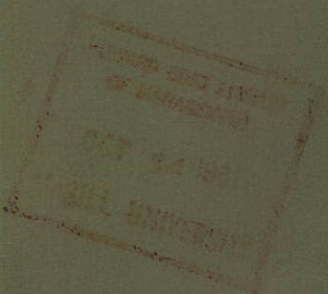


L Conference Board Inc.

1980

# The Conference Board Annual Report

CORPORATE  
ANNUAL  
H. ROSS M.B.







## **The Conference Board**

### **New York City**

The Conference Board, Inc.  
845 Third Avenue  
New York, New York 10022  
(212) 759-0900  
RCA International Telex  
237282 and 234465

### **Brussels**

The Conference Board in Europe  
Avenue Louise, 326 — Bte 48  
B-1050 Brussels, Belgium  
(02) 640 62 40  
Telex: 63635

### **Ottawa**

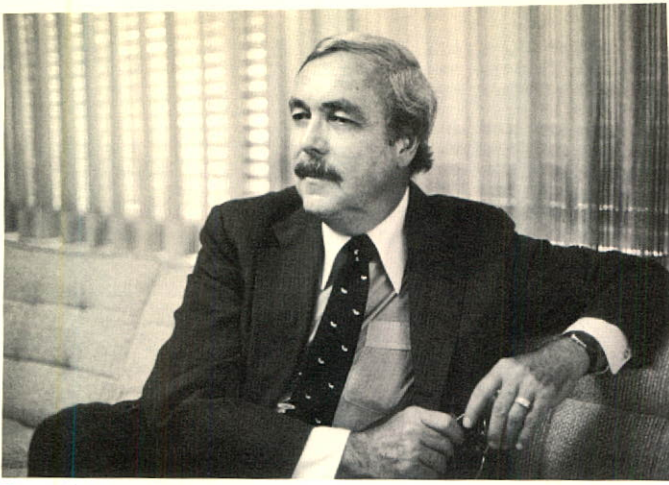
The Conference Board of Canada  
25 McArthur Road  
Suite 100  
Ottawa, Ontario K1L 6R3  
(613) 746-1261

### **Congressional Assistant Program**

The Conference Board, Inc.  
1755 Massachusetts Avenue, N.W.  
Washington, D. C. 20036  
(202) 483-0580

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Kenneth A. Randall



## President's Report

In spite of inflation, The Conference Board has completed another financially successful year while advancing significantly toward making its products and services more responsive to the needs of its Associates, especially those engaged in international business. I am pleased to report that the continued gratifying support of our Associates, coupled with close attention to productivity and all forms of cost containment, enabled us to close our fiscal year on May 31 with revenue from operations exceeding expenses by \$467,620.

**T**he need for the Board to internationalize its service to keep pace with global trends in business was recognized several years ago. Since then, we have tripled the volume of research directed to the interests of transnational executives, with particularly solid progress made during the fiscal year just ended.

The Board's operations in Canada have matured to the point where that organization is one of Canada's foremost independent research institutions, and is financially self-sufficient. It became increasingly clear this year that both the United States and Canadian operations would benefit by formal recognition of the autonomy the Canadian unit has always enjoyed. Accordingly, the Canadian activity is being organized as a self-contained not-for-profit corporation, chartered under Canadian law as a tax-exempt, nonpolitical, scientific, research and educational institution. Through a

licensing agreement with The Conference Board, Inc. the new corporation will operate under the name "The Conference Board of Canada."

**T**he year also witnessed rapid development of a research staff for The Conference Board in Europe, completion of the first three European studies, and substantial progress toward the development of a well-rounded research program. Associates can look forward to an increasing flow of information on pan-European management practices and economic trends, designed not only to assist companies on the Continent, but also to enrich the information resources available to transnational corporations anywhere in the world.

**I**n addition to the programs carried on through our Canadian and European organizations, we have extended the Board's work to other parts of the world. Over the past 18 months we have held conferences in Mexico, Brazil and Argentina, and numerous briefings and seminars in those nations as well as in Japan, Australia and New Zealand. We are visiting other nations in order to build confidence, friendship and support for The Conference Board and to seek ways in which the Board's work might mesh with the needs of international management. Flexibility and adaptability are the principles governing these explorations, for we are keenly aware of national differences. There are no programs to establish additional Conference Board offices.



A particularly successful innovation occurred in Mexico City this Spring when the Board held an open conference in conjunction with Fomento Cultural Banamex to examine the challenge of management development. The subject was important to the Mexican business community, and the meeting benefited immeasurably from the guidance and active assistance of our cosponsor. We are most appreciative of their help.

**R**esponding to the growing need for research studies which are global in concept and which call on specialized talents from many parts of the Board in their execution, we have applied the matrix management technique in our United States research operation. Executive Directors have been appointed to plan and coordinate information programs for two subject matter areas— international business management and business-government relations. Reporting directly to the Vice President, Research, the Directors develop and direct integrated research programs, working closely with the divisional Vice Presidents and the specialists on their staffs. This arrangement will not only meet our new research needs, but will provide new opportunities for intellectual cross-fertilization and career development.

A serious problem facing all nonprofit institutions, including The Conference Board, has been the impact of rising inflation. The problem is twofold. First of all, costs suddenly begin to rise in every

section of the operation—printing, postage, insurance, staff salaries, paper clips. However, income does *not* rise nearly as fast, which can cause a deficit in the operating account. The second problem is the impact of inflation on the value of funds in the investment accounts. While these problems can be and have been met with good management and adequate cost controls, the short-run impact restricted growth for several years.

**R**ecognizing this situation, The Conference Board asked our United States Associates two years ago to step up their regular contributions by an amount that would total \$1 million annually. In return, we committed ourselves to devote these additional funds to the expansion of research in three specific areas. Associate response was generous and within a year we were able to begin preparing for ongoing research efforts into business experience with government regulation, compensation and reward systems, and capital flows and capital formation. I am pleased to report that during the fiscal year just closed we completed and distributed to Associates the first six research reports produced by these moneys. During fiscal year 1981, we plan seven additional reports dealing with regulation, three dealing with compensation and reward systems, and two with capital flows and formation.

The ability of The Conference Board to manage its affairs in an orderly fashion is the result of the at-



tention given to increased productivity while maintaining steady improvement in the quality, usefulness and timeliness of our research and information output. This task was accomplished by the total staff of the Board, working as a team. I want to take this opportunity to thank each individual who participated in this effort. It could not have happened without their dedication and understanding.

**W**hile the worst of the inflation problem has been met, there will be no letup in the drive for greater productivity. By the end of calendar year 1980, the renovation of our offices in New York City should be complete, bringing people closer together for joint work and speeding the flow of information. The renovation will enable us to provide a higher level of service for all Associates through modern facilities for seminars, small meetings and other gatherings in New York. Library space will be enlarged, giving more convenient and more comfortable access to our library and information services.

**M**uch credit for the quality, timeliness and relevance of our program output belongs to the twelve United States and five Canadian research councils. The councils are comprised of 20 to 40 senior executives from Associate organizations who give generously of their time in periodic meetings where they engage in intense and candid discussions of current and future problems

in their specialized fields of endeavor. These meetings are invaluable educational guides for the members of our research staff who attend them, and it is appropriate to express the gratitude all of us feel for the contributions they make to our work.

**W**e are grateful, as always, for the dedicated service of the distinguished executives who serve as our Trustees. In particular, we owe a special debt of thanks to our retiring Chairman, Frank T. Cary, for the sound judgment and enlightened guidance he has provided during a longer-than-normal period in office. Mr. Cary graciously consented to complete the unexpired term of Chairman G. William Miller prior to taking on the regular two year term of office. We offer our deep appreciation to retiring Trustee and former Chairman Fletcher L. Byrom and Trustees Arjay Miller and Irving S. Shapiro, and we welcome the nominations of Mark Shepherd, Jr., as Chairman, and of Charles L. Brown, Philip M. Hawley and James L. Ketelsen as Trustees. The future continues in good hands.



Kenneth A. Randall  
President





Keeping up with Inflation / Fear  
the Canadian way / of Speaking

# across the board

The Conference Board Magazine Vol. XXV No. 3 MARCH 1988



NEXT  
IN  
SPACE

The Board of Directors  
Perspectives and Practices in Nine Countries

## Organization of International Joint Ventures

## Trends in Wages

THE CONFERENCE BOARD



Economic Road Maps  
No. 1887

October 1978

Top Executive Bonuses

## information bulletin

## Business Outlook

Summary of the Semiannual Outlook  
of The Conference Board Economic

## Preparing Managers for Planning



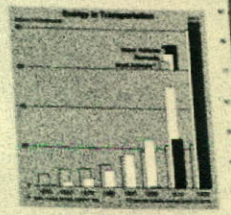
THE CONFERENCE BOARD



## Long Term U.S. Energy Trends

Economic Road Maps  
No. 1888-1887

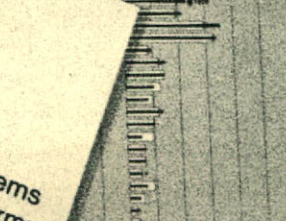
November 1979



A century ago, people still depended heavily on wood to heat their homes and cook their food. Wood was also used to power the early railroad engines, as well as in early steel-making processes such as blast-furnaces. As late as 1900, wood accounted for more than half of all energy consumed in the United States. However, coal use was expanding rapidly—especially as a power source in the Midwest where large quantities of anthracite were being mined. The Conference Board's study of energy trends shows that consumption of 1900 was surpassed by 1950, and the average consumption...

## Regulatory Problems and Regulatory Reform: The Perceptions of Business

### Foundations



Foundations have long been a source of support for research and scholarship. In the United States, the total assets of private foundations were estimated at \$100 billion in 1978. The Conference Board's study of foundations shows that the average size of foundations has increased over time, and that the average age of foundations is increasing. The study also shows that the average number of employees per foundation is increasing, and that the average number of grants awarded per foundation is increasing. The study concludes that foundations are becoming more professionalized and more active in the public sector.



# The Conference Board

a research institution where useful information is regarded  
as essential capital equipment

A busy executive said it first: “I don’t need more research. What I need is more useful information.”

The Conference Board retains its preeminent position as an independent research institution because it understands what is useful in management, economics and public affairs trends.

Information developed through Conference Board research is designed to be used. It is carefully developed to help busy managers do a better job, make better decisions—decisions based on solid fact and tested experience; competitive decisions responsive to conditions today and tomorrow.

*Name an important  
management subject. If  
The Conference Board  
hasn’t already studied it,  
odds are that it will.*

What’s the outlook for inflation next year? . . . Will Nigeria welcome foreign investment? . . . Do directors get extra compensation for service on committees? . . . How much are companies giving in contributions and what are they giving it to? . . .

These are among the many, many questions that keep Conference Board research specialists busy. Questions that require precise answers. Questions that shape important business decisions.

Human resources . . . financial management . . . regulation . . . urban problems. Strategic planning . . . corporate governance . . . compensation . . . antitrust. And more . . .

These are the subjects that keep today’s managers busy. The Conference Board is there as a partner, investigating, analyzing and interpreting until it turns out facts on which decisionmakers can rely.





LETTER-BULLETIN-BULLETIN-BULLETIN-BULLETIN

World Business  
Weekly

MONTHLY TAX  
Tax Foundation Inc.  
Property Tax Rise  
Slowest Since 1974

AREA MEMBERSHIPS  
F.O.B. Inc. 2011  
TAXES  
AMERICAN ECONOMIC ASSOCIATION

The  
BRC  
Book  
Woods

The Readings Institution  
A new book published June 9, 198  
UNIONS  
290 Pages  
King of wages by collective  
tion. Certainly unions  
it is also true that  
But how much  
United States







*The Conference Board's strength has always been the superior quality of its people.*

The Conference Board is an independent, not-for-profit institution with research capacities in the United States, Canada and Europe, employing more than 350 highly skilled men and women.

Research specialists at The Conference Board are experienced individuals from diverse backgrounds. Typically, before joining the Board they earn advanced degrees and gain expertise elsewhere. They come to the Board from positions in business, communications, labor, universities, associations and other research institutions. They are inquisitive, objective and proud of their reputations for integrity. They share a deep appreciation for validity and objectivity in the collection and analysis of data.

Most Conference Board research specialists are leading authorities in their fields of study and their time is in constant demand—to conduct research, to testify at government hearings, to teach, to address business and professional gatherings, to assist the news media as respected independent sources of information.

Nonetheless, research specialists spend on average more than 20 percent of their time giving personalized attention to the Board's supporters in one-on-one discussions with executives who have needs for special information.

*The Conference Board is as close as your telephone.*

The Conference Board has been amassing valuable information for more than 60 years. The inventory is enormous and growing day by day. But its value has not been fully realized until the information has been delivered to the people who need it.

The 4,000-plus Associate organizations supporting The Conference Board are located all over the world. Their needs for information differ from company to company, from individual to individual, from moment to moment—and The Conference Board serves them all.

Information developed through Conference Board research is disseminated by various means, depending on its volume and perishability. The media employed include publications (ranging from single-sheet charts and text through book-size studies), a

*Following page: His Excellency Chai Zemin, ambassador of the Peoples Republic of China to the United States, speaks with members of the press after addressing the luncheon session of a Conference Board meeting on "China—the Realities for U.S. Business."*











monthly magazine, and electronic transmission of data bases. Associates are encouraged to develop their own collections of Board information so that it will be readily available. Gaps in their collections are filled on request.

Many Associates believe they receive more by participating directly in the development and communication of information. The Board offers them several hundred opportunities each year with a program of meetings that literally circles the globe.

Associate executives have learned that the Board's comprehensive repository of data on management, economics and public affairs is easily accessible to help them with their day-to-day information needs. On an average day, the Board's staff of trained information specialists responds to 250 letters and phone calls from Associates who need answers quickly.

Regardless of your location, The Conference Board's resources are always close at hand.

*The Conference Board  
meets the market test  
every day of the year.*

The Conference Board came into being in 1916 with a few thousand dollars. Today it is a global information network utilizing annual revenues of more than \$18 million.

To stay in business and to grow, it must continue to be relevant.

The Conference Board has no endowment or guaranteed funding of any kind. Seventy percent of the Board's revenue is derived from the subscriptions of its Associates. Associates are business concerns and other organizations—such as labor unions, government agencies, communicators, associations and colleges and universities—that need the types of information generated by the Board.

Because support is reviewed annually, everyone at The Conference Board recognizes the importance of keeping programs attuned to the informational needs of Associates.

This market discipline applies as well to the Board's other revenue-producing activities—meetings, publication sales, outside-sponsored research and special services.







Associates receive double benefit for their support. First, there is the wealth of information that helps them arrive at sound decisions. Then, because this information is shared with the news media, scholars and other conduits to the public, the Board helps to strengthen society's understanding of management principles, economic systems and social and political trends—and society is better equipped to evaluate business performance and conditions.

*Associates give high marks to The Conference Board.*

The Conference Board's research staff and management have always employed a variety of informal means to identify and qualify the information needs of Associates. To supplement these sources, the Board commissioned an independent firm to report on Associate perceptions of its work.

This survey, conducted in late 1979, covered factors affecting financial support of the Board as well as attitudes toward its services. More than 1,200 policy level executives responded.

The survey report yielded an enormous amount of data which is being used to reshape and refine the Board's program. In broad perspective, however, the findings were gratifying. For example:

1. The overall satisfaction level with the Board was very high; 95 percent of the respondents considered the Board's output to be relevant and timely.
2. More than 80 percent of the participating executives characterized the Board as:

*doing objective, unbiased work*

*having a professionally competent staff*

*being an authoritative source of information*

*being eager to disseminate its work*

*offering accurate economic forecasts*

*conducting thoughtful, thorough research*

*disseminating its work in a clear and understandable way.*

The survey provides solid confirmation of The Conference Board's value as a vital and pragmatic source of information.



## Trustees

The business and affairs of The Conference Board, Inc. are managed by 31 Trustees, including the President, ex officio. Except for the President, each is an active managing officer of a sustaining Associate organization, and their function with The Conference Board is comparable to that of directors of commercial enterprises. Trustees are elected to three-year terms by the voting Members of the Corporation, a group of approximately 450 individuals comparable to the stockholders of a business.

Under the direction of the President, full-time staff officers conduct the day-to-day activities of the Board. The President reports formally to the Trustees on the Board's operations five times a year, and to the Members of the Corporation at the Annual Meeting. From among the Trustees certain committees are designated to review various areas of Board management. They report to the Board of Trustees and to the Members.

The following executives have been nominated for election as Trustees at the Annual Meeting on September 24, 1980:

Charles L. Brown  
*Chairman of the Board*  
*American Telephone and Telegraph Company*

Philip M. Hawley  
*President*  
*Carter Hawley Hale Stores, Inc.*

James L. Ketelsen  
*Chairman*  
*Tenneco Inc.*



# Trustees

## Chairman:

Frank T. Cary

*Chairman of the Board, International Business Machines Corporation*

## Co-Chairman

(Chairman Nominee 1980-81):

Mark Shepherd, Jr.

*Chairman, Texas Instruments Incorporated*

## Vice Chairmen:

Clifton C. Garvin, Jr.

*Chairman of the Board, Exxon Corporation*

Katharine Graham

*Chairman of the Board, The Washington Post Company*

Edward G. Harness

*Chairman of the Board, The Procter & Gamble Company*

Lee L. Morgan

*Chairman of the Board, Caterpillar Tractor Co.*

Roger E. Anderson

*Chairman of the Board, Continental Illinois National Bank and Trust Company of Chicago*

Charles F. Barber

*Chairman of the Board, ASARCO Incorporated*

T. F. Bradshaw

*President, Atlantic Richfield Company*

J. W. Burns

*President, Power Corporation of Canada, Limited*

Fletcher L. Byrom\*

*Chairman of the Board, Koppers Company, Inc.*

Herbert C. Cornuelle

*President, Dillingham Corporation*

C. R. Dahl

*Chairman, Crown Zellerbach Corporation*

Richard L. Gelb

*Chairman, Bristol-Myers Company*

W. H. Krome George

*Chairman of the Board, Aluminum Company of America*

John W. Hanley

*Chairman of the Board, Monsanto Company*

Robert S. Hatfield

*Chairman of the Board, The Continental Group, Inc.*

John A. Love

*Chairman of the Board and President, Ideal Basic Industries, Inc.*

Charles F. Luce

*Chairman of the Board, Consolidated Edison Company of New York, Inc.*

James W. McKee, Jr.

*Chairman, CPC International Inc.*

Louis W. Menk

*Chairman, Burlington Northern Inc.*

Arjay Miller\*

*Dean Emeritus, Graduate School of Business, Stanford University*

Sir David Orr

*Chairman, Unilever Limited*

Edward L. Palmer

*Chairman of the Executive Committee, Citibank, N.A.*

Alfred Powis

*Chairman and President, Noranda Mines Limited*

Kenneth A. Randall

*President, The Conference Board, Inc.*

Henry B. Schacht

*Chairman of the Board, Cummins Engine Company, Inc.*

Irving S. Shapiro\*

*Chairman of the Board, E.I. du Pont de Nemours & Company*

Jacques Solvay

*Chairman, Solvay & Cie., S.A.*

W. I. M. Turner, Jr.

*President, Consolidated-Bathurst Inc.*

G. A. Wagner

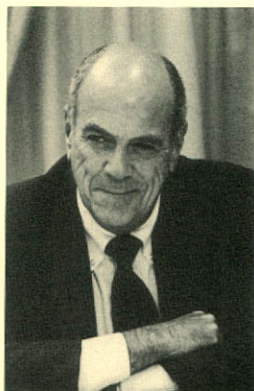
*Chairman of the Supervisory Board, Royal Dutch Petroleum Company*

\*retiring as Trustees effective September 24, 1980





Frank T. Cary



Edward G. Harness



T. F. Bradshaw



Mark Shepherd, Jr.



Clifton C. Garvin, Jr.



Lee L. Morgan



Roger E. Anderson



J. W. Burns



Katharine Graham



Charles F. Barber



# Trustees



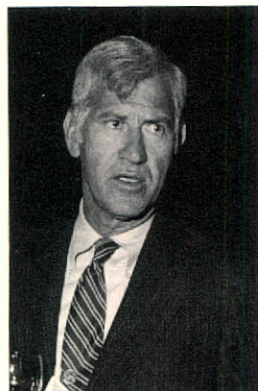
Fletcher L. Byrom



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C. R. Dahl



Richard L. Gelb



W. H. Krome George



John W. Hanley



Robert S. Hatfield



John A. Love



Charles F. Luce



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Louis W. Menk



Arjay Miller





Sir David Orr



Edward L. Palmer



Alfred Powis



Kenneth A. Randall



Henry B. Schacht



Irving S. Shapiro



Jacques Solvay



W. I. M. Turner, Jr.



G. A. Wagner



THE SAUDI ARABIAN / Adventures of a census  
CONNECTION interviewer

## across the board

### across the board

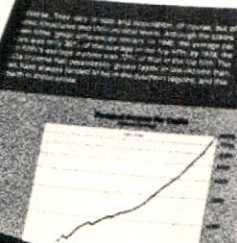
George H. Brown explains / Edgar R. Fiedler reviews  
the census / The Factsheets



OF TIME AND THE WORKER

### Regional Incomes in the United States

Economic Research  
No. 371-375

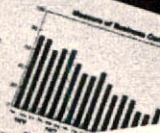


### Annual Survey of Corporate Contributions, 1980 Edition

(A Collection of Survey Data for the Calendar Year 1978)

### Business Executives' Expectations

Survey 1980  
Economic Research  
No. 376-380



### New-Product Winners and Losers



### Managing Corporate Development

### Foreign Investment in U.S. Manufacturing Industries

Second Quarter, 1980

THE CONFERENCE BOARD



### The T...

THE CONFERENCE BOARD



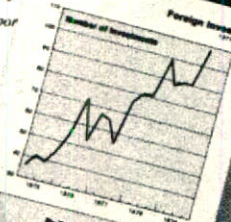
### International Currencies

Economic Research  
No. 1800-1801

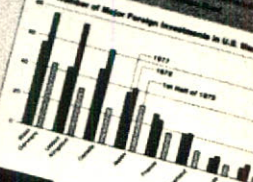
### information bulletin

### International Outlook for The Corpor...

The Corpor...



Foreign Investments in the United States  
1960-1978 and 1979-1980



Major Foreign Investments in U.S. Industries  
1960-1978 and 1979-1980



## European Council

The European Council provides guidance to the president of The Conference Board in Europe regarding basic policy, general program direction and sources and application of income.

### **Chairman:**

G. A. Wagner  
*Chairman of the Supervisory Board  
Royal Dutch Petroleum Company  
The Netherlands*

Giovanni Agnelli  
*Chairman  
FIAT, S.p.A.  
Italy*

Edwin L. Artzt  
*Group Vice President  
The Procter & Gamble Company  
Belgium*

J. W. Burns  
*President  
Power Corporation of Canada, Limited  
Canada*

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

Sir Reay Geddes  
*Honorary President  
Dunlop Holdings Limited  
United Kingdom*

Ignacio Gomez-Acebo  
*Chairman of the Board  
Firestone Hispania S.A.  
Spain*

Sir John Hedley Greenborough  
*President  
Confederation of British Industries  
United Kingdom*

Walter Kniep  
*Chairman of the Advisory Council  
CPC Europe Ltd.  
Belgium*

Pierre Ledoux  
*President  
Banque Nationale de Paris  
France*

Veikko Makkonen  
*President  
Kansallis-Osake-Pankki  
Finland*

Manfred von Mautner Markhof  
*Chairman  
Brauerei Schwechat AG  
Austria*

Sir David Orr  
*Chairman  
Unilever Limited  
United Kingdom*

Louis v. Planta  
*Chairman  
Ciba-Geigy Ltd.  
Switzerland*

Kenneth A. Randall  
*President  
The Conference Board, Inc.  
United States*

Jacques Solvay  
*Chairman  
Solvay & Cie., S.A.  
Belgium*

Dieter Spethmann  
*Chairman of the Executive  
Board of Directors  
Thyssen AG  
Germany*

Marcus Wallenberg  
*Honorary Chairman  
Skandinaviska Enskilda Banken  
Sweden*

## Councillors

Periodically since 1925, The Conference Board has recognized the contributions to business and society of a few outstanding individuals by electing them to the office of Councillor. This recognition is the only honor that The Conference Board bestows. A Councillor is a voting Member of the Corporation for life.

Three distinguished leaders will be presented to the Annual

Meeting September 24, 1980.  
They are:

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

José Lopez Portillo  
*President of Mexico*

Arjay Miller  
*Dean Emeritus  
Graduate School of Business  
Stanford University*



# Canadian Council

In the period since May 31, 1980 the members of the Canadian Council have been designated to become the original Board of Directors of The Conference Board of Canada, a nonprofit, nonpolitical organization incorporated under Canadian law.

**Chairman:**  
J. W. Burns  
*President*  
*Power Corporation of Canada, Limited*  
*Montreal*

**Vice Chairman:**  
Alfred Powis  
*Chairman and President*  
*Noranda Mines Limited*  
*Toronto*

John D. Allan  
*President*  
*Stelco Inc.*  
*Toronto*

Michel Bélanger  
*President*  
*National Bank of Canada*  
*Montreal*

Basil A. Bénéteau  
*President*  
*Northern Telecom Canada Limited*  
*Toronto*

James T. Black  
*President*  
*The Molson Companies Limited*  
*Toronto*

Robert A. Boyd  
*President*  
*Hydro-Québec*  
*Montreal*

Anthony A. Brait  
*President*  
*Newfoundland Telephone Company Ltd.*  
*St. John's*

Alton S. Cartwright  
*Chairman and President*  
*Canadian General Electric Company Limited*  
*Toronto*

Camille A. Dagenais  
*Chairman of the Board*  
*The SNC Group*  
*Montreal*

C. William Daniel  
*President*  
*Shell Canada Limited*  
*Toronto*

C. Calvert Knudsen  
*Chairman*  
*MacMillan Bloedel Limited*  
*Vancouver*

John A. Love  
*Chairman of the Board and President*  
*Ideal Basic Industries, Inc.*  
*Denver*

Donald C. Lowe  
*Chairman*  
*Pratt & Whitney Aircraft of Canada Ltd.*  
*Montreal*

J. D. MacLennan  
*President*  
*Interprovincial Steel & Pipe Corporation, Ltd.*  
*Regina*

John Macnamara  
*President*  
*The Algoma Steel Corporation, Limited*  
*Sault Ste. Marie*

H. Gordon MacNeill  
*President*  
*Jannock Limited*  
*Toronto*

Paul E. Martin  
*President*  
*The CSL Group Inc.*  
*Montreal*

J. R. McCaig  
*President*  
*Trimac Limited*  
*Calgary*

James W. McKee, Jr.  
*Chairman*  
*CPC International Inc.*  
*New Jersey*

C. E. Medland  
*Chairman and President*  
*Wood Gundy Limited*  
*Toronto*

Michael F. Mitchell  
*President*  
*Intercontinental Packers Limited*  
*Saskatoon*

Brian Mulroney  
*President*  
*Iron Ore Company of Canada*  
*Montreal*

James R. Nininger  
*President*  
*The Conference Board of Canada*  
*Ottawa*

George L. O'Leary  
*Chairman and President*  
*Scott Paper Limited*  
*Vancouver*

Edward L. Palmer  
*Chairman of the Executive Committee*  
*Citibank, N.A.*  
*New York*

Edwin C. Phillips  
*Chairman*  
*Westcoast Transmission Company Limited*  
*Vancouver*

Kenneth A. Randall  
*President*  
*The Conference Board, Inc.*  
*New York*

John D. Redfern  
*President*  
*Canada Cement Lafarge Ltd.*  
*Montreal*

Ian C. Rush  
*President*  
*Polysar Limited*  
*Sarnia*

H. B. Scott  
*President*  
*Synchrude Canada Ltd.*  
*Edmonton*

Neil M. Shaw  
*President*  
*Redpath Industries Limited*  
*Toronto*

Robert Stollery  
*Chairman and President*  
*PCL Construction Limited*  
*Edmonton*

**Ex Officio Members:**  
Clifford S. Malone  
*President*  
*Canron Inc.*  
*Toronto*

W. I. M. Turner, Jr.  
*President*  
*Consolidated-Bathurst Inc.*  
*Montreal*

W. O. Twaits  
*Former Chairman*  
*Imperial Oil Limited*  
*Toronto*



# Statements of Financial Position

(All Funds Combined)

The Conference Board, Inc.

	May 31	
	1980	1979
<b>Assets</b>		
<b>Current Assets</b>		
Cash .....	\$ 188,926	\$ 192,262
Investments—at lower of aggregate cost or market plus accrued interest:		
U.S. Government securities .....	4,331,647	3,515,300
Commercial paper and certificates of deposit .....	3,246,975	2,748,299
Commercial bonds .....	313,011	103,982
Common stocks (net of \$67,100 valuation allowance) .....		438,947
	7,891,633	6,806,528
Accounts receivable for subscriptions, conferences, courses and seminars, etc.—less allowance for doubtful accounts (1980—\$79,234; 1979—\$29,414) .....	2,085,317	2,516,283
Inventory of paper for publications .....	24,324	33,121
Prepaid expenses and other current assets .....	258,509	252,440
<b>Total Current Assets</b>	<b>10,448,709</b>	<b>9,800,634</b>
<b>Furniture, Equipment and Leasehold Improvements</b>		
at cost, less allowances for depreciation and amortization—Note 2. ....	1,366,252	375,160
	<b>\$11,814,961</b>	<b>\$10,175,794</b>
<b>Liabilities and Fund Balances</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities .....	\$ 1,165,753	\$ 943,055
Advance payments—special projects, conferences, etc. ....	370,939	251,852
Subscription income applicable to subsequent period operations .....	6,072,107	5,445,427
<b>Total Current Liabilities</b>	<b>7,608,799</b>	<b>6,640,334</b>
<b>Accrued Supplemental Retirement Benefits,</b>		
less current portion—Note 3 .....	203,082	
<b>Fund Balances</b>		
Operating fund:		
Undesignated .....	562,576	14,126
Reserve for program maintenance .....	568,450	568,450
Reserve .....	2,628,202	2,405,894
Development .....	206,122	518,630
Gifts and bequests .....	37,730	28,360
	4,003,080	3,535,460
	<b>\$11,814,961</b>	<b>\$10,175,794</b>

See notes to financial statements



# Statements of Revenue and Expenses

(All Funds Combined)

The Conference Board, Inc.

	Year Ended May 31	
	1980	1979
<b>Revenue</b>		
Subscriptions . . . . .	\$11,173,162	\$ 9,708,356
Conferences and courses . . . . .	2,364,841	2,252,803
Financed research . . . . .	3,043,747	2,766,070
Sale of publications . . . . .	470,099	434,258
Investment income . . . . .	704,888	488,785
Other . . . . .	141,595	181,804
Total Revenue	17,898,332	15,832,076
<b>Expenses</b>		
Salaries . . . . .	8,074,259	7,136,050
Employee benefits—Note 3 . . . . .	1,348,478	1,016,068
Payroll taxes . . . . .	329,625	331,958
Recruitment and relocation . . . . .	94,279	36,136
Purchased services . . . . .	720,282	630,685
Auditing and legal . . . . .	139,563	105,689
Travel and entertainment . . . . .	738,730	587,933
Outside costs—conferences and courses . . . . .	645,999	637,888
Outside printing . . . . .	1,245,532	1,197,586
Paper and supplies . . . . .	289,351	238,126
Postage . . . . .	680,953	652,534
Depreciation and amortization . . . . .	100,087	43,800
Books, periodicals and services . . . . .	100,207	83,319
Rent—equipment . . . . .	1,510,232	1,362,336
Rent—space . . . . .	812,880	830,096
Maintenance and repairs . . . . .	96,367	67,737
Provision for doubtful accounts . . . . .	57,000	
Insurance . . . . .	47,567	35,014
Telephone and telegraph . . . . .	281,939	269,787
Other . . . . .	117,382	74,559
Total Expenses	17,430,712	15,337,301
Excess of Revenue over Expenses	\$ 467,620	\$ 494,775

See notes to financial statements



# Statements of Changes in Fund Balances

(All Funds Combined)

Two Years Ended May 31, 1980

The Conference Board, Inc.

		Operating Fund				
	Total	Undesignated	Reserve for Program Maintenance	Reserve Fund	Development Fund	Gifts and Bequests Fund
Balances, May 31, 1978 . . . . .	\$3,033,585	\$ 79,619	\$318,450	\$2,138,620	\$ 471,094	\$25,802
Excess of revenue over expenses . . . . .	494,775	272,507		172,174	47,536	2,558
Interfund transfer—to (from) . . . . .		(338,000)	250,000	88,000		
Other . . . . .	7,100			7,100		
Balances, May 31, 1979 . . . . .	3,535,460	14,126	568,450	2,405,894	518,630	28,360
Excess of revenue over expenses . . . . .	467,620	178,450		222,308	57,492	9,370
Interfund transfer—to (from)—Note 5 . .		370,000			(370,000)	
Balances, May 31, 1980 . . . . .	\$4,003,080	\$ 562,576	\$568,450	\$2,628,202	\$ 206,122	\$37,730

See notes to financial statements

# Statements of Changes in Financial Position

(All Funds Combined)

The Conference Board, Inc.

	Year Ended May 31	
	1980	1979
<b>Sources of Working Capital</b>		
Excess of revenue over expenses . . . . .	\$ 467,620	\$ 494,775
Add expenses not requiring current outlay of working capital:		
Depreciation and amortization . . . . .	100,087	43,800
Increase in accrued supplemental retirement benefits . . . . .	221,500	
Other . . . . .		7,100
Working Capital Provided by Operations	789,207	545,675
<b>Uses of Working Capital</b>		
Purchase of furniture, equipment and leasehold improvements—net . . . . .	1,091,179	129,162
Decrease in accrued supplemental retirement benefits . . . . .	18,418	
	1,109,597	129,162
Increase (Decrease) in Working Capital	\$ (320,390)	\$ 416,513
<b>Increase (Decrease) in Working Capital, by Element</b>		
Cash . . . . .	\$ (3,336)	\$ 14,450
Investments . . . . .	1,085,105	471,008
Accounts receivable . . . . .	(430,966)	875,068
Inventory . . . . .	(8,797)	20,003
Prepaid expenses and other current assets . . . . .	6,069	(54,289)
Accounts payable and other current liabilities . . . . .	(222,698)	(158,991)
Advance payments . . . . .	(119,087)	113,181
Subscription income applicable to subsequent period operations . . . . .	(626,680)	(863,917)
Increase (Decrease) in Working Capital	\$ (320,390)	\$ 416,513

See notes to financial statements



# Notes to Financial Statements

*The Conference Board, Inc.*

**Note 1** The accompanying financial statements include the financial statements of the Operating, Reserve, Development and Gifts and Bequests Funds on a combined basis. All inter-fund accounts and transactions have been eliminated in combination. Transfers among funds are recorded in accordance with the authorization of the Board of Trustees.

Revenue from subscriptions is recorded on a proportionate basis over the subscription period, which generally covers one year. Revenue from conferences and courses is recorded upon completion of such meetings. Amounts received for financed research projects are included in income as the related costs on such projects are incurred. Provisions for losses on financed research projects are recorded when identified.

Furniture, equipment and leasehold improvements purchased are carried at cost and those acquired by gifts and bequests are carried at appraised or fair market value established at date of acquisition. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of and the resulting gain or loss is included in operations. Depreciation of furniture and equipment is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the term of the lease.

Inventories are recorded at the lower of cost (on a first-in, first-out method) or market. Publications are expensed in the year they are printed.

The accounts of operations in Canada and Belgium have been translated in accordance with Statement of Financial Accounting Standards No. 8. Translation gains (losses) which have been credited or charged to current operations were not material in 1980 and 1979.

**Note 2** Additions to leasehold improvements in 1980 represent costs incurred in connection with the renovation of the Board's New York office

and are net of a \$150,000 construction credit from the lessor. As of May 31, 1980, commitments for approximately \$450,000, subject to changes in specifications, exist for such renovation.

A summary of furniture, equipment and leasehold improvements follows:

	May 31	
	1980	1979
Furniture and equipment . . . . .	\$ 713,227	\$355,001
Leasehold improvements. . . . .	918,879	189,369
	1,632,106	544,370
Less allowance for depreciation and amortization. . . . .	265,854	169,210
	\$1,366,252	\$375,160

**Note 3** The Board has non-contributory pension plans covering most of its eligible employees. The total pension expense was approximately \$501,000 and \$474,000 for the years ended May 31, 1980 and 1979, respectively, including amortization of past service cost over 20 years. The Board has been funding pension costs accrued. At the most recent valuation date (June 1, 1979) the total of pension fund assets exceeded the related actuarially computed value of vested benefits.

Other retirement costs expensed by the Board amounted to \$419,000 and \$184,000 (including the Board's contribution to an employee savings incentive plan in each year) for the years ended May 31, 1980 and 1979, respectively. The 1980 expense includes an accrual of \$221,500 for the estimated present value of supplemental payments to be made to certain retired employees in addition to their normal retirement benefits.

**Note 4** The Board occupies office and warehouse space and uses certain data processing equipment under lease agreements expiring at various dates through 1994. Certain of the leases contain escalation clauses and require the Board to pay maintenance costs.



Future minimum rental commitments under all noncancelable leases are as follows:

	Data Processing Equipment	Warehouse and Office Space
1981 .....	\$84,000	\$ 737,000
1982 .....		737,000
1983 .....		587,000
1984 .....		485,000
1985 .....		485,000
Thereafter ...		3,806,000
	<u>\$84,000</u>	<u>\$6,837,000</u>

**Note 5** The Trustees authorized the transfer in 1980 of \$370,000 from the Development Fund to the Undesignated Operating Fund to provide financing for The Conference Board in Europe, a separate division established to service the European market. In addition, the U.S. operation incurred approximately \$215,000 of expenses on behalf of the European division, compared to a total expense of \$130,000 in 1979. The Trustees have authorized the transfer of an additional \$200,000 in 1981 from the Development Fund to the Undesignated Operating Fund to finance the European division's expected 1981 excess of expenses over revenues.

**Note 6** On January 24, 1980, the Board of Trustees approved a plan whereby a division, The Conference Board in Canada, would be in-

corporated as a separate Canadian corporation. The proposed plan is contingent upon the receipt of a favorable tax exemption ruling from the Canadian government and the subsequent approval by the Members of The Conference Board, Inc. at their annual meeting.

The Conference Board, Inc. plans to account for this transaction by decreasing its aggregate fund balance by the carrying amount of the net assets transferred to the new Canadian corporation at the date the plan is effected. It is contemplated that the effective date of the transaction would be June 1, 1980.

Pro forma condensed financial statements of The Conference Board, Inc. as of May 31, 1980 and for the year then ended are presented below as if the plan had been effected June 1, 1979.

Investments	\$ 6,870,000
Accounts receivable	1,540,000
Other assets	1,700,000
	<u>\$10,110,000</u>
Subscription income applicable to subsequent period operations	\$ 5,070,000
Other liabilities	1,240,000
Fund balances	3,800,000
	<u>\$10,110,000</u>
Total revenue	\$13,310,000
Total expenses	12,910,000
Excess of revenue over expenses	<u>\$ 400,000</u>

The Conference Board, Inc.  
New York, N.Y.

We have examined the statements of financial position of The Conference Board, Inc. as of May 31, 1980 and 1979, and the related statements of revenue and expenses, changes in fund balances and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of The Conference Board, Inc. at May 31, 1980 and 1979, and the results of its operations and the changes in its fund balances and financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

*Ernst & Whinney*

New York, N.Y. July 23, 1980

**Report of  
Ernst & Whinney  
Independent  
Auditors**



## Executive Staff

### *The Conference Board, Inc.*

Kenneth A. Randall  
*President and Chief Executive Officer*

Albert T. Sommers  
*Senior Vice President and Chief Economist*

George H. Brown  
*Secretary*

Margaret M. Stegman  
*Special Assistant to the President*

### **Corporate Vice Presidents:**

Charles J. Ferrero  
*Vice President, Development*

R. Michael Harter  
*Vice President, Finance and Treasurer*

David A. Weeks  
*Vice President, Research*

### **Division Vice Presidents:**

Stuart C. Dobson  
*Vice President, Publications and Communications*

Edgar R. Fiedler  
*Vice President, Economic Research*

Walter A. Hamilton  
*Vice President, Public Affairs Research*

Harold Stieglitz  
*Vice President, Management Research*

### *The Conference Board in Canada*

James R. Nininger  
*President, The Conference Board in Canada*  
*Vice President, The Conference Board, Inc.*

Florence Campbell  
*Vice President, Development*

Thomas Maxwell  
*Vice President and Chief Economist*

### *The Conference Board in Europe*

Johannes C. Welbergen  
*President, The Conference Board in Europe*  
*Vice President, The Conference Board, Inc.*

Richard O. A. Brown  
*Vice President and Chief Economist*

## Department Directors

### **Program:**

James Greene  
*Executive Director*  
*International Business Management Program*

E. Patrick McGuire  
*Executive Director*  
*Business/Government Research Program*

Earl L. Bailey  
*Director*  
*Marketing Management Research*

Lewis Bergman  
*Editor-in-Chief*  
*Across the Board*

Betty Bock  
*Director*  
*Antitrust Research*

James K. Brown  
*Director*  
*Financial Management Research*  
*Management Planning and Systems Research*

Stuart R. Clarkson  
*Director*  
*Conferences*

Lora S. Collins  
*Director*  
*Business Conditions Analysis*

J. Frank Gaston  
*Director*  
*Special International Studies*

John Hein  
*Director*  
*International Economics*

Tamsen M. Hernandez  
*Director*  
*Information Services*

Michael E. Levy  
*Director*  
*Economic Policy Research*

Fabian Linden  
*Director*  
*Consumer Research*

Joseph L. Naar  
*Director*  
*Public Information*

Francis J. Walsh, Jr.  
*Director*  
*Special Financial Research Projects*

Walter S. Wikstrom  
*Director*  
*Organization Development Research*  
*Compensation Research*

John Worssam  
*Director*  
*Conferences*

### **Support Services:**

Beatrice M. Barrett  
*Manager*  
*Office Services*

Jessie Barsin  
*Director*  
*Personnel*

Judith Bauer  
*Planning Director*

George P. Convery  
*Controller*

Lillian W. Kay  
*Manager*  
*Editorial Services*

David Kramer  
*Manager*  
*Systems Services*

Patrick T. Kruimer  
*Manager*  
*Distribution Services*

Donald F. Nordstrom  
*Director*  
*Graphics and Production*

Vera Reap  
*Director*  
*Management Information Systems*

Frank P. Stetz  
*Director*  
*Marketing Research*

E. Kay Worrell  
*Manager*  
*Survey Research Center*

### **Canada:**

Charles Barrett  
*Director*  
*Economic Research Group*

Lois Culpán  
*Director*  
*Publications Division*

James Frank  
*Director*  
*Compensation Research Center*

Peter Gusen  
*Director*  
*Provincial Economic Forecasting Group*

Scott Hatfield  
*Editor*  
*Canadian Business Review*

Morris Heath  
*Director*  
*Service Projects*

Martin Hill  
*Controller*

Diane Lutz  
*Director*  
*Information Services*

Peter McKenniery  
*Director*  
*Human Resources*

Ric Pankrat  
*Director*  
*AERIC Group*

Susan Peterson  
*Director*  
*Public Affairs Research Division*

Geoff Radnor  
*Director*  
*Conferences and Seminars*

Rea Skinner  
*Manager*  
*Associate Relations*

Ernie Stokes  
*Assistant Director*  
*National Economic Forecasting Group*

Ruth Thomas  
*Media Relations Coordinator*

Barry Turner  
*Manager*  
*Development*



# On Becoming an Associate

The operational link between The Conference Board and the organizations that support its work begins with representatives of the Board's development group.

These men and women are marketers, instructors, communicators and consultants all rolled into one. Their mission is to introduce prospective Associates to the array of Con-

ference Board services and when the prospect has become a full-fledged supporter, to ensure that the relationship is completely rewarding. They consult with representatives of their accounts, guiding them on how best to access and utilize the many parts of The Conference Board's information package and informing them of new programs at the Board as they come on stream.

## Development Group

### United States Development

Lewis M. McFarland  
*Director*

#### Development Directors

##### National

William A. Asbury  
Robert V. Sentner, Jr.

##### Regional

Robert S. Leaper  
*Northeast*

T. King McCreery, Jr.  
*Great Lakes*

Barbara N. Moles  
*Midwest*

William J. Murphy  
*West*

Thomas G. Reed  
*Southwest*

George C. Reight  
*Southeast*

Carol B. Sussman  
*New York City and Middle Atlantic*

##### Corporate

Lynette F. Willson

### European Development

John D. Brennan  
*Director*

#### Development Directors

John D. Brennan  
*United Kingdom, Netherlands*

Philippe J. Dennis  
*Belgium, France, Greece, Italy, Luxembourg, Portugal, Spain, Turkey*

Wolfgang Schürer  
*Switzerland*

Gerd Sottorf  
*Germany, Austria*

Harald Westling  
*Denmark, Finland, Norway, Sweden*

### International Development

The International Development Group is based at Conference Board headquarters in New York City and is responsible for communications with Associates and prospective Associates in all areas of the world other than the United States, Canada and Europe.

Richard J. White  
*Director*

Susan E. Seltzer  
*Manager, International Development*

#### Development Directors

Arthur Bennett  
*Brazil*

Richard J. White  
*Mexico*



