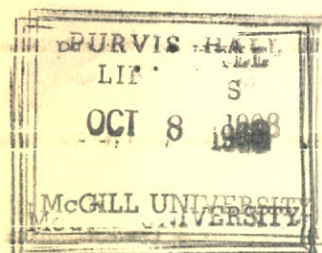


**THE NATIONAL  
INDUSTRIAL  
CONFERENCE  
BOARD**

**ANNUAL REPORT  
1968**





**52nd  
ANNUAL  
TREASURER'S  
REPORT  
1968**



To Members and Associates of THE CONFERENCE BOARD:

Comparative financial statements of all Funds of the NATIONAL INDUSTRIAL CONFERENCE BOARD, INC. for its fiscal years ended July 31, 1968 and July 31, 1967, and the report of independent auditors are included herewith.

During the Board's fifty-second fiscal year which ended July 31, 1968, Operating Fund income was \$5,621,194 with expenses of \$5,558,779, resulting in an excess of income over expenses of \$62,415. Of this excess, \$59,500 has been transferred to the Reserve Fund of the Board with the approval of its Trustees.

Operating Fund assets July 31, 1968, were \$2,780,368 of which \$2,276,136 (82%) was cash and short-term U.S. Government securities. This compares with assets totaling \$2,485,338 at the beginning of the fiscal year, with 74% cash and securities.

The Reserve Fund of the Board was increased during the fiscal year, by interest income of \$45,377 and the \$59,500 transfer from the Operating Fund, to a total of \$1,110,388 as at July 31, 1968. All Fund assets were in cash and short-term U.S. Government securities. The transfer continues the plan, established by the Trustees of the Board several years ago, of constructive action to increase this Fund toward an amount more capable of sustaining the Board's research program in a period of economic exigency. Despite such transfers, during the most recent four years, of \$76,000, \$60,000, \$51,000, and \$59,500, and the interest earned on Fund investments, the July 31, 1968 balance represents only 20% of Operating Fund expenses in the fiscal year just ended.

The Gifts and Bequests Fund, established during the preceding fiscal year, increased nominally to a total of \$14,271 as at July 31, 1968. This balance is represented by cash and the market value of equity investments as at the dates of their contribution to this Fund.

Respectfully submitted,  
GEORGE E. SHAW, *Treasurer*

## OPERATING FUND

### Financial Position July 31, 1968 and July 31, 1967

ASSETS	1968	1967
Cash . . . . .	\$ 242,623	\$ 196,113
Investments:		
Savings bank account and time deposits . . . . .	415,483	520,201
U.S. Government securities—at cost and accrued interest (approximate market) . . . . .	1,618,030	1,124,767
	<u>2,033,513</u>	<u>1,644,968</u>
Accounts receivable for subscriptions, conferences, courses and seminars, etc.—less allowance for doubtful accounts (1968—\$25,000; 1967—\$15,000) . . . .	370,467	480,221
Inventory of paper for publications . . . . .	99,293	100,252
Furniture, equipment and library . . . . .	1	1
Prepaid expenses and other assets . . . . .	34,471	63,783
	<u>\$2,780,368</u>	<u>\$2,485,338</u>
LIABILITIES		
Accounts payable and accrued expenses . . . . .	\$ 259,637	\$ 195,308
Advance payments—special projects, conferences, etc. . . .	390,059	356,058
Revenue applicable to subsequent period operations . . . .	2,097,622	1,892,337
Reserve for office alterations . . . . .	—	10,000
Due to Reserve Fund . . . . .	—	1,500
Fund balance . . . . .	33,050	30,135
	<u>\$2,780,368</u>	<u>\$2,485,338</u>

NOTE: The Board has contributory retirement income plans covering substantially all of its eligible employees. The total pension expense for the year was approximately \$184,000, including amortization of past service cost over periods of 10 and 18 years. The Board has been funding pension costs accrued. At the most recent valuation date, the total of the pension funds of \$1,398,000 represented 82% of the related actuarially computed value of vested benefits, and the unfunded past service cost of the plans amounted to approximately \$550,000.



## INCOME, EXPENSES AND FUND BALANCE OPERATING FUND

Years Ended July 31, 1968 and July 31, 1967

INCOME	1968	1967 <sup>(A)</sup>
Subscriptions . . . . .	\$4,037,139	\$3,775,313
Conferences and courses . . . . .	896,701	764,134
Financed research . . . . .	463,275	369,984
Sale of publications . . . . .	114,721	98,075
Interest . . . . .	84,751	76,787
Other income . . . . .	24,607	20,047
50th Anniversary Convocation . . . . .	—	376,883
<b>TOTAL INCOME</b> . . . . .	<b>5,621,194</b>	<b>5,481,223</b>

EXPENSES	1968	1967
Salaries . . . . .	2,689,182	2,565,954
Employee benefits . . . . .	220,006	154,621
Payroll taxes . . . . .	72,926	69,448
Travel and entertainment . . . . .	188,976	153,342
Outside costs—conferences and courses . . . . .	252,229	251,004
Outside printing . . . . .	908,837	719,780
Paper and supplies . . . . .	242,784	283,128
Postage and mailing expenses . . . . .	206,987	189,539
Furniture and equipment . . . . .	49,831	38,822
Books and periodicals . . . . .	17,166	18,990
Rent—equipment . . . . .	44,453	36,393
Rent—space . . . . .	350,086	322,838
Council expenses . . . . .	5,679	4,696
Maintenance and repairs . . . . .	28,157	42,049
Technical services, etc. . . . .	171,018	99,890
Telephone and telegraph . . . . .	70,367	68,293
Other expenses . . . . .	40,095	32,740
50th Anniversary Convocation . . . . .	—	376,399
<b>TOTAL EXPENSES</b> . . . . .	<b>5,558,779</b>	<b>5,427,926</b>

**EXCESS OF INCOME** . . . . . **62,415** **53,297**

Fund balance—beginning of year . . . . .	30,135	27,838
Transfer to Reserve Fund . . . . .	( 59,500)	( 51,000)
<b>FUND BALANCE—END OF YEAR</b> . . . . .	<b>\$ 33,050</b>	<b>\$ 30,135</b>

(A) Reclassified for comparative purposes.

## RESERVE FUND

Financial Position  
July 31, 1968 and July 31, 1967

ASSETS	1968	1967
Cash . . . . .	\$ 1,808	\$ 6,310
Due from Operating Fund . . . . .	—	1,500
Investments:		
Savings bank account and time deposits . . . . .	28,039	228,682
U.S. Government securities—at cost and accrued interest (approximate market) . . . . .	1,080,541	769,019
<b>FUND BALANCE—END OF YEAR</b> . . . . .	<b>\$1,110,388</b>	<b>\$1,005,511</b>

Statement of Income and Fund Balance  
Years Ended July 31, 1968 and July 31, 1967

	1968	1967
Fund balance—beginning of year . . . . .	\$1,005,511	\$ 912,069
Interest income . . . . .	45,377	42,442
Transfer from Operating Fund . . . . .	59,500	51,000
<b>FUND BALANCE—END OF YEAR</b> . . . . .	<b>\$1,110,388</b>	<b>\$1,005,511</b>

## GIFTS AND BEQUESTS FUND

Financial Position  
July 31, 1968 and July 31, 1967

ASSETS	1968	1967
Cash . . . . .	\$ 3,103	\$ 1,080
Investments in common stocks—at market price on dates received for securities contributed and at cost for securities purchased (market value—1968—\$9,777; 1967—\$9,184) . . . . .	11,168	11,168
<b>FUND BALANCE—END OF YEAR</b> . . . . .	<b>\$14,271</b>	<b>\$12,248</b>

Statement of Income and Fund Balance  
Years Ended July 31, 1968 and July 31, 1967

	1968	1967
Fund balance—beginning of year . . . . .	\$12,248	\$ —
Contributions, including \$10,990 in common stocks in 1967 . . . . .	1,600	11,690
Dividends and other income . . . . .	423	558
<b>FUND BALANCE—END OF YEAR</b> . . . . .	<b>\$14,271</b>	<b>\$12,248</b>

## AUDITORS' REPORT

NATIONAL INDUSTRIAL CONFERENCE BOARD, INC.  
NEW YORK, N. Y.

We have examined the financial statements of National Industrial Conference Board, Inc., for the year ended July 31, 1968. 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 accompanying statements of financial position and of income, expenses and operating fund balance, reserve fund balance and gifts and bequests fund balance present fairly the financial position of National Industrial Conference Board, Inc., at July 31, 1968, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Ernst & Ernst

New York, N. Y.  
August 21, 1968

**52nd**

**ANNUAL**

**REPORT**





## PRESIDENT'S REPORT

The year just ended has been a productive and challenging one for the Board. It was productive in that we published our full quota of studies in business economics and business management, and conducted a full schedule of meetings and courses. It was challenging because of our growing involvement in national problems.

The Board's published research continues to be carefully balanced between subjects of perennial interest and those that are topical. Among the latter might be mentioned the recently published reports on communicating with employees on mergers, EDP and the smaller company, the competitive position of United States exports, and the antitrust issues raised by a 1967 Supreme Court decision.

Our conferences, too, covered not only the areas of usual interest but some of immediate and urgent concern. There were the customary meetings on the business outlook, marketing, and financial subjects. But there were also entire programs given over to such matters as world hunger, corporate urban programs, and the hard-core unemployed.

It is the constant concern of the Board to make our research and conference work dynamic and alert to changing conditions. As new subjects press forward for attention, limited resources necessitate relegating other subjects to the background. Here our advisory councils play an indispensable role in keeping us informed of what is of most concern to the business world.

Only a few years ago, the international situation and the exploits of the space program vied for the headlines, with little competition from other events. Today, relatively greater attention is being paid to what are referred to collectively as domestic matters. Urbanization, poverty, minority

groups, pollution, transportation, crime, the school dropout—these are labels which cover a host of problems now clamoring for solution, both nationally and locally. Recognition of the magnitude of these problems has also brought with it an awareness that government cannot do the job alone—that the private sector must play its part.

It is gratifying to report that the Board is meeting its responsibility for adding to environmental knowledge through research on these problems that so greatly concern American management. As you read through this report you will find mention of meetings and studies dealing with the hard-core unemployed, urban affairs, water and air pollution, and transportation. The beginnings of an early warning system to detect emerging environmental problems are outlined. Also, plans have already been made for an early conference devoted to the subject of crime. In all, it has been a fruitful year for the Board in the area of public affairs.

The Board is deeply appreciative of the support given to it during the year by its Associates and its distinguished Trustees, Members of the Corporation, and members of the various advisory councils. Appreciation is also due the members of the staff, whose faithfulness and high standards of performance were most gratifying. I am pleased and proud to present the highlights of the year in the following pages.

H. BRUCE PALMER  
*President*

H. Bruce Palmer, President, Joseph A. Grazier, Chairman,  
Dudley Dowell, Trustee, and Gerald L. Phillippe, Co-Chairman,  
at meeting of the Trustees







## THE BOARD'S RESEARCH

A prime purpose of The Conference Board is to assemble, analyze, and disseminate information on the experience of companies in the management of their enterprises. It enlists the aid of Associates and non-Associates alike to obtain first-hand data about company philosophy, policy, organization, practice, and opinion. Two fact-gathering methods are employed: a carefully designed questionnaire, mailed to a selected group of respondents; and field visits and interviews with executives at their places of business. The Board's Research Councils, whose members are leaders in their special fields, have a special advisory role in its research in the fields of business economics, business management, and public affairs. Thus, by a pooling of the efforts of many persons, the Board has become a clearing house of information about successful (and unsuccessful) management policies and practices.

After the facts have been collected and analyzed, the final product may take the form of a full-length study or of a somewhat briefer report, whichever is appropriate to the subject. Following are brief descriptions of the studies and reports published during the year, sectionalized according to the initiating research divisions.

### BUSINESS ANALYSIS AND ECONOMIC STUDIES

The Board has for many years provided busy executives with up-to-the-minute information on what is happening to the national economy. It analyzes this information to discern short-term trends. It is also concerned with longer-range investigations of basic economic problems that affect the economic well-being of the nation.

The major publications of the Office of the Chief Economist and the Division of Economic Research during the year were:

### Economic Studies

*Antitrust Issues in Restricting Sales Territories and Outlets*, Studies in Business Economics, No. 98. Analyzes the key issues discussed in the opinion of the United States Supreme Court in the antitrust case of *U.S. v. Arnold, Schwinn & Co.*, decided in June 1967. The study formulates some of the major questions that will face management as it examines the background of the decision, the central issues, the probable consequences, and the range of problems that remain open for future exploration.

*Business Outlook—1968*, Studies in Business Economics, No. 99. Contains the proceedings of the annual business outlook session of The Conference Board's Economic Forum, held November 27, 1967. Twelve participating economists give their estimates of the prospects in the new year for the economy as a whole, and for such components as plant and equipment, construction, retail trade, and the money market.

*Mergers and Markets: An Economic Analysis of Developments in the Mid-1960's under the Merger Act of 1950*, Studies in Business Economics, No. 100. This study, the sixth edition of a series begun in 1960, is designed as a guide to the company and market facts taken into account by the antitrust law enforcement agencies and the courts in their appraisals of the competitive consequences of acquisitions under section 7 of the Clayton Act.

*The Competitive Position of United States Exports*, Studies in Business Economics, No. 101. This study illuminates the debate over the foreign trade position of the United States by focusing on the relative competitiveness of the nation's exports in world markets during the twelve-year period from 1955 through 1966.



*Research & Development and Small-company Growth: A Statistical Review and Company Case Studies*, Studies in Business Economics, No. 102. Identifies the economic factors that have enabled small companies to pursue research and development activities effectively.

*Economic Outlook in Canada, 1968*, Canadian Studies, No. 13. The proceedings of the fifth annual round-table session of The Conference Board's Economic Forum in Canada, held in Montreal on October 20, 1967. Includes papers prepared by eight of the participating economists and a transcript of the Forum discussion.

*The Conference Board's Weekly Index of Business Activity*, Technical Paper, No. 19. Explains the workings of an index, developed by the Board, which provides a reliable and up-to-date indication of the trend of the economy, based on ten key economic series.

*Economic Dimensions of Major Metropolitan Areas: Population, Housing, Employment and Income*, Technical Paper, No. 18. Explores the development of a body of economic data needed for meaningful quantitative analysis of urban problems.

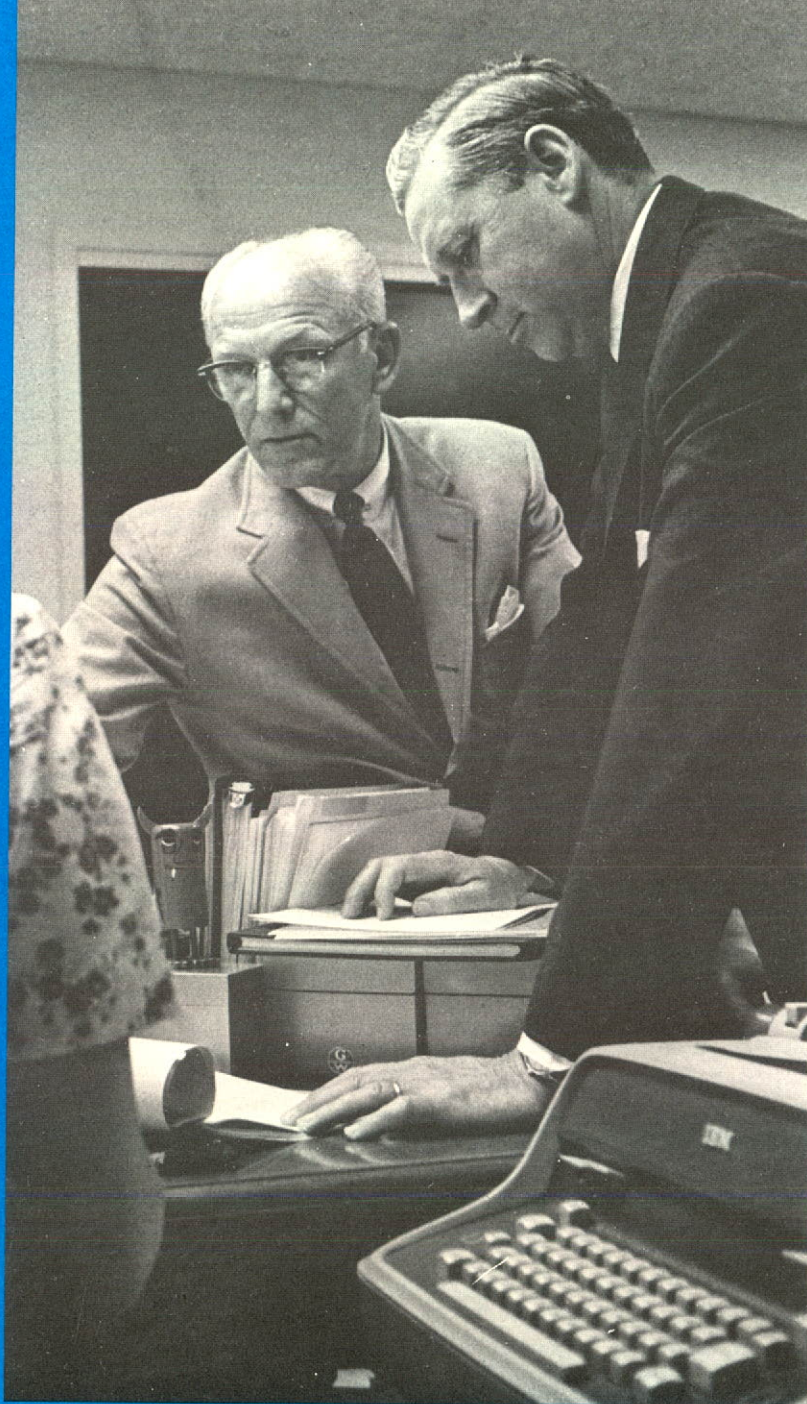
*The Federal Budget: Its Impact on the Economy (Fiscal 1969 Edition)*. The second edition of an annual series, this study contains an analysis of the budget for the new fiscal year, a review of spending for national security, and background information on major expenditure patterns and trends in relation to the national economy.

*Economic Almanac: 1967-1968*. The eighteenth edition of The Conference Board's handbook of useful facts about business, labor, and government contains much material of particular current significance, including new tables on population and the labor force, foreign trade, and international finance.



Martin R. Gainsbrugh, Senior Vice President and Chief Economist  
and Thomas J. Diviney, Vice President and Director,  
Public Affairs Research Division





S. Avery Raube, Vice President and Director,  
Division of Personnel Administration  
and G. Clark Thompson, Vice President  
and Director, Division of Business Practices

## Chart Guides to Business and Economic Trends

During the year, the technical knowledge of the Board's specialists in a variety of fields was blended with the pictorial skills of its talented chartists to produce a number of informative and attractive graphic reports:

*Road Maps of Industry*. This well-known color chart series, which appears bi-monthly, portrays a variety of economic and related information, based on the most authoritative data available. Many requests were received during the year for permission to reproduce these charts in company house organs, educational magazines, and textbooks.

*Current Business Trends (1968 Edition)*. Plotting of data for 27 significant indexes (e.g., GNP, industrial production, wholesale prices, consumer prices, personal income, and corporate profits) for the past twenty years.

*Weekly Business Indicators (1968 Edition)*. Charting for the period 1947 to date of twenty-three key economic series, including steel production, automobiles, paper, electric power, defense expenditure, and stock prices.

*Business Outlook Chartbook: 1968*. Quarterly collection of fourteen 5x7 inch charts of such key indicators as GNP, industrial production, personal income, and government purchases of goods and services, for the period since 1961.

*A Chart Guide to Financial Markets*. Third annual edition of collection of statistical charts dealing with money supply, financial operations of government, business finance, securities markets, and international financial operations.

*A Graphic Guide to Consumer Markets (1968-69 Edition)*. Comprehensive source book of marketing intelligence, covering all major facets of the consumer, his characteristics, income, and expenditure choices. Published biennially.

*Canadian Exports and World Markets, Chart Survey*. Foreign trade has long been a decisive factor in the Canadian economy. This chart survey provides a perspective on Canada's export performance and opportunities.

## Business Practices

The Division of Business Practices is concerned with the fields of senior management, finance, accounting, marketing, international business operations, and specialized staff functions.



The product of its research appears in several formats:

*Studies in Business Policy*—major research studies

*International Survey of Business Opinion and Experience*—periodic readings of the views of a world-wide panel of business executives.

Also:

*Experiences in Marketing Management*

*Managing the Moderate-sized Company*

*Managing the Financial Function*

*Managing International Business*

The four last-named series contain syntheses of presentations on business practices at Board conferences or surveys of the operating experiences of senior executives in their specialized fields.

The following studies and reports prepared by the Division staff were issued during the year:

*Investor Relations*, *Studies in Business Policy*, No. 124. This analysis of how business firms conduct investor-relations programs is based on the practices and experiences of 245 publicly owned industrial, retailing, transportation, and public utility companies. It discusses the ways in which companies organize to carry out their programs, as well as the problems of information disclosure as viewed by several members of the Securities and Exchange Commission.

*Corporate Directorship Practices*, *Studies in Business Policy*, No. 125. This report, based on information supplied by over 750 companies, analyzes the composition of boards of directors, indicates how directors are elected and what compensation they receive for their services, describes ways of keeping them informed, and reviews retirement practices.

*Training Company Salesmen*, *Experiences in Marketing Management*, No. 15. A review of techniques employed to maintain and improve the skills of the sales force, including on-the-job instruction, sales meetings, special courses, audio-visual aids, and role playing.

*Advertising, Sales Promotion, and Public Relations—Organizational Alternatives*, *Experiences in Marketing Management*, No. 16. Examines ways of separating, combining, and coordinating the company's promotional functions, and the advantages and disadvantages of each approach.

*The First-line Sales Supervisor*, *Experiences in Marketing Management*, No. 17. Describes the responsibility of the sales supervisor for developing and motivating his salesmen, for planning and executing sales programs,



(top)

Monteath Douglas, Vice President and Director,  
Canadian Office and Carl G. Baumes,  
Administrative Vice President

(bottom)

Albert T. Sommers, Vice President  
and Director of Economic Research





Some of the activities involved in making the results of Board research available to Associates. Charting, computer operations, and extensive recordkeeping and production facilities are all required to keep the channels of communication open



and for enforcing company policies in the field—in short, for providing effective direction of the company's sales effort in his assigned area.

*EDP and the Smaller Company*, Managing the Moderate-sized Company, No. 4. Survey of the experience of 160 small and medium-sized firms in the use of computers, pointing out their many advantages, not only for accounting but also for a variety of managerial controls.

*Handling Company Growth*, Managing the Moderate-sized Company, No. 5. Survey of 129 companies, with fewer than 2,000 employees each, all of which have experienced growth over the preceding five years. The report examines certain characteristics of the growth of these firms and the principal problems encountered in achieving it, and concludes with the panelists' views on whether growth is essential to a firm's success.

*Labor Relations, Unions, and Strikes*, Managing the Moderate-sized Company, No. 6. Survey of the labor relations experiences during the last decade of 167 companies, including such incidents as organizing drives at their own plants, and strikes at customer or supplier plants.

*The Chief Executive's Relations with Customers*, Managing the Moderate-sized Company, No. 7. Survey of the practices of the chief executives in 130 cooperating smaller-sized companies of devoting time to customer contacts, including sales calls.

*A World-wide Look at Business-Government Relations*, International Survey of Business Opinion and Experience. The urgency of closing the gap in understanding between business and government and of establishing strong cooperative relations is reflected in the responses of 156 business leaders reporting from 58 countries.

*Duties and Problems of Chief Financial Executives*, Managing the Financial Function, No. 1. Reviews the wide-ranging responsibilities of, and the varied problems facing, the chief financial officer of the modern business enterprise.

*Corporate Debt Management*, Managing the Financial Function, No. 2. Survey of the practices of 307 companies in arranging for long-term and short-term debt financing and in determining proper debt equity ratios and other measures of borrowing capacity.

*The Problems Facing International Management*, Managing International Business, No. 1. Senior international executives express their views on the problems, both internal operating and environmental, which they regard as most pressing today, and those which are likely to be most pressing five years from now.

## Personnel Administration

The Division of Personnel Administration has as its field of investigation the management of the human resources of the business enterprise. The boundaries of the field encompass such varied subjects as collective bargaining, company organization, top-level policy determination, and internal communication.

Major studies prepared by the Division during the year just ended were:

*Discount Privileges for Employees*, Studies in Personnel Policy No. 207. The study relates the experiences of 148 companies in making available their products or services to their employees at a discount, and of 169 companies in facilitating the purchase of, or in giving to their employees without charge, products other than those which the employer manufactures or supplies. Employer executives identify the problems they have encountered in administering their plans and cite some of the benefits their companies have derived from the plans.

*Overtime Pay for Exempt Employees*, Studies in Personnel Policy No. 208. Surveys the extent of the use of overtime pay plans for employees exempt under the Fair Labor Standards Act in 673 manufacturing firms, utilities, insurance companies, and banks. Special attention is focused on specimen pay-plan procedures which illustrate the various methods used in calculating and controlling overtime pay.

*Combating Knowledge Obsolescence: I. Company Fellowship Plans*, Studies in Personnel Policy, No. 209. Analysis of 75 programs sponsored by sixty U.S. and Canadian companies for providing allowances to graduate students, typically in the physical sciences.

*Corporate Organization Structures*, Studies in Personnel Policy, No. 210. The introductory section analyzes the prevailing patterns of organization found in the sample of 59 divisionalized companies in a variety of industries. The main part of the report consists of detailed organization charts of these companies.

*Communicating with Employees about Mergers*, Studies in Personnel Policy, No. 211. Describes the steps taken by the constituent companies in nine recent mergers to keep their employees informed of developments affecting them from the time of the initial announcement to, in some cases, several months after the merger was consummated.



## Public Affairs

The Board's newest research unit, the Division of Public Affairs Research, has as its province the whole area of the relation of the corporate business enterprise to its social and governmental environment. It concerns itself with the problems referred to collectively as urban affairs, as well as corporate contributions, employee education in economics, and business-government relations.

The Division, through the several advisory councils that it has created, is kept informed of the environmental problems that beset the business community. By means of conferences, and in its various published reports, it provides a forum for the best thinking on the subject of public affairs.

*The Role of Business in Public Affairs*, Studies in Public Affairs, No. 2. The report reveals that over 75% of the one thousand companies cooperating in the study have identifiable public affairs functions, as compared with a mere scattering of firms a decade ago. It analyzes the character and extent of corporate interest and involvement in five major areas: government relations, employee political activity, political and economic education, community service, and environmental problems.

*Business Amid Urban Crisis: Private-sector Approaches to City Problems*, Studies in Public Affairs, No. 3. This study explores the nature and extent of corporate involvement in the problems that beset the urban community. Among the subjects examined are the employment of the disadvantaged members of the community, housing, transportation, law and order, health, education, the economic development of decayed neighborhoods, community planning, and business-government cooperation.

## Research Councils

The advisory councils of the Board continue to be an important auxiliary to the conduct of its research work. Fifteen self-governing councils give guidance to the Divisions of Business Practices, Personnel Administration, and Public Affairs Research on management problems. They suggest subjects for research as well as discuss those proposed by the Board's staff. The individual councils met one or more times during the past twelve months for two or three days of deliberations. Over the years, a number of round-table and panel sessions of the Board's conferences have had their genesis at these council meetings.

The full list of the groups that were active in the past year follows:

- Chief Executives Council
- International Discussion Group
- Council of Financial Executives
- Council on Marketing Research
- West Coast Marketing Research Council
- Advisory Council on Personnel Administration
- Council on Organization Planning
- Council on Development, Education and Training
- Council on Compensation
- Public Affairs Research Council
- Public Affairs Council of Trade Association Executives
- Council of Executives on Company Contributions
- Councils of Executives of Smaller & Medium-Sized Companies, consisting of:
  - Executive Council
  - Midwest Executive Council
  - West Coast Executive Council

Differing somewhat in nature from the above-named councils is the Canadian Council, which is also self-governing and elects its members

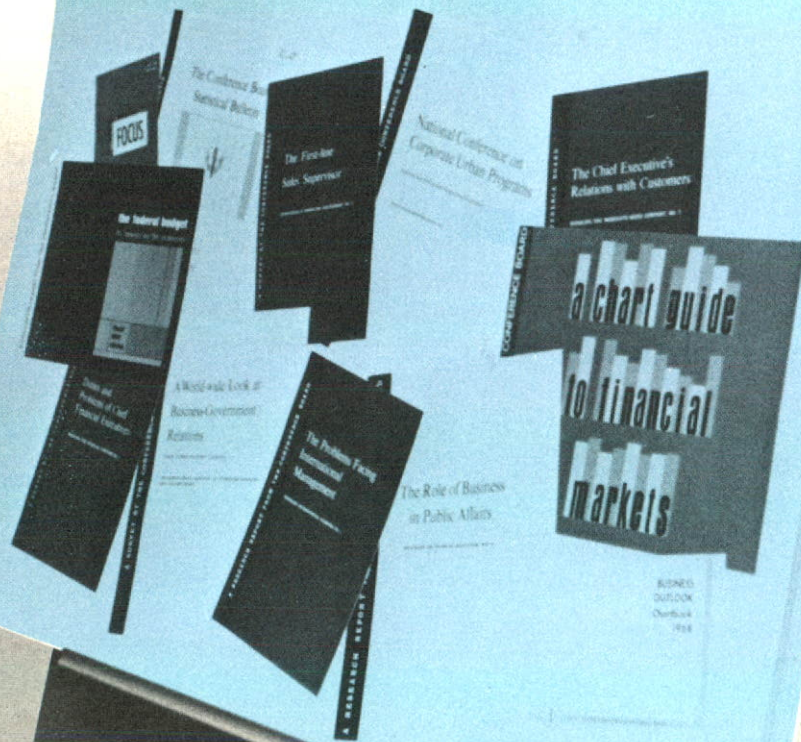


Recent output of Conference Board research reports being examined by the Traffic Manager, Publications Division and the Manager of the Editorial Department





SINCE 1962-63 THE BOARD HAS INTRODUCED  
THE FOLLOWING NEW SERIES OF PUBLICATIONS ---



The Conference Board has opened up many new areas of research within recent years. Exhibit at the annual Trustee's meeting showing new research series inaugurated since 1962

from chief officers of company Associates in Canada, with three designees from the United States. Although it may, and sometimes does, suggest research subjects, its main purpose is to advise the President and Trustees on the Board's activities and affairs in Canada.

The Board continued to have the benefit of the views of a distinguished group of outside economists, now numbering eight, who scan the economic horizon and tell what they see, each in the particular sector in which he is especially knowledgeable. The Economic Forum met last November, as it has done yearly for twenty-two years, to assess the prospects for the coming twelve months. Its findings were set forth in "Business Outlook—1968," mentioned above. The Forum, both in its collective deliberations and in the counsel given to the Board's staff, continues to render an invaluable service, which is gratefully acknowledged. A measure of the high public regard in which the Forum's forecasts are held is the wide coverage the news media gives to its views.

## EDUCATION

Requests from schools and colleges for Conference Board publications were received in increasing numbers during the past year. To the extent that resources permitted, review copies of research studies were supplied to teachers upon request and made available for classroom use at a special educational rate.

The Board offers an educational associate membership to college and university libraries, enabling them to receive regularly copies of all publications as issued. In the year just ended, the number of such Associates rose to 443.

On the graduate level, a program of cooperation with many leading schools of business keeps faculty members informed of research in their specific areas of interest and enables students to become familiar with Board publications through actual use.

Another important aspect of the Board's cooperative relationship with institutions of higher learning is the participation of teachers and administrators as speakers and panelists at NICB conferences. There was a notable and welcome increase in educator participation during the year.

A major contribution to the improvement of economic understanding on the secondary school level is the "Road Maps of Industry" program, a free economic data service supplied upon request to economics and social studies teachers in high schools and teachers' colleges. Materials were also provided for use in teacher training workshops throughout the year. Permission was freely granted to reproduce Board materials in educational publications.



## THE CONFERENCE YEAR

During the twelve months ended July 31, 1968, thirteen general or open meetings were held for Associates of the Board and their guests. Seven of the meetings were extended two-day or three-day sessions, as compared with only four such meetings in the preceding year; the others were one-day sessions. The total registration at Board conferences during the year exceeded 9,800.

Highlights of the meetings follow:

### **World Hunger: An Agenda for American Agribusiness, September 11-13, 1967**

This national convocation, held in conjunction with the fifty-first annual meeting of the corporation, dealt with the problems and opportunities that face American business in the battle against hunger. The keynote address was given by Mr. Louis B. Lundborg, Chairman of the Board of the Bank of America; Dr. B. R. Sen, Director General of the Food and Agriculture Organization spoke on the "War on World Hunger—the Next Phase"; the closing dinner speaker was The Honorable Richard M. Nixon.

### **Business in 1968, October 3, 1967**

This one-day conference, the fourth annual meeting devoted to an examination of economic conditions in the year ahead, was addressed at luncheon by Charles J. Zwick, Assistant Director of the Bureau of the Budget. The morning session considered the general business outlook in 1968; the afternoon session reviewed the prospects for four major markets: capital goods, consumer goods, construction, and finance.

### **Business Outlook in Canada, 1968, October 11, 1967, in Toronto**

This one-day conference explored the business outlook in Canada in 1968. The morning session's speakers discussed the general outlook, expectations for the United States economy, fiscal and monetary policy, and the longer

view—1970 and beyond. The afternoon's concurrent sessions examined capital spending, consumer spending, and the financial markets in the year ahead. The luncheon speaker was Mr. John J. Deutsch, Chairman of the Economic Council of Canada.

### **15th Annual Marketing Conference, October 18-20, 1967**

The three-day meeting featured fifteen panel sessions on such subjects as organizing the marketing staff, selling and servicing national accounts, marketing information systems, the field sales manager, sales recruiting, the implications of market segmentation, the use of marketing research, and the sales outlook for 1968. Mr. William S. Vaughn, Chairman of the Board of Eastman Kodak Company, was the keynote speaker.

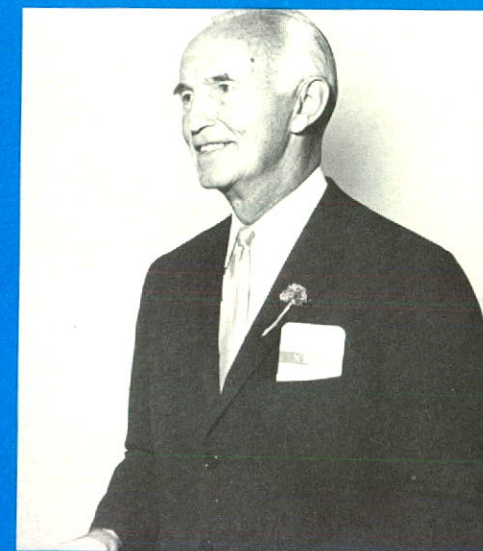
### **The Systems Society—Management and Man in the Computer Age, November 30, 1967**

How man can best use the new tools of technology to advance the goals of Society and preserve the dignity of the individual was the subject of this one-day meeting. The luncheon speaker was Mr. Arjay Miller, President of the Ford Motor Company. The moderator of the panel discussion in the morning session was Mr. H. I. Romnes, Chairman of the Board of the American Telephone and Telegraph Company; the moderator of the afternoon panel was Dr. Sterling H. McMurrin, Provost of the University of Utah.

### **National Conference on Corporate Urban Programs, January 10, 1968**

The conference examined the nation's urban crisis in terms of its many implications and opportunities for the business community. The program outlined some current corporate urban projects and indicated future trends in this newest phase of business involvement in public affairs. The





(top left)  
Whitney M. Young, Jr., Executive Director of the National Urban League and William Slayton, Executive Vice President of Urban America, Inc. at the conference on "Corporate Urban Programs"

(bottom left)  
Charles J. Zwick, Assistant Director, Bureau of the Budget, at the conference on "Business in 1968"

(center top)  
Donald B. Marsh, Assistant General Manager of the Royal Bank of Canada, Dr. John J. Deutsch, former chairman of the Economic Council of Canada and D. E. Kilgour, President of the Great-West Life Assurance Company at the Board's "First Annual Canadian Economic Outlook Conference" held in Toronto



(top right)  
Keynoter Louis B. Lundborg, Chairman of the Bank of America National Trust and Savings Association at the "Convocation on World Hunger"

(bottom right)  
Two of the hard-core unemployed "tell it like it is" to Associates at the "Working Conference on Basic Education and Industrial Employment of Hard-Core Unemployed"

(center bottom)  
Associates attend a Board Conference at the Waldorf-Astoria



dinner speaker was Mr. Paul Ylvisaker, Commissioner of the New Jersey Department of Community Affairs. The full proceedings were published in the Board's Public Affairs Conference Report, No. 6, "National Conference on Corporate Urban Programs."

### **Managing the New Work Force, January 18-19, 1968**

At this conference experts from many fields appraised "the new work force" in terms of its skills, knowledge, attitudes, and expectations, and weighed the challenges that confront managers in an era of rapid change. The dinner speaker was Mr. George R. Vila, Chairman and President, UNIROYAL, Inc. The proceedings of the meeting were published in a supplement to *The Conference Board Record* under the title, "Managing Change."

### **Financial Conference: Domestic/International, February 14-15, 1968**

This two-day meeting focused on the money and credit problems resulting from the combined needs of business and government at a time when the United States is running a substantial deficit in its balance of payments. The speaker at the dinner session was Mr. William McChesney Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System. The speakers at the luncheon sessions were Mr. Louis B. Lundborg, Chairman of the Board of the Bank of America, and Mr. Marcus Wallenberg, Vice Chairman of the Stockholms Enskilda Bank.

### **Antitrust Issues in Today's Economy, March 7, 1968**

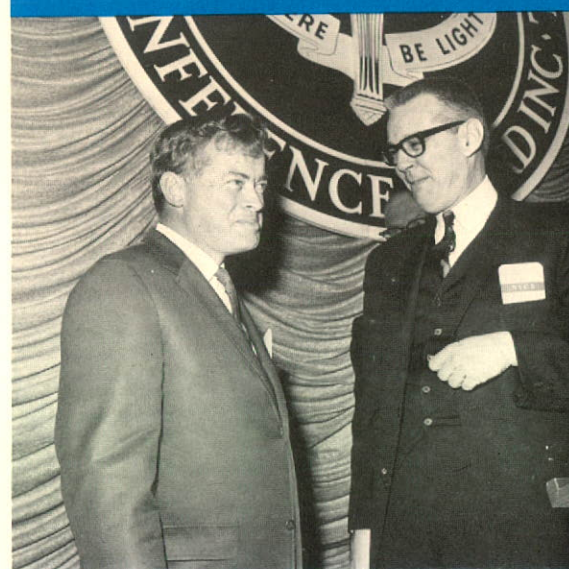
Recognizing the major role that recent court decisions play in shaping the economic future of the country, this seventh annual one-day conference had as its theme "Antitrust and the Judicial Process; the Bench as an Economic Forum." The luncheon speaker, Mr. Tom C. Clark, retired Associate Justice of the United States Supreme Court, presented a judicial view. In the afternoon, eight workshops explored the effects of emerging court decisions and enforcement policies on the antitrust responsibilities of management. A transcript of the morning and luncheon sessions has been published.

### **Midwest Marketing Conference, March 26-27, 1968, in Chicago**

This two-day meeting featured six panel sessions on marketing planning, business and sales forecasting, and motivating the experienced salesman; and a group of leading marketing executives discussed techniques that have proved effective in these areas. The luncheon speakers were Mr. John C. Lockwood, President of Lever Brothers, Ltd. (Canada), and Mr. A. C. Daugherty, President of Rockwell Manufacturing Company.



Mary Gardiner Jones, Commissioner of the Federal Trade Commission and Tom C. Clark, Associate Justice, Supreme Court of the United States, retired, shown with Gerald L. Phillippe, Chairman of the General Electric Company, who introduced Justice Clark at the luncheon session of the conference on "Antitrust Issues in Today's Economy"



Paul Ylvisaker, Commissioner, Department of Community Affairs of New Jersey with Neal D. Peterson, Assistant to Vice President Hubert H. Humphrey at the conference on "Corporate Urban Programs"





Roy L. Reiersen, Senior Vice President, Bankers Trust Company addressing Associates at the conference on "Business in 1968." Others at the speakers' table are Martin R. Gainsbrugh, Senior Vice President and Chief Economist, The Conference Board; Leif H. Olsen, Senior Vice President and Economist, First National City Bank; Archie K. Davis, Chairman of the Board, Wachovia Bank and Trust Company, Past President American Bankers Association.

### **Managing the Moderate-Sized Company, May 9, 1968**

The morning session of this one-day conference featured meetings on the marketing and financial policies of the smaller company. The next session was devoted to handling growth problems. The luncheon speaker was Mr. Joseph C. Wilson, Chairman of the Board of the Xerox Corporation.

### **Current Problems in Financial Management, May 15-16, 1968, in San Francisco**

This two-day conference explored varied subjects of particular concern to company financial executives: managing cash, pension plan reforms, investor relations, the controversy over accounting principles, and mergers and acquisitions. The speakers at the two luncheons were Mr. Leonard M. Savoie, Executive Vice President of the American Institute of Certified Public Accountants, and Mr. William H. Franklin, President of the Caterpillar Tractor Co.

### **Working Conference on Basic Education and Industrial Employment of Hard-Core Unemployed, June 27-28, 1968**

A panel of outstanding public administrations, educators, and labor industry executives reviewed the interrelation of basic education, job training, and the capacity of business and the community to reach and motivate hard-core unemployed, and bring them into the regular work force. The speakers at the luncheon sessions were Mr. Leo C. Beebe, Executive Vice Chairman of the National Alliance of Businessmen, and Professor John T. Dunlop of Harvard University.

During the past twelve months the established program of regional meetings was maintained in full force. The conference year featured the traditional fall Yama Conference, the seventy-second in a series that dates back to the Board's founding. Eight other Yama-type meetings, all well received, were held in various parts of the country: the Eleventh Midwest, the Nineteenth Del Monte, the Eighth Northeast, the Eighteenth Southern, the Twelfth Rocky Mountain, the Seventeenth Texas, the Twentieth Del Monte and the Seventy-third (spring) Yama Conference. In addition, the Thirteenth Canadian and the Third South American conferences were held, strengthening our international contacts and channels of information. All of these meetings of top executives, sponsored by Trustees and specially chosen regional advisory councils, follow the format devised by the founders of the Board half a century ago—no agenda, no minutes, no reporting. Providing the opportunity for uninhibited exchange of views, the meetings offer a unique experience to the participants and are a valuable source of ideas for the Board's staff.



## OTHER ACTIVITIES

### INTERNATIONAL ACTIVITIES

In keeping with the growing concern of Associates with overseas operations, the Board has stepped up its international research, survey, and conference work. Because of the interest of leading European companies in North American management practices and economic trends, a modest service extension program has, on the advice of our Foreign Correspondents, been instituted in Europe. In addition, close relationships have been established with business associations in European countries.

The Board's work continued to attract the attention of foreign economists and businessmen visiting this country. Teams of executives from all parts of the world continued to call at the offices of the Board to learn at first hand of its fact-finding service to American industry.

### SEMINARS ON SCIENCE AND THE HUMANITIES

Responding to management's increasing involvement in the solution of social problems, the Board has expanded its open line of communication between the "thinkers" in the professions who are probing the impact of technology on society and the "doers" in the business community who are responsible for bringing about the needed changes.

Contributing to this end, an all-day conference held in November, and addressing itself to the theme, "The Systems Society," drew a capacity attendance to the Waldorf-Astoria (see also page 13). The procedures were widely reported in the national press, on radio, and on network television.

The thrust of the meeting will be continued in the coming year by our third annual conference on Management and Man in the Computer Age, in which outstanding figures in business and the academic world will consider "The Moral Imperative in the Computer Age."



W. J. Arnold, Managing Editor,  
*The Conference Board Record*

### THE CONFERENCE BOARD RECORD

The new *Conference Board Record* has continued to progress in its development as a magazine more broadly "reporting to management on business affairs" as well as in performing its unique function of presenting articles and reports of the Board's conference and research activities. During the past year, 644 pages of editorial matter were published, the major content directly deriving from surveys and special studies prepared by members of our research divisions. Over the same period, circulation of the recently restyled magazine increased by 2,543 and, in view of the *Record's* enlarged editorial and production responsibilities, its small professional staff was expanded.

The gains that have taken place in the *Record's* performance and popularity have been of special interest to those organizations that are now considering the availability of the magazine as an advertising medium. Following long study, the Trustees approved acceptance of a limited amount of advertising, beginning in the coming fiscal year, with the purpose of providing revenues which might partially offset the magazine's increasing costs. A rate card was issued, and preparations undertaken to accommodate the new service. Initial response to the announcement justifies the decision to open space to advertising on the basis of the *Record's* own merit, and assures the future maintenance of its high standards and reputation for editorial integrity.



## SERVICE MANAGER SYSTEM

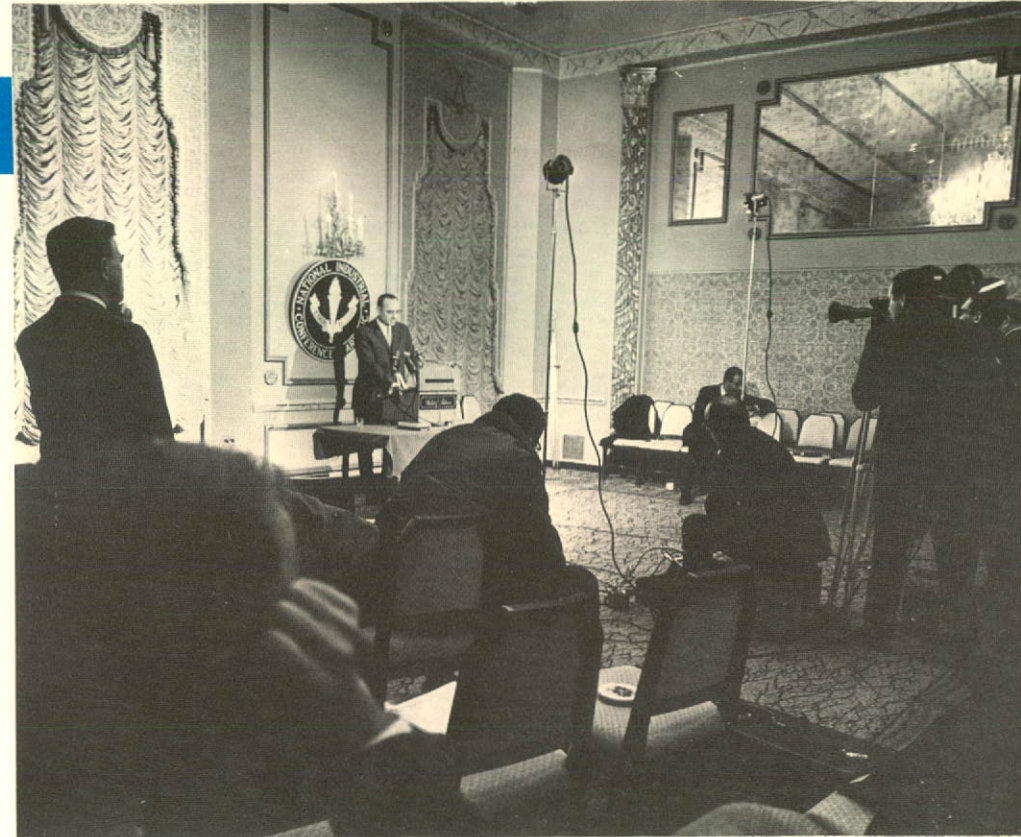
The Board recently put into full operation a program for the selective circulation of its published output. The program is designed to ensure that executives in various management areas, such as marketing, finance, personnel, and the chief executive office, receive material that is pertinent to their work and are given an opportunity each month to request publications of less obvious application.

Key researchers have been given the added responsibility for coordinating our service to these management audiences. This step has resulted in reduced waste and has made it possible to direct material selectively to a larger number of interested executives. Most important, the program serves as a guide to the provision of material that is in better balance with the size and needs of the Board's various audiences.

## PUBLIC INFORMATION

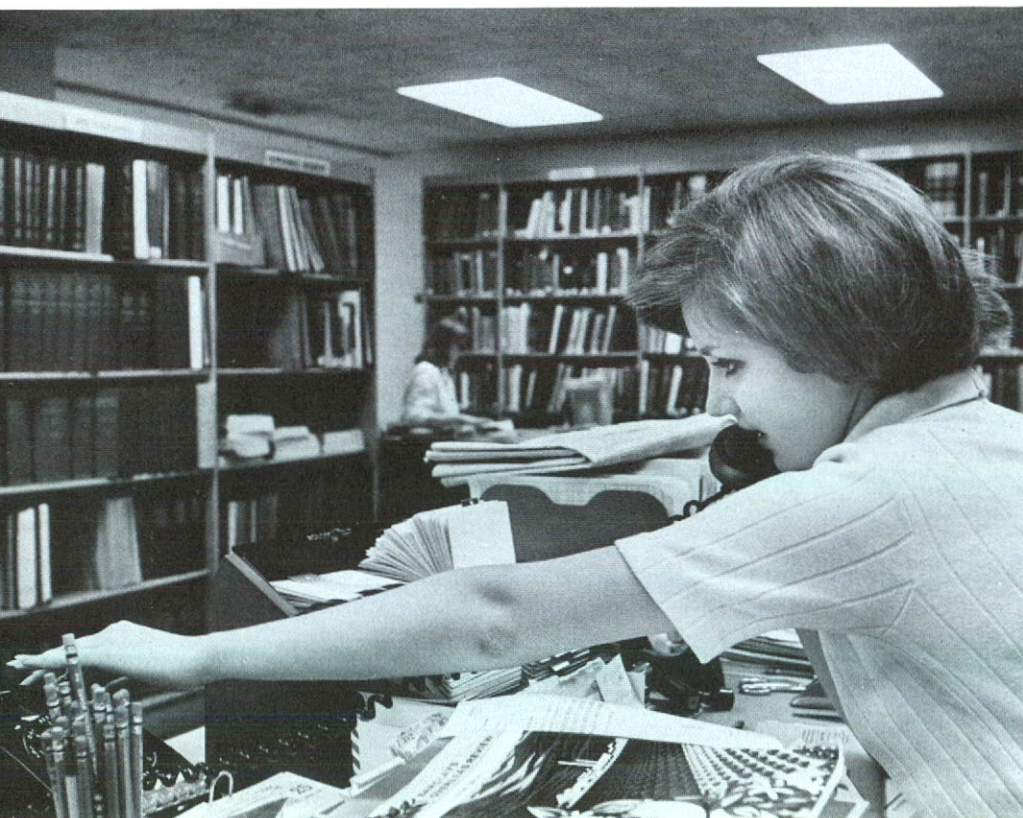
Active contact was maintained by the Board with the nation's various news media. During the past year over 240 press releases were dispatched to newspapers, magazines, press agencies, and radio and television stations. As a result of this effort, more than 60,000 articles, editorials, and broadcast programs featured Board material.

Close relations were also maintained with others engaged in research. Several hundred authors and scholars requested and received permission to use Board data in their published works.



Arjay Miller, President of Ford Motor Company at a press conference prior to his address at the conference on "The Systems Society—Management and Man in the Computer Age" at which he announced his support of the negative income tax





### **COURSE IN PERSONNEL ADMINISTRATION**

As in previous years, the Board presented its well-known eight-day course in personnel administration four times during the past year. The emphasis of the course continues to be on the conditions necessary to the creation of an environment in which people work effectively. The Board's full-time specialists in the various areas of personnel administration constitute the faculty. The course, instituted in 1951, continues to attract capacity enrollments.

### **INFORMATION SERVICE**

A major activity of the Board for many years has been the supplying of information to its Associates on request—answering a great variety of questions in the field of economics and business management. This requires the team effort of trained reference librarians and specialists in one or other of the areas of the Board's interest.

The chief source of this information is, as might be expected, our business library, which has over 50,000 volumes and receives and reviews some 500 periodicals annually. These publications are supplemented by the files of the Board's research specialists, containing collections of labor contracts, organization charts, and bibliographies in specialized areas.

More than 40,000 requests from Associates for information were handled during the past year. In addition to the service given to Associates, several thousand requests from such non-Associates as government agencies, graduate students, and college faculty members were processed.



## INSTITUTE FOR THE FUTURE

In the past year the Board moved to strengthen its public affairs research capabilities. The need for a forecasting unit to scan the horizon for socioeconomic trends and emerging environmental problems had been evident for some time. Accordingly, a plan was designed to obtain information from thought-leaders, to study reports, magazines, and other media of communication, and to take the public pulse through opinion polls.

In the course of the Board's exploratory efforts, contact was established with a group of multidisciplinary scientists. These scientists were engaged in developing a similar forecasting system and in creating an organization to do intensive research employing techniques similar to those used by the Rand Corporation and like organizations. The Conference Board agreed to collaborate with the scientists, and funds were obtained by foundation grants in the amount of \$60,000, with the result that in the early part of 1968 the Institute for the Future was incorporated to develop the nation's first comprehensive computer-oriented system for environmental research and forecasting.

The Institute is a completely independent nonprofit organization. Its major East Coast research facility is located in Middletown, Connecticut.

The President of The Conference Board is a permanent member of the Board of Trustees of the Institute for the Future. Under reciprocal working agreements, the Board and the Institute will share each other's output.

## FINANCES

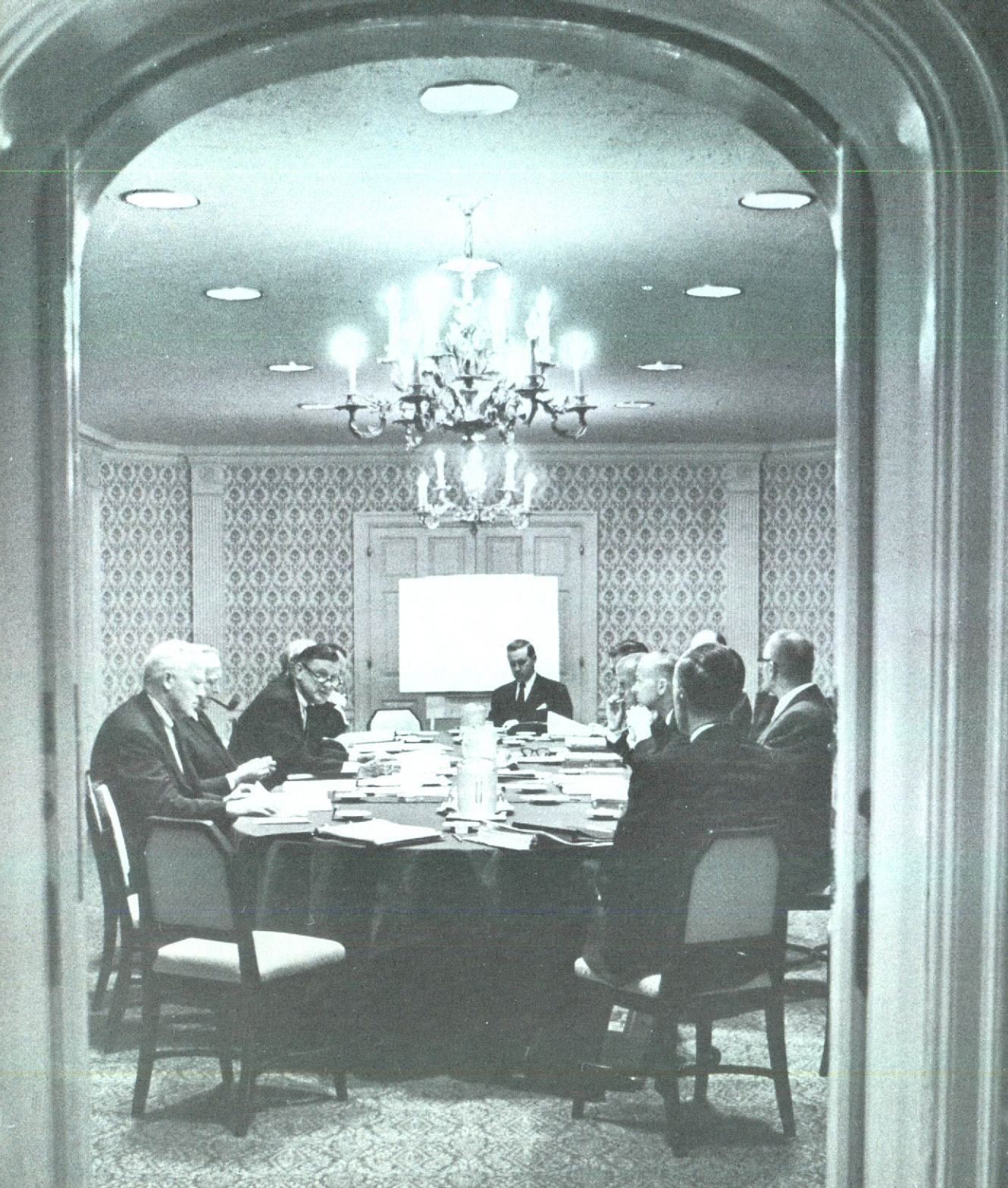
Notwithstanding a rise in the cost of nearly everything it has to buy for its operation, the Board was successful in keeping within its budget for the fourth consecutive year. Total expenses included two special items: a transfer to the Reserve Fund of \$59,500, which was \$10,000 more than budgeted, and a supplemental payment of \$10,000 toward past service liability under the retirement plan.

All expenses attributable to the year's operations are reflected in the operating statement. Accounts receivable are more nearly current than at any time in the past several years. The detailed statement of financial position as of July 31, 1968, and of income and expenses for the year then ended are printed separately and made available with this report.

The work of the Board is sustained by its 4,206 Subscribing Associates, and by foundations, government agencies, and other organizations that provide sponsorship for research, often in new fields. Not only the Board, but the business community as well, is indebted to them.

The full-time staff of the Board numbered 270 at the year-end, an increase of six from the previous year.





Meeting of the Trustees  
of The Conference Board



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