

L Conference Board, Inc.

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**THE CONFERENCE BOARD**

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**sixtieth  
annual  
report**  
1916-1976

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## THE CONFERENCE BOARD

*"The fundamental purpose . . . is to promote public welfare by bringing together the collective experience of those engaged in industry, by studying industrial and economic conditions, and by disseminating well-considered views thereon. . . ."*

from the certificate of incorporation

Today, sixty years later, the Board continues to foster broader understanding of business and the economy for the enlightenment and practical benefit both of those who manage business enterprises and of the society which shapes the business system.



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Kenneth A. Randall, standing, former chairman of the board and chief executive officer of United Virginia Bankshares Incorporated, who became president of The Conference Board on July 1, 1976; and Alexander B. Trowbridge, who resigned as president of The Conference Board on April 1 to become vice chairman of the board of Allied Chemical Corporation.



## PRESIDENT'S MESSAGE

**Kenneth A. Randall, former chairman of the board and chief executive officer of United Virginia Bankshares Incorporated, became president of The Conference Board on July 1. Rather than attempt to report on a year of Board activities in which he had no direct role, Mr. Randall consented to an interview in which he offered this perspective on the Board's present position and future program.**

*Mr. Randall, business is under intense and often conflicting pressures from many sources. What do you see as the most critical problems facing our business and economic system, and what role might The Conference Board play in alleviating them?*

It seems to me that two of the major issues facing business are the major issues facing our country—the twin problems of inflation and full employment. Participating in the solution to these problems may offer the business world the means of guaranteeing its place in future society. The Conference Board plays a role of vital importance by producing research on these critical questions.

Credibility is a major problem in government, education, business, indeed, even in religion. Competent research offers people dealing with problems something concrete—something about which they can say: "At this point we know that we have valid information." This is fundamental in restoring credibility.

As you know, The Conference Board does not take advocacy positions. It is limited by charter to gathering and analyzing facts and providing a forum for responsible debate. As business issues have heated up, there have been increasing calls for the Board to speak out, either in support of business or in condemnation of restrictive legislation.

*Do you believe that the Board should abandon its neutral position?*

No. I believe that it is extremely important to the business community and to the general public that there be an institution like The Conference Board which is not an advocate but does a quality job of analyzing business and economic problems.

Much of the difficulty with heated debate stems from the fact that questions have not been properly posed or defined. Because it is independent, The Conference Board is able to produce credible analyses of major business-related problems prior to their debate in public forums.

I do not believe that The Conference Board should be an advocate. That would destroy its objectivity and, indeed, the validity of its work.

*You stress credibility. As a relative outsider, do you believe that The Conference Board has credibility in the business community and outside business circles?*

Yes, I do. People who know the work of The Conference Board are impressed with both its quality and its independence.

I believe, however, that the Board's work is not widely enough recognized. Even in the business world it is far less known than I would like it to be.

An important objective for The Conference Board in the coming years will be to expand awareness and use of its work within the business community and among other elements of our society such as institutions of higher learning, government and labor unions.

The question of the Board's independence would seem to be related to its income, the greatest part of which comes from business. Isn't it difficult for some outsiders to believe that business is putting money into an organiza-

*tion and permitting it to be independent?*

I think that this is a possibility which we must be constantly aware of, but I do not believe that it is an insuperable problem. The only real limitation placed upon The Conference Board by its constitution is that the Board's research stay in the business arena.

The basic audiences for our research are the chief executive officer and the key executives who report directly to the CEO. In my years as a Conference Board trustee there has been no influence exerted on The Conference Board's product.

I am firmly convinced that we should keep our research in the business world. We cannot be all things to all people. We must keep a relatively narrow target of objectives. But we must always be on guard against infringement on the independence of our product.

I do not believe that the business community will ever attempt to inhibit us. Quite the opposite, in fact. I feel that the business community wants credible research and itself will fight to keep the product of The Conference Board independent.

*At this early stage in your leadership, what do you see as the Board's major strengths and weaknesses?*

The major strength of The Conference Board is its people. I have found the staff to be knowledgeable, bright and completely dedicated.

The Board's staff is very conscious of the need to concentrate on subjects of importance to the business community, and, in doing so, it works to high academic standards. The independence of its research and its dedication to quality are very apparent. The strengths are definitely within the people—an excellent staff and a very heavy commitment.



The major weakness we touched upon earlier. We still need better means of communicating our product. The product is of great value to the business world, to academia, to government and to other observers of the business scene, yet I find major gaps in knowledge of what we do and what we produce.

Another weakness, perhaps, is that there is always more to be done than the resources allow. I believe that my responsibility is to help analyze priorities so that we do not become overextended. The maintenance of quality control, then, will be extremely important in the future of The Conference Board.

*The Board's work is undoubtedly influenced by the interests which new presidents bring with them. Have you a special interest which you hope to work into the Board's program?*

Yes. One of the proposals discussed by the trustees is to be of greater service to commercial and investment banking. Over the last two decades we have had increasing support from these sources, yet the primarily industrial orientation of The Conference Board has not changed. I believe that we can make our work more relevant to these two important communities, without major cost impact, by enlarging the research and reorienting the format in which we present it. For example, if we undertake a study of executive compensation, we should be certain that commercial and investment banking practices are included in our sample and are clearly identifiable in our finished report.

The same thing can be done in economics. These analyses have been industrially oriented, but there are financial dimensions—add-ons, if you will—that will make them more relevant to bankers.

Since banking is my background, this reorientation holds a great deal of appeal for me.

However, my main objective is to continue the well established and well integrated research and information delivery programs currently in place. Any changes will be evolutionary—not revolutionary.

*Do you have any thoughts of enlarging our programs relating to the Federal Government?*

The Board's public affairs work has been increasing its exposure in Washington. Certainly this work will be continued, and perhaps expanded. But again, we are an independent research institution. We are not a lobbying group, nor do we want to be.

Improved communications between business and government is a major concern of corporate chief executives today. If we can help to create an environment in which information flows more easily between them, we will have helped both parties.

*Mr. Randall, you have come to The Conference Board after almost 30 highly successful years in banking. What led you to make this career change?*

Some 12 years ago I left the management side of banking and spent six years in bank supervision (as chairman of the Federal Deposit Insurance Corporation). During that period I became deeply involved in the philosophy of the business system.

After returning to banking, I continued my involvement in the broad concept of business as a member of the President's Commission on Financial Structure and Regulation (the Hunt Commission).

My work with The Conference Board over the past five years, and particularly the last two years as a trustee, has

allowed me to interface with many intellectual business thinkers such as the immediate past chairman, Mr. Fletcher Byrom, and others. The Conference Board activities have continued to reinforce my interests in the overall aspects of business.

Finally, I faced one of those fundamental questions that life occasionally forces upon you: Where do you believe that you can make the greatest contribution as a human being?

The issues that are important to me involve questions of business credibility and the continued existence of a market economy. Without any illusions as to my capacity to make fundamental changes in the world, I concluded that The Conference Board offered the best opportunity to contribute toward the future of our economic system.

I am extremely excited—challenged—by the Board's work.



## THE BOARD'S WORK IN REVIEW

### OVERVIEW

The Conference Board's products are objective research and responsible discussion. Although the principal users of these products are business managers at several levels they are also of interest to government officials, news writers and broadcasters, labor leaders, scholars and academicians.

The Board's objective is to produce verifiable information which will help all of its users to comprehend and interact with the many changing developments in business, economics and public policy. A subscription to the Board's work as an Associate could be likened to supplementing your own intelligence-gathering capability with highly informed specialists in current management practices, business-societal relationships and economic trends.

During fiscal 1975-1976 (a 10-month period, resulting from a change of the Board's fiscal year), The Conference Board produced:

- ☐ 128 separate publications (including 35 major research reports), of which more than 2.5 million copies were distributed
- ☐ 10 issues of its magazine, The Conference Board RECORD, containing 158 articles by staff researchers and authorities from other fields
- ☐ 10 issues of its digest, FOCUS, containing 69 mini-articles condensing Conference Board research and reporting the highlights of Conference Board meetings
- ☐ 162 meetings in the United States and abroad, including open conferences, courses and seminars, briefings, round-table discussions, and working sessions of the various research councils.

In addition, the Board's staff of trained information specialists responded to tens of thousands of inquiries from Associate organizations.

Following are examples of activities undertaken or completed in fiscal 1975-1976. Although they are assigned to the category of user (i.e., policy, staff and operating, and so on) most closely corresponding to the principal audience for which they were undertaken, obviously there is overlap. For example, a study undertaken primarily to assist chief executives and other policymakers might well be of interest and usefulness to certain operating level executives as well as to legislators, academicians and the press.

### FOR MANAGEMENT AT POLICY LEVELS

The business of business is no longer purely business. In addition to directing the commercial activities of their enterprises, policymakers are giving increasing attention to questions which go beyond the bottom line. The complexities of the business-government-society triangle have imposed upon these leaders new demands and responsibilities for which there is little or no precedent.

A substantial percentage of The Conference Board's effort is directed toward filling the informational needs of policymakers, both in the traditional areas of business activity and in the emerging business-societal concerns.

These are a few examples of the work done during the past year.

### Corporate Credibility

The American public's declining confidence in business, as reported in numerous opinion surveys, is one of the most worrisome problems facing business leaders today. They recognize that the consequences can be dire, but have found it extremely difficult to organize an effective response.

During the year, the Board focused on one aspect of the problem by examining how corporations manage their external relations. The study found that there has been sharp escalation in corporate efforts to improve communications with customers, governments, stockholders, the media, and other groups having important impact on corporate life. External relations executives now sit on top-level management committees in nearly half of the companies surveyed by the Board.

The study was followed by a conference devoted to critical factors in business credibility.



### Corporate Philanthropy

Closely related to the credibility question is the role the corporation plays as a part of society. One measure of corporations as citizens is the degree to which they engage in philanthropic public service activities.

A study completed during the Spring revealed that American corporations are currently spending \$2.25 billion a year on philanthropic causes—primarily on health, education, welfare and cultural programs.

The widely held belief that stockholders object to corporate philanthropy was not borne out by the Board's findings. About 70 percent of the chairmen and presidents responding to the survey report no stockholder reactions. According to the study: "Shareholders have accepted contributions as an integral part of a corporation's activities. In the few cases where contributions have been challenged in the courts by shareholders, the challengers have rarely gained as much as 3 percent of the stockholders' vote."

### Economic Forecasting

The commitment of vast resources and programs often hinges upon the best guess as to what business conditions will be in the months to come. For more than a quarter century The Conference Board's Economic Forum has convened at the close of each year for intensive analysis of the forces shaping the economy in the year ahead.

The Forum is comprised of some of the nation's most eminent economists, drawn from government, academe and the private sector. Its forecasts command major public attention and are eagerly awaited by planners and policy-makers in both the public and private sectors.

Last November's press release on the Forum's conclusions stated: "The U.S. economic recovery will continue



The Conference Board's Economic Forum in session.



through 1976 but a boom is not in prospect." As a forecast, it has held up well thus far.

In recent times, the Forum has been meeting in early Summer for a midyear review of the forecast and discussion of significant longer-term developments in the economy. This year's session centered on inflation and unemployment.

### **Compensating Directors**

Boards of directors are of close and continuing concern to corporate policymakers. For 40 years, The Conference Board has studied and restudied them, from their composition to their legal responsibility to how they interact with company management.

Last year, in cooperation with the American Society of Corporate Secretaries, the Board updated its 1972-1973 study of the compensation of directors. The Board found that outside directors of large corporations had received substantial pay increases since the previous study. Median annual pay for outside directors of manufacturing concerns with \$1 billion or more in assets was \$11,500 in 1975, up from \$9,000 in 1972. The same upward trend was reported by nonmanufacturing companies.

Covering 987 United States business firms, the report included data on fees and retainers for regular board service and for service on committees, as well as information on fringe benefits, reimbursement of expenses, and liability insurance for members.

For the future, the Board plans to issue a compensation report toward the end of every odd-numbered calendar year.

### **Meetings for Chief Executives**

The Conference Board was born in 1916 out of a series of high-level meetings at Yama Farms Inn in New York's

Catskill Mountains. Attending were business and association leaders deeply concerned by "the conditions under which (we) are now living and suffering, industrially speaking. . . ."

The Yama conferences were so successful that the Board has kept the tradition alive and has greatly enlarged upon it. A Yama conference is held annually, by invitation, for business leaders from throughout the nation and occasionally from abroad. In addition, Yama-type regional conferences (there were 12 of them last year) are held for business leaders in various sections of the country and the world.

No resolutions or manifestos come out of these meetings. Their appeal is simply that they offer top executives from leading corporations an opportunity to discuss candidly with their peers the issues of the day which they feel are having important impact on business and society.

A second series of meetings for business executives at the policy level was begun several years ago in the form of briefings with federal officials. The purpose of these off-the-record sessions is to foster better understanding between business and the Federal Government. Small groups of business leaders meet with a leading figure in the Administration, the Congress, or key bureaus for informal, candid discussion of current problems. Last year, the Secretaries of Labor, Transportation and Commerce, and the chairman of the Council of Economic Advisers were among the federal officials taking part in these briefings.



**FOR MANAGEMENT AT STAFF  
AND OPERATING LEVELS**

Like policymakers, line and staff executives must also deal with rapidly changing situations. To assist them, the Board devotes considerable attention to current trends in corporate management and to outside developments that have an impact on business operations. Here are examples from fiscal 1975-1976:

**Nondiscrimination in Employment**

The civil unrest of the mid-1960's made it plain that limited state and local efforts to deal with discrimination in employment had failed. The nation moved on to compulsion, based on major federal laws and regulations.

Three years ago, The Conference Board produced a study tracing, through court decisions, the evolution of a sweeping new legal definition of what constitutes discrimination in employment because of race, color, religion, sex, national origin, and age. The study examined experience during the decade 1963-1972 with The Equal Pay Act of 1963; Title VII of the Civil Rights Act of 1964, as amended; Executive Order 11246, as amended; and, The Age Discrimination in Employment Act of 1967.

Having alerted top management to this fundamental shift to a results-oriented definition of discrimination, the Board has continued to monitor the field. It is clear that equal employment opportunity is by no means an area of settled law and corporate practice. Subsequent passage of new affirmative action provisions, plus the warnings of "court-decision-watchers" that the courts and administrative agencies are still developing interpretations of many of these complex requirements, has led

the Board to update the original study to cover the period from January, 1973 through June, 1975.

Board Associates report that they find these studies especially useful as ready reference manuals for EEO specialists and personnel managers, and that they often assign them to key line managers in training and development programs.

**The Labor Outlook**

The Economic Forum has provided such valuable short-term planning intelligence that it was decided to adapt the technique to prospects in labor conditions. Last Fall, the Board brought together for the first time nine leading industrial relations experts to analyze trends and issues affecting the labor year ahead. It was particularly timely, as major negotiations were scheduled for 1976 against a background of uncertainty about inflation and economic recovery.

The Forum concluded that there would be more work stoppages in 1976 than in 1975, but that with the exception of the rubber industry most would be relatively short. Unions were expected to push three major wage-related demands: catch-up wage boosts to compensate for inflation, "normal" wage increases, and escalator clauses.

The Labor Forum will meet each Fall and its forecast will be distributed to Associates before year-end.

Also during the year, the Board took a broader look at the dynamics of the personnel field with a conference exploring the management of human resources. Speakers from business, labor and government examined the many changes imposed by recent legislation, as well as those brought about by personnel managers and others within the company who have used the ferment of the last five years to experiment with innovative ways to manage people.

**Antitrust**

Formulation and enforcement of the nation's antitrust regulations are under continuing study at the Board in an effort to help Associates understand the economic concepts and facts underlying this body of law and the directions which the lawmakers, the courts and the enforcing agencies appear to be taking.

During the year, the Board published three analyses of various antitrust developments. One of these attempted to determine the meaning of the data which the Federal Trade Commission would collect if the fifth revision of its proposed line-of-business reporting system were to be implemented. The others questioned the concepts and the numerical data being employed to measure concentration in manufacturing industry. The assumption that concentration is increasing underlies existing law enforcement programs and projected legislation.

Each Spring for the past 15 years The Conference Board has brought together a distinguished group of experts for intense discussion of emerging antitrust issues. This year's conference presented talks on the dimensions of a national antitrust policy, a dialogue on information problems as they relate to antitrust, and nine workshops on new and developing antitrust problems affecting various facets of corporate activity.

As the fiscal year closed, the Board was planning a forum of 12 antitrust authorities, including attorneys, economists and business executives, to examine ways to clarify the concept of concentration, focusing on the means of competition rather than on abstract numbers. Further forums will follow up on the issues identified.



## Corporate Planning

The chief executive, whose broad views encompass the whole of the company, is the corporation's chief planner. But much of the planning detail falls on others, especially the managers of subsidiary units.

This Spring the Board issued its latest report on long-range planning. It examines the documents, guides and instructions used by companies to help their managers develop the plans needed by top management. Some 83 corporate planners contributed to the study.

Designed to be of practical assistance in the planning process, the report shows how planning guides are utilized; illustrates the types of written information supplied by headquarters; and includes instructions and forms used in preparing specific elements of division plans.

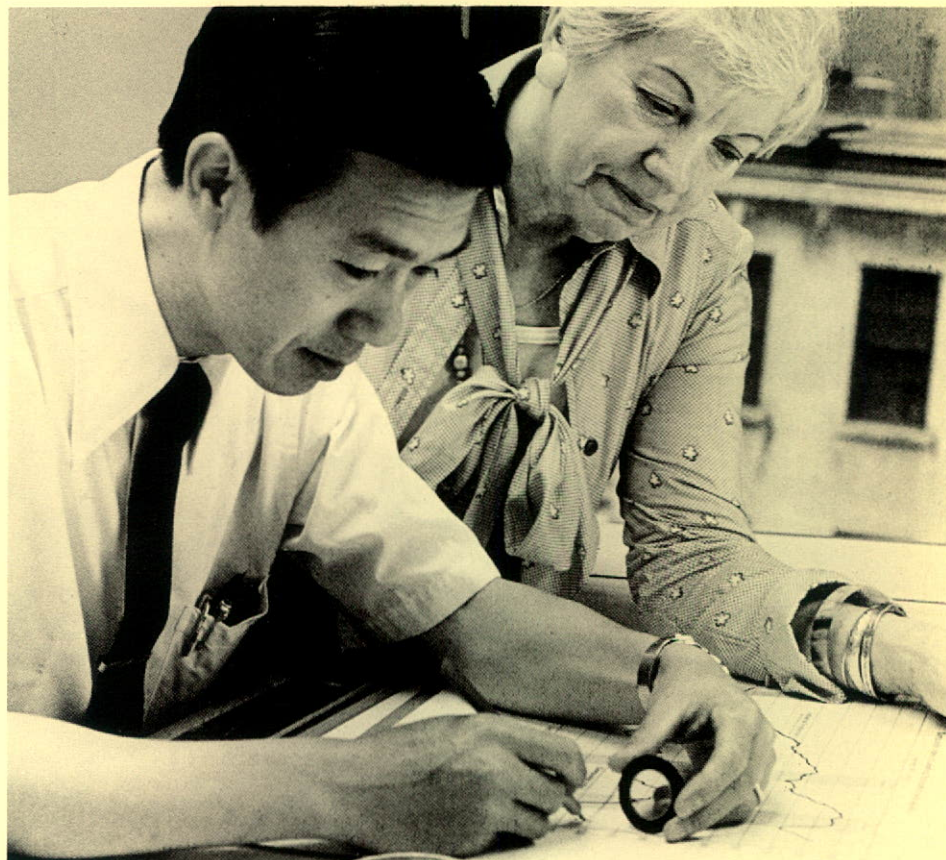
## Dental Insurance

If your union let it be known that dental insurance would be on the agenda at the next round of negotiations, would you know where to find reliable information on what other companies are doing?

Ask The Conference Board.

During the year the Board published a study covering 1,600 companies, and found that 19 percent of these firms now have dental plans—up from 8 percent in 1972. The report examines 170 different dental plans, about half of all major plans in existence. It notes that dental plans are more prevalent in manufacturing than in nonmanufacturing; most are paid entirely by the company; and monthly premiums vary widely but average \$10.67 for an employee and dependents.

The dental insurance report is the most recent in the Board's continuing study of a broad range of employee benefits.



Chuck N. Tow, senior chartist, and Rosanne Reilly, chief chartist in The Conference Board's Chart Department, collaborate on a graph.



## The Marketplace

Several conferences and research projects were of particular interest to executives concerned with the marketing of goods and services.

The 1975/76 edition of *A Guide to Consumer Markets* presented a vast array of statistical data on United States consumers, the production and distribution of consumer goods, and trends in consumer prices. This series, which was begun 15 years ago, gleans most of its content from governmental sources and presents it in easily understood tables and charts. The compendium brings together in a single volume a wide range of information of interest to marketers which, in its raw form, is scattered through an extensive collection of government releases and documents.

In the Spring, the Board held an open conference in Chicago to examine consumer markets in the second half of the 1970's. The panel of experts emphasized that the consumer is ready to spend, has a great deal of money available, and is growing more interested in quality.

Every two months, Board Associates receive an update on consumer confidence and plans to buy. The data are obtained for the Board by National Family Opinion, Inc., which samples 10,000 households across the country.

Finally, the Board's most heavily attended meeting—the Marketing Conference—held its 23rd annual session in the Fall. Over a period of two and one-half days, more than 80 marketing authorities presented a panoramic view of the planning, strategies and managerial techniques involved in moving goods and services to customers in today's marketplace.



Economist Helen Axel analyzes consumer data.



## FOR INTERNATIONAL MANAGEMENT

Since World War II, American business has gone global at a phenomenal pace. Foreign investment and the pursuit of foreign markets have imposed new and alien demands on international executives, and increasingly they have looked to The Conference Board to fill their special informational needs.

The Board's international activities center upon the problems and practices of companies operating in two or more countries. Originally, international research and conferences were undertaken in response to the needs of American international executives, but it was soon discovered that the information they developed applied as well to foreign businessmen operating internationally. As a consequence, the Board today has a significant number of Associate organizations around the globe. Examples of the Board's international work follow:

### Floating Exchange Rates

The devaluation of the U.S. dollar in December, 1971, marked the end of a quarter of a century of "reasonably stable" exchange rates. The system of floating rates, which subsequently replaced fixed parities, has made the international business planner's life more complex and more uncertain.

Although the techniques for protecting against foreign exchange losses were well known to international businessmen before the fixed parity system broke down, floating rates lent them new importance. Uncertain currency values complicated some old problems of international business management and created some new ones.

In an effort to shed light on the strategies now being used, The Conference Board last year asked its panel of senior international executives to share

their experiences in operating internationally in a world of floating exchange rates. The panel was asked to report the business problems created or aggravated by "the float," and to explain how their companies now organize and operate to protect their assets against exchange losses. They were also asked to describe their companies' policies regarding currency speculation and risk protection, and to supply copies of written policies.

Executives representing 75 U.S. companies cooperated in the survey. Their experience is described in the Board's report to Associates titled *Protecting Corporate Assets Under Floating Currencies*.

### Unusual Foreign Payments

Since Watergate, the nation has been absorbed with reappraisal and self-examination. Business, like most other institutions, has come under the glare of public investigation. Revelations of illegal corporate political contributions led inevitably to investigation of other unusual forms of corporate payments, particularly in the conduct of international business. By last Summer, media and government investigators were in pursuit of U.S. corporations alleged to have paid bribes, kickbacks and unusually large commissions and agents' fees to government officials and other persons in foreign countries.

In many countries, of course, such unusual payments are not illegal. But they are contrary to widely accepted standards of U.S. business behavior—and some of them would be illegal in this country.

In order to move from headlines to much needed clarification, The Conference Board turned to its senior international executives panel to learn more about the experiences of their companies in this sensitive area. Many of the 73 executives responding reported

that their companies have been under pressure to make a variety of unusual payments to foreign government officials, customers and others in order to do business overseas. Most vulnerable to such requests are companies selling large amounts of goods in highly competitive industries and firms whose products require government regulation. Companies that appear best able to refuse such demands are those with high technology products or with particularly strong market positions.

The Board's survey was given considerable attention by the news media. The candid responses of the cooperating executives made it clear that the issue was not a simple question of good versus evil, but a complex matter not easily resolved and fraught with serious ramifications for the country's economic position.

The survey resulted in numerous inquiries regarding policies, practices and corporate codes of business firms and, as the fiscal year closed, the Board held an open conference on illegal payments. The meeting focused on the definition of what is illegal, details of company policy statements that meet the problem, and levels of responsibility for adherence to policy.

The Board has invited its Associates to submit their codes of conduct, to be kept on file. Several hundred have been received and many more are expected. The file will constitute a major source of guidance for the business community on matters relating to ethical conduct.

### Compensation and Taxation

Transferring employees to another country affects the purchasing power of their salaries. Prices differ, but consumption habits resist change. The result can be either a windfall gain or an unintended loss to expatriate employees.



The problem becomes even more complex for companies with employees from many different countries. Management must determine how to relate living costs in a given foreign country to a number of base countries.

Since 1966, the Board's "Service on Comparative Living Costs for International Expatriates" has been providing impartial measures of intercountry differences in the cost of food, apparel and personal services by the use of consumption patterns for 20 nationalities.

Then there is the question of income taxes—how to ensure that employees do not lose out as a result of different tax liabilities in foreign nations? Since 1974, the Board has been offering a "Service on Individual Income Taxes for International Expatriates." The service provides estimates of the income tax liabilities of expatriate employees as if they were residing in their

own countries and paying taxes on the same basis as resident citizens.

Both services are available to Board Associates by special subscription.

### The International Business Environment

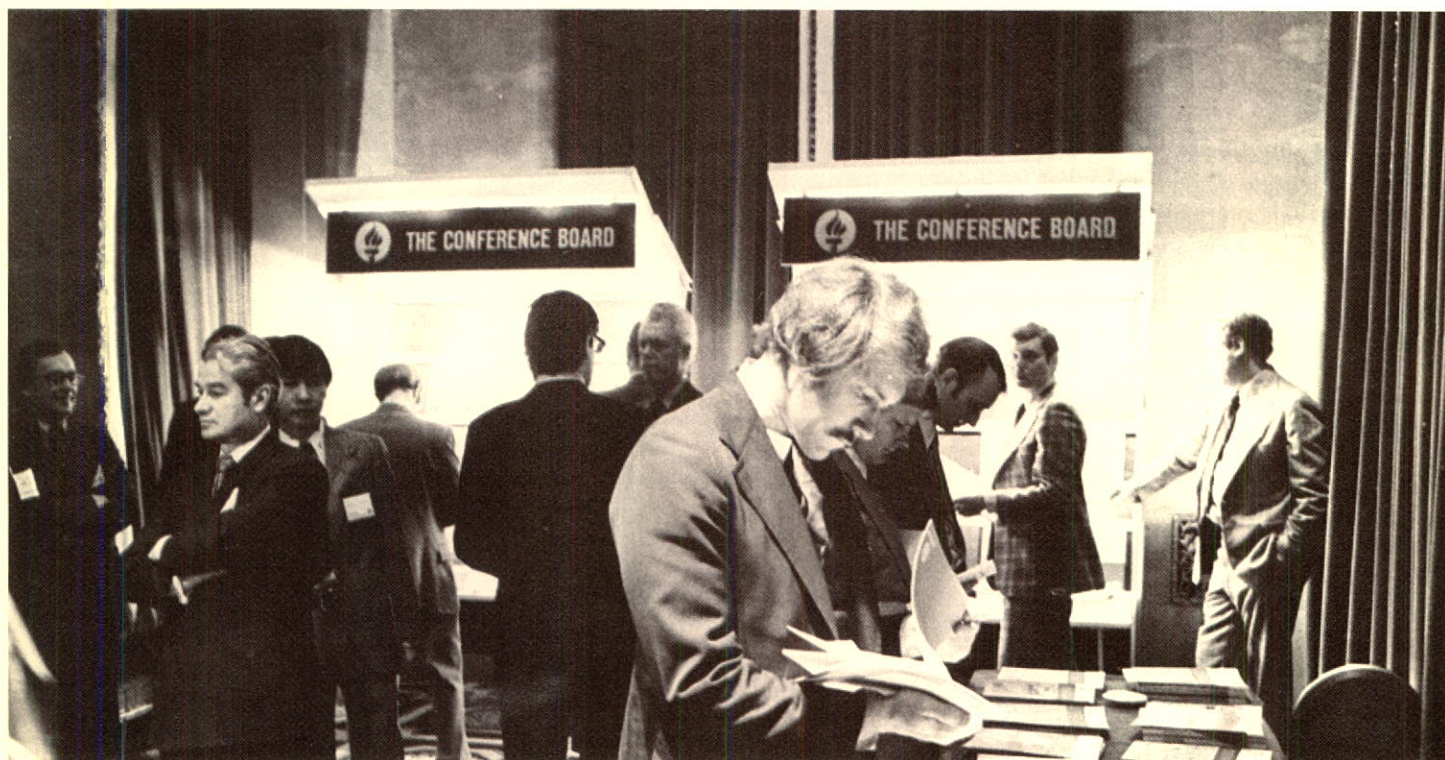
Worldwide recession, raging inflation, floating currencies, unstable governments, menacing nationalism and shock waves caused by the oil situation have greatly intensified the uncertainties of doing business internationally. Last year the Board conducted two open conferences designed to enlarge the international executive's perspective of the current situation and foreseeable future developments.

The first of these was conducted in Frankfurt, Germany, primarily for European businessmen. A panel of U.S. authorities described the economic and

financial outlook in the United States, and a panel of Europeans presented the outlook for world trade and financial markets.

Then, in New York, the Board offered a conference on effective management of international operations during periods of abrupt economic and political change. Particular attention was devoted to the problems currently facing international financial officers and to the ways in which companies are adapting their organization structures and personnel practices to meet new international demands.

A briefing was also conducted in Frankfurt for the benefit of European executives contemplating, or already engaged in, business in the United States. Its purpose was to help them understand the problems they would encounter with antitrust laws in this country.



Participants take a stretch break during a day-long conference.



## FOR SOCIETY

The Conference Board was founded out of concern for the future of profit-making enterprise in a society which had turned hostile to business. The founders recognized that criticism of business stemmed partly from legitimate grievances and partly from lack of understanding. They reasoned that both businessmen and the public needed to change their attitudes and that changes would occur naturally if both parties had factual information to replace rhetorical bombast.

Since the beginning, the public has been an important audience for the Board's research and conference activities. The founders decreed that the Board's work would be "carried out in the light of full publicity," and the Board expends significant effort to ensure that the fruits of its research and conferences reach the public through the news media, the academic community, authors and scholars, libraries and other conduits.

Business is a major contributor to the life of the nation, and on numerous issues the concerns of business and society converge. In those instances, The Conference Board's work on behalf of business serves as well to provide factual input for the continuing national policy debate. These are a few examples of such activities during the fiscal year just ended.

## Tracking the Economy

The economic record of the United States in the past decade leaves a great deal to be desired. Consumers, business and government alike have been subjected to progressively more severe swings from inflation to recession and back to inflation.

In April, 1975, The Conference Board convened a distinguished group of economists, businessmen, educators,

labor leaders, members of the Executive and Legislative Branches, and representatives of the national media for two days of professional presentations and discussion of these ominous developments.

A collection of the formal papers was published late last Summer, followed shortly thereafter by a chart study, *The Widening Cycle*. The chart study identifies a new strain of inflation in the U.S. and other developed economies—a strain which seems largely immune to traditional fiscal and monetary correction.

Both reports document the fact that there has been a significant shift in economic goals—away from growth of output toward more widespread distribution of it. Vietnam undoubtedly elevated U.S. price levels from 1965-1968, but the record indicates that the struggle to achieve a more nearly equal income distribution over the last decade has had far greater inflationary impact. Efforts to control this inflation with conventional policies have resulted in progressively more severe encounters with recession and unemployment.

What is needed, the studies suggest, is greater discipline in the pursuit of national economic goals and more effective economic policy equipment.

## Vocational Training

Successful transition from school to work, and success in recruitment and training in industry, is substantially affected by the type of planning done in the vocational education system. What kinds of jobs will be available in the future, who will fill them, what skills will be needed?

To assist human resource planners, both public and private, The Conference Board, with financial help from the U.S. Office of Education, undertook a study of anticipated changes in occupational characteristics. The study seeks to develop a better understanding of the growth rate through 1985 of 123 selected occupations in nonprofessional fields. It examines important characteristics of these occupations, such as earnings levels, educational attainment, and representation of women and nonwhites, and it relates the growth rate and characteristics of the selected occupations to actual and projected enrollments in vocational education programs.

Labor force estimates in the study represent a first step in developing a more comprehensive system of indicators for planning by companies and government agencies.

A major conclusion of the report is that if the vocational job system is to respond effectively to changing demands, it must attract new groups of people, including more women, more nonwhites, and more people who would have planned to go to college in previous years.



## Business Leaders Today

"Businessmen are generally regarded as powerful and privileged. Many businessmen, however, see themselves as politically impotent and beleaguered. Men who feel self-assured in dealing with the ordinary problems of business are often insecure when confronted with voluble special-interest groups, burgeoning governmental regulation, and the new 'open society.' They are painfully adjusting to a whole new set of demands, responsibilities and work situations for which neither their education nor previous work experience has adequately prepared them."

Thus begins the foreword to *Ethics and Profits: The Crisis of Confidence in American Business*. Authors of the book are Leonard Silk of *The New York Times* and David Vogel of the University of California, Berkeley. Publisher is Simon and Schuster.

Many books have been written on the social responsibility of business, but none reflects the thinking of a broad segment of the business community itself on this important issue. To capture contemporary business attitudes, The Conference Board asked the authors to attend eight of its Yama-type regional meetings (see "Meetings for Chief Executives," page 9). They were given complete freedom to write what they wished, so long as individual comments were treated anonymously, and they were encouraged to include their own analyses of the meaning of the discussions. Some 360 executives from almost every region and major type of business endeavor took part, providing a fairly broad cross-section of the thinking of the nation's business leadership.

The book was planned for public distribution as the Board's contribution to the Bicentennial Year and also to mark its own sixtieth year. It paints a fascinating portrait of today's business

leaders struggling with contemporary problems, and in so doing it challenges the stereotyped "robber baron" view still to be found among social critics.

## Business and Government

Interaction between government and the private sector is increasing, and it is to the nation's benefit that business and government better understand each other's methods and motives. Private-sector leaders need to know more about the political forces that are integral to the legislative process; the legislative branch of government may be able to benefit from the insights and analytical framework common to profit-making enterprise.

To contribute to mutual understanding and communication, The Conference Board last year established its Congressional Assistant Program. Through this nonpartisan, privately financed effort, highly qualified mid-career executives are placed on one-year loan to the Board and are assigned to serve as staff assistants on Congressional committees. Typically, their duties include conducting research on issues before Congress, preparing analyses, option papers, briefings, legislative drafts and other materials to be used in committee deliberations, and participating in the general business of the committee staff, as requested.

Congressional Assistants are selected from the executive ranks of Conference Board Associate organizations and continue on the payrolls of their employers while on loan. The Board arranges orientation programs and works with the officers of the Senate and House of Representatives and their committees to identify appropriate and attractive working assignments for each Assistant. Both the government and the Board take great care to preclude conflicts of interest.

Five corporate executives were

placed in Congressional Assistant positions last Fall to serve with the 94th Congress. The reaction of the Assistants, their companies, and the committees to which they were assigned has been encouraging, and it is planned to increase the program to 10 to 12 Assistants for 1977.





John R. Stark, left, executive director of the Joint Economic Committee, and Robert A. Fuller, Jr., one of five business executives participating in the first session of The Conference Board's Congressional Assistant Program, on their way to a subcommittee hearing. Mr. Fuller, an assistant vice president with Bank of America, is on loan to the program for one year.



## THE CONFERENCE BOARD IN CANADA

The Conference Board in Canada performs a dual function. It conducts research, conferences and information service activities on behalf of Canadian businessmen and others concerned with business and economic conditions in that country. Additionally, it provides interested Canadians with access to the work of the United States Conference Board.

The Conference Board in Canada has been on a steep growth curve for five years. Program has been expanded into many new areas, and income, staff and Associate memberships have increased dramatically.

In May of this year, Arthur J. R. Smith resigned as president of The Conference Board in Canada to become a vice president of International Nickel Company of Canada Limited. He was succeeded as president by Robert René de Cotret, who had been vice president of The Conference Board in Canada since 1974. Mr. de Cotret's report follows.

The past fiscal year has witnessed continued progress at The Conference Board in Canada. Many programs were brought to maturity and several new initiatives were undertaken.

Economic forecasting on a national basis was further strengthened and The Conference Board in Canada is now widely regarded as the country's pre-eminent forecasting institution. Development of a relevant information and data base and basic forecasting tools for each of the 10 provincial economies was largely completed during the year and the first of a series of quarterly forecasts of key provincial economic indicators has just been published. This is a pioneer attempt at forecasting economic development by provinces in Canada on a basis consistent with national economic forecasts.

The Board also strengthened its capacity for general economic analysis. It now conducts a quarterly survey of consumer buying intentions and is engaged in analyzing a number of key issues in the Canadian economy. The first such study to be published deals with Canada's trade position.

During the year, the Board moved aggressively to expand its management research program. In January, a Research Centre funded by 50 Canadian Associates was established to study employee compensation and benefit practices in Canada. A second research group was organized to study marketing practices and to provide additional depth to ongoing analysis of consumer markets in Canada. Plans are developing for research groups in the fields of corporate finance and public affairs.

The conference program has been enriched. It now offers Canadian Associates a wide variety of seminars, invitational meetings and open conferences. Topics have been broadened to include compensation, marketing and public affairs. The Board also introduced two courses for Canadian execu-

tives, one dealing with sales forecasting and the other with economics.

Finally, Information Service in Canada continued to respond to a steadily increasing number of inquiries from Canadian Associates.

In the course of these developments, the staff of The Conference Board in Canada grew from 60 in July of 1975 to more than 70 at present. The major part of this growth was in professional areas, permitting the Board to enlarge and improve its services to the Canadian community.

During the past year The Conference Board in Canada has continued to receive increasing support from Canadian business firms, labour organizations, governments and trade and professional associations. Canadian Associates now number 641, an increase of more than 13 percent from the year before. Associate support, both financially and through active involvement in the Board's program, provides the underpinning for the institution's continued progress.

Arthur Smith's resignation as president was accepted with deep regret and sincere gratitude for his leadership. He had been the main architect and the driving force behind the rapid development of The Conference Board in Canada. His legacy is a vibrant and dynamic institution, highly regarded for its work in economics and management research and fully prepared to take up the challenges of the years to come.



## NEW ASSOCIATES FISCAL 1975-1976

### United States

African Metals Corporation  
Allergan Pharmaceuticals  
American Cystoscope Makers, Inc.  
Applied Leadership Technologies, Inc.  
The Australian Embassy  
Geo. J. Ball, Inc.  
Bank Building Corporation  
Bank of A. Levy  
Bank of Indiana, N.A.  
The Bank of Japan  
The Barden Corporation  
Bayly Corporation  
Belcher Oil Company  
Bernuth, Lembcke Co., Inc.  
BMW of North America Inc.  
Bovay Engineers, Inc.  
Bowden & Co., Inc.  
Burgess Industries Incorporated  
Capital Investment of Hawaii, Inc.  
Centex Corporation  
Central Bancshares of the South, Inc.  
Clevopak Corporation  
Coca Cola Bottling Co. United, Inc.  
Colonial Management Associates, Inc.  
Community Hospital of Indianapolis, Inc.  
Consultant's Consortium  
Contraloria de Venezuela  
Cordura Corporation  
Damon Corporation  
Dansk International Design Ltd.  
Dataproducts Corporation  
The Deltona Corp.  
M. H. Detrick Company  
Diamond M Drilling Company  
R. E. Dietz & Company  
Dunn Construction Co., Inc.  
EMI Technology, Inc.  
Farah Manufacturing Company, Inc.  
Federal Signal Corporation  
Fidelity Union Life Insurance Company  
First Federal Savings & Loan  
First Guaranty Bank  
The First National Bank of San Jose  
Ford, Bacon & Davis, Inc.  
Mr. Maurice R. Forman  
The Gap Stores, Inc.  
Carter H. Golembe & Associates  
Great Southern Life Insurance Company  
Gulf Consolidated Services, Inc.  
Ernest W. Hahn Inc.  
Handy Associates, Inc.  
Harrahs

Harrison Conference Services, Inc.  
Houston Chronicle  
Houston Oil & Mineral Corporation  
Howard, Weil, Labouisse  
Hudson-Thompson Inc.  
Hunton, Williams, Gay & Gibson  
Jewel Box Stores Corporation  
E. F. Johnson Company  
Kaufman and Broad, Inc.  
Keller Crescent Company  
Korea Exchange Bank N.Y. Agency  
Krause Milling Co.  
LFE Corporation  
Liquid Paper Corporation  
Loctite Corporation  
Manufacturers & Employers Association  
C. F. Martin & Co.  
McCulloch Oil Corporation  
Medenco, Inc.  
Mervyn's  
Miami National Bank  
Minnesota Gas Company  
Modern Casting  
Mr. Steak, Inc.  
National Bank of Georgia  
National Investment Services  
N. C. Trading Co., Inc.  
Nixdorf Computer, Inc.  
North American Watch Corporation  
Northwestern Financial Corporation  
Nucor Corp.  
Olympia Brewing Company  
Pacific Ready-Mix Inc.  
Pacific Resources, Inc.  
Pack Memorial Public Library  
Panasonic Company  
Parker Drilling Company  
The Ralph M. Parsons Company  
Piper, Jaffray & Hopwood Incorporated  
Portuguese Government Trade Office  
Prescott, Ball & Turben  
Rauenhorst Corporation  
Rex Plastics Incorporated  
Ring Around Products Inc.  
The Robinson-Humphrey Co., Inc.  
Russell Reynolds Associates, Inc.  
Safety-Kleen Corp.  
Scurlock Oil Co.  
Service Corporation International  
Service Merchandising Company, Inc.  
Shuman, Agnew & Co., Inc.  
Sibson & Hahn, Inc.  
Simmons Company  
Southwest Airlines Co.

Standard Conveyor Company  
Standard Roofing Company Inc.  
Stedman Corporation  
Sterndent Corp.  
Stewardship Services, Inc.  
Stinnes Corporation  
Student Loan Marketing Association  
Summerour & Associates, Inc.  
Sutro & Co., Incorporated  
Nello Teer Company  
Tetley Inc.  
Tracy Collins Bank & Trust Co.  
Transco Companies, Inc.  
G. Tsai & Company, Inc.  
U.S. Bureau of the Census  
U.S. Bureau of Mines  
U.S. Comptroller of the Currency  
U.S. Federal Bureau of Investigation,  
FBI Academy  
U.S. Federal Energy Administration  
U.S. Library—Department of Labor  
U. S. Life Corporation  
Van Schaack & Co.  
Waters Associates Inc.  
Wilkins Industries Inc.  
William H. Willis, Inc.  
Work In America Institute  
Wright Chemical Corporation





Associate Relations Representatives Carol Sussman and C. Butler Jellinghaus discuss The Conference Board's program with a prospective Associate.

## Canada

Acklands Limited  
 Ascoelectric Limited  
 Automotive Parts Manufacturers  
 Ayre & Sons, Limited  
 Barclays Canada Limited  
 Bell Northern Research Ltd.  
 Robert Bosch (Canada) Ltd.  
 Bowater Canadian Limited  
 Brown Baldwin Nisker Limited  
 Campeau Corporation  
 Canada-Anti-Inflation Board  
 Canada-Dept. of National Defence  
 Canada-Export Development Corporation  
 Canada-Foreign Investment Review  
 Canada-Ministry of State for Science  
 & Technology  
 Canadian Electrical Manufacturers  
 Canadian General Insurance Company  
 Canadian Keyes Fibre Company Limited  
 Canadian Stackpole Limited  
 Canadian Superior Oil Ltd.  
 The Canadian Wheat Board  
 Canpac Leasing Limited  
 Cirem  
 CMB Holdings Limited  
 Co-Operative Trust Co. of Canada  
 College of Cape Breton  
 Commerce Capital Corporation Limited  
 Commercial Union Assurance Group  
 Richard Costain (Canada) Ltd.  
 Crang & Ostiguy Inc.  
 N. R. Crump  
 Pierre des Marais, Inc.  
 The Dominion Life Assurance Company  
 Dresser Industrial Products Ltd.  
 Dun & Bradstreet Canada  
 Professor A. Davidson Dunton  
 Embassy of Brazil  
 Federal Pioneer Limited  
 Hawker Siddeley Canada Ltd.  
 Hay Associates Canada Limited  
 Heritage Life Assurance Company

## U.S. Academic

Baldwin-Wallace College  
 Bellarmine College Library  
 Brazosport College Library  
 Dr. Paul R. Cone, University of Southern  
 California  
 University of Connecticut  
 Cornell Law Library  
 University of Detroit Library  
 Ferris State College  
 Dean Peter A. Firmin  
 University of Denver  
 Glassboro State College  
 Indiana Central University  
 Professor Sumner Levine  
 State University of New York  
 at Stony Brook

University of Massachusetts  
 Dr. Bert C. McCammon, Jr.  
 Marilu H. McCarty  
 State University of New York  
 at Old Westbury  
 Newark School District  
 Slippery Rock State College  
 St. Mary's College of California  
 St. Michael's College Library  
 The Van Gorder-Walden School  
 The University of West Florida  
 University of Wisconsin-Extension  
 Youngstown State University



Hilton Canada  
 Hobart Brothers of Canada Ltd.  
 Honeywell Limited  
 Household Finance Corporation of Canada  
 Housing and Urban Development Association of Canada  
 Inland Natural Gas Co. Ltd.  
 Institute for the Quantitative Analysis of Social & Economic Policy  
 Insurance Bureau of Canada  
 Interco Savage Limited  
 I-T-E Industries Limited  
 Jannock Corporation Limited  
 Lawson & Jones, Limited  
 Lock-Wood Ltd.  
 Manitoba Development Corporation  
 Manitoba Hydro  
 M.E.P.C. Canadian Properties Limited  
 The Mercantile and General Reinsurance Group  
 Merrill Lynch, Royal  
 Misener Management Limited  
 Mitsui & Co. (Canada), Ltd.  
 Moss, Lawson & Co. Limited  
 R. W. Neal & Associates Limited  
 North York Public Library  
 NSI Marketing Limited  
 Numac Oil & Gas Ltd.  
 Panarctic Oils Ltd.  
 Peat, Marwick, Mitchell & Co.  
 Pilkington Bros. (Canada) Ltd.  
 E. W. Playford Company Limited  
 Poole Construction Limited  
 Pratt & Whitney Aircraft  
 Prince George Pulp and Paper Limited  
 Prudential Insurance Company  
 Public Affairs International Limited  
 Ralston Purina of Canada Ltd.  
 Louis Rasminsky  
 Reisman and Grandy Limited  
 Roymarine Leasing Limited  
 Hugh Russel Limited  
 Saskatchewan Telecommunications  
 Scotia Bond Company Limited  
 The SNC Group  
 Societe d' Energie de la Baie James  
 Steep Rock Iron Mines Ltd.  
 Syncrude Canada Ltd.  
 Talcorp Associates Limited  
 Tele Direct Limited  
 T. I. Industries Limited  
 TMX Canada Ltd.  
 Tomenson-Alexander Limited

Trans-Canada Telephone System  
 Trizec Corporation Ltd.  
 John N. Turner  
 Union Oil Company of Canada Limited  
 Weldwood of Canada  
 Western Construction & Engineering Research Ltd.  
 Westroc Industries Limited

### International

L. G. Aguilar, S. A., Mexico  
 Haji Husein Alireza & Co. Ltd., Saudi Arabia  
 Banco Central de Nicaragua, Nicaragua  
 Brambles Industries Limited, Australia  
 Central Electricity Generating Board, England  
 C N O F, France  
 C.O.F.I.P., France  
 Confederation of Finnish Industries, Finland  
 Constructora Ballesteros, S.A., Mexico  
 Corporacion del Cobre, Chile  
 Credito Italiano, Italy  
 Richard Daus & Co., Germany  
 Deminex, Germany  
 El Salto, S.A., Guatemala  
 ESCAE: Rouen, France  
 Eurequip, France  
 Ferro Mexicana, S.A. de C.V., Mexico  
 Fluor Europe, Inc., England  
 Hitachi Research Institute, Japan  
 Husqvarna AB, Sweden  
 Imetal, France  
 The Industrial Bank of Japan, Ltd., Japan  
 Industrie A. Zanussi SpA, Italy  
 Institut de l'Enterprise, France  
 Inversiones Continental, S.A., Honduras  
 Jernkontoret, Sweden  
 E. A. Juffali & Bros., Saudi Arabia  
 Keio University, Japan  
 Kimberly Clark de Mexico, S.A., Mexico  
 Klockner-Humboldt-Deutz AG, Germany  
 The Korea Development Bank, Korea  
 Landesbank Rheinland-Pfalz, Germany  
 Lego System A/S, Denmark  
 Matrix Consultants, England  
 Morgan Grenfell & Co., Limited, England  
 Nedbank & Syfrets UAL, South Africa

Nederlandse Credietbank N.V., The Netherlands  
 Nigerian Institute of Management, Nigeria  
 Phs. van Ommeren N.V., The Netherlands  
 Omnium de Prospective Industrielle, France  
 Panificacion Bimbo, S.A., Mexico  
 Peat, Marwick, Mitchell & Co., Australia  
 Peninsular & Oriental Steam, England  
 Pennwalt del Pacifico, S.A., Mexico  
 Productivity Promotion Council of Australia, Australia  
 Saleninvest AB, Sweden  
 Sigma, S.A., El Salvador  
 Societe Francaise des Petroles BP, France  
 Svenska Personal-Pensionskassan, Sweden  
 Swedish Institute of Management, IFL, Sweden  
 Thyssen-Bornemisza Europe N.V., The Netherlands  
 Tootal Ltd., England  
 Trinidad & Tobago Oil Company Limited, Trinidad & Tobago  
 Union Bancaire, France  
 Veba AG, Germany  
 Vereinigte Elektrizitätswerke, Germany  
 Vesta Insurance Company, Norway  
 Westdeutsche Landesbank Girozentrale, Germany  
 Western Australian Institute of Technology, Australia



## TRUSTEES



**CHAIRMAN**  
Fletcher L. Byrom  
Chairman of the Board  
Koppers Company, Inc.



**CO-CHAIRMAN**  
G. William Miller  
Chairman of the Board  
Textron Inc.



**VICE CHAIRMEN**  
William O. Beers  
Chairman of the Board  
Kraftco Corporation



John T. Connor  
Chairman of the Board  
Allied Chemical Corporation



John D. deButts  
Chairman of the Board  
American Telephone and Telegraph  
Company



David C. Scott  
Chairman and President  
Allis-Chalmers Corporation

Robinson F. Barker, Chairman of the Board  
PPG Industries, Inc.

Charles P. Bowen, Jr., Chairman  
Booz, Allen & Hamilton Inc.

Frank T. Cary, Chairman of the Board  
International Business Machines Corporation

A. W. Clausen, President  
Bank of America National Trust and Savings Association

C. W. Cook, Chairman of the Executive Committee  
General Foods Corporation

B. R. Dorsey, Chairman of the Board  
Gulf Oil Corporation  
(until January 15, 1976)

Robert S. Hatfield, Chairman of the Board  
The Continental Group, Inc.

James S. Kemper, Jr., President  
Kemper Insurance Companies

R. Heath Larry, Vice Chairman, Board of Directors  
United States Steel Corporation

Charles F. Luce, Chairman of the Board  
Consolidated Edison Company of New York, Inc.

Ian MacGregor, Chairman  
AMAX Inc.

Donald S. MacNaughton, Chairman of the Board  
The Prudential Insurance Company of America

W. Earle McLaughlin, Chairman and President  
The Royal Bank of Canada

Arjay Miller, Dean, Graduate School of Business  
Stanford University

Robert D. O'Brien, Chairman  
PACCAR Inc.

Jack S. Parker, Vice Chairman of the Board  
General Electric Company

Kenneth A. Randall, Chairman of the Board  
United Virginia Bankshares Incorporated

W. F. Rockwell, Jr., Chairman of the Board  
Rockwell International Corporation

Irving S. Shapiro, Chairman of the Board  
E. I. du Pont de Nemours & Company

Mark Shepherd, Jr., Chairman  
Texas Instruments Incorporated

O. Pendleton Thomas, Chairman of the Board  
The B. F. Goodrich Company

Charles C. Tillinghast, Jr., Chairman of the Board  
Trans World Airlines, Inc.

Alexander B. Trowbridge, Member, ex officio  
(until April 1, 1976)

W. I. M. Turner, Jr., President  
Consolidated-Bathurst Limited

Leslie H. Warner, Director  
General Telephone & Electronics Corporation



## THE BOARD'S MANAGEMENT

### ADMINISTRATION

Kenneth A. Randall, President  
(effective July 1, 1976)

David G. Moore  
Executive Vice President, Research

Albert T. Sommers  
Senior Vice President and Chief Economist

G. Clark Thompson  
Senior Vice President, Development  
and International Affairs

Robert René de Cotret  
Vice President; President of The  
Conference Board in Canada  
(effective May 1, 1976)

Stuart C. Dobson  
Vice President, Publications and  
Communications

Edgar R. Fiedler  
Vice President, Economic Research

Walter A. Hamilton  
Vice President, Public Affairs Research

Harold Stieglitz  
Vice President, Management Research

Francis J. Walsh, Jr.  
Vice President, Finance

George H. Brown  
Secretary

Vera Reap  
Treasurer

### RESEARCH AND ADMINISTRATIVE DIRECTORS

W. Jerome Arnold, Editor-in-Chief,  
The RECORD (until June 1, 1976)

Earl L. Bailey, Director, Marketing  
Management Research

Lewis Bergman, Editor-in-Chief, The  
RECORD (effective August 1, 1976)

Betty Bock, Director, Antitrust Research

James K. Brown, Director, Management  
Planning and Systems Research; Direc-  
tor, Financial Management Research

Randy Chapman, Director, Marketing  
Research, The Conference Board in  
Canada

Stuart R. Clarkson, Director, Conferences

Lois Culpan, Director, Conferences, The  
Conference Board in Canada

Walter E. Duffett, Vice President, The  
Conference Board in Canada

J. Frank Gaston, Director, Special  
International Studies

James Greene, Director, International  
Management Research

James Harris, Director, Social  
Responsibility Research

Morris Heath, Director, Information Serv-  
ice, The Conference Board in Canada

John Hein, Director, International  
Economics

Linda L. Hess, Director, Personnel  
Relations

Martin Hill, Chief Administrative Officer,  
The Conference Board in Canada

Paul Hubert, Director, Systems and Tech-  
nical Services, The Conference Board  
in Canada

Nathan Laurie, Director, Regional Fore-  
casting and Analysis Division, The  
Conference Board in Canada

Leonard A. Lecht, Director, Special  
Projects

Ray Levesque, Assistant Vice President,  
The Conference Board in Canada

Michael E. Levy, Director, Economic  
Policy Research

Fabian Linden, Director, Consumer  
Research

Tamsen MacWatt, Director, Information  
Service

Luke M. McSherry, Director, Computer  
Systems and Research

Lawrence Murphy, Director, AERIC,  
The Conference Board in Canada

Joseph L. Naar, Director, Public  
Information

Frank Nash, Director, Graphics and  
Production

James Nininger, Director, The Compensa-  
tion Research Center, The Conference  
Board in Canada

James K. Ramsey, Director, Associate  
Relations (until September 1, 1976)

Claude Simard, Director, National Fore-  
casting Division, The Conference Board  
in Canada

David A. Weeks, Director, Compensation  
and Labor Relations Research

Richard J. White, Director, International  
Associate Relations

Walter S. Wikstrom, Director,  
Organization Development Research

Lynette Willson, Director, Sales  
Administration



## FINANCIAL REPORT

Several months ago, the Board of Trustees voted to change The Conference Board's fiscal year to begin on June 1 and end on May 31. The old fiscal year ended on July 31, 1975; therefore, this financial report covers only the ten-month period from August 1, 1975 to May 31, 1976.

In spite of the lingering effects of the business recession during the early months, the Board's transitional ten-month fiscal period was financially successful. All funds enjoyed an excess of income over expenses, and support for Conference Board programs was encouragingly strong. Combined results of all funds produced an excess of revenue over expenses amounting to \$449,934, largely consisting of special contributions to a new Development Fund and investment income of the Reserve Fund.

Combined financial statements of all funds, with appropriate notes, and the opinion of independent public accountants, are printed in a separate document, which is available upon request.

The purpose of the following presentation is to highlight the results of operations of the Board's various funds for the ten months ended May 31, 1976.

### Operating Fund

The Operating Fund accounts for revenue and expenses generated through the Board's regular activities in the United States and international fields, as well as The Conference Board in Canada. Operations for the ten months ended May 31, 1976 produced an excess of revenue over expenses in the amount of \$114,878. This result stems partly from the strong support received from subscribers and conference attendees, and also in part from the cost-cutting efforts that were stimulated by the recent economic recession.

### Reserve Fund

The Reserve Fund was established by the Board of Trustees many years ago to provide a safeguard against a prolonged major business downturn. Its objective is to ensure the continuation of The Conference Board's essential services in the event that current revenues should fall so low as to endanger the program.

During the past ten months, the balance of the Reserve Fund increased by \$102,454 to \$2,070,952 as of May 31, 1976. This increase was due to interest and dividend income and to realized gains on investment transactions, all of which were reinvested in the Reserve Fund.

### Gifts and Bequests Fund

Unrestricted gifts by corporations and individuals who wish to advance the work of The Conference Board are placed in the Gifts and Bequests Fund. Net income from gifts, interest and dividends raised the balance of this fund to \$21,635 as of May 31, 1976.

### Development Fund

In recognition of the need for start-up resources to develop new products and services for the benefit of our Associates, a special appeal was made, during the recently completed fiscal period, for contributions to a newly-established Development Fund. Resources of this fund will be used to finance appropriate new projects on a revolving credit basis, i.e., such projects will be required to repay the Development Fund when they become fully operative. In this way, desirable new ventures can be initiated without sacrificing established Conference Board programs. By May 31, 1976, contributions totalling \$229,925 had been received for the Development Fund.



Revenue and Expenses 10 months ended May 31, 1976					
	Operating Fund	Reserve Fund	Gifts and Bequests Fund	Development Fund	Total All Funds
<b>Revenue:</b>					
Subscription Income	\$6,271,394				\$ 6,271,394
Income from Financed Projects	1,599,543				1,599,543
Conference and Course Fees	1,414,363				1,414,363
Sale of Publications	249,721				249,721
Interest and Dividend Income	221,063	\$ 94,216	\$ 740		316,019
Realized Gains on Investment Transactions		11,263			11,263
Special Contributions to Development Fund				\$229,925	229,925
Gifts and Bequests			2,000		2,000
Other	23,863				23,863
<b>Total Revenue</b>	<u>9,779,947</u>	<u>105,479</u>	<u>2,740</u>	<u>229,925</u>	<u>10,118,091</u>
<b>Expenses:</b>					
Salaries	4,688,005				4,688,005
Employee Benefits	629,657				629,657
Payroll Taxes	193,329				193,329
Travel and Entertaining	388,056				388,056
Outside Costs—Conferences and Courses	381,287				381,287
Outside Printing	850,917				850,917
Paper and Supplies	297,940				297,940
Postage	298,293				298,293
Furniture and Equipment Purchases	83,826				83,826
Books, Periodicals and Services	65,676				65,676
Rent—Equipment	554,619				554,619
Rent—Space	536,296				536,296
Maintenance and Repairs	40,763				40,763
Insurance, Auditing and Legal	52,805				52,805
Technical Services	383,507	3,025	63		386,595
Telephone and Telegraph	148,586				148,586
Other Expenses	71,507				71,507
<b>Total Expenses</b>	<u>9,665,069</u>	<u>3,025</u>	<u>63</u>		<u>9,668,157</u>
Excess (Deficiency) of Revenue	114,878	102,454	2,677	229,925	449,934
<b>Other Changes in Fund Balances:</b>					
Intra-fund Transfer within the Operating Fund:					
To Undesignated Fund Balance—U.S.A.	50,000				50,000
From Canadian Reserve for Program Maintenance	(50,000)				(50,000)
<b>Fund Balances—Beginning of Period</b>	<u>717,347</u>	<u>1,968,498</u>	<u>18,958</u>		<u>2,704,803</u>
<b>Fund Balances—End of Period</b>	<u>\$ 832,225</u>	<u>\$2,070,952</u>	<u>\$21,635</u>	<u>\$229,925</u>	<u>\$3,154,737</u>



## ASSOCIATE RELATIONS REPRESENTATIVES

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### UNITED STATES

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**William A. Asbury**  
Midwest

**Donald M. Hill**  
Middle Atlantic and  
New England

**C. Butler Jellinghaus**  
New York - Washington

**Lewis M. McFarland**  
New York

**Richard Morgan, Jr.**  
Middle Atlantic

**James K. Ramsey**  
North Central

**Thomas G. Reed**  
Southwest

**George C. Reight**  
Southeast

**Robert V. Sentner**  
Ohio Valley

**Carol B. Sussman**  
New England

**Lee S. Younggren**  
West

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### CANADA

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**Mrs. Lee Baird**

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### INTERNATIONAL

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**Philippe J. Dennis**  
Belgium, France, Italy,  
Portugal, Spain

**John G. Harper**  
England, Ireland  
Scotland

**A. Lance Pope**  
Austria, Germany,  
Netherlands, Switzerland

**Reinaldo Scarpetta**  
Latin America

**Harald Westling**  
Denmark, Finland,  
Norway, Sweden

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**THE CONFERENCE BOARD** 845 THIRD AVENUE, NEW YORK, NEW YORK 10022 ☎ (212) 759 - 0900

**THE CONFERENCE BOARD IN CANADA** 333 RIVER ROAD, OTTAWA, ONTARIO K1L 8B9, CANADA ☎ (613) 746 - 1261

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