a national membership organization of women and men trustees and staff of foundations and corporate contributions programs, will continue its program of information to the foundation field on issues and problems affecting women, assistance to networks of women in the foundation field, advocacy of programs for women and girls and monitoring of the performance of foundations in granting to women's programs, the employment of women and the involvement of women as trustees. (Second grant)

(Additional grants: $7,500 in 1980: $5,000 in 1981)

OTHER: From time to time, the directors of the Foundation select projects which fall outside the current priorities of the Foundation but which offer unusual opportunities to continue earlier work of the Foundation or to investigate new fields.

CENTER FOR COMMUNITY CHANGE $4,950
Washington, D.C.

Data about the health status of families of Mexican or other Spanish descent in California are incomplete but there are indications that this group has limited access to health care and substantially higher incidence of disease. A broadly-representative group of professionals, students and consumers from the Spanish-speaking health community in California is planning a conference on Chicano-Hispanic health. The grant will enable the planning committee to commission nine working papers to provide background on health status in the Chicano-Hispanic community and policy guidance regarding unmet needs, service priorities, training, financing and research.

FRIENDS OUTSIDE $23,061
Salinas, Ca.

The families of inmates in the county jails and state prisons of California often suffer severe economic and emotional deprivation. The inmates are helpless to assist their families and frequently lose contact with their families, despite research which suggests that the maintenance of strong family ties during incarceration reduces recidivism. Friends Outside began as a volunteer program in one county jail and has expanded to a statewide network of services for inmates and their families. The Foundation has made an unprecedented twelve grants to Friends Outside to establish the original chapter, explore the need for a statewide program and to establish the program which now operates a network of 17 local chapters and supervises representatives in six state prisons. The current grant will enable Friends Outside to hire a program developer to investigate various project ideas, secure grants and implement new projects which will strengthen the local chapters and increase the capacity of the statewide organization in its efforts to assist inmates and their families. (Twelfth grant)

GENERAL WHALE $16,258
Oakland, Ca.

According to the International Union for Conservation of Nature, twelve species of whales, dolphins and porpoises are directly threatened with extinction and an additional 44 species are endangered. In 1972, the United Nations Conference on the Human Environment recommended an immediate moratorium on whale hunting but the International Whaling Commission continues to authorize the killing of more than 20,000 whales annually. The Whale Bus Project will continue its travelling exhibit of educational materials about whales and its program of classroom presentations in Bay Area elementary schools. (Second grant)

INSTITUTE FOR RESPONSIVE EDUCATION $39,442
Boston, Mass.

Since 1975, school employees in California have had collective bargaining rights. Despite a public notice requirement, educational collective bargaining frequently operates on a bilateral basis excluding parents, students and the general public. For the second year, the Information Project on Educational Negotiations will provide advice and technical consultation to citizens' groups in California in an effort to increase parent and community involvement in collective bargaining in the schools.

SAN DIEGO STATE UNIVERSITY FOUNDATION $25,000
San Diego, Ca.

In reviewing minority employment trends, the California School Finance Reform Project found that some school districts were increasing minority employment without hiring minorities. One district, for example, hired two new Native American teachers and increased the total number of American Indian teachers in the district by 168. The same district hired 33 new Black teachers and 51 new Spanish surname teachers and showed an increase of 326 in the employment of Black teachers and 348 in the employment of Spanish surname teachers. The California School Finance Reform Project will study the reclassification into minority groups of previously-Anglo teachers and administrators to determine its impact on affirmative action in employment and teacher assignment. (Second grant)

UNIVERSITY YWCA $23,344
UNIVERSITY RELIGIOUS COUNCIL
Berkeley, Ca.

There appears to be a growing number of students who disappear from the University of California without notifying their friends, family or the University. The University Religious Council proposes to investigate the extent and nature of the disappearing student problem, provide consultation and assistance to counselors, parents and friends of missing students and to identify measures which can be taken to reduce the incidence of the problem.

DISTRIBUTION OF GRANTS BY PROGRAM CATEGORY, 1976 – 1978

Category	1976	1977	1978
Early Childhood Development	23.8%	18.5%	18.9%
Adolescent and Older Youth	31.1%	28.4%	24.7%
Rural Development	21.5%	34.9%	35.5%
Invited Grants	18.6%	4.0%	0.0%
Philanthropic Process	2.6%	1.4%	3.1%
Other	2.4%	12.8%	17.8%
	100.0%	100.0%	100.0%

POLICIES AND PROCEDURES

GENERAL INFORMATION

Rosenberg Foundation is a philanthropic organization which was established in 1935. It was created by the terms of the will of Max L. Rosenberg, a native Californian and businessman. During his lifetime he gave generously in support of human betterment. In his will, he provided for the continued application of his fortune to this objective by endowing the Foundation. In 1969, the Foundation received a bequest from the estate of Mrs. Charlotte S. Mack, one of the Foundation's early directors.

The Foundation is governed by a board of nine directors, elected for three-year terms, who serve without compensation. They meet once each month, except during July and August, to act upon applications for grants. The Foundation's staff, consisting of an executive director and an administrative assistant, has offices in San Francisco.

OPERATIONS AND PURPOSE

The Foundation does not itself usually operate programs, but makes grants for projects to benefit children and youth in the state of California. Support is given to tax-exempt groups or organizations, public or private. No grants are made to individuals, nor for construction, scholarships, or operating expenses of ongoing programs.

The directors of the Foundation annually evaluate the Foundation's policies and priorities in the context of changing public needs, trends in the Foundation's fields of interest and the Foundation's experience. A 1972 review of the Foundation's program found that the changing circumstances in which private foundations now operate entail a modification of the program priorities and operating procedures of the Foundation. Because of the regulatory provisions of the Tax Reform Act of 1969, the large increase in the number of requests, shifts in government policies, and new resources open to applicants since the 1930's when Rosenberg Foundation was established, the board concluded that it is no longer practical to review the volume and range of applications previously considered.

PROGRAM PRIORITIES

As a result of its deliberations and continuing program review, the Foundation board has reaffirmed the Foundation's continuing concern for the well-being of children and youth in California. The board has established three priority categories of grants for which the Foundation accepts requests.

Early Childhood Development: New programs which appear to have unusual promise of encouraging the normal, healthy development of young children both as individuals and as members of a diverse society but not including the start-up or operating costs of child care centers.

Adolescent and Older Youth: New programs in which young people have joint responsibility for planning and implementation and which will strengthen their relationship with the community.

Rural Development: Programs to enhance the quality of life for children and their families in rural areas of California.

Even within these three categories, the directors must act selectively. Grants are made for those projects which appear to have the greatest feasibility and significance. The feasibility of a project includes the extent to which the leadership, setting, scale and design are adequate to achieve its goals. The significance of a project includes the importance of the issues addressed and the potential of the project as a model, as a source of permanent institutional reform or as a contribution to public social policy related to children and youth.

Except for certain grants in the field of philanthropy, Rosenberg Foundation does not make grants for programs outside California. The Foundation's policies also preclude grants to continue or expand projects started with funds from other sources or to match grants from other sources. The Foundation only makes grants to purchase equipment, produce films or publish materials when such grants are a necessary part of a larger project supported by the Foundation. The Foundation does not support basic research.

REQUIREMENTS FOR APPLICATION

Rosenberg Foundation does not use application forms but prefers brief letters of inquiry which describe the proposed project, the applicant agency and the estimated budget. If, after a preliminary review, the proposal appears to fall within the Foundation's narrow program priorities, the Foundation will request an application including the following information:

1. A narrative proposal describing:
   - the problem as viewed by the applicant.
   - the plan or design for the program including the activities to be carried out and the objectives to be achieved.
   - the names and qualifications of the principal project staff.
   - the significance of the project beyond the local need for it.
   - the anticipated project outcomes and how they will be evaluated.
   - the plan for continuing the project after the termination of Foundation support.
   - the plans for disseminating the results of the project.
2. An itemized budget showing:
   - total project cost and the amount requested from the Foundation.
   - sources, amounts and nature of resources contributed by the applicant and other supporters of the project.
   - the length of time for which Foundation support is requested and estimated budgets for future years.
   - a list of any other sources to which the application has been sent.
3. Materials describing the applicant organization including:
   - background, previous experience and sources of support.
   - a copy of the ruling granting federal tax exemption under Section 501(c)(3) of the Internal Revenue Code and of the applicant's status as either a public charity or a private operating foundation within the meaning of the Tax Reform Act of 1969.
   - a list of the members of the governing board.
   - an affirmative action analysis of the gender and minority group status of the board and staff.

GRANT PROCEDURES

After a complete application has been accepted by the Foundation, Foundation staff will generally arrange a visit to the project site to interview representatives of the applicant organization. Because of limited resources and the large number of requests, the Foundation can only make grants to a very small percentage of the organizations requesting assistance.

Grants are authorized by the Foundation board at monthly meetings. Because of the large number of requests, there is usually a waiting period of two or three months before an application can be considered by the board. Once approved, grants are paid in installments and grantees are requested to provide the Foundation with periodic reports of program progress and expenditures. Grantees are also expected to provide the Foundation with final narrative reports and itemized statements of expenditures. All unexpended funds must be returned to the Foundation.

All communications to the Foundation should be addressed to the Executive Director, Rosenberg Foundation, 210 Post Street, San Francisco, California 94108.

TREASURER'S REPORT

The financial statements of the Foundation, which have been audited by Deloitte, Haskins & Sells, appear on the following pages. This Treasurer's Report provides, in a narrative form, a summary of the financial activities of the Foundation during 1978.

At the end of 1978, the market value of the Foundation's assets was $14.9 million compared to $15.0 million at the end of 1977. During 1978, a decline in the market value of the Foundation's assets was partially offset by the addition of $300,653 which was transferred to the Foundation upon the termination of the Adolph Rosenberg Trust for retired employees of Rosenberg Brothers & Co.

During 1978, investment income totalled $913,609 which is an increase of $31,736 or 3.5% over 1977. The Foundation authorized grants of $742,000 which is an increase of $43,000 or 6.2% over the 1977 level.

The Foundation's assets are invested in a broadly-diversified portfolio composed of fixed-income investments and equities which are listed in the financial statements. The Financial Policies Committee of the Foundation establishes investment objectives and delegates discretion over specific investment decisions to the Foundation's investment counsel, Wentworth, Hauser & Violich. The Committee regularly reviews the performance of the Foundation's investment managers.

The Financial Policies Committee of the Foundation has also established policies regarding the social consequences of the Foundation's investments. The Foundation reviews all proxy statements and refers all proxies which raise significant issues of social responsibility to a committee of the directors which decides how to vote the proxy. In those cases where the Foundation votes for a shareholder proposal or abstains, the Foundation writes a letter to the corporation expressing its concern.

During 1978, the Congress voted to reduce the federal excise tax on Foundation income and realized capital gains from 4% to 2%. This alone will result in an increase of nearly $20,000 in the Foundation's grants during 1979.

PETER E. HAAS
TREASURER

Deloitte
Haskins + Sells

44 Montgomery Street
San Francisco, California 94104
(415) 393-4300
Telex 340336

AUDITORS' OPINION

Rosenberg Foundation:

We have examined the balance sheets of Rosenberg Foundation as of December 31, 1978 and 1977 and the related statements of changes in funds balances for the years then ended. Our examinations were 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, including confirmation of investments at December 31, 1978 by correspondence with the custodian.

In our opinion, such financial statements present fairly the financial position of the Foundation at December 31, 1978 and 1977 and the changes in its funds balances for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations also comprehended the supplemental schedules of grants for the year ended December 31, 1978 and of investments as of December 31, 1978 and, in our opinion, such supplemental schedules, when considered in relation to the basic financial statements, present fairly in all material respects the information shown therein.

Deloitte Haskins + Sells

February 2, 1979

ROSENBERG FOUNDATION

BALANCE SHEETS, DECEMBER 31, 1978 AND 1977

	1978	1977
ASSETS		
CASH - Principally savings accounts	$ 212,788	$ 728,061
RECEIVABLES:		
Notes (Note 3)	233,417	263,417
Interest		4,400
Total receivables	233,417	267,817
INVESTMENTS - Note 1 (quoted market: 1978, $14,423,020; 1977, $14,030,435):		
Bonds and notes	5,821,859	5,580,185
Preferred stocks	161,875	395,697
Common stocks	7,045,872	5,685,158
Total investments	13,029,606	11,661,040
OFFICE EQUIPMENT	1	1
TOTAL	$13,475,812	$12,656,919
LIABILITIES AND FUNDS BALANCES		
GRANTS PAYABLE	$ 441,055	$ 404,071
PAYABLE FOR PURCHASE OF MARKETABLE SECURITY		157,281
FEDERAL EXCISE TAX PAYABLE	20,750	39,378
Total liabilities	461,805	600,730
INCOME FUND (DEFICIENCY)	(1,470,054)	(1,540,468)
PRINCIPAL FUND	14,183,408	13,596,657
ROSENBERG TRUST FUND (Note 6)	300,653	
Total funds balances	13,014,007	12,056,189
TOTAL	$13,475,812	$12,656,919

See Notes to Financial Statements.

ROSENBERG FOUNDATION

STATEMENTS OF CHANGES IN FUNDS BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1978 AND 1977

	1978	1977
INCOME FUND		
INCOME FROM INVESTMENTS:		
Bond and note interest	$ 396,593	$ 388,533
Preferred stock dividends	8,969	35,738
Common stock dividends	466,845	420,745
Sundry interest	41,202	37,857
Less beneficial payments (Note 4)	(6,000)	(9,000)
Total	907,609	873,873
EXPENSES:		
Investment counsel, custodian, and accounting fees	37,256	36,039
Administrative salaries	47,792	43,808
Other administrative expenses	36,949	28,236
Employee retirement payments (Note 5)	27,554	23,879
Total	149,551	131,962
OTHER ADDITIONS:		
Refunds of prior years' grants	33,592	12,221
Grants canceled	39,044	34,120
Donations	600	
Total	73,236	46,341
FEDERAL EXCISE TAX	19,000	38,000
TOTAL AVAILABLE FOR GRANTS	812,294	750,252
GRANTS AUTHORIZED	741,880	699,010
INCREASE IN FUND BALANCES	70,414	51,242
INCOME FUND (DEFICIENCY) AT BEGINNING OF YEAR	(1,540,468)	(1,591,710
INCOME FUND (DEFICIENCY) AT END OF YEAR	$(1,470,054)	$(1,540,468
PRINCIPAL FUND		
PRINCIPAL FUND AT BEGINNING OF YEAR	$13,596,657	$13,215,536
GAIN ON SALE OF INVESTMENTS	586,751	381,121
PRINCIPAL FUND AT END OF YEAR	$14,183,408	$13,596,657
ROSENBERG TRUST FUND		
ASSETS TRANSFERRED FROM THE ADOLPH ROSENBERG TRUST FUND (Note 6)	$ 300,653	

See Notes to Financial Statements.

ROSENBERG FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Accounting policies - The Foundation generally has prepared its financial statements using the accrual basis of accounting, except that investment interest income has not been accrued. Interest income which has been earned but not received was approximately $100,000 at December 31, 1978 and 1977. Grants are accrued when authorized. Security investment transactions are recorded on trade date. Investments are carried at cost, or for donated assets, at the market value at the date of acquisition.

2. General information - Rosenberg Foundation is a philanthropic organization which was established in 1935. It was created by the terms of the will of Max L. Rosenberg, a native Californian and businessman. The Foundation does not itself usually operate programs, but makes grants for projects to benefit children and youth in the State of California.

3. Notes receivable - Notes receivable are unsecured and consist of a note for $190,000 in 1978 ($220,000 in 1977) bearing interest at 8% with semiannual principal payments of $10,000 and a final payment due December 31, 1980, and a $43,417 note in 1978 (and 1977) in default since March 14, 1969. Management is of the belief that the note, though in default, will ultimately be collected.

4. Beneficial payments - Beneficial payments are made under the terms of the will of Charlotte S. Mack, who bequeathed approximately $2,250,000 to the Foundation. Beneficial payments are also made to former beneficiaries of the Adolph Rosenberg Trust Fund, whose assets were acquired in 1978 (Note 6). Future payments will approximate $17,400 annually.

5. Retirement plan - The Foundation provides a retirement plan for all regular full-time employees through the Teacher's Insurance and Annuity Association. Retired employees not covered by this plan receive retirement payments as authorized by the Board of Directors. Retirement plan contributions and direct retirement payments, which are recorded when paid, were $27,554 and $23,879 for the years ended December 31, 1978 and 1977, respectively.

6. Rosenberg Trust Fund - Under an agreement between the Foundation and the Adolph Rosenberg Trust Fund, the assets of the Adolph Rosenberg Trust Fund were transferred to the Foundation effective with the termination of the Trust on December 26, 1978.

Terms of the agreement require the Foundation to maintain the acquired assets in a special and separate fund to provide for payments to five former beneficiaries of the Trust. Such beneficial payments will total $11,400 in 1979.

Assets acquired included $103,372 in cash and securities with a market value of $197,281 on December 29, 1978.

7. Excise tax - The Foundation is subject to excise tax on investment income and taxable capital gains, reduced by expenses relating to production of investment income. In 1977, the excise tax rate was 4%. In 1978, the rate was reduced to 2%.

The Foundation is also subject to potential excise tax of 15% on the excess of investment income over grants paid during 1978, should such excess remain unpaid as of January 1, 1980. The potential tax liability of $9,000 will be reduced as the Foundation distributes cash during 1979 for grants authorized but unpaid at December 31, 1978.

ROSENBERG FOUNDATION

SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 1978

GRANTS	PURPOSE	GRANTS PAYABLE 1/1/78	GRANTS AUTHORIZED	GRANTS CANCELLED	GRANT PAYMENTS	GRANTS PAYABLE 12/31/78
Bananas 6501 Telegraph Avenue Oakland, California 94609	Family Day Care Respite Resource Program.....	$ 21,000	$ 40,692		$ 21,000	$ 40,692
Cabrillo Improvement Association P.O. Box 4216 Saticoy, California 93003	Self-help housing rehabilitation..... Ceramic tile manufacturing and economic development.....	6,000	27,620		6,000 12,620	15,000
California Youth Authority 4241 Williamsbourgh Drive Sacramento, California 95823	Grant district delinquency - prevention project.....	5,000			5,000	
Center for Community Change 1000 Wisconsin Avenue., N.W. Washington, D.C. 20007	California Chicano-Hispanic Health Conference Policy Research Project.....		4,950			4,950
Center for Community Justice 918 Sixteenth Street., N.W. Washington, D.C. 20007	Grievance system in California secondary schools.....	24,000	45,695		39,695	30,000
Center for New Corporate Priorities 1801 S. La Cienega Blvd., #208 Los Angeles, California 90035	Fair Housing for Children Project.....		32,782		8,782	24,000
Center for Women's Studies & Services 908 F Street San Diego, California 92101	Young Women's Journalism and Community Education Project.....		9,330		3,330	6,000
Central Coast Counties Development Corporation 1121-A North Main Street Salinas, California 93906	Rehabilitate farm labor camp.....	24,000			24,000	
Charitable activities directly administered by the Foundation	Collect information on rural issues..... Nonsexist career education workshops....	2,500 1,450	1,000		597 1,450	2,903
Children's Council of San Francisco 3896 24th Street San Francisco, California 94114	Toy center.....	5,830	29,717		28,547	7,000
FORWARD.....		$ 89,780	$191,786		$151,021	$130,545

ROSENBERG FOUNDATION
SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 1978

GRANTS	PURPOSE	GRANTS PAYABLE 1/1/78	GRANTS AUTHORIZED	GRANTS CANCELLED	GRANT PAYMENTS	GRANTS PAYABLE 12/31/78
FORWARD		$ 89,780	$191,786		$151,021	$130,545
Children's Rights Group 693 Mission Street San Francisco, California 94105	Children's Nutrition Project		26,900		26,900	
Citizens Policy Center 1323 Anacapa Street Santa Barbara, California 93101	Open Road, Youth Action Network	25,000	34,860		25,000	34,860
Commonweal Bolinas, California 94924	Environmental stress and biosocial disorders	25,000			25,000	
Community Coordinated Child Development Center of Santa Clara County, Inc. 425 W. Hedding Street San Jose, California 95110	Culturally sensitive, Spanish-language child abuse drama	10,000			10,000	
Community Justice Program 149 Ninth Street San Francisco, California 94103	The Community Board Project	30,000			15,000	15,000
The Foundation Center 888 Seventh Avenue New York, New York 10019	National program Bay Area library		5,334 2 500		5,334 2,500	
Foundations - United Way Emergency Fund Committee 410 Bush Street San Francisco, California 94108	Grants and loans to agencies facing temporary emergencies	10,000			10,000	
Fresno County Health Department P.O. Box 11867 Fresno, California 93775	Health promotion through education and greater self-sufficiency	36,000			24,000	12,000
Friends Outside 404 Lincoln Avenue Salinas, California 93901	Statewide program planning and development		23,061		5,061	18,000
FORWARD		$225,780	$284,441		$299,816	$210,405

ROSENBERG FOUNDATION
SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 1978

GRANTS	PURPOSE	GRANTS PAYABLE 1/1/78	GRANTS AUTHORIZED	GRANTS CANCELLED	GRANT PAYMENTS	GRANTS PAYABLE 12/31/78
FORWARD		$225,780	$284,441		$299,816	$210,405
Galt Joint Union High School District 145 North Lincoln Way Galt, California 95632	Student-managed enterprises		3,500		3,500	
General Whale 9616 MacArthur Blvd. Oakland, California 94605	The Whale Bus Project		16,258		12,258	4,000
Institute for Responsive Education 704 Commonwealth Avenue Boston, Massachusetts 02215	Information project on education negotiations in California	24,473	39,442		33,915	30,000
Legal Services for Children, Inc. 149 Ninth Street San Francisco, California 94103	Legal representation of children	22,500	35,000		57,500	
Marin County Schools 201 Tamal Vista Road Corte Madera, California 94925	Children of Divorcing Parents Project	17,425			17,425	
Mattole Valley Community Center P.O. Box 72 Petrolia, California 95558	Fish hatchery and agricultural diversification		6,538		6,538	
Mills College Oakland, California 94163	Child Life Specialist Program		11,876		11,876	
National Committee for Responsive Philanthropy 1000 Wisconsin Avenue., N.W. Washington, D.C. 20007	National program	2,500			2,500	
National Council of La Raza 1725 Eye Street, N.W. Washington, D.C. 20006	Evaluate California migrant education program	13,500			13,500	
National Council on Crime and Delinquency 760 Market Street, #433 San Francisco, California 94102	Program for female prisoners and their children		25,000		25,000	
FORWARD		$306,178	$422,055		$483,828	$244,405

ROSENBERG FOUNDATION
SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 1978

GRANTS	PURPOSE	GRANTS PAYABLE 1/1/78	GRANTS AUTHORIZED	GRANTS CANCELLED	GRANT PAYMENTS	GRANTS PAYABLE 12/31/78
FORWARD		$306,178	$422,055		$483,828	$244,405
National Land for People, Inc. 2348 North Cornelia Fresno, California 93711	San Joaquin Valley reclamation law enforcement	12,500	25,000		25,000	12,500
Oakland Unified School District 1025 Second Avenue Oakland, California 94606	Transition team of educational specialists	10,000		$ 784	9,216	
Parents United, Inc. 826 North Winchester Blvd., #1-A San Jose, California 95128	Train professionals and establish Parents United Chapters	12,000			12,000	
Rural Community Assistance Corp. 1900 K Street, #202 Sacramento, California 95814	Word processing equipment		12,222		12,222	
San Diego State University Foundation 5402 College Avenue San Diego, California 92182	California School Finance Reform Project	6,393	25,000		6,393	25,000
San Francisco Child Abuse Council 4093 24th Street San Francisco, California 94114	Prevention of child abuse and neglect in institutions	20,000			20,000	
Self-Help Enterprises 220 S. Bridge Street Visalia, California 93277	Solar heating and cooling demonstration.	10,000			10,000	
	Rural Sewer and Water Project		38,260	38,260		
	Community Development Program		15,000		10,000	5,000
The Environmental Community Housing Organization, Inc. (TECHO) 406 Main Street, Room 319 Watsonville, California 95076	Alternate rural housing technologies	10,000			10,000	
	Energy Conserving Design and Cooperative Housing Program		34,000		11,000	23,000
University YWCA University Religious Council 2600 Bancroft Way Berkeley, California 94704	Missing Student Project		23,344		5,344	18,000
FORWARD		$387,071	$594,881	$ 39,044	$615,003	$327,905

ROSENBERG FOUNDATION
SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 1978

GRANTS	PURPOSE	GRANTS PAYABLE 1/1/78	GRANTS AUTHORIZED	GRANTS CANCELLED	GRANT PAYMENTS	GRANTS PAYABLE 12/31/78
FORWARD		$387,071	$594,881	$ 39,044	$615,003	$327,905
Urban Indian Child Resource Center of the Indian Nurses of California 390 Euclid Avenue Oakland, California 94610	Publish a newsletter	2,000			2,000	
Valley Children's Hospital and Guidance Clinic 3151 N. Millbrook Avenue Fresno, California 93703	Health promotion through education and greater self-sufficiency		49,400			49,400
Valley Health Team, Inc. P.O. Box 737 San Joaquin, California 93660	West Side Rural Health Conference	15,000	24,077		21,077	18,000
Valley Regional Training Center 1221 Van Ness Avenue, Suite 302 Fresno, California 93721	Local government reform under Proposition 13		3,500		3,500	
Women and Foundations/Corporate Philanthropy 866 United Nations Plaza, Room 435 New York, New York 10017	National program		15,000		5,000	10,000
Youth Advocates 4125 Judah Street San Francisco, California 94965	Sexual Minority Youth Services		30,250		7,500	22,750
The Youth Project 149 Ninth Street San Francisco, California 94103	California High School Independent Study Project		24,772		11,772	13,000
TOTAL		$404,071	$741,880	$ 39,044	$665,852	$441,055

ROSENBERG FOUNDATION

SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 1978

PAR VALUE OR SHARES		MARKET VALUE	COST
	BONDS AND NOTES		
	GOVERNMENT		
100,000	U.S. Treasury Notes 8% 2/15/1983..	$ 95,406	$ 100,000
100,000	Federal National Mortgage Assn. 8-1/2% 6/10/1980.....	97,250	100,006
100,000	Twelve Federal Land Banks 8.55% 4/23/1979.....	99,313	100,000
175,000	Kingdom of Norway Notes 8-7/8% 7/15/1980.....	170,188	173,912
150,000	International Bank Reconstruction & Development 7-3/4% 8/1/1987...	133,313	150,000
100,000	European Investment Bank Notes 9% 11/1/1982.....	98,500	104,375
200,000	Federal Home Loan Banks 9.55% 5/26/81.....	198,626	199,625
	Total Government Bonds.....	892,596	927,918
	CORPORATE		
150,000	American Brands Notes 9-5/8% 9/1/1979.....	148,922	156,043
100,000	American Savings & Loan Assoc. Series A 7-1/4% 6/1/1982.....	92,000	100,000
100,000	American Tel & Tel Deb 4-3/8% 4/1/1985.....	77,000	101,214
150,000	Arco Pipeline Guaranteed Notes 7-1/2% 10/1/1982.....	136,500	150,000
200,000	Associates Corp of North America Notes 8.20% 2/1/1987/84.....	183,500	203,000
100,000	Bank of America Capital Notes 6-5/8% 7/1/1979.....	97,000	100,000
100,000	Columbus & Southern Ohio Electric 1st -C- 7-5/8% 11/1/1980.....	92,000	99,875
100,000	Commercial Credit Notes 4-3/4% 11/1/1980.....	91,875	103,875
200,000	Commercial Credit Notes 7% 2/15/1979.....	198,376	192,208
175,000	Commercial Credit Notes 4-3/8% 4/1/1981.....	155,531	157,281
100,000	Connecticut Light & Power 1st 9% 2/01/1982.....	98,125	100,477
	Forward.....	$ 1,370,829	$ 1,463,973

ROSENBERG FOUNDATION
SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 1978

PAR VALUE OR SHARES		MARKET VALUE	COST
	BONDS AND NOTES (Continued)		
	CORPORATE (Continued)		
	Forward.....	$ 1,370,829	$ 1,463,973
100,000	Eaton Credit Notes 8-1/2% 7/15/1984.....	91,500	99,710
200,000	Exxon Pipeline Gtd Note 8.05% 10/15/1980.....	192,750	200,007
100,000	General Motors Acceptance Note 8-1/8% 4/15/1986.....	88,750	99,625
100,000	Indiana Gas 1st 9% 2/15/1982.....	99,125	101,654
100,000	International Harvester Credit Deb 4-3/4% -B- 8/1/1981.....	87,500	84,000
100,000	International Harvester Credit Notes 9% 4/1/1984/82.....	94,000	100,625
100,000	Louisville & Nashville Railroad Equip Trust -TT- 6% 9/15/1981...	90,125	100,017
192,000	Massachusetts Electric 1st Mtg 9-7/8% 10/1/1982.....	189,120	200,182
181,000	Narragansett Electric 1st 10-1/2% 8/1/1980.....	181,000	184,353
150,000	Niagara Mohawk Power 4-7/8% 9/1/1987.....	105,375	156,950
100,000	Norfolk & Western Railway Equip Trust 5-1/8% 4/1/1980.....	94,000	100,751
100,000	Pacific Gas & Electric 1st & Ref -AA- 4-1/2% 12/1/1986.....	71,125	101,125
100,000	San Diego Gas & Electric 1st Mtg Series O 10.70% 5/1/1982.....	101,625	106,750
100,000	Southern California Edison 1st & Ref -J- 4-7/8% 9/1/1982.....	83,625	106,500
100,000	Transamerica Financial Notes 8-1/2% 7/1/2001/1984.....	94,000	100,004
100,000	Virginia Electric & Power 1st & Ref 4-1/2% 12/1/1987.....	69,750	100,492
100,000	Aluminum Company of America Conv Sub Deb 5-1/4% 9/15/1991.....	89,300	81,700
200,000	Caterpillar Tractor Conv Sub Deb 5-1/2% 6/30/2000.....	240,000	241,008
100,000	Deere & Co CV 5.5% 1/15/2001.....	109,000	100,004
100,000	K Mart Conv Sub Deb 6% 7/15/1999..	87,750	105,004
100,000	NFC Corp Conv Sub Deb 8% 11/15/1992.....	78,000	100,000
150,000	AMAX Note 8.5%, 1/15/84/82.....	140,250	150,873
	Forward.....	$ 3,848,499	$ 4,185,307

ROSENBERG FOUNDATION
SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 1978

PAR VALUE OR SHARES		MARKET VALUE	COST
	BONDS AND NOTES (Continued)		
	CORPORATE (Continued)		
	Forward.....	$ 3,848,499	$ 4,185,307
150,000	Long Island Lighting 1st 9-1/4% 11/1/82/80.....	145,875	154,130
200,000	California Water Service 8-3/4% 11/1/83/81.....	194,250	202,367
200,000	International Harvester 8-3/4% 1/1/81/80.....	192,000	202,507
150,000	Montgomery Wards Credit 9-3/8% 5/15/84.....	147,000	149,630
	Total Corporate Bonds.....	4,527,624	4,893,941
	Total Bonds.....	5,420,220	5,821,859
	PREFERRED STOCKS		
2,500	San Jose Water Works 4-3/4% Cum...	22,500	61,875
2,000	Crocker National $3.00 Conv.....	74,000	100,000
	Total Preferred Stocks.....	96,500	161,875
	COMMON STOCKS		
	AUTOMOTIVE		
3,125	Ford Motor.....	131,641	108,516
	BUILDING		
5,000	Armstrong Cork.....	80,625	102,676
	BUSINESS MACHINES & SUPPLIES		
700	International Business Machines...	208,950	148,830
5,400	Wallace Business Forms.....	123,525	115,959
	Forward.....	$ 544,741	$ 475,981

ROSENBERG FOUNDATION
SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 1978

PAR VALUE OR SHARES		MARKET VALUE	COST
	COMMON STOCKS (Continued)		
	Forward.....	$ 544,741	$ 475,981
	CHEMICALS AND HEALTH CARE		
8,000	American Home Products.....	225,000	224,634
6,000	Becton Dickinson.....	187,500	212,229
10,800	Dow Chemical.....	268,650	263,779
2,000	Eli Lilly.....	95,750	89,067
2,000	Merck & Co.....	135,250	28,492
5,500	Pfizer Inc.....	181,500	179,896
5,000	Union Carbide.....	170,000	209,877
	CONSUMER PRODUCTS AND MERCHANDISING		
4,600	Carnation Co.....	120,175	128,843
2,000	Coca-Cola Co.....	87,750	84,567
5,000	Dayton-Hudson.....	171,875	198,004
5,000	Federated Department Stores.....	157,500	245,707
5,400	Kraft Inc.....	241,650	232,187
	ELECTRONICS		
3,000	Plantronics Inc.....	54,000	37,338
	FINANCE & INSURANCE		
11,400	BankAmerica Corp.....	293,550	222,175
7,378	Crocker National.....	179,839	114,290
5,000	Jefferson Pilot.....	151,250	149,502
5,000	Lincoln National Corp.....	178,750	183,450
7,000	Security Pacific.....	211,750	113,014
7,500	U.S. Life.....	142,500	151,102
12,824	Wells Fargo.....	347,851	80,849
	FOREST PRODUCTS & CONTAINERS		
3,000	International Paper.....	120,450	170,268
10,000	Owens-Illinois.....	178,750	221,765
23,000	Pacific Lumber.....	957,375	37,080
	Forward.....	$ 5,403,406	$ 4,054,096

ROSENBERG FOUNDATION
SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 1978

PAR VALUE OR SHARES		MARKET VALUE	COST
	COMMON STOCKS (Continued)		
	Forward.....	$ 5,403,406	$ 4,054,096
	MACHINERY & ELECTRICAL EQUIPMENT		
6,000	FMC Corp.....	144,750	85,276
5,400	General Electric.....	254,475	338,175
10,600	Maytag.....	242,475	295,071
	METALS & MINING		
6,000	Armco Steel.....	119,250	42,435
6,000	Inland Steel.....	210,000	227,267
7,000	Pittston Company.....	121,625	167,679
	PETROLEUM & RELATED SERVICES		
4,200	Atlantic Richfield.....	238,875	233,822
5,800	Exxon.....	284,925	172,748
4,000	Kerr-McGee.....	191,000	235,343
4,000	Mapco Inc.....	86,625	100,922
500	Shell Oil.....	16,063	16,063
8,866	Standard Oil - California.....	415,594	256,254
4,000	Standard Oil - Indiana.....	226,500	201,096
3,200	Standard Oil - Ohio.....	136,000	112,802
	PUBLIC UTILITY		
7,640	American Telephone & Telegraph....	462,220	252,545
	UNCLASSIFIED		
5,000	Dun & Bradstreet.....	174,375	142,050
5,889	Tenneco Inc.....	178,142	112,228
	Total Common Stocks.....	8,906,300	7,045,872
	TOTAL - All Investments.....	$14,423,020	$13,029,606

ANNUAL REPORT

Sections 4946 and 6056 of the Internal Revenue Code require certain additional information.

1. Rosenberg Foundation, employer identification number 94-1186182N, is a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

2. The names and addresses of the Foundation Managers:

Lewis H. Butler
1326 Third Avenue
San Francisco, Ca. 94143

Herman E. Gallegos
1109 Oak Street
San Francisco, Ca. 94117

Peter E. Haas
Two Embarcadero Center
San Francisco, Ca. 94106

Herma Hill Kay
School of Law
University of California
Berkeley, Ca. 94720

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Leslie L. Luttgens
210 Post Street
San Francisco, Ca. 94108

Jing Lyman
623 Mirada Avenue
Stanford, Ca. 94305

Peter F. Sloss
1235 Mission Street
San Francisco, Ca. 94103

Norvel L. Smith
University of California, Berkeley
Berkeley, Ca. 94720

Kirke P. Wilson
210 Post Street
San Francisco, Ca. 94108

3. No person who is a "foundation manager" with respect to the Foundation is a substantial contributor to the Foundation.

4. At no time during the year did the Foundation, together with other "disqualified persons," own more than two percent of the stock of any corporation or corresponding interests in partnerships or other entities.

5. Pursuant to Section 6104(d) of the Internal Revenue Code, a notice has been published that this annual report is available for public inspection at the principal office of the Foundation. A copy of this report has been furnished to the Attorney General of the State of California.

OTHER INFORMATION

All corporate and program records are maintained at the Foundation office, 210 Post Street, San Francisco, California 94108.

Auditor
Deloitte, Haskins & Sells, San Francisco, Ca.

Banks
First Enterprise Bank, San Francisco, Ca.
Wells Fargo Bank, San Francisco, Ca.

Bookkeeper
Wiman Associates, San Mateo, Ca.

Custodian
Wells Fargo Bank, San Francisco, Ca.
(Securities held in nominee name, Cable & Co.)

Investment Counsel
Wentworth, Hauser & Violich, San Francisco, Ca.

Legal Counsel
McCutchen, Doyle, Brown & Enersen, San Francisco, Ca.

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