



# NATIONAL PLANNING ASSOCIATION

*Business*

*Labor*

*Agriculture*

*Academia*

*Sixty Years  
of Providing Solutions  
to America's Challenges*

ANNUAL REPORT 1995

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## NATIONAL PLANNING ASSOCIATION

The National Planning Association—which completed its 60th anniversary celebration in 1995—provides an important forum where business, labor, agricultural, and academic leaders come together on an ongoing basis to focus on economic and social issues of mutual concern and national significance.

NPA comprises six international and domestic policy groups that confront many of the critical issues facing America and the world. It provides research and analysis that public and private sector leaders can turn to for objectivity and clarity.

Central to any progress in meeting the challenges that confront policy leaders in today's rapidly changing world is the development of a consensus on the priority of the issues before us and a diagnosis of what actions should be taken. Leaders from diverse components of society must, in their own interest and that of the nation, search for common ground to promote measures that will ensure the general welfare. The National Planning Association provides a network in which this essential exchange can take place.

In recent years, NPA has focused on preparing for the economic and social challenges of the global marketplace and the information technology revolution. Although market economies have proved to be the best engines of growth in producing wealth, they do not always produce the ideal distributive results, nor do they automatically respond to concerns about noneconomic human values. NPA has focused on strategies that can achieve maximum competitiveness while meeting compelling human needs. NPA has also examined ways that America can exercise a positive leadership role in the post-Cold War era.

NPA is dedicated to finding effective solutions to the problems that America faces as it anticipates the 21st century. In a democratic society, workable solutions require broad-based input and support. The National Planning Association is a key player in this process.

*Sixty years of providing solutions to America's challenges*

# REPORT FROM THE CHAIR OF THE BOARD AND THE PRESIDENT



In 1995, public policy organizations focusing on the resolution of vital issues facing the nation and the global society found themselves with a full agenda. The National Planning Association, given its diverse membership, was in a position to make a substantial contribution to the public policy debate. Our constituency of business, labor, agriculture, and academia requires the avoidance of partisanship that necessarily surrounds public policy discussion in a democracy. We are happily situated in a forum that requires us to think philosophically and to seek enlightenment and consensus on the questions we explore.

The celebration of NPA's 60th anniversary concluded with a conference exploring the themes of wealth, knowledge, power, and values. This conference accentuated NPA's commitment to a philosophical, nonpartisan approach to the issues

confronting the United States. The intellectual stimulation generated by our conference and its respected speakers has increased interest in the mission and work of NPA.

With the end of the Cold War, the mantle of global leadership has fallen exclusively on the United States, yet there is no real consensus on how to play this role or on the goals and strategies relating to the exercise of our leadership. NPA has been instrumental in involving business, labor, and other private sector leaders around the country in deliberations regarding U.S. efforts in foreign development and assistance priorities and programs. In 1995, NPA held conferences in Pittsburgh, San Francisco, Boston, and Dallas to examine public attitudes toward U.S. commitments in the foreign assistance area.

NPA's British-North American Committee (BNAC) also addressed the question of U.S. leadership after the Cold War as it examined the possibility of a Transatlantic Free Trade Area (TAFTA). Although the BNAC does not believe that a TAFTA is realistic at present, a Working Group is exploring the "glue"—the economic, cultural, political, and military linkages—that will hold the transatlantic relationship together in the future under American leadership.

The revolution in information technology was the subject of a 1995 publication edited by NPA's Richard S. Belous and published by the BNAC. In *Information Technology and Corporations: An Interview with Professor Edward A. Feigenbaum*, Dr. Feigenbaum, currently Chief Scientist of the U.S. Air Force, states that corporations will increasingly become "information engines" despite whatever goods and services they produce.

NPA's Global Economic Council (GEC) focused on the Asian engine of economic growth in 1995. Council sessions examined the difficult economic and political transition process that is taking



(L to R) Richard J. Schmeelk, Chairman, CAI Advisors & Co., and Chair, NPA Board of Trustees; and Malcolm R. Lovell, Jr., NPA President and Chief Executive Officer.





place in countries as diverse as China, Japan, and India. Although Americans often view Asian labor markets as low wage magnets, GEC research indicates that a more complex process is under way. In the coming years, many Asian employers will have to deal with labor-management and social issues that employers in America and Europe have long faced. How Asian societies deal with these concerns could well determine their social stability as well as the shape and rate of economic growth in that part of the world.

The North American Committee (NAC) is now firmly established as NPA's first continental policy group. During 1995, the NAC focused on the causes and repercussions of the Mexican peso crisis, conducting a much needed assessment of its implications for North America. The NAC also published a timely and thoughtful work, *Trading Punches: Trade Remedy Law and Disputes Under NAFTA*, by distinguished policy experts on the use of antidumping and countervailing duty laws among the three countries of the North American Free Trade Agreement.

The microelectronic revolution and the continuing globalization of trade have altered the workplace throughout the world. The United States, while showing continued competitiveness with other industrialized nations and expanding its markets in the developing world, is paying a price in static income growth, a skewing of earnings, and unsettling job instability. NPA's Committee on New American Realities (NAR) has commissioned several studies addressing these issues. *Change at Work*, under the direction of Peter Cappelli of the Wharton School at the University of Pennsylvania, examines the forces that are altering the workplace and work organization, including the changing relationship between employers and employees. A study by Richard Freeman of Harvard University and the National Bureau of Economic Research, *The Bifurcation of the American Earnings Distribution: Causes, Consequences, and Potential Cures*, is also under way.

Equally important changes are taking place in the agricultural sector. NPA's Food and Agriculture Committee (FAC) has been exploring the links between diet and health, examining public policy changes that can improve the American diet,

and discussing how agriculture can adjust to the changes in diet. The FAC has also focused on new agricultural technologies and the interrelationship of producers, distributors, consumers, and agricultural science.

A major NPA core program, now in its second year, is a cooperative effort with the Joint Center for Political and Economic Studies entitled "New Directions: African Americans in a Diversifying Nation." This joint project addresses the highly controversial topic of affirmative action as well as other issues related to the conditions of African Americans in the United States. The Project Advisory Group will work toward consensus on a set of recommendations. The overall study is scheduled for completion in 1997.

The Gold Medal Award for 1995 went to Paul A. Allaire, Chairman and CEO of Xerox Corporation, and Jack Sheinkman, President Emeritus of the Amalgamated Clothing and Textile Workers Union. These individuals represent what we like to think most NPA members stand for—intellectual honesty, commitment to the national welfare, and a strong sense of decency toward their fellow human beings. We are proud of them, as we are of NPA.



Richard J. Schmeelk  
Chair, Board of Trustees



Malcolm R. Lovell, Jr.  
President and Chief Executive Officer

*This report of the Chair and the President will be the last with Richard Schmeelk as a coauthor. Dick is stepping down as Chair of the Board and will be succeeded by Moeen A. Qureshi, a distinguished statesman and businessman and an NPA Vice Chair. Dick and I have had four great years working together. Dick is a natural leader as well as a kind, thoughtful, and wise human being. NPA has been fortunate in having him as an integral part of the organization, and we will strive to have him continue with us in other roles.—ML*



# RICHARD J. SCHMEELK

## *NPA Board Chair to Step Down*



Having served as an active Trustee since 1975 and as Chair of NPA's Board of Trustees since 1989, Richard J. Schmeelk will turn over the chairmanship in 1996 to Moeen A. Qureshi, an NPA Vice Chair and Chairman of Emerging Markets Corporation.

During Dick Schmeelk's tenure, the National Planning Association has moved with renewed vigor in continuing its unique and constructive role as a contributor to the public policy dialogue. No organization in the United States has been more successful in bringing together leaders from business, labor, agriculture, and academia to address the crucial issues of our time. Dick has been instrumental in these achievements. His substantive contributions to NPA's core programs have been definitive. The recent launching of a study on the black-white relationship in the U.S. originated from his recommendation. His financial contributions not only to this study but also to the support of the entire organization have been substantial.

In addition to his leadership as NPA Board Chair, Dick has served NPA in many other capacities. He was U.S. Chair of the Canadian-American Committee (now the North American Committee) from 1975 to 1978. He was also an active member of the British-North American Committee. Under his direction, a BNAC Working Group on banking issued several path-breaking studies on the dramatic changes taking place in international financial markets.

Dick is Chairman of CAI Advisors & Co. and a former General Partner of Salomon Brothers. He has

contributed to the civility and vigor of society not only in the United States, but also in Canada, where he has had a significant role in helping that nation remain vibrant and strong. For more than three decades, he was recognized as a leading U.S. investment banker on the Canadian scene.

Dick remains active in a number of organizations. Until recently he was a Vice Chair of the Board of Governors of the United Nations Association. He is a member of the Covenant House National Board, the President's Council at Memorial Sloan Kettering Cancer Center, and the Board of the Americas Society. He is also a Knight of Malta.

Richard Schmeelk's vision has focused on long-term relationships that are beneficial to all. He understands that enterprises, to be profitable, require a strong sense of fairness and social justice among the various parties. This vision is at the heart of the National Planning Association.

The President of the United States commended Dick in a letter delivered at NPA's Gold Medal Award Dinner in October 1995. President Bill Clinton praised Dick for his contributions to NPA and to the nation.

Although Dick will be stepping down as Chair of the Board, the Trustees and staff are heartened that he will continue to be active with the National Planning Association. He has been a respected and principled leader of NPA for six years, and we are truly fortunate that he has shared his unique attributes with us.



(L to R) Former U.S. Secretary of State George P. Shultz receiving the 1991 NPA Gold Medal Award from Richard J. Schmeelk, Chair, NPA Board of Trustees.





# NPA CORE PROGRAMS



The research and activities of NPA's six policy groups in 1995 are described in a later section of the *Annual Report*. This section outlines research that NPA has undertaken through its core programs.

## *Aid and Development: U.S. Global Leadership*

NPA continued its unique research program and dialogue on relations between the United States and the developing world. The Aid and Development Project, through regional symposiums, Washington working breakfasts, NPA policy group sessions, and publications, is examining the future of U.S. foreign development assistance after the Cold War and the roles of business and labor in these development policies. In the past two years, this project has found a high level of consensus on the need for America to continue its international involvement to maintain global economic and social progress.

In 1995, several NPA member companies and unions, along with other organizations, cosponsored regional symposiums in Pittsburgh, San Francisco, Boston, and Dallas that focused on foreign aid as an instrument of U.S. leadership abroad. Cosponsors included the United Steelworkers of America; AT&T; AFL-CIO Regions III, IV, VI,



*Julia Chang Bloch, Group Executive Vice President, Bank of America, and former U.S. Ambassador to Nepal, delivering the keynote address at the Aid and Development Project's San Francisco Regional Symposium, July 13, 1995.*

and VIII; Bank of America; Levi Strauss; ACTWU; Charles Schwab; Kaiser Permanente; Pacific Gas Transmission Co.; Bank of Boston; Communications Workers of America; NYNEX; MIT's Center for International Studies; Exxon; Institute for the Study of Earth and Man at SMU; and Texas Farm Bureau.

Washington working breakfasts addressed topics such as foreign aid priorities in Africa, Latin America, and Asia. Also, a congressional perspective on U.S. foreign assistance policies was presented by Representative Benjamin Gilman (R-NY), Chair of the House International Relations Committee.

Barber Conable, former President of the World Bank and former Congressman from New York, delivered the 1995 Walter Sterling Surrey Memorial Lecture, addressing the future of U.S. foreign assistance. His remarks, along with the views of Julia Chang Bloch, William Quandt, Clifford Gaddy, and John Hicks, were published as this year's Surrey monograph, *Foreign Assistance in a Time of Constraints*. NPA also devoted an issue of *Looking Ahead* to the project's key ideas.

NPA is currently exploring ways to further increase the business and labor dialogue on these important issues.



*(L to R) Malcolm R. Lovell, Jr., NPA President and CEO; Richard Krutzenga, Senior Fellow, Institute for the Study of Earth and Man, Southern Methodist University; Byron Charlton, Executive Director, African-American Labor Center, AFL-CIO; Bob Stallman, President, Texas Farm Bureau; and Robert Dean, former U.S. Ambassador to Peru, at the January 25, 1996, Aid and Development Project's Regional Symposium in Dallas, Texas.*





## *New Directions: African Americans in a Diversifying Nation*

In response to evidence of heightened tensions between blacks and whites in America, NPA and the Joint Center for Political and Economic Studies have begun an exploration of the social and economic progress made by African Americans over the past 40 years and the barriers that are impeding further advancement. This project will also identify public and private initiatives that might help heal the racial divide. In the context of a nation rapidly growing more ethnically diverse, the New Directions Project seeks to reaffirm the nation's commitment to equal opportunity.

NPA and the Joint Center have put together a distinguished Project Advisory Group to offer guidance and direction to the project. Scholars, business and labor representatives, and community leaders are included in this prominent group. The study will culminate in a book to be issued in 1997 and a series of seminars throughout the United States.

The initial focus of the project has been on affirmative action. The Advisory Group is reviewing new recommendations for current and future strategies that will ensure equal opportunity and nondiscrimination in employment, education, and government contracting. Dr. Charles V. Hamilton, Wallace S. Sayre Professor of Government at Columbia University, is completing the affirmative action study. A report will be released in 1996 and will be widely disseminated to national policymakers. NPA and the Joint Center believe that this statement will make an important contribution to moderating the debate on this challenging issue.

Funding for the New Directions Project has been generously provided by the Ford Foundation, McDonald's Corporation, MCI Corporation, the Shelley and Donald Rubin Foundation, the Richard and Priscilla Schmeelk Foundation, and the U.S. Department of Labor.

## *Working Group on Workplace Regulatory Issues*

At the request of the U.S. Department of Labor, NPA convened a group of business and labor leaders to explore the issue of workplace regulatory reform. Top executives from five leading U.S. corporations joined officials from six national trade unions and representatives of the Labor Department in an effort to develop a set of principles on regulatory reform.

Over a four-month period in 1995, the Working Group addressed the current debate on workplace regulation, expressing concern about its polarizing effect. The group distinguished between regulatory objectives and regulatory methods, emphasizing that while some regulatory requirements have failed to be productive, the goals of the regulations remain valid. New strategies may be needed to reach these goals.

The Working Group recognized the need to develop methods that will ensure safe and

healthy working conditions, minimum standards for basic conditions of employment, equal opportunity and nondiscrimination in employment practices, and adequate avenues for the representation of employee interests and concerns. The group also adopted a set of principles pertaining to the need to develop ways that will encourage policies and practices above minimum standards. The group agreed that responsible regulatory reform requires a systematic review of a range of strategies to identify the approach most appropriate to reach a specific objective. Labor, business, and government are necessary partners in this process.

NPA hopes that the Position Paper on Workplace Regulatory Issues will be valuable to the Department of Labor as it addresses workplace regulatory reform in the future.





## NPA Chronicles Its 60-Year History

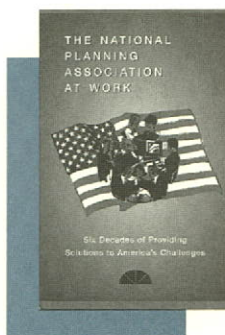
*The National Planning Association at Work: Six Decades of Providing Solutions to America's Challenges* is an account of the accomplishments and growth of NPA from its founding in 1934 to the celebration of its 60th anniversary in 1995. Opening with a quotation from *Democracy in America* by Alexis de Tocqueville (1835), "the health of a democratic society may be measured by the quality of functions performed by private citizens," this history goes on to demonstrate how NPA has embodied the principles of citizen participation in formulating public and private policies.

An oral historian extensively reviewed NPA archival material and interviewed current and former NPA Trustees, Officers, policy group members, and staff. The book captures a rich and interesting history as it chronicles NPA's vital role in America's changing economic, social, and political environment.

*The National Planning Association at Work* details NPA's influence in helping the United States emerge from the Great Depression and

highlights its post-World War II activities, particularly NPA's involvement in the development of the Marshall Plan with its publication in 1945 of John Kenneth Galbraith's *Recovery in Europe*. Other NPA accomplishments noted in the report include a study in the 1960s that proposed a Free Trade Agreement between Canada and the United States and a report in the 1980s that detailed the benefits and costs of the growth of the contingent workforce.

The history demonstrates how NPA has tackled the issues confronting America by bringing together business, labor, agriculture, and academia in policy groups and other forums. It describes how these private sector efforts over 60 years have influenced legislation and public policy as well as made a positive impact on labor-management relations. The volume concludes with the highlights of NPA's 60th anniversary conference, "Wealth, Knowledge, Power, and Values: Facing the 21st Century," and a challenge to continue its important role into the next century.



## Gateway Japan

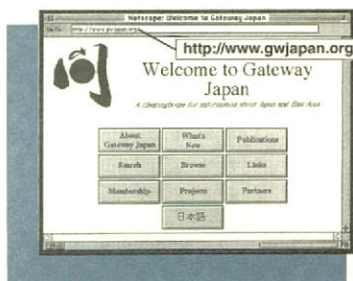
NPA's Gateway Japan Project reached several milestones in 1995. Developed in 1990 as an information clearinghouse on Japan and East Asia, Gateway Japan subsequently grew to include a dial-up computerized data base and in 1995 established itself on the Internet. Its home page provides a full text search of more than 10,000 documents on Japan and Asia-related topics, including business, trade, science and technology, foreign policy, and service organizations.

The Internet connection enabled Gateway Japan to win a grant from the U.S. Institute of Peace to conduct on-line policy forums between Japan and the United States on potential areas of conflict between the two countries. This project is operating in conjunction with the University of Maryland.

Gateway Japan's fourth book, *Japan: Exploring Your Options*, is a guide to work, study, and research opportunities in Japan. This extensive reference provides detailed profiles of 117 programs in Japan and lists 400 organizations.

After five years of development and growth at NPA, Gateway Japan will move to a new site in 1996 and will continue to offer a wide range of information and services. Under new sponsorship, Gateway Japan will become more self-sustaining as it expands its capabilities in the business realm. NPA is proud to have supported and nurtured Gateway Japan through its start-up phase, and it

appreciates the cooperation of its cosponsor, the University of Maryland, and the financial support of the Center for Global Partnership.





## Looking Ahead

In 1995, NPA's quarterly flagship journal *Looking Ahead* continued to examine topics of concern to NPA members and the nation. Each issue highlights an NPA study or an NPA public event.

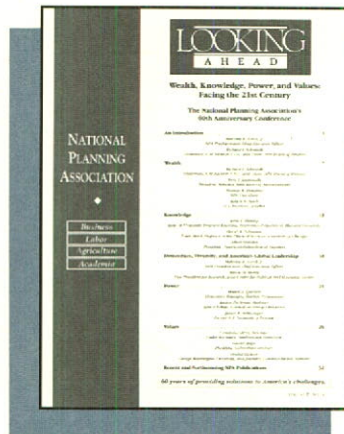
"The National Planning Association at Work, 1934-94: Sixty Years of Providing Solutions to America's Challenges" describes NPA's accomplishments during the period from the Great Depression to the present day. This issue of *Looking Ahead* focuses particularly on NPA's most important contribution of bringing diverse, sometimes opposing, factions together on a wide variety of issues that confront society.

"U.S. Foreign Aid at the Crossroads: Business and Labor Perspectives" is an interim report on NPA's multiyear project that examines the insights of two segments of American society—business and labor—

regarding U.S. foreign aid and development assistance policies.

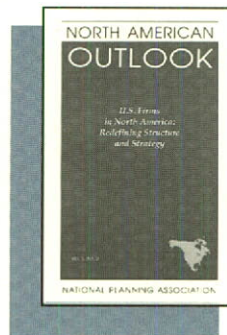
"Wealth, Knowledge, Power, and Values: Facing the 21st Century" is a synopsis of the presentations at NPA's 60th anniversary conference in Washington, D.C. The conference themes encompassed the range of NPA's historical and current interests and were explored by distinguished speakers who assessed the challenges facing the United States at the beginning of a new millennium.

"NPA's 1995 Gold Medal Award" reports the proceedings of NPA's most recent Gold Medal Award Dinner in New York City, at which Paul A. Allaire, Chairman and CEO of Xerox, and Jack Sheinkman, President Emeritus of the Amalgamated Clothing and Textile Workers Union, were honored for their outstanding contributions to American society.



## North American Outlook

*North American Outlook*, NPA's quarterly journal of North American affairs, explores issues of relevance to Canada, the United States, and Mexico. The first issue in 1995, "U.S. Firms in North America: Redefining Structure and Strategy," assesses the emerging North American "economic architecture" caused by integration in the region and the strategic responses of U.S. corporations to the new regulatory and business environment. Another issue offers several North American views on reform of the international monetary system, including those of Ambassador Henry Owen, Cochair of the Bretton Woods Committee; Ambassador Louise Fréchette, then Associate Deputy Minister of the Canadian Department of Finance; and John W. Crow, former Governor of the Bank of Canada. This issue was distributed at the G-7 meeting in Halifax, Nova Scotia, and was used as a briefing tool by the Canadian government.



A double issue of *Outlook* analyzes the prospects for and implications of further economic integration in the Western Hemisphere. It presents opinion pieces by prominent experts, such as César Gaviria, Secretary General of the Organization of American States; Roy MacLaren, then Canadian Minister of International Trade; and Julius L. Katz, former Deputy U.S. Trade Representative. Two research pieces look at the history of U.S.-Latin American relations and assess policy options for future integration. These background chapters are in part a product of the Latin American Project of NPA's Global Economic Council.

A future issue of *Outlook* will reassess U.S.-Canadian relations given new developments in Quebec's quest for sovereignty. Another issue will examine recent regionalization and globalization strategies in the North American private sector.



# NPA PUBLICATIONS, 1995



NPA is an important source of clear analysis on a wide array of economic and social issues. This was an active year in terms of NPA's research and publications in areas ranging from information technology to international trade.

As part of its 60th anniversary celebration in 1995, NPA published a lively history of the organization from its roots in the 1930s to its current activities entitled *The National Planning Association at Work: Six Decades of Providing Solutions to America's Challenges*.

NPA's British-North American Committee (BNAC) released *Information Technology and Corporations: An Interview with Professor Edward A. Feigenbaum*. This report includes a detailed interview with Dr. Feigenbaum, Professor of Computer Sciences at Stanford University currently serving as Chief Scientist of the U.S. Air Force. He emphasizes that corporations will become "information engines" regardless of the goods and services

they produce. The report was edited by Dr. Richard S. Belous, NPA Vice President for International Programs and North American Director of the BNAC.

A key study issued by NPA's North American Committee (NAC), *Trading Punches: Trade Remedy Law and Disputes Under NAFTA*, provides a range of options for reforming antidumping and countervailing duty laws. The study's editors were S. Dahlia Stein, NPA Senior Fellow and NAC U.S. Director, Beatriz Leycegui of Mexico's ITAM, and William B.P. Robson of Canada's C.D. Howe Institute.

*U.S. Public Policy and the American Diet*, issued by NPA's Food and Agriculture Committee (FAC), examines trends in U.S. eating patterns and their relationship to health and outlines options for future nutrition policy. NPA Vice President and FAC Director James A. Auerbach edited the report.

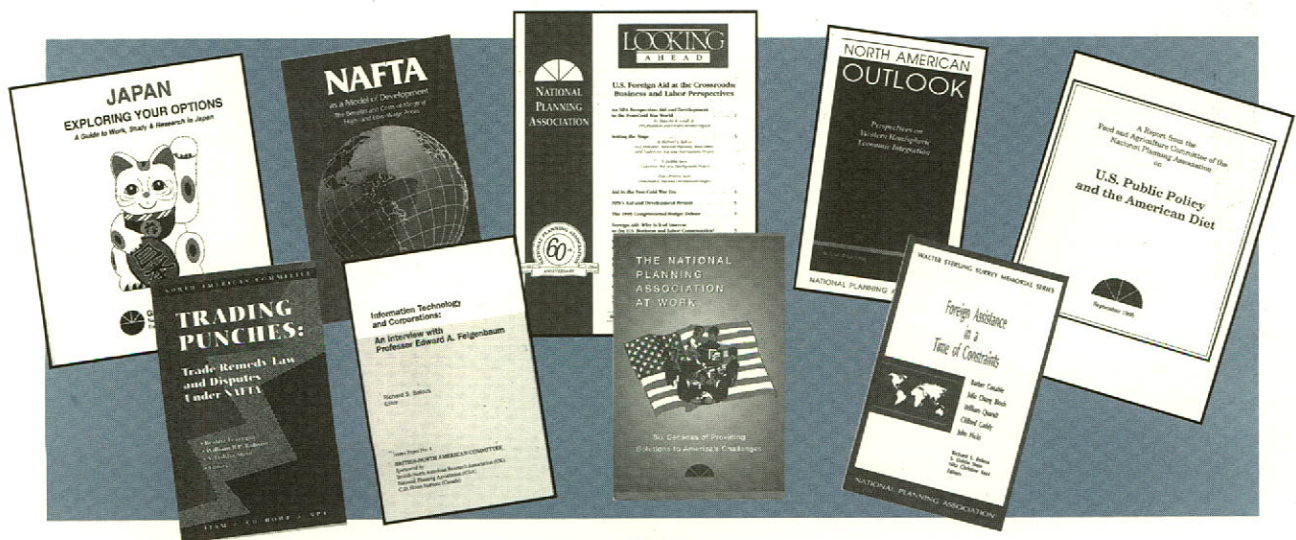
In 1995, NPA released *Foreign Assistance in a Time of Constraints*,

which explores the role of U.S. foreign assistance after the Cold War in view of new budgetary realities.

*NAFTA: A Model of Development* was republished by the State University of New York Press. This NPA study examines the challenges of merging high and low wage areas and includes new data.

NPA's two quarterly journals, *Looking Ahead* and *North American Outlook*, continued to provide commentary on major national and international issues in 1995.

Throughout the year, NPA was cited in leading journals and newspapers, such as *Forbes*, *The Wall Street Journal*, *The Financial Times*, and *Business Week*. NPA staff had numerous interviews with CNN, National Public Radio, and other major television and radio networks. NPA staff were asked to conduct courses at the U.S. Department of State's Foreign Service Institute. NPA also provided briefings for congressional, executive branch, and foreign decisionmakers.





# A CELEBRATION OF 60 YEARS

## *Wealth, Knowledge, Power, and Values: Facing the 21st Century*



In honor of NPA's 60th anniversary, NPA Trustees convened a national conference on May 5, 1995, in Washington, D.C., to explore the fundamental issues with which NPA has grappled since its founding in 1934. The conference themes of wealth, knowledge, power, and values were addressed broadly and philosophically by the speakers as they examined the challenges facing the United States at the beginning of a new millennium.

*The Creation and Distribution of Wealth.* Although capitalism is the most effective economic system for the creation of wealth, it does not necessarily distribute wealth in a manner consistent with a democratic society's goals, nor is it always sensitive to a humane society's values. The challenge is thus to decide how much wealth creation capacity should be sacrificed to achieve other societal values. *Speakers:* Richard J. Schmeelk, Chairman, CAI Advisors & Co., and Chair, NPA Board of Trustees; Jerry J. Jasinowski, President, National Association of Manufacturers; Thomas R. Donahue, former President of the AFL-CIO; and Robert B. Reich, U.S. Secretary of Labor.

*The Discovery and Transmission of Knowledge.* Humankind's unique contribution has been its ability to expand the frontiers of knowledge, and in the 20th century, knowledge has grown at an exponential rate. How knowledge is used—whether to maintain, dominate, or destroy the health, vigor, and curiosity of society—is a

continual challenge. *Speakers:* John T. Dunlop, Lamont University Professor Emeritus, Economics Department, Harvard University; David N. Schramm, Louis Block Professor in the Physical Sciences, University of Chicago; and Albert Shanker, President, American Federation of Teachers.

*The Accumulation and Use of Power.* Wealth and knowledge are the fundamental pillars of a society's power. The United States is the wealthiest nation in the world; it has the most



*Robert B. Reich, U.S. Secretary of Labor.*



*Albert Shanker, President, American Federation of Teachers.*



*Jessica Tuchman Mathews, Senior Fellow, Council on Foreign Relations.*







*Luncheon speaker Milton D. Morris, Vice President for Research, Joint Center for Political and Economic Studies, and an NPA Trustee.*



*Jerry J. Jasinowski, President, National Association of Manufacturers.*

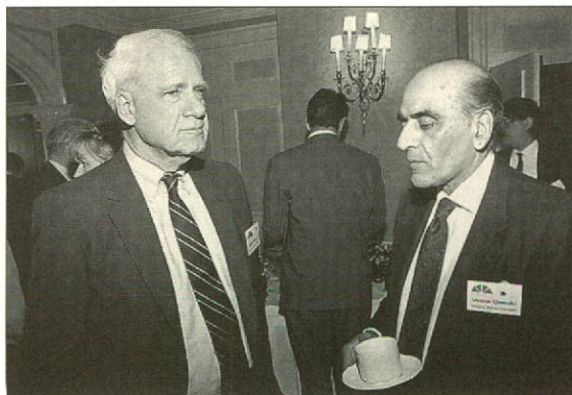


*Constance Berry Newman, Under Secretary, Smithsonian Institution, and an NPA Trustee.*

powerful military capacity; it has spawned more scientific breakthroughs than any other nation; and it is respected for its defense of democracy. All countries have an enormous stake in how America accepts, defines, and plays its role as the world's most powerful nation. *Speakers:* Moeen A. Qureshi, Chairman, Emerging Markets Corporation, and an NPA Vice Chair; Jessica Tuchman Mathews, Senior Fellow, Council on Foreign Relations; and James R. Schlesinger, former U.S. Secretary of Defense.

*The Identification and Dissemination of Values.* Values have the leading role in determining the purposes of wealth, knowledge, and power. The identification of values and their adoption or rejection by individuals, institutions,

and societies have motivated and guided every civilization throughout history. Although it is difficult to identify how values change, such an effort is worthy of our most serious attention. *Speakers:* Constance Berry Newman, Under Secretary, Smithsonian Institution; George Rupp, President, Columbia University; and Amitai Etzioni, George Washington University, and founder, Communitarian Network.



*(L to R) James R. Schlesinger, former U.S. Secretary of Defense; and Moeen A. Qureshi, Chairman, Emerging Markets Corporation, and an NPA Vice Chair.*







On October 30, 1995, the National Planning Association's highest honor, the Gold Medal Award, was bestowed on two distinguished American leaders and longtime friends of NPA. Paul A. Allaire, Chairman and Chief Executive Officer of Xerox Corporation, and Jack Sheinkman, President Emeritus of the Amalgamated Clothing and Textile Workers Union (ACTWU), were recognized at a dinner at the Waldorf-Astoria Hotel in New York City for their preeminent roles in encouraging American competitiveness and the human values underlying American ideals. Their expressions of mutual respect in accepting the awards underscored the exceptional leadership qualities they have demonstrated throughout their lives.

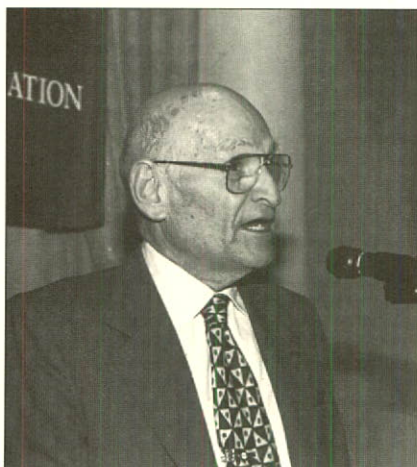
Mr. Allaire became Chairman and CEO of Xerox in May 1991, 25 years after joining the company as a financial analyst. An acknowledged



*Paul A. Allaire, Chairman and Chief Executive Officer, Xerox Corporation.*

leader of the business community, he is Chair of the Council on Competitiveness and a member of the Business Roundtable and the Business Council. Mr. Allaire served as an NPA Trustee from 1986 to 1994 and is an active member of NPA's Collective Bargaining Forum and the Committee on New American Realities, which he formerly chaired.

Mr. Sheinkman was elected President Emeritus of the ACTWU in 1995 after 42 years with the union. He is Chair of the Board of both the Amalgamated Bank of New York and the Amalgamated Life Insurance Company. A tireless advocate of worker rights, Mr. Sheinkman has played a leading role in the United States and abroad in advancing equity and justice in the workplace. He is a Trustee of NPA and has been a member of its Executive Committee since 1987. He also serves on four NPA policy groups.



*Jack Sheinkman, President Emeritus, Amalgamated Clothing and Textile Workers Union.*

## 1995 GOLD MEDAL AWARD

*"The Xerox-ACTWU partnership has taught us that our fortunes are commingled—a healthy company provides good jobs, and good workers build a strong company. Business, government, and labor should likewise be forming meaningful partnerships, working together rather than as adversaries."*

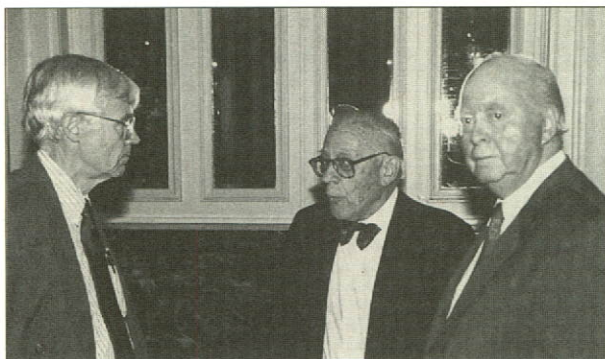
Paul A. Allaire  
Chairman and Chief Executive Officer  
Xerox Corporation







*(L to R) Gold Medal Award Dinner Cochairs Morton Bahr, President, Communications Workers of America; and Robert E. Allen, Chairman and Chief Executive Officer, AT&T Corporation.*



*(L to R) NPA Trustees Robert B. McKersie, Sloan Fellows Professor of Management, Sloan School of Management, Massachusetts Institute of Technology; John T. Dunlop, Lamont University Professor Emeritus, Economics Department, Harvard University; and Elmer B. Staats, former Comptroller of the United States.*



*(L to R) Malcolm R. Lovell, Jr., President and Chief Executive Officer, National Planning Association; honorees Paul A. Allaire and Jack Sheinkman with plaques; and Richard J. Schmeelk, Chairman, CAI Advisors & Co., and Chair, NPA Board of Trustees.*



*(L to R) Jay Mazur, President, UNITE, and an NPA Trustee; Connie Moak Mazur; Barbara J. Easterling, Secretary-Treasurer, Communications Workers of America, and an NPA Trustee; and honoree Paul A. Allaire.*



*"The challenge for business and labor is not merely how can business successfully compete in the global economy. It is how can business and labor become globally competitive in a way that produces a prosperous U.S. economy and a rising standard of living for all Americans."*

Jack Sheinkman  
President Emeritus  
Amalgamated Clothing and Textile Workers Union

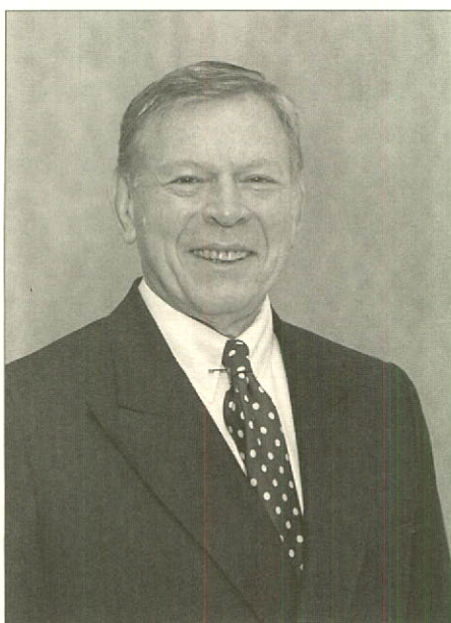




# NPA POLICY GROUPS

## British-North American Committee

*Statement by BNAC North American  
Chair John G. Heimann*



*John G. Heimann, Chairman, Global Financial Institutions, Merrill Lynch & Co. Inc.*



The British-North American Committee (BNAC) is actively working to help shape and guide the transatlantic relationship in the post-Cold War era. The Committee's key asset is its members, who form a unique network of business, labor, and academic leaders from the United States, Great Britain, and Canada.

### The Transatlantic Relationship

As former U.S. Secretary of State George P. Shultz, who is a former BNAC member, said at a recent meeting of the Committee, "For better or for worse, either the United States will have to lead in the coming years or whatever we are talking about in terms of international affairs will not happen." BNAC members are concerned about the new forms of isolationism that have surfaced in the United States in recent years. Through its meetings, studies, and publications and as a high powered private sector network, the BNAC seeks ways to maintain America's leadership role in Europe and other areas around the world.

An essential part of this process is the BNAC's Working Group on Transatlantic Relations. In 1995, this group explored the possibility of a Transatlantic Free Trade Area (TAFTA). In a forthcoming study by Professor Brian Hindley of the London School of Economics, the author and the BNAC conclude that a TAFTA is not feasible at this time. However, the Committee will continue to examine the special adhesive—the economic, cultural, political, and military linkages—that holds the transatlantic alliance together.

### Information Technology

Another factor that is significantly influencing national and international economic and







(L to R) Jonathan Taylor, Chairman, Booker Plc; Thomas H.B. Symons, founding President and Vanier Professor Emeritus, Trent University; and Jan H. Suwinski, Executive Vice President, Opto-Electronics Group, Corning Incorporated.

political relations is the dramatic growth of information technology (IT). In 1995, the BNAC published *Information Technology and Corporations: An Interview with Professor Edward A. Feigenbaum*, edited by NPA Vice President for International Programs Richard S. Belous, who is the BNAC's North American Director. The main section of the study is a detailed interview with Dr. Feigenbaum—a world-renowned expert on knowledge-based computing—who is Professor of Computer Sciences at Stanford University and currently serves as Chief Scientist of the U.S. Air Force. Dr. Feigenbaum is also a member of the BNAC.

Dr. Feigenbaum's work emphasizes that corporations will increasingly become "information engines" regardless of the specific goods and services they produce and that the 1990s and the early 21st century will be an era of computer networks. Also, IT innovations will allow corporations to undertake more of their operations in the developing world. However, the growth of IT raises questions for society concerning IT "haves"—people with IT training and experience—versus IT "have-nots"—those who lack such training and experience. The study includes the results of a survey of BNAC members' experi-

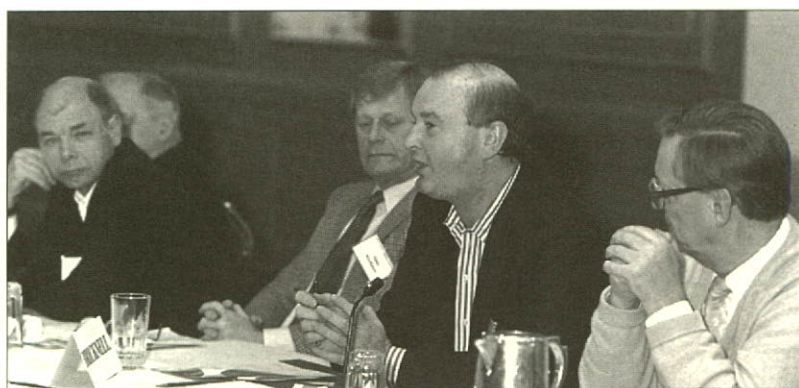
ences with information technology. It concludes that effective human resource training will be vital if the benefits of the IT revolution are to be fully realized by organizations and societies throughout the world.

## The New World of Work

In 1995, the Committee undertook a new study—to be published in 1996—that examines the major changes taking place in the world of work. The study's author, Professor Stephen Barley of Stanford University, notes that while the growth of the service sector has created some dead-end jobs, it has also produced many rewarding jobs for those who have been correctly trained in new areas. The problem is that many people in America have not received the proper training to fit into the new world of work.

## BNAC Meetings in 1995 in Bath and Toronto

The Committee met in June 1995 in Bath, England, and in December 1995 in Toronto, Canada. At the Toronto meeting, Paul Martin, Canadian Minister of Finance and a former BNAC member, presented an insider's view of dealing with deficits in the 1990s. In a session led by Dr. Yahya



(L to R) Samuel F. Chevalier, Vice Chairman, Bank of New York Co., Inc.; Tom Burlison, Deputy General Secretary, G.M.B.; Rodger H. Bricknell, Vice President and Technical Director, Corporate Research and Development, General Electric Company; and Sir Michael Bett, Director, British Telecom Plc, and First Civil Service Commissioner, Office of the Civil Service Commission.







*(L to R) Baroness Dean of Thornton-le-Fylde, Chairman, Independent Committee for the Supervision of Standards of Telephone Information Services; and Maureen Farrow, Executive Vice President and Director of Research, Loewen, Ondaatje, McCutcheon Ltd.*

care reform; the implications for business and labor of recent developments in physics; and future directions for the European Union.

Also under study by BNAC Working Groups during the year were other major concerns affecting the United States, Great Britain, and Canada. These included the rise of income disparity, shifts in public and private pension systems, and new trends in labor-management relations. As the Committee has done throughout its history, labor and business from the three countries explored these issues together, exchanging views and, where possible, reaching consensus.

The recent work of the BNAC continues to demonstrate that the key strength of the Committee is its members, who are important resources in the formation of research and meeting agendas. Their exchanges and input make the BNAC a flexible international forum for innovative ideas and solutions to major transatlantic issues.

***As the British-North American Committee has done throughout its history, labor and business from the three countries explored these issues together, exchanging views and, where possible, reaching consensus.***

Sadowski, Senior Fellow at the Brookings Institution, the Committee examined the myths and realities associated with ethnic conflicts after the Cold War. Also at the Toronto meeting, Dr. Paul Romer of Stanford University and the Canadian Institute for Advanced Research discussed technological advances and economic growth and the implications for business and labor.

The BNAC meeting in Bath examined the prospects for peace in Northern Ireland; health



*(L to R) Sir David Plastow, Chairman, Inchcape Plc, and British Chair of the BNAC; Paul Martin, Canadian Minister of Finance; John G. Heimann, Chairman, Global Financial Institutions, Merrill Lynch & Co. Inc., and North American Chair of the BNAC; and Richard S. Belous, NPA Vice President for International Programs, Chief Economist, and BNAC North American Director.*





# Collective Bargaining Forum



n 1995, the Collective Bargaining Forum (CBF) marked its 12th year of bringing together chief executive officers of major corporations and some of America's top labor union officials to discuss ways to improve the conduct of industrial relations in the United States and the performance of the American economy. The CBF focuses on obtaining a clearer understanding of the principles that, over time, will help the nation become a more effective competitor, secure a rising standard of living for all Americans, and be sensitive to the human needs of the workforce.

The CBF encourages its members to discuss issues important to their institutions and the country. These include the collective bargaining process itself; the role of labor unions in a democratic society;

the mechanisms for providing employment security for employees; and the mutual responsibility of management and labor to contribute to economic competitiveness. CBF members have expressed their views in these areas in two publications: *New Directions for Labor and Management* and *Labor-Management Commitment: A Compact for Change*.



(L to R) John F. Smith, Jr., Chairman, Chief Executive Officer, and President, General Motors Corporation; Malcolm R. Lovell, Jr., NPA President and CBF Moderator; Paul O'Neill, Chairman and Chief Executive Officer, ALCOA; Elmer Chatak, President, Industrial Union Department, AFL-CIO; and Curtis H. Barnette, Chairman and Chief Executive Officer, Bethlehem Steel Corporation.

## COLLECTIVE BARGAINING FORUM MEMBERS

PAUL A. ALLAIRE  
Chairman and  
Chief Executive Officer,  
Xerox Corporation

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Communications Workers  
of America, AFL-CIO, CLC

CURTIS H. BARNETTE  
Chairman and  
Chief Executive Officer,  
Bethlehem Steel Corporation

GEORGE BECKER  
International President,  
United Steelworkers of America

ELMER CHATAK  
President,  
Industrial Union Department,  
AFL-CIO

WAYNE GLENN  
President, United Paperworkers  
International Union

JERRY J. JASINOWSKI  
President,  
National Association  
of Manufacturers

JOHN JOYCE  
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International Union  
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DAVID LAWRENCE, M.D.  
Chairman and  
Chief Executive Officer,  
Kaiser Foundation  
Health Care Inc.  
and Kaiser Foundation  
Hospitals

MALCOLM R. LOVELL, JR.  
(CBF Moderator)  
President and  
Chief Executive Officer,  
National Planning Association

JAY MAZUR  
President,  
UNITE (Union of Needletrades,  
Industrial & Textile Employees)

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Chief Executive Officer,  
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Chief Executive Officer,  
and President,  
General Motors Corporation

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President, AFL-CIO

STEPHEN P. YOKICH  
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GLENN E. WATTS  
President Emeritus,  
Communications Workers  
of America, AFL-CIO, CLC

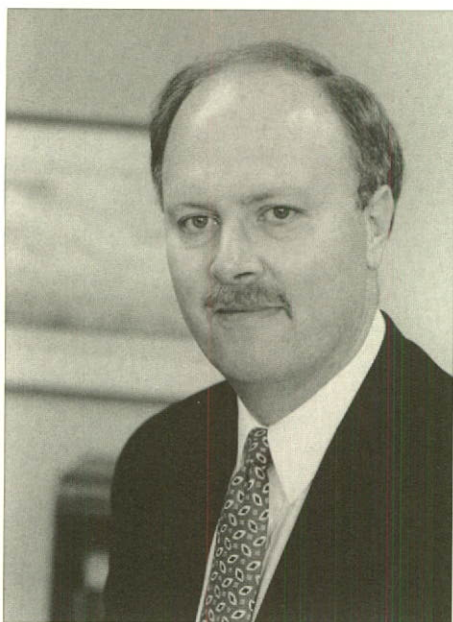
LYNN R. WILLIAMS  
International President (Retired),  
United Steelworkers  
of America





## Food and Agriculture Committee

*Statement by FAC Chair  
Mark R. Drabenstott*



*Mark R. Drabenstott, Vice President and  
Economist, Federal Reserve Bank of Kansas  
City.*



The Food and Agriculture Committee (FAC), established in 1943, is the longest standing NPA policy group. The FAC is a forum of approximately 60 leaders from all segments of food and agriculture, including production agriculture, agribusiness, food companies, retail marketing, consumer organizations, universities, labor, and nonprofit organizations. In 1995, the FAC focused on U.S. agricultural policy, the Farm Bill, and precision farming.

### **U.S. Agricultural Policy**

The FAC's Spring 1995 meeting was held in Washington, D.C., in the midst of political and economic ferment that may lead to potential watershed changes for U.S. agricultural policy. Not only is the federal budget under great scrutiny, but also policymakers are asking whether agricultural policy is in step with the major changes that have taken place in the food industry and its markets. Many of the questions and issues now being raised are described in the FAC's monograph *Food and Agricultural Markets: The Quiet Revolution*.

In response to this debate, the general theme of the Spring 1995 meeting was "U.S. Agricultural Policy Enters a New Era." Among the major topics studied were forces for change in agricultural policy, foreign assistance objectives, the Farm Bill, the congressional/administration debate on balancing the federal budget, and guidelines for and consequences of new directions in agricultural policy. This comprehensive look at U.S. agricultural policy resulted in one of the best attended FAC meetings in recent years and included speakers from the staffs of both the Senate and House Agriculture Committees, the Congressional Research Service, industry, trade associations, and farm organizations.

The FAC continued its extensive examination of U.S. agriculture and public policy at its Fall 1995 meeting. Sessions featured speakers such as U.S. Secretary of Agriculture Daniel R. Glickman and Representative Charles W. Stenholm (D-TX), who briefed FAC members on the status of the Farm Bill in Congress. The Executive Director of the Center







*(L to R) Allen Rosenfeld, Director of Government Affairs, Public Voice for Food and Health Policy; Representative Charles W. Stenholm (D-TX); Mark R. Drabenstott, Vice President and Economist, Federal Reserve Bank of Kansas City, and FAC Chair; Jasper Womach, Agricultural Policy Specialist, Congressional Research Service; and Carrol D. Bolen, Vice President, Legal and Government Affairs, Pioneer Hi-Bred International, Inc.*

for Budget and Policy Priorities described how the battle to balance the budget in Congress is affecting U.S. food programs. A panel discussion was conducted on the impact on farming of the latest information technologies, including computers and global-positioning satellites. Members also focused on the potential implications of precision farming on producers, consumers, trade, and the environment.

### **FAC Restructuring**

The initial sessions of two new FAC subcommittees were also held at the Fall meeting. The Trade, Development, and Global Issues Subcommittee and the Food, Nutrition, and Technology Subcommittee selected cochairs, defined their missions, and began planning the programs that each will conduct next year.

The Food, Nutrition, and Technology Subcommittee examines food production, marketing, and policy issues; nutrition issues as they affect the food system; and emerging technologies that deal with priority concerns in the food and nutrition complex. The Trade, Development, and Global Issues Subcommittee focuses on the effects of the globalization of world markets on the U.S. food and fiber sector. The subcommittee examines products, inputs, and services used in production and

marketing, as well as trade and development issues and policies. Each FAC member participates in at least one of the subcommittees. This ensures that all members have an opportunity to help select and plan committee programs and the FAC's overall research and publications agenda.



*(L to R) Malcolm R. Lovell, Jr., NPA President and Chief Executive Officer; James A. Auerbach, NPA Vice President and FAC Director; and John Block, President, National-American Wholesale Grocers' Association, and former U.S. Secretary of Agriculture.*







(L to R) Lyle P. Schertz, Economist, U.S. Senate Committee on Agriculture, Nutrition and Forestry; Robert Peterson, President, National Grain Trade Council; and Marcia E. Glenn, Vice President, Dairy Economics & Dairy Ingredient Management, Kraft General Foods.

### Diet, Nutrition, and Public Policy

In late 1995, the FAC published *U.S. Public Policy and the American Diet*, a synopsis of the papers presented at the Fall 1994 meeting on nutrition and health and edited by NPA Vice President and FAC Director James A. Auerbach. This monograph reviews nutrition's role in the U.S. food system. Improving the nation's diet has far-reaching implications for public policy. Despite media preoccupation with food-

borne pathogens, poor diet contributes to many more deaths than *E. coli* or salmonella. The nation's food inspection laws are clearly outdated and in need of an overhaul. Farm market guides and standards, the rules that govern a number of farm product markets, are still aimed at older, less healthy diets, and the public is not well educated about nutrition. *U.S. Public Policy and the American Diet* provides an excellent start to understanding how the American diet is changing, what factors influence these changes, and how the food industry is adapting.



(L to R) U.S. Secretary of Agriculture Daniel R. Glickman; Kenneth Cook, President, Environmental Working Group; John Thorne, Director, Water Quality Programs, American Crop Protection Association; Mark R. Drabensstott, Vice President and Economist, Federal Reserve Bank of Kansas City, and FAC Chair; Katherine Reichelderfer-Smith, Director of Policy Studies, Henry A. Wallace Institute for Alternative Agriculture; and Timothy W. Warman, Director of Federal Policy, American Farmland Trust.

***In 1996, the FAC will continue its study of the Farm Bill and nutrition and health. It will also focus on the World Trade Organization and the impact of new technologies on food and agriculture.***

### Growth of the FAC

Recent FAC activities, programs, and achievements have given Committee members much to be proud of. Over the past two years the FAC has welcomed 16 new members. The high attendance of members and guests at FAC meetings reflects the relevance of meeting topics and speaker presentations.

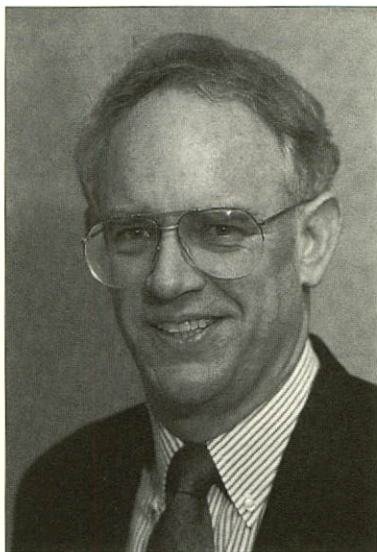
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## Global Economic Council

*Statement by GEC Cochairs  
Richard C. Breeden  
and Jeffrey M. Cunningham*



*Richard C. Breeden, Chairman, International Financial Services Group, Coopers & Lybrand LLP.*



*Jeffrey M. Cunningham, Publisher, Forbes Magazine.*



The Global Economic Council (GEC) is a leading forum where business, labor, and academic executives explore the opportunities and challenges created by the increasing internationalization of the U.S. economy. GEC research and meetings in 1995 examined global issues such as the growth of the Asian economy, U.S. leadership in the developing world, and recent trends in Latin America.

In 1995, the GEC—formerly NPA's Committee on Changing International Realities—changed its leadership structure from a single chair to cochairs. During the past five years, former Chair John J. Simone guided some of the GEC's most successful projects. These included the first major study of U.S.-German economic and political relations after the fall of the Berlin Wall; a path-breaking study on the growth of Asian economic integration and its implications for U.S. business and labor; and an influential study on conflicts between transnational corporations and nation-states. John Simone's expertise in China and international financial markets has been a key asset for the Council, and the GEC is delighted that he will remain an active member.

### **The Next 20 Years**

A milestone for the Council in 1995 was the celebration of its 20th anniversary. The GEC held a special meeting in May 1995 in conjunction with NPA's 60th anniversary conference. While NPA's conference centered on "Wealth, Knowledge, Power, and Values: Facing the 21st Century," the GEC's anniversary meeting explored "20 Years Ago, Today, and 20 Years into the Future."

In the area of economics, GEC founding member Professor Theodore Geiger of Georgetown University and Dr. Max Corden of the Johns Hopkins School of Advanced International Studies predicted that many developing nations could create prosperous market systems in the next 20 years. But both Dr. Geiger and Dr. Corden noted that even though economic signs appear strong and favorable, political, ethnic, and social factors could block these growth opportunities. In its meetings





and research, the GEC is studying ways that noneconomic factors can be kept from eroding the positive economic forces being experienced by a number of emerging markets.

The 20th anniversary meeting also examined U.S. leadership after the Cold War. Dr. John Steinbruner, Program Director of Foreign Policy Studies at the Brookings Institution, outlined the rise of neoisolationism in the United States and the influences that could make it more difficult for America to exercise a leading role abroad in the coming years. At the GEC's anniversary dinner, Barber Conable, former President of the World Bank and former member of the U.S. House of Representatives, assessed the function of foreign aid in the development process. The Council believes that U.S. foreign aid has a positive role to play in economic development, with both the public and private sectors making important contributions.

### The Asian Engine of Growth

The Council's recent trailblazing study *Asia's Rising Economic Tide: Unique Opportunities for the U.S.*, by NPA Senior Fellow Erland Heginbotham, describes the rippling process of economic growth under way in Asia. The study accurately predicted that nations besides Hong Kong, Japan, Korea, Singapore, and Taiwan would soon see their economies take off. Recent GEC meetings have explored parts of Asia such as Indonesia and India that do not often receive adequate attention by Western private and public sector leaders. The GEC



*John Steinbruner, Program Director, Foreign Policy Studies, Brookings Institution.*

has also focused on the difficult transition process taking place in China.

Another concern of the Council is the U.S.-Japanese relationship. The automotive situation between the two countries and America's trade deficit with Japan were two areas under study by the GEC in 1995.

### European Integration Revisited

The GEC has sponsored a new study, *European Integration Revisited: Progress, Prospects, and U.S. Interests* by NPA Senior Fellow Michael Calingaert, that shows why it will be difficult for the European Union to include many of the former Communist nations as full members in the EU in the near future. The study, to be published by Westview Press in 1996, also examines why economic growth has not been robust throughout most of Europe.

### "Third Wave" Economic Sectors

Analyses of international trade often concentrate on sectors such as manufacturing and primary goods. Although these industries are obviously important, an increasing portion of international trade is represented by



*(L to R) Barbara J. Easterling, Secretary-Treasurer, Communications Workers of America; Thibaut de Saint-Phalle, Chairman, Saint-Phalle International Group; Steve Daugherty, Public Affairs Director, Government Affairs, Pioneer Hi-Bred International, Inc.; and C. Mark Dadd, Chief Economist, AT&T Corporation.*





*GEC research and meetings in 1995 examined global issues such as the growth of the Asian economy, U.S. leadership in the developing world, and recent trends in Latin America.*



(L to R) Theodore Geiger, Distinguished Professor Emeritus of Intersocietal Relations, School of Foreign Service, Georgetown University; Richard S. Belous, NPA Vice President for International Programs, Chief Economist, and GEC Director; John J. Simone, Senior Managing Director, Chemical Bank; and Max Corden, Professor of International Economics, Johns Hopkins School of Advanced International Studies.

areas focusing on services and new technologies. Will growth in the newer sectors more than offset losses in the more mature industries? What human resource policies should be established to enhance the transition to these "third wave" sectors of the economy? The GEC has been looking at how these shifts will affect the industrialized economies.

### **Latin America**

GEC research on the dramatic economic progress under way in many Latin American countries has been incorporated in a recent issue of NPA's quarterly journal *North American Outlook*. Although the North American Free Trade Agreement will probably not be expanded to include other countries in the coming year, the GEC believes that it is vital to examine Latin America's options in seeking integration in the Western Hemisphere and the implications for the United States.

### **Anticipating the Future**

One of the hallmarks of the GEC is its ability to anticipate problems before they become major issues. GEC meetings provide a forum in which policymakers can share their views and interact with leaders from business, labor, and academia. At recent sessions, Council members met with Lawrence H. Summers, Under Secretary for International Affairs, U.S. Department of the Treasury; John Strelau, Deputy Director, Policy Planning Staff, U.S. Department of State; Matthew D. Shapiro, Senior Economist, Council of Economic Advisors; and Robert B. Reich, U.S. Secretary of Labor. As its 1995 research program and meetings demonstrate, the GEC continues to address the complex challenges in today's global arena.

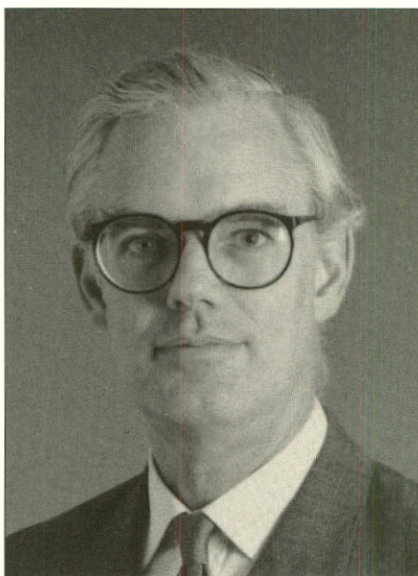


(L to R) Eugene W. Zeltmann, Manager of Trade and Industry Associations, GE Industrial and Power Systems; and Margaret S. Wilson, Chairman and Chief Executive Officer, Scarbroughs.



## Committee on New American Realities

*Statement by NAR Chair  
Alan S. MacDonald*



*Alan S. MacDonald, Executive Vice President, Citibank, N.A.*



The Committee on New American Realities (NAR), comprising approximately 55 leaders from business, labor, and academic organizations, was established in 1981. Its purpose is to promote a more competitive U.S. economy and to consider ways to better use human resources. The NAR's work program concentrates on U.S. macroeconomic strategies, workforce preparedness, and labor-business relations. In 1995, the NAR focused on three areas: the growth of U.S. income inequality; the impact of new information technologies; and the changes that are transforming the workplace and their implications for business, employees, and the nation's economic performance.

### **U.S. Income Distribution**

The NAR began its examination of the growth of income inequality in the United States at its Fall 1994 meeting. Committee members heard from a panel of nationally recognized scholars who presented an overview of the issues and implications of increasing income disparity in this country. The Spring 1995 NAR meeting provided another opportunity to hear from economists and government officials who focused on the underlying causes of unequal U.S. income distribution, such as trade, technological innovation, the decline of unionization, and immigration. At the Fall 1995 NAR meeting, Committee members continued their discussion of this issue. Speakers included Richard Freeman, Harvard University; Marvin Kusters, American Enterprise Institute; Alan Krueger, U.S. Department of Labor; Anthony Carnevale, Committee for Economic Development; Stephen Rose, U.S. Department of Labor; and Lynn Karoly, Rand Corporation.

The NAR has commissioned a monograph on U.S. income distribution by the noted economist Dr. Richard Freeman of Harvard. The report will present basic evidence for the conclusion that the distribution of earnings has significantly widened in the United States, discuss the causes of the problem, and lay out some of the consequences of a more unequal earnings distribution for the nation. It will also outline possible solutions,







(L to R) Stephen Rose, Counselor to the Assistant Secretary for Policy and the Budget, U.S. Department of Labor; James A. Auerbach, NPA Vice President and NAR Director; Alan S. MacDonald, Executive Vice President, Citibank, N.A., and NAR Chair; Richard Freeman, Professor of Economics, Harvard University; and Sheldon Danziger, Professor of Social Work and Public Policy, University of Michigan.

ranging from allowing market forces to prevail to policy interventions.

### The Information Revolution

At its Fall 1995 meeting, the Committee organized the first of a series of sessions on the Information Revolution. NAR members spent a day at the MIT Media Laboratory, headed by Nicholas Negroponte, who spoke on the impact of the new information technologies and infrastructures. The capture, manipulation, transmission, and use of information in digital form have become critical functions in the U.S. economy. In recent years, the spectacular spread of digital computing and networking has been rewriting the rules of business. Along with those who benefit from the Information Revolution are many who are temporarily adversely affected. Higher productivity has led to big layoffs at

***In 1995, the NAR focused on three areas: the growth of U.S. income inequality; the impact of new information technologies; and the changes that are transforming the workplace.***

many companies, especially in the telecommunications industry. Further, advancing technology is favoring skilled workers over unskilled workers and is increasing the inequality in wages. Now, as the power and reach of technologies are skyrocketing, the Information Revolution promises to touch—and in some cases to radically transform—every aspect of life: work and leisure, scientific techniques, and all methods of recording and transmitting knowledge.

### Changes in the Workplace

The NAR research and publication agenda continues to grow. *Change at Work*, the NAR-commissioned examination of changes that are transforming the workplace and their implications for employers and employ-



NAR members attending the Fall 1995 meeting in the Cube, MIT Media Laboratory, Cambridge, Massachusetts.







(L to R) Vernon Briggs, Professor of Human Resource Studies, School of Industrial and Labor Relations, Cornell University; Larry Mishel, Director of Research, Economic Policy Institute; Alan Krueger, Chief Economist, U.S. Department of Labor; Alan S. MacDonald, Executive Vice President, Citibank, N.A., and NAR Chair; and Marvin Koters, Resident Scholar, American Enterprise Institute.

ees, will be published by Oxford University Press in late 1996. This study is a major attempt to gather and use systematic data on the changing nature of employment and to develop a better understanding of emerging employment relationships. Dr. Peter Cappelli of the Wharton School at the University of Pennsylvania, leader of the multiauthor team, is also writing a personal interpretation of *Change at Work* that will be published by the Harvard Business School Press.

The NAR has also approved a new study, *Understanding Different Employment Practices*, that builds on the findings of *Change at Work*. The study will explore the wide variations in employment practices across organizations and within industries. It will illustrate employment practices in a number of industries, discuss the differences in policies and practices, and examine the causes of these variances. The nine authors will rely on survey data within each industry to develop their findings.



Laura D'Andrea Tyson, Assistant to the President for Economic Policy, National Economic Council.

In 1996, the NAR plans to continue its examination of the causes of and possible remedies for the growing gaps in U.S. income distribution. It will also study the economic and social impacts of the new information infrastructures.

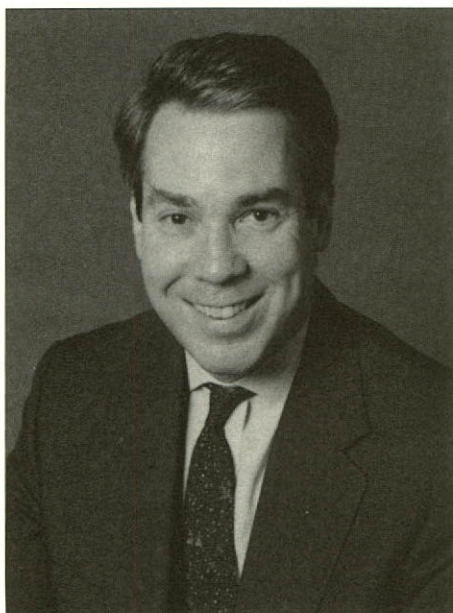
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## North American Committee

*Statement by NAC U.S. Chair  
Peter G. Restler*



*Peter G. Restler, Partner, CAI Advisors & Co.*



The North American Committee (NAC) is a unique network of over 100 business, labor, and academic leaders from Mexico, Canada, and the United States. Its mission is to advance the economic and social policy interests of the three member countries through private sector dialogue and study and through the publication of policy recommendations. NAC members come together to explore the opportunities and challenges facing their societies and, where appropriate, to provide conclusions and recommendations that have an impact on the public policy debate. The Committee was known for more than 35 years as the Canadian-American Committee until it became trilateral with the inclusion of Mexican members in 1994.

### **A Trilateral Approach to Current Challenges**

The three countries of the North American Free Trade Agreement (NAFTA) experienced dramatic economic and political developments in 1995 that gave the NAC much to consider. Early in the year, a currency shock plunged Mexico into economic turmoil with an intensity that reverberated throughout the world and directly affected Mexico's closest neighbors and trading partners. Canada experienced its own crisis when a provincial referendum in Quebec on the question of sovereignty produced a perilously close result—so close that Canadians, and Canada watchers, are now beginning to view separation as a real possibility. Political squabbling in the United States sent the U.S. government and trade policy into limbo for much of the latter part of the year, as Democrats and Republicans began positioning themselves for the upcoming presidential election.

Yet despite some challenges to the trilateral relationship, or perhaps because of them, the spirit of cooperation embodied by the NAC remains crucial in resolving outstanding problems in and among the three countries. Now more than ever, a North American approach involving active private sector deliberations is needed to overcome these challenges.







(L to R) Charles H. McGlone, Managing Director of NYNEX Worldwide Services; and Louis E. Moore, Director of International Affairs, Communications Workers of America.

### A Focus on Economics and Trade

In keeping with developments in 1995, the NAC assessed economic and trade issues at both its Palm Beach and Mexico City meetings. Members examined the causes and effects of the Mexican peso devaluation and debated the repercussions of this crisis for the other countries of North America. The NAC heard from distinguished experts, including former NAC Mexican Cochair Guillermo Guemez, now Deputy Governor of the Mexican Central Bank, who analyzed the lessons to be drawn from the Mexican experience.

On a related theme, the NAC explored recent phenomena affecting the international monetary system—for example, the advent of new technology, opening markets, and globalized production—and the resulting need for reform of institutions, such as the International Monetary Fund, that attempt to monitor and regulate the system. This was a particularly appropriate topic as it was the focus of the June 1995 G-7 meeting in Halifax, Nova Scotia. On this and related topics, the Committee heard from John W. Crow, former Governor of the Bank of Canada, Morris Goldstein, former IMF Deputy Research Director, and Alfredo Phillips, Director of the North American Development Bank.

Future trade relations were also a focus of the Committee in 1995. The NAC held sessions on the future of economic integration within the Western Hemisphere; the relationship between increased hemispheric trade and the World Trade Organization (led by WTO Joint General Director Jesus Seade); the possible expansion of NAFTA to include Chile; and Cuba's trade relations with North America.

Other distinguished speakers who addressed the NAC in 1995 included Herminio Blanco, Mexican Secretary of Commerce; General Vernon Walters, former U.S. Ambassador to Germany; Norman Ornstein of the American Enterprise Institute; Santiago Creel, Citizen Council Member of Mexico's Federal Electrical Institute (IFE); and Henry Kaufman, President of Henry Kaufman and Company.

### NAC Study on Trade Law

In 1995, the NAC released a significant study, *Trading Punches: Trade Remedy Law and Disputes Under NAFTA*, that analyzes the use of trade remedy laws—antidumping and countervailing duty laws—among the NAFTA countries. The study is a collection of essays by trade policy and legal analysts from Canada, Mexico, and the United States edited by the NAC's U.S. Director S. Dahlia Stein, Beatriz Leycegui of the Instituto Tecnológico Autónomo de México (ITAM), the NAC's Mexican



(L to R) Gary N. Horlick, Partner, O'Melveny and Myers; Rafael Fernandez de Castro, ITAM, and Mexican Director of the NAC; Eugenio Clariond Reyes, President and CEO, Grupo IMSA, and NAC Mexican Cochair; S. Dahlia Stein, U.S. Director of the NAC; Peter G. Restler, Partner, CAI Advisors & Co., and NAC U.S. Cochair; and David R. Beatty, Chairman and Chief Executive Officer, Old Canada Investment Corp. Ltd., and NAC Canadian Cochair.







(L to R) Clarence Chandran, President, Northern Telecom, CALA; and Alfred P. Bubler, Chairman, President, and Chief Executive Officer, Bank of America Canada.

secretariat, and the NAC's Canadian Director William B.P. Robson of the C.D. Howe Institute.

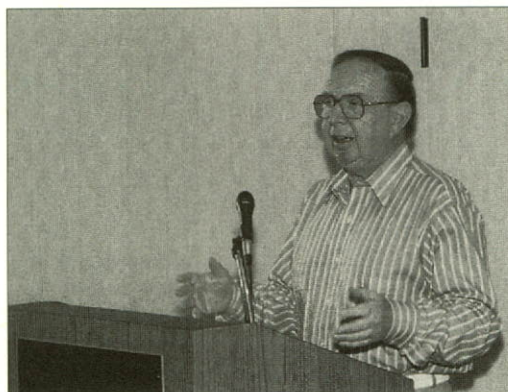
Trade remedy laws and the disputes that often arise from their application are controversial subjects in international trade and featured prominently in both the Canada-U.S. Free Trade Agreement negotiations and the NAFTA negotiations. This topic generated much discussion within the NAC, and *Trading Punches* is the culmination of a three-year Committee research project on trade disputes. In an attempt to move the debate forward, the study describes the trade remedy law framework in the three NAFTA countries, demonstrates the impact on trade, and suggests realistic options for limiting any unwarranted disruption of trade within NAFTA. The book

***The spirit of cooperation embodied by the North American Committee remains crucial in resolving outstanding problems in and among the three countries.***

provides a unique trilateral overview and was released at a crucial point in trade relations among the three countries.

### **Additional Briefing Sessions**

In December 1995, the NAC sponsored a briefing session/book launch for Washington policymakers to review the findings of *Trading Punches*. The briefing, held at the Johns Hopkins School of Advanced International Studies, featured several of the authors and was attended by trade policymakers and practitioners. In July, the Committee held a session in Seattle hosted by NAC members J. Shan Mullin of Perkins Coie and Stanley D. Savage of SeaFirst Bank to introduce key companies of the Pacific Northwest to the work of the NAC.



Henry Kaufman, President, Kaufman and Company.

### **Administrative Developments**

Recent administrative changes will give NPA a greater role in the NAC's day-to-day operations. The C.D. Howe Institute in Toronto served as the NAC's Canadian secretariat until late 1995, when restructuring shifted all administrative functions to NPA. In 1996, the NAC will focus on refining its mandate and structure to make the group even stronger and more effective. While the C.D. Howe Institute will remain affiliated with the NAC as its Canadian research arm, the Committee will be exploring cooperative alliances with other Canadian policy institutions.



# CAPRON & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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JEFFERY P. CAPRON, CPA, JD  
SALVATORE M. AMBROSINO, CPA  
CARRIE L. HANLON, CPA  
RICHARD H. LEE, CPA, JD

Board of Trustees  
National Planning Association  
Washington, D.C.

## Report of Independent Auditors

We have audited the accompanying statements of financial position of National Planning Association as of January 31, 1996 and 1995, and the related statements of activities and cash flows for the years then ended. The financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Planning Association as of January 31, 1996 and 1995, and the changes in its net assets and cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note A to the financial statements, for the year ended January 31, 1996, the Association changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

Bethesda, MD  
February 21, 1996

*Capron & Associates*



# FINANCIAL STATEMENTS

## NATIONAL PLANNING ASSOCIATION STATEMENTS OF FINANCIAL POSITION

	1996	January 31, 1995
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 466,661	\$ 435,179
Investments	887,305	738,433
Accounts receivable	139,849	117,897
Contributions receivable	33,334	50,000
Prepaid expenses	17,723	16,201
TOTAL CURRENT ASSETS	1,544,872	1,357,710
FIXED ASSETS		
Furniture and equipment	228,467	180,738
Leasehold improvements	11,695	11,695
	240,162	192,433
Less accumulated depreciation	152,218	124,600
NET FIXED ASSETS	87,944	67,833
DEPOSITS	-0-	11,083
TOTAL ASSETS	<u>\$1,632,816</u>	<u>\$1,436,626</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 20,109	\$ 15,189
Unearned revenue	13,162	20,632
Capital lease obligations, current portion	9,388	8,096
Accrued annual leave payable	32,982	26,663
TOTAL CURRENT LIABILITIES	75,641	70,580
OTHER LIABILITIES		
Capital lease obligations, net of current portion	848	10,236
Deferred rent	26,960	18,741
TOTAL OTHER LIABILITIES	27,808	28,977
TOTAL LIABILITIES	103,449	99,557
NET ASSETS		
Unrestricted—		
General	747,953	604,027
Board designated endowment fund	579,292	579,292
	1,327,245	1,183,319
Temporarily restricted—		
Project restricted	129,503	83,334
Walter Sterling Surrey Fund	72,619	70,416
	202,122	153,750
TOTAL NET ASSETS	<u>1,529,367</u>	<u>1,337,069</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,632,816</u>	<u>\$1,436,626</u>

*The accompanying notes are an integral part of these financial statements.*



**NATIONAL PLANNING ASSOCIATION  
STATEMENTS OF UNRESTRICTED REVENUES, EXPENSES,  
AND OTHER CHANGES IN UNRESTRICTED NET ASSETS**

	For the Years Ended January 31, 1996	1995
<b>UNRESTRICTED REVENUES AND GAINS</b>		
Project, committee, and membership contributions	\$1,668,919	\$1,711,354
Meeting fees	115,588	77,900
Investment income	82,270	55,682
Publications	51,831	47,456
Rental income	17,890	18,905
Miscellaneous	20,211	19,577
Royalties	1,398	3,812
Unrealized gains (losses) on investments	<u>37,912</u>	<u>(10,945)</u>
<b>TOTAL UNRESTRICTED REVENUES AND GAINS</b>	<b>1,996,019</b>	<b>1,923,741</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Satisfaction of program restrictions	<u>55,593</u>	<u>18,444</u>
<b>TOTAL UNRESTRICTED REVENUES, GAINS, AND OTHER SUPPORT</b>	<b>2,051,612</b>	<b>1,942,185</b>
<b>EXPENSES</b>		
Salaries and benefits	913,637	880,948
Meetings and conferences	297,796	310,180
Printing	119,688	149,051
Office rental	128,784	120,061
Consultants	116,753	99,015
Travel	69,370	64,834
Postage	42,253	47,018
Legal and accounting	42,159	33,881
Telephone	32,424	35,271
Depreciation and amortization	27,342	22,982
Miscellaneous	25,530	45,934
Office supplies	21,852	24,753
Deposit forfeiture	11,083	—0—
Insurance	10,280	11,575
Publications and research materials	9,461	8,802
Dues and conferences	8,700	5,409
Authors	8,657	5,000
Equipment maintenance	7,722	7,020
Mailing services	6,261	9,862
Storage	3,579	3,471
Interest	2,020	3,799
Parking	<u>2,335</u>	<u>3,321</u>
<b>TOTAL EXPENSES</b>	<b><u>1,907,686</u></b>	<b><u>1,892,187</u></b>
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<b><u>\$ 143,926</u></b>	<b><u>\$ 49,998</u></b>

*The accompanying notes are an integral part of these financial statements.*



**NATIONAL PLANNING ASSOCIATION  
STATEMENTS OF CHANGES IN NET ASSETS**

	<u>For the Years Ended January 31,</u> <u>1996</u>	<u>1995</u>
UNRESTRICTED NET ASSETS:		
Total unrestricted revenues	\$1,996,019	\$1,923,741
Net assets released from restrictions	55,593	18,444
Total unrestricted expenses	<u>(1,907,686)</u>	<u>(1,892,187)</u>
INCREASE IN UNRESTRICTED NET ASSETS	143,926	49,998
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	103,965	100,000
Net assets released from restrictions	<u>(55,593)</u>	<u>(18,444)</u>
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>48,372</u>	<u>81,556</u>
INCREASE IN NET ASSETS	192,298	131,554
NET ASSETS AT BEGINNING OF YEAR	<u>1,337,069</u>	<u>1,205,515</u>
NET ASSETS AT END OF YEAR	<u>\$1,529,367</u>	<u>\$1,337,069</u>

*The accompanying notes are an integral part of these financial statements.*



**NATIONAL PLANNING ASSOCIATION  
STATEMENTS OF CASH FLOWS**

	For the Years Ended January 31, 1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from contributors	\$1,756,163	\$1,768,269
Cash received from meeting fees	115,588	77,900
Cash received from investments	82,270	52,891
Cash received from publications	51,831	47,456
Cash received from rental income	26,109	27,093
Miscellaneous receipts	20,211	19,577
Royalty receipts	1,398	3,812
Cash paid to employees and suppliers	<u>(1,859,544)</u>	<u>(1,894,339)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	194,026	102,659
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	(47,453)	(16,474)
Purchase of investments	(110,960)	(1,134)
Investment income from Walter Sterling Surrey Fund	<u>3,965</u>	<u>2,791</u>
NET CASH USED BY INVESTING ACTIVITIES	(154,448)	(14,817)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of capital lease obligations	<u>(8,096)</u>	<u>(6,956)</u>
NET INCREASE IN CASH	31,482	80,886
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>435,179</u>	<u>354,293</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 466,661</u>	<u>\$ 435,179</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES:		
CHANGE IN NET ASSETS	\$ 192,298	\$ 131,554
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	27,342	22,709
Increase in accounts receivable	(21,952)	(13,717)
(Increase) decrease in contributions receivable	16,666	(50,000)
Increase in prepaid expenses	(1,522)	(1,858)
Decrease in deposits	11,083	-0-
Increase (decrease) in accounts payable	4,920	(31,426)
Increase (decrease) in unearned revenue	(7,470)	20,632
Increase in accrued leave payable	6,319	8,423
Increase in deferred rent	8,219	8,188
Unrealized loss (gain) on investments	(37,912)	10,945
Earnings on Walter Sterling Surrey Fund	<u>(3,965)</u>	<u>(2,791)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 194,026</u>	<u>\$ 102,659</u>

*The accompanying notes are an integral part of these financial statements.*



**NATIONAL PLANNING ASSOCIATION**  
**NOTES TO AUDITED FINANCIAL STATEMENTS**  
**JANUARY 31, 1996**

**NOTE A—SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**

*Organization*

The National Planning Association (the Association) was formed in 1934 as an independent, private, nonprofit, nonpolitical organization to carry on research and policy formulation in the public interest.

*Basis of Accounting*

The Association maintains its books on the accrual basis of accounting. Revenue is recognized when earned and expenses are realized when incurred.

*Cash and Cash Equivalents*

The Association considers amounts in checking, savings, and money market accounts to be cash and cash equivalents.

*Fixed Assets*

Fixed assets are recorded at cost, net of accumulated depreciation. Depreciation is calculated on the straight line basis over the estimated useful life of an asset. Equipment acquired under capital lease agreements is amortized using the straight line method over the shorter of the estimated useful life of the asset or the lease term.

*Tax Status*

The Association is exempt from federal income tax under Code Section 501(c)(3) of the Internal Revenue Code and has not been classified by the IRS as a private foundation.

*Financial Statement Presentation*

In the year ended January 31, 1996, the Association adopted Statement of Financial Accounting Standard (SFAS) No. 117, "Financial Statements of Not-for-Profit Organization." Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present a statement of cash flows. As permitted by this new statement, the Association has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1996 or 1995.

*Use of Estimates in the Preparation of Financial Statements—*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Contributions*

The Association also adopted in the year ended January 31, 1996, SFAS No. 116, "Accounting for Contributions Received and Contributions Made." The Association previously did not record contributions which were promised but not yet received and recorded restricted contributions received which were in excess of associated expenses as deferred income until earned.

In accordance with SFAS No. 116, contributions received, and unconditional promises to give, are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor imposed restrictions. As permitted by SFAS No. 116, the Association has retroactively applied the provisions of this new statement by restating net assets as of January 31, 1995. The adjustment of \$83,334 made to net assets as of January 31, 1995, represents contributions receivable (\$50,000), and time-restricted contributions previously reported as deferred income (\$33,334). Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction.

The effect of this new statement on the Association's change in net assets for 1996 and 1995 was an increase of \$129,503 and \$83,334, respectively, from what would have been reported under prior accounting principles.

Restricted contributions whose restrictions are met in the same year as received are recorded as unrestricted support.

**NOTE B—WALTER STERLING SURREY FUND**

During the year ended January 31, 1991, the Association established the Walter Sterling Surrey Fund on behalf of Mr. Surrey, an eminent international lawyer, statesman, and educator who was closely associated with the Association for nearly forty years. The fund is to support research and publication of studies concerned with the promotion of a fair and productive economic system. The Association has designated a certain portion of its cash for purposes of supporting the Surrey Fund balance. These cash amounts have been invested in a money market account.

**NOTE C—ENDOWMENT FUND**

The Endowment Fund consists of amounts designated by the Board of Trustees to invest for the production of income to support current operations. The Fund was originally established with the net proceeds from the sale of property at 1606 New Hampshire Avenue, N.W., Washington, D.C.

**NOTE D—INVESTMENTS**

Investments are carried at the lower of cost or market value and consist primarily of U.S. Treasury Notes, Federal National Mortgage Association Notes, Federal Home Loan Board Notes, and mutual funds. All of these investments are held with the Amalgamated Bank of New York Trust Department.



**NATIONAL PLANNING ASSOCIATION**  
**NOTES TO AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
**JANUARY 31, 1996**

The cost, market value, and unrealized gain (loss) on investments are as follows:

	Cost	Market Value	Unrealized Gain (Loss)
January 31, 1996	<u>\$849,393</u>	<u>\$887,305</u>	<u>\$ 37,912</u>
January 31, 1995	<u>\$749,378</u>	<u>\$738,433</u>	<u>\$(10,945)</u>

**NOTE E—ACCOUNTS RECEIVABLE**

Accounts receivable are as follows:

	Year Ended January 31,	
	1996	1995
Federal awards (AID):		
Billed	\$ 46,325	\$ 73,525
Unbilled	<u>19,428</u>	<u>—0—</u>
	65,753	73,525
Project contributions	46,117	18,300
Meeting fees	4,850	4,250
Interest income	12,751	13,472
Employee advances	2,036	2,341
Miscellaneous	<u>8,342</u>	<u>6,009</u>
TOTAL	<u>\$139,849</u>	<u>\$117,897</u>

**NOTE F—CONTRIBUTIONS RECEIVABLE**

All contributions receivable as of January 31, 1996 are expected to be received during the year ending January 31, 1997.

**NOTE G—DONATED SERVICES**

During the years ended January 31, 1996 and 1995, the Association recorded donated services for the AID Project. These services were valued using the number of hours donated at the hourly rates appropriate for equivalent Association employees. Contributions from donated services and donated service expense (included in Consultants expense and Meetings and Conferences expense) were \$7,655 and \$15,845 for the years ended January 31, 1996 and 1995, respectively.

**NOTE H—FUNCTIONAL EXPENSES**

The following are functional expenses for the Association:

	Year Ended January 31,	
	1996	1995
Program Services	\$1,264,101	\$1,200,484
Support Services		
General and Administrative	533,057	594,537
Fundraising	42,836	38,228
Membership Development	<u>67,692</u>	<u>58,938</u>
Total Support Services	643,585	691,703
TOTAL	<u>\$1,907,686</u>	<u>\$1,892,187</u>

**NOTE I—LEASES**

**OPERATING LEASE:**

The Association has an agreement to lease office space in Washington, D.C., through December 31, 2003. The lease provides for an annual CPI adjustment, and also contains an abatement of eight months rent. In accordance with generally accepted accounting principles, rent expense has been recorded on a straight line basis over the lease term.

Future minimum lease payments, by year and in the aggregate, for the years subsequent to the balance sheet date are as follows:

Year Ended January 31,	Amount
1997	\$ 120,791
1998	131,772
1999	120,791
2000	132,578
Thereafter	<u>542,364</u>
Total future lease payments	<u>\$1,048,296</u>

**CAPITAL LEASE:**

The Association is committed under a lease/purchase agreement, expiring in fiscal year 1998, for photocopying equipment. The agreement constitutes a so-called capital lease; accordingly, the aggregate lease payments discounted at appropriate rates are recorded as a liability and the estimated market value of the related asset is capitalized. Such asset costs are amortized over the life of the asset for a period of five years. The future minimum payments to be made under the capital lease, together with the present value of the net minimum lease payments as of January 31, 1996 are as follows:

Year Ended January 31,	Amount
1997	\$10,705
1998	<u>892</u>
	11,597
Less: Amount representing interest	<u>(7,694)</u>
Present value of net minimum payments	<u>\$ 3,903</u>

**NOTE J—RETIREMENT PLAN**

The Association has established a retirement plan for eligible employees who have completed two years of service. Employer contributions under the plan were approximately \$44,094 and \$42,500 in 1996 and 1995, respectively.



# NPA ORGANIZATIONAL SUPPORT

*NPA gratefully acknowledges the following organizations and individuals  
for their generous financial support of \$500 or more during 1995.*

AFL-CIO  
Agricultural Cooperative  
Development International  
Agricultural Council of America  
Aluminum Company of America  
Amalgamated Bank of New York  
Amalgamated Clothing and Textile  
Workers Union, AFL-CIO, CLC  
Amalgamated Life Insurance  
Company  
American Farm Bureau Federation  
American Federation of Teachers  
American Home Products  
Corporation  
American Institute for Free Labor  
Development, AFL-CIO  
American Re-Insurance Company  
American Retail Group  
Ameritech  
Archer Daniels Midland Company  
Arthur Andersen & Company  
AT&T Corporation

Bank of America Canada  
Bank of Boston  
Bank of New York Co., Inc.  
Bayer Corporation  
Bear, Stearns & Co., Inc.  
Bechtel Corporation  
Bethlehem Steel Corporation  
Bloomberg L.P.  
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Association  
Brooklyn Union Gas Company  
Brotherhood of Maintenance of  
Way Employees  
Burlington Northern Inc.

CAI Advisors & Co.  
Carnegie Corporation of New York  
Carolina Power & Light Company  
Caron International, Inc.  
Center for Global Communications

Center for Global Partnership  
Chase Manhattan Bank, N.A.  
Chemical Bank  
Citibank, N.A.  
Communications Workers of  
America, AFL-CIO, CLC  
Coopers & Lybrand L.L.P.  
Corning Incorporated  
CPC International

Dean Foods Company  
Deere & Company  
Deloitte & Touche L.L.P.  
Delta Consulting Group  
Department for Professional  
Employees, AFL-CIO  
DowElanco  
Dresser Industries, Inc.

Echo Bay Mines  
Edison Control Corporation  
EDS Corporation  
The Ellerbe Becket Company  
Ernst & Young  
Exxon Corporation

Farm Foundation  
Federal Express Canada Ltd.  
Forbes Magazine  
Ford Foundation  
Ford Motor Company  
Foster Wheeler International  
Corporation  
Franklin Health Group Inc.

General Electric Company  
General Motors Corporation  
Global Communications Systems, Inc.  
Goldman, Sachs & Co.  
The BF Goodrich Company  
W.R. Grace and Co.  
GROWMARK, Inc.  
GTE Corporation

H.J. Heinz Company  
Roderick M. Hills  
Hoeschst Celanese Corporation  
Hopkins & Sutter  
C.D. Howe Institute

Inco Ltd.  
Industrial Union Department,  
AFL-CIO  
Ingersoll-Rand Company  
International Union of Bricklayers  
and Allied Craftsmen  
International Union, UAW  
Iowa Farm Bureau Federation  
Iroquois Pipeline Operating  
Company

Kaiser Permanente  
Henry and Elaine Kaufman  
Foundation  
Kearsarge Energy Development  
Corporation  
Keilin & Bloom  
Kraft General Foods

Lazard Freres  
Levi Strauss & Co.  
Lotus Healthcare Corporation

McDonald's Corporation  
MCI Corporation  
John Mellor Associates  
Merrill Lynch & Co. Inc.  
John Miller  
Milliman & Robertson, Inc.  
Mobil Corporation  
Morgan Stanley Group Inc.  
Morgenthaler Ventures

National Association of  
Manufacturers  
National Education Association  
National FFA  
New York City AFL-CIO Central  
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Norrell Services, Inc.  
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Pacific Gas Transmission Company  
Perkins Coie  
Pfizer Inc  
Philip Morris Companies Inc.  
Dean Phypers  
Pioneer Hi-Bred International, Inc.  
Price Waterhouse  
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David Rockefeller  
Rose Packing Company, Inc.  
The Shelley and Donald Rubin  
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Sara Lee Corporation  
Scarboroughs

Schering-Plough Corporation  
Richard and Priscilla Schmeelk  
Foundation  
Charles Schwab & Co., Inc.  
Scott Fetzer Company  
SeaFirst Bank  
Seidman Family Foundation  
Service Employees International  
Union, AFL-CIO, CLC  
Siemens Corporation  
Richard S. Surrey

Tanner and Company  
Texaco Inc.  
Texas Industries, Inc.  
Alexander C. Tomlinson  
Trust Company of the West  
The William and Nancy Turner  
Foundation

UNITE (Union of Needletrades,  
Industrial & Textile Employees)  
UNITE, Rochester Joint Board  
United Brotherhood of Carpenters  
and Joiners

United Food & Commercial  
Workers International Union  
United Paperworkers International  
Union  
United Steelworkers of America  
United Technologies Corporation  
John A. Urquhart Associates  
U.S. Agency for International  
Development  
U.S. Department of Labor  
U.S. Institute of Peace  
USX Corporation

The Stephen and Suzanne Weiss  
Foundation  
Edwin J. Wesley  
Winrock International Institute for  
Agricultural Development

Xerox Canada Ltd.  
Xerox Corporation

Zeneca Inc.





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