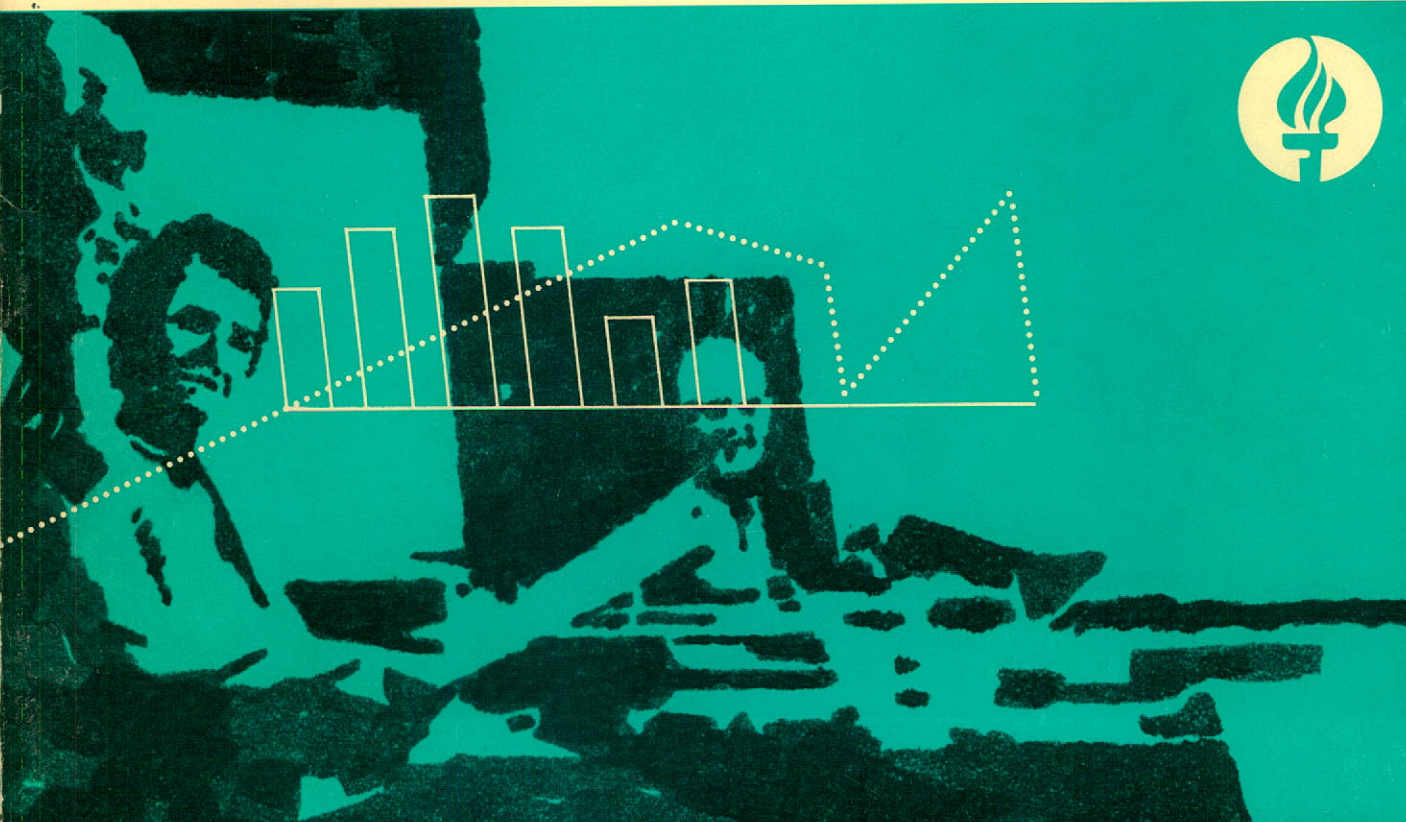


Conference Board, Inc.

©



1972 fifty sixth annual report the conference board



the conference board

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

from the certificate of incorporation



president's report

The year just ended has been, for The Conference Board, one of consolidation and construction. A stronger organization capable of meeting new challenges has been developed around recent leadership arrivals. A rethinking and redesigning of research and conference methodology emerged during the year. Furthermore, a concerted effort to build a wider base of support at home and abroad is showing significant results during its initial stages. We opened a new fiscal year on August 1, 1972, with sharpened skills, higher currency of topic matter, and renewed confidence born of having successfully passed through a stringent economic period.

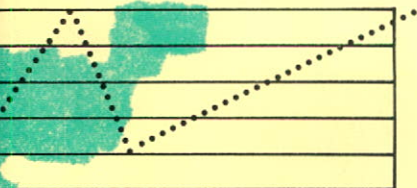
A series of major changes in Conference Board leadership took place in 1972. The retirement of Senior Vice President and Chief Economist Martin R. Gainsbrugh after 33 years of outstanding economic analysis and innovative contributions was a milestone in the Board's history. Mr. Gainsbrugh is sorely missed by all who had the honor of being associated with him. We are fortunate that Albert T. Sommers is fully qualified to take over those duties with consummate skill. Replacing Mr. Sommers as Vice President and Director of Economic Research is John Kendrick, one of America's foremost authorities on productivity, who has been most recently at George Washington University. In the Public Affairs Research Division, Walter A. Hamilton has succeeded Donald F. McMahon as Vice President. Mr. Hamilton has been in private industry as well as in the legislative and executive branches of the federal government, and left the Department of Commerce to join the Board.

Our Board of Trustees has indeed been fortunate to have had C. W. "Tex" Cook, Chairman and President of General Foods Corporation, as its skilled Chairman for a second and final year. That important post now passes to Jack S. Parker, Vice Chairman of the Board of General Electric Company. The Board suffered a great loss with the death of Frank Forster, Chairman of Sperry Rand Corporation, in his first year as a Trustee.

During the past year we have made further efforts to improve the timeliness and utility of research reports and major conferences. Under the able guidance of Senior Vice

President David G. Moore, we have smoothed the flow of major research publications to our Associates. These now average three to four per month. Simultaneously, we have cut printing and distribution costs by introducing modern processes and equipment. We are now planning research six months to more than a year ahead, with the objective of meeting more effectively the future interests and informational needs of top management and other key decision-makers in our society. Our conference program strikes a balance between the recurring annual concerns of business and topics of current urgency such as new challenges and directions for boards of directors, the energy crisis, increasing productivity, and American competitiveness in the world marketplace.

Particularly under the innovative guidance of Vice President Harold Stieglitz, emphasis in the coming year will continue to be focused on expanding the use of our management research findings in multiple ways: as articles, short or full reports, building blocks for conferences or courses, and as introductory work for expanded research. We shall also experiment with better methods of distribution of our various research findings, in hope of targeting the product to the prime user as well as cutting expensive duplication of mailings.



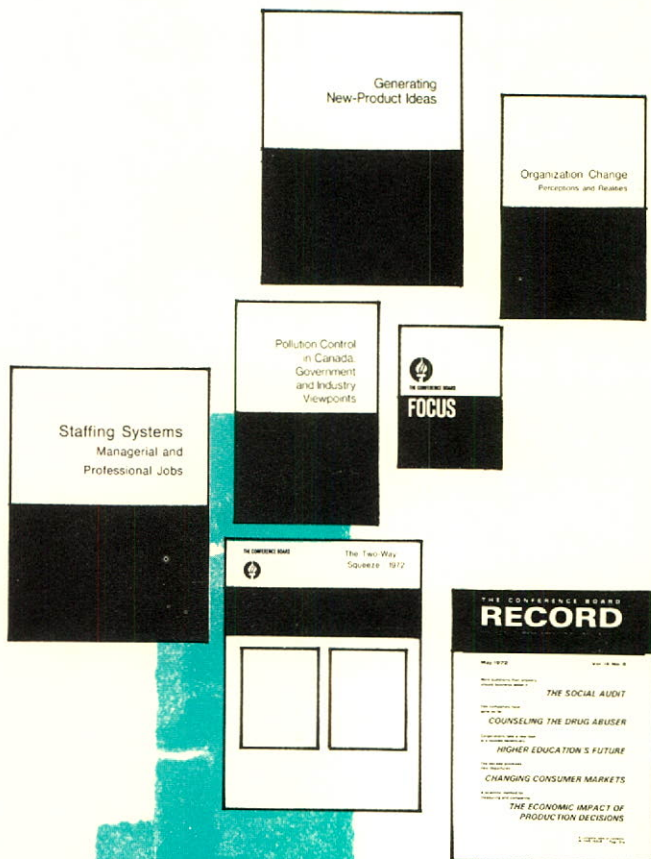
Of special interest was the introduction of a regular weekly column for newspaper use containing timely facts about business and economics as developed through our research efforts. Ten newspapers are now subscribing to the column.

Among other future activities developed in the year just concluded is a series of briefing sessions involving small groups of key executives and selected government leaders engaged in critical policy issues. We also hope to develop continuing colloquies between business executives and leaders of foundations and major institutional investors concerning issues of public policy which influence investor attitudes towards corporations.

During the year we continued to expand our international and domestic support under the leadership of Senior Vice President G. Clark Thompson. Regional meetings in Mexico, Europe, Latin America and the Pacific rim are leading up to that quadrennial gathering of such major importance, the International Industrial Conference, which the Board again will co-sponsor with Stanford Research Institute in September 1973. Subscriber support has expanded in all international sectors, with particularly strong growth in Mexico, Latin America and Canada. The first results of Arthur J. R. Smith's efforts as President of The Conference Board in Canada have indeed been exciting. New program content and research initiatives are now possible due to the broadened support he has generated in his short period with the Board. We have become a North American institution in fact as well as intent, and the explosive growth of our Canadian operation augurs well for the future. A more extensive account of our Canadian activities appears later in this report.

Domestically, we have entered into a major new membership drive to expand Associate support. Over thirty industry committees are now helping to open doors for our field representatives, and Secretary Herbert S. Briggs is welcoming increasing numbers of new Associates to Conference Board activities. Our purpose is to provide our efficient Administrative Vice President, Carl Baumes, and Assistant Treasurer Vera Reap, with the wherewithal to finance our expanded program in these increasingly costly times. With the aid of many loyal supporters and new friends, The Conference Board will continue to grow, innovate, consolidate and construct as it pursues its purpose of promoting the public welfare by providing objective facts and analyses needed to foster profitable economic growth.

Alexander B. Trowbridge
Alexander B. Trowbridge



research and conferences produced during our 56th year

research reports

The Board of Directors: New Challenges, New Directions
The U. S. Economy in 1990

Business Leadership in Social Change
Organization Change: Perceptions and Realities
Generating New-Product Ideas

Canadian Economic Expansion 1972
Staffing Systems: Managerial and Professional Jobs
Information Technology: Some Critical Implications
for Decision Makers
Policies on Leaves for Political and Social Action
Antitrust Problems and National Priorities

Early Retirement Programs
Pollution Control in Canada: Government and
Industry Viewpoints
Salesmen's Turnover in Early Employment
Tax Allocations and International Business
The National Dividend Plan: Pro & Con

Canada's Competition Policy
A Guide to Consumer Markets: 1971/1972
Managing Trade Receivables
Mortgage Debt for Non-Real Estate Purposes
Biennial Survey of Company Contributions

Corporations and Their Outside Auditors
Top Executives View Health Care Issues
Cash Management in the Moderate-Sized Company
Input-Output Analysis: A Nontechnical Description
Some Guidelines for Advertising Budgeting

Government Services in Major Metropolitan Areas
Third Biennial Survey of Power Equipment Requirements
of the U. S. Electric Utility Industry, 1971-80
The Problems and Potentials of Canadian Manufacturing
Effectiveness and Innovation in Corporate Giving
East-West Trade: The Lessons from Experience

Export Marketing Services and Costs
Business Outlook 1972
Public Affairs in the United States and Europe
Industry Expenditures for Water Pollution Abatement
Technician Education — Who Chooses It?

The Federal Budget: Its Impact on the Economy
Employing the Disadvantaged: A Company Perspective
Purchasing Practices in the Smaller Company
Dialogue on Concentration, Oligopoly, and Profit:
Concepts vs. Data
Selling and Servicing the National Account

How Smaller Companies Protect Their Trade Secrets
The Search for Common Ground: A Survey of efforts
to develop codes of behavior in international investment

conferences

Annual Meeting — Business in 1972
Canadian Business Outlook in 1972
The American Economic Outlook and Its
Implications for Europe
Living at the Height of Our Times
19th Annual Marketing Conference

The Board of Directors: New Challenges, New Directions
American Competitiveness in the World Market Place
Public Affairs in the United States and Latin America
United States in the Information Society of
the 70's and 80's
Financial Outlook Conference

Annual Antitrust Conference
Toward a Trillion Dollar Consumer Market
Conference on Energy and Public Policy
Mid-Year Economic Outlook
Productivity

Third International Financial Conference
Canadian Business Outlook — The West Coast
The Information Society of the 70's and 80's —
A Transatlantic Assessment

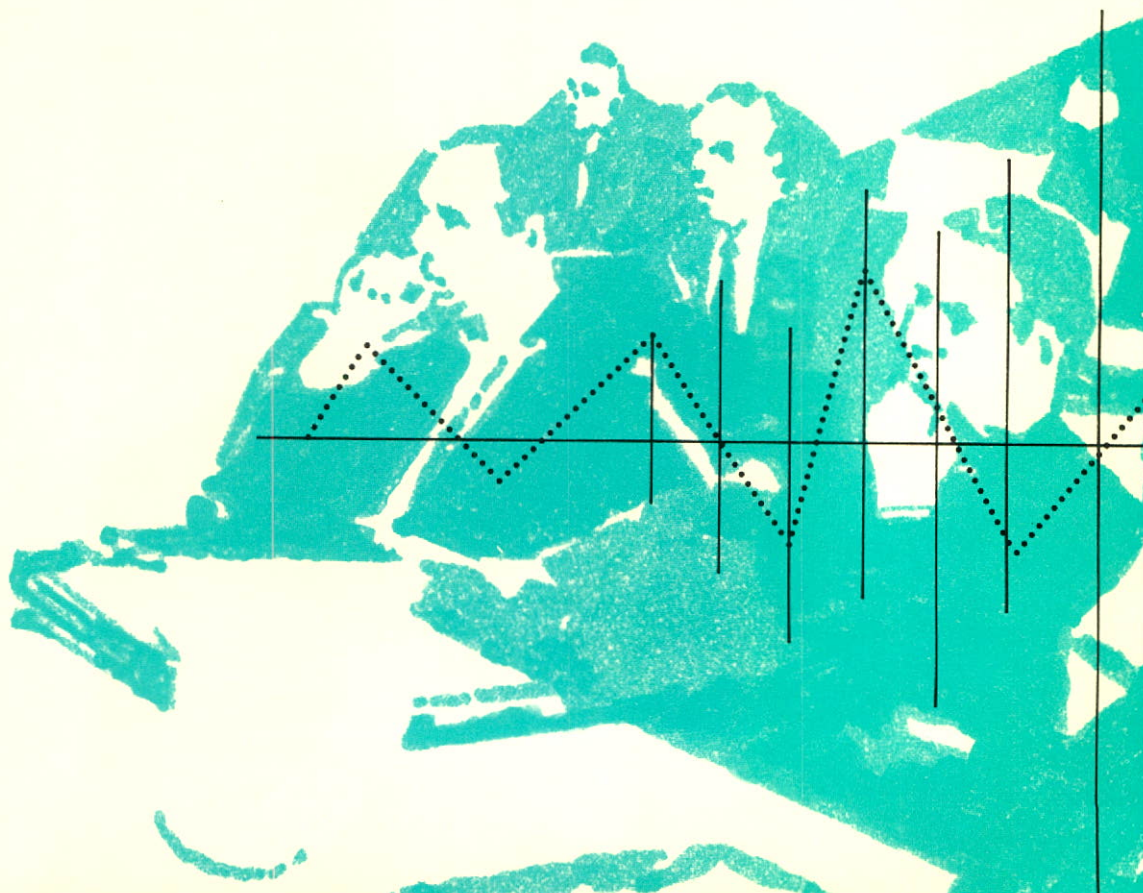
the board's research and conference program

The Conference Board is one of the largest privately supported, independent and non-profit business and economic research institutes in the world. With approximately 270 research specialists and supporting personnel, it is currently engaged in more than sixty research projects in the fields of economic forecasting and economic policy, management and organization, public affairs, and international economics. Topics cover a broad scope but are principally

concerned with providing management and other leadership groups with a background of objective information on relevant managerial and economic issues. In this respect, the Board utilizes the cooperation of 4,000 Associates in order to conduct research for all and at the same time its work strengthens the research and staff activities of individual Associates.

But the Board does more through its research and conference program than serve as the "staff behind the staff" for individual Associates. It also provides factual and objective information about the business community to educational institutions, government, unions, and other organizations. Its purpose is entirely educational and in no way involved in policy formation except as the facts themselves help shape decision and determine action.

During the past year, the Board published its research primarily through *The Conference Board Record*, the research report series, and a variety of economic bulletins, statistical reports and other periodicals. In 1971-72, it distributed more than 3,300,000 of its publications to Associates, educational institutions, and others. Altogether, the Board published more than 220 separate and distinct items including 41 major reports and 14 weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annual, and annual periodicals.



The research and educational activities of The Conference Board are also communicated through its conference program. Last year, 18 major conferences were conducted in New York City, the West Coast, Canada, and overseas and attended by almost 7,000 business executives and other key decision-makers. The quality of these conferences is maintained in large part because the Board's in-house research staff, aided by 14 research advisory councils, is keenly aware of how business and economic events are being shaped and who is shaping them. Conference speakers and panelists are carefully chosen for the specific contributions which they can make to the development of the conference theme. Thus, conference participants can be assured that Board conferences are educational experiences marked by competency, currency, and relevancy.

The special research and educational strength of the Board lies: first, in its reputation for independence and objectivity which is fully supported by its Associates and assured by its broad base of support; second, in the confidence it en-

joys in the business community and its ability to move relatively easily in conducting field research and gathering business and economic data; third, in its full-time research staff which can devote total attention to research projects and work cooperatively on interdisciplinary projects; and finally in its ability to communicate research findings to business management and other leadership groups. During the coming year, these unique qualities of the Board will be strengthened in order to insure continued and expanded support for the Board's important mission.



highlights of the coming 12 months

a selective sampling of the year ahead

research reports

Corporate Planning: The Views of Chief Executives
Corporate Directorship Practices: Election and Composition of Boards of Directors
Top Executive Compensation: A Biennial Survey of 1400 Companies
Evaluation of the Effectiveness of the New Economic Policy
Energy and Public Policy
Alternatives to Strikes: The Picture Overseas
Inventory Management
Improving Organization Performance through Organization Development
Economic Forecasting and Long Range Corporate Planning
Cash Management
Sales Management Compensation
Evaluating New-Product Proposals
Short-Term Demand Forecasting
Study of Corporate Profits
Validation of Employment Procedures
The Vietnam War and the Peace Dividend
Corporate Political Activity
Employee Benefits Profile
Marketing Information Systems
Private Industry's Involvements in Health Care
Environmental Policy-Making in the Corporation
Supervisory Training: An Evaluation of Current Effectiveness
Labor Participation in Management Overseas
Financial Management of Trusteed Pension Funds
Organization and Management of Consumer Affairs Units
Long-Term Debt in Corporate Capital Structures


U.S. and Canadian conferences

1972 Marketing Conference
Canadian Business Outlook
The Environment and Public Policy
Changes in U.S. International Economic Policies
Annual Financial Conference

Antitrust Conference
The U.S. Economy—Its Impact on Japan
Public Affairs Conference
Financial Planning—Executive Compensation
International Financial Conference

Consumer Conference
Mid-Year Economic Outlook
Canadian Outlook (West Coast)
Business Outlook 1974 (annual meeting)





the board has a clearly-defined responsibility to serve the public welfare and discharges it by...

- Undertaking for governments, foundations and others, at cost, special studies of major problem areas such as industry expenditures for water pollution abatement, employing the disadvantaged, and investments of American companies abroad.
- Providing opportunities for full and frank exchange of views between decision makers in government, education and business on major policy issues.
- Inviting responsible spokesmen from diverse fields to address the business community through Board conferences.
- Cooperating with corporations and foundations to improve the complementarity of actions aimed at discharge of social responsibilities.
- Stimulating the creation of new organizations as changing social and economic conditions require continuing study or action.
- Calling Board conferences and research reports to public attention through the news media and actively encouraging newsmen to use the Board as a reliable source of facts about business and the economy.
- Allowing authors and scholars liberal use of Board research for their own writings.
- Distributing the Board's chart series, "Road Maps of Industry" free-of-charge to educators and clergymen, at their request.
- Opening Associate membership to anyone, anywhere, and extending membership at reduced rates to public libraries and educational institutions.

The Conference Board in Canada

President's Report

During the past year, The Conference Board in Canada embarked upon a major phase of development and expansion designed to make its services much more useful to Canadian Associates.

This development consists of three stages. The first involved moving the Canadian office from Montreal to Ottawa and preparation of basic plans for new and more extensive services to Associates. These plans emphasize the unique role that the Board can play in Canada as decision-makers face complex new challenges in the 1970's.

The second development has focused on increasing the Board's financial resources in Canada. With the backing of our Canadian Council, we are seeking to double subscription income from Canadian Associates during 1972 and

1973, both by enlarging the number of Canadian Associates and by urging existing Associates to subscribe at a level closer to their fair share. Moreover, to facilitate earlier and more effective growth of Canadian services during 1972, the Council agreed to establish a Development Fund equivalent to one year of subscription income. These Development Fund resources are being used on a declining-balance basis, as regular subscription income from Canadian Associates grows.

The response to these efforts has been extraordinarily encouraging. During the past year, the flow of subscription income from Canadian Associates has increased approximately one third, and is now running at an annual rate of about \$400,000. Over 50 new Canadian Associates have joined the Board, with an especially notable expansion in the membership in Western Canada. Canadian Associates now number over 375, an increase of close to 20 per cent. In addition, since early 1972 more than \$300,000 of development grants have been received. It is clear that during 1972 a firm financial basis has been established for the new role of The Conference Board in Canada. The success achieved owes much to the energetic efforts of many Canadian business leaders, especially among both present and former members of the Canadian Council.

The third stage of development, for which the others were prerequisites, is to enlarge the staff and add to our available skills and competence so that the activities and output of The Conference Board in Canada can be expanded.





THE CONFERENCE BOARD, INC.

TREASURER'S REPORT

For the Fiscal Year Ended July 31, 1972

To Members and Associates of THE CONFERENCE BOARD:

Comparative financial statements of all funds of The Conference Board, Inc. for its fiscal years ended July 31, 1972 and July 31, 1971 and the report of independent accountants are included herewith.

For the fiscal year, the financial program anticipated a decrease in the Operating Fund balance of \$151,000 to be offset by a transfer of a portion of the interest earned on the Reserve Fund in the amount of \$50,000 and by use of \$101,000 of the Program Maintenance Reserve, an operating reserve established in 1969 to act as a buffer against a short-term recession. The Board's Management is pleased to report that only \$42,600 of the \$101,000 budgeted use of the Program Maintenance Reserve was required in the current year.

During the year, the Reserve Fund increased by \$17,990 to \$1,425,097. The Gifts and Bequests Fund increased \$352 to \$16,104.

Operating Fund assets July 31, 1972 were \$3,521,290, an increase of \$222,366 over total assets as of the beginning of the fiscal year. Cash, short-term government securities and commercial paper represented 76% of assets as compared to 79% in the previous year.

The Reserve Fund balance increased during the fiscal year as the result of an excess of income of \$67,990 less \$50,000 transferred to the Operating Fund to a total of \$1,425,097 as of July 31, 1972. Reserve Fund assets are represented by \$747,207 in cash, government securities and commercial paper, and by \$685,768 in common stocks.

The Gifts and Bequests Fund balance increased nominally to a total of \$16,104 as of July 31, 1972. The balance is represented by cash and investments in common stocks at their value as of the dates of their contribution to the Fund.

Operating income for the year includes \$295,200 representing contributions by Canadian Associates to a special Canadian Development Fund. The purpose of the Fund is to permit an expansion of the research capabilities of our Canadian staff. The amount of \$265,200 has been placed in a fund account to be drawn on as required to help finance the expanded program. The Canadian operation used \$30,000 of the Fund during the fiscal year ended July 31, 1972.

Respectfully submitted,
Carl G. Baumes, Treasurer

ACCOUNTANTS' REPORT

ERNST & ERNST
140 Broadway
New York, N.Y. 10005

THE CONFERENCE BOARD, INC.
NEW YORK, N.Y.

We have examined the financial statements of The Conference Board, Inc. for the years ended July 31, 1972 and 1971. 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 accompanying statements of financial position and income, expenses and changes in fund balances present fairly the financial position of The Conference Board, Inc., at July 31, 1972 and 1971, and the results of its operations and changes in fund balances for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

August 28, 1972

A stylized, handwritten signature in dark ink that reads "Ernst & Ernst". The script is fluid and cursive, with the ampersand being particularly prominent.

STATEMENT OF INCOME, EXPENSES AND CHANGES IN FUND BALANCES
THE CONFERENCE BOARD, INC.
OPERATING FUND

	Year Ended July 31,	
	1972	1971
INCOME		
Subscriptions	\$4,940,358	\$4,884,567
Conferences and courses	867,875	764,417
Financed research	861,762	856,733
Canadian development	295,200	—
Sale of publications	203,138	217,062
Interest	140,059	137,676
Other income	42,056	28,816
TOTAL INCOME	7,350,448	6,889,271
EXPENSES		
Salaries	3,657,505	3,500,285
Employee benefits	375,189	333,754
Payroll taxes	112,837	100,568
Travel	271,451	276,296
Outside costs — conferences and courses	253,550	225,387
Outside printing — Note 2	825,971	813,385
Paper and supplies	242,336	287,080
Postage and mailing expenses	248,236	213,707
Furniture and equipment	39,490	19,068
Books and periodicals	35,708	27,029
Rent — equipment	159,818	155,296
Rent — space	423,157	413,167
Maintenance and repairs	38,145	60,826
Technical services	340,125	412,873
Telephone and telegraph	104,979	85,589
Other expenses	48,517	37,232
TOTAL EXPENSES	7,177,014	6,961,542
EXCESS OF INCOME (EXPENSES)	173,434	(72,271)
Fund balance at beginning of year	42,976	39,247
Transfers from (to):		
Reserve Fund	50,000	50,000
Reserve for program maintenance	42,600	26,000
Canadian Development Fund	(265,200)	—
FUND BALANCE AT END OF YEAR	\$ 43,810	\$ 42,976

RESERVE FUND

	July 31,	
	<u>1972</u>	<u>1971</u>
ASSETS		
Cash	\$ 1,424	\$ 5,856
Investments:		
U.S. Government securities and commercial paper — at cost and accrued interest (market value: 1972-\$760,000; 1971-\$814,000)	745,783	801,287
Common stocks — at cost (market value: 1972-\$1,144,000; 1971-\$769,000)	685,768	602,267
	<u>\$1,432,975</u>	<u>\$1,409,410</u>
LIABILITIES		
Accounts payable	\$ 2,878	\$ 2,303
Due to Operating Fund	5,000	—
Fund balance	1,425,097	1,407,107
	<u>\$1,432,975</u>	<u>\$1,409,410</u>

GIFTS AND BEQUESTS FUND

ASSETS		
Cash	\$ 1,388	\$ 1,033
Investments in common stocks — at market price on date received for securities contributed and at cost for securities purchased (approximate market)	14,763	14,763
	<u>\$ 16,151</u>	<u>\$ 15,796</u>
LIABILITIES		
Accounts payable	\$ 47	\$ 44
Fund balance	16,104	15,752
	<u>\$ 16,151</u>	<u>\$ 15,796</u>

See notes to financial statements.

**STATEMENT OF FINANCIAL POSITION
THE CONFERENCE BOARD, INC.**

OPERATING FUND

	July 31,	
	<u>1972</u>	<u>1971</u>
ASSETS		
Cash	\$ 270,550	\$ 175,842
Investments:		
U.S. Government securities — at cost and accrued interest (market value: 1972-\$1,776,000; 1971-\$1,978,000)	1,725,275	1,977,423
Commercial paper and certificates of deposit — at cost and accrued interest (approximate market)	664,339	459,955
	<u>2,389,614</u>	<u>2,437,378</u>
Accounts receivable for subscriptions, conferences, courses and seminars, etc. — less allowance for doubtful accounts of \$28,500	737,458	520,715
Inventory of paper for publications, at average cost ...	32,792	70,823
Furniture, equipment and library	1	1
Prepaid expenses and other assets	85,875	94,165
Due from Reserve Fund	5,000	—
	<u>\$3,521,290</u>	<u>\$3,298,924</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 166,448	\$ 240,085
Accrued printing expense — Note 2	143,000	181,900
Advance payments — special projects, conferences, etc.	385,190	374,535
Subscription income applicable to subsequent period operations	2,451,242	2,350,428
Reserve for program maintenance	66,400	109,000
Canadian Development Fund	265,200	—
Fund balance	43,810	42,976
	<u>\$3,521,290</u>	<u>\$3,298,924</u>

RESERVE FUND

	Year Ended July 31,	
	1972	1971
INCOME		
Interest and dividends	\$ 61,411	\$ 63,587
Gain on sale of common stocks	11,944	31,636
TOTAL INCOME	<u>73,355</u>	<u>95,223</u>
EXPENSE		
Bank charges	<u>5,365</u>	<u>2,856</u>
EXCESS OF INCOME	67,990	92,367
Fund balance at beginning of year	1,407,107	1,364,740
Transfer to Operating Fund	(50,000)	(50,000)
FUND BALANCE AT END OF YEAR	<u>\$1,425,097</u>	<u>\$1,407,107</u>

GIFTS AND BEQUESTS FUND

INCOME		
Dividends	\$ 449	\$ 327
EXPENSE		
Bank charges	<u>97</u>	<u>59</u>
EXCESS OF INCOME	352	268
Fund balance at beginning of year	<u>15,752</u>	<u>15,484</u>
FUND BALANCE AT END OF YEAR	<u>\$ 16,104</u>	<u>\$ 15,752</u>

NOTES TO FINANCIAL STATEMENTS

Note 1: Revenue from subscriptions is included in income 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. Current operations are charged with additions to furniture and equipment.

Note 2: Outside printing expense includes a provision of \$143,000 in 1972 and \$181,900 in 1971 for printing expenses to be incurred in the following year on research studies and projects in process at July 31, 1972 and 1971, respectively.

Note 3: The Board has contributory retirement income plans covering substantially all of its eligible employees. The total pension expense was approximately \$260,000 in 1972 and 1971, including amortization of past service cost over periods of 15 and 22 years. The Board has been funding pension costs accrued. At the most recent valuation date, the total of the pension funds of \$1,675,000 represented 77% of the related actuarially computed value of vested benefits and the unfunded past service cost of the plans amounted to approximately \$420,000.

Note 4: The Board rents office space at annual commitments of approximately \$410,000 under leases expiring from 1976 to 1978.

Progress has been made in a number of directions and will accelerate in the coming year.

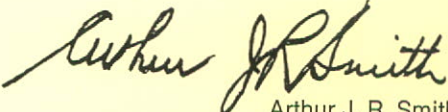
Our conference and special seminar programs have been expanded — including a second major Annual Business Outlook Conference to be held each year in Western Canada. A series of half-day Business Outlook Seminars for executives among Canadian Associates was developed on an experimental basis in 1972, and such seminars will be held more widely during the coming year. In addition, seminars for industry economists on the availability and analysis of industrial data are being planned. A special conference, intended to facilitate dialogue between Canadian business schools and the business community, is scheduled for early 1973.

A major initiative in the coming year will be the publication of monthly and quarterly business indicators. These publications will contain charts and commentary to enable business executives to monitor key short-term Canadian business trends.

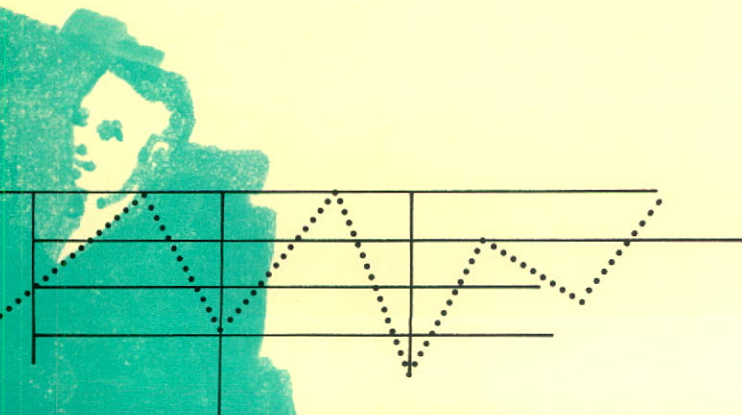
Information Service in The Conference Board in Canada has been strengthened and is now much more widely used by Associates. To provide information in even greater depth, a number of special information reports will be prepared as resources permit.

Walter E. Duffett, formerly Chief Statistician of Canada, has been appointed Vice President of The Conference Board in Canada, effective in October 1972, and will examine the feasibility of producing a quarterly Canadian Business Review to report regularly on business trends and other topics of special interest to Canadian Associates of the Board.

In the course of assuming my new responsibilities as President of The Conference Board in Canada, I have been enormously assisted by the generous and forward-looking support that I have received from Conference Board colleagues and highly qualified staff in New York. Special tribute is also due the members of the Canadian Council, and particularly its Chairman, John S. Dewar, for their dynamic role in helping to promote the development of major new capacities for The Conference Board in Canada. Similarly, I wish to express warm appreciation for the dedicated service of my staff which has achieved a remarkably high level of accomplishment under the difficulties of transition. Having had a small part to play in the early years of The Conference Board in Canada after it was established in 1954, it is a great pleasure to have the opportunity to return and direct the new phase of development that is now under way.



Arthur J. R. Smith



officers

Chairman

C. W. Cook, Chairman and President
General Foods Corporation

Co-Chairman

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

Vice Chairmen

Willis B. Boyer, President
Republic Steel Corporation

John T. Connor, Chairman
Allied Chemical Corporation

G. Keith Funston, Former Chairman of the Board
Olin Corporation

Gordon M. Metcalf, Chairman
Sears, Roebuck and Co.

H. I. Romnes, Chairman of the Executive Committee
American Telephone and Telegraph Company

trustees

J. Paul Austin, Chairman of the Board
The Coca-Cola Company

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

Stephen D. Bechtel, Jr., President
Bechtel Corporation

B. F. Biaggini, President
Southern Pacific Company

William Blackie, Director
Caterpillar Tractor Co.

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

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

Russell DeYoung, Chairman of the Board
The Goodyear Tire & Rubber Company

J. Frank Forster, Chairman
Sperry Rand Corporation
(deceased July 1, 1972)

John D. Harper, Chairman of the Board
Aluminum Company of America

Ellison L. Hazard, Chairman of the Executive Committee
Continental Can Company, Inc.

Jack K. Horton, Chairman of the Board
Southern California Edison Company

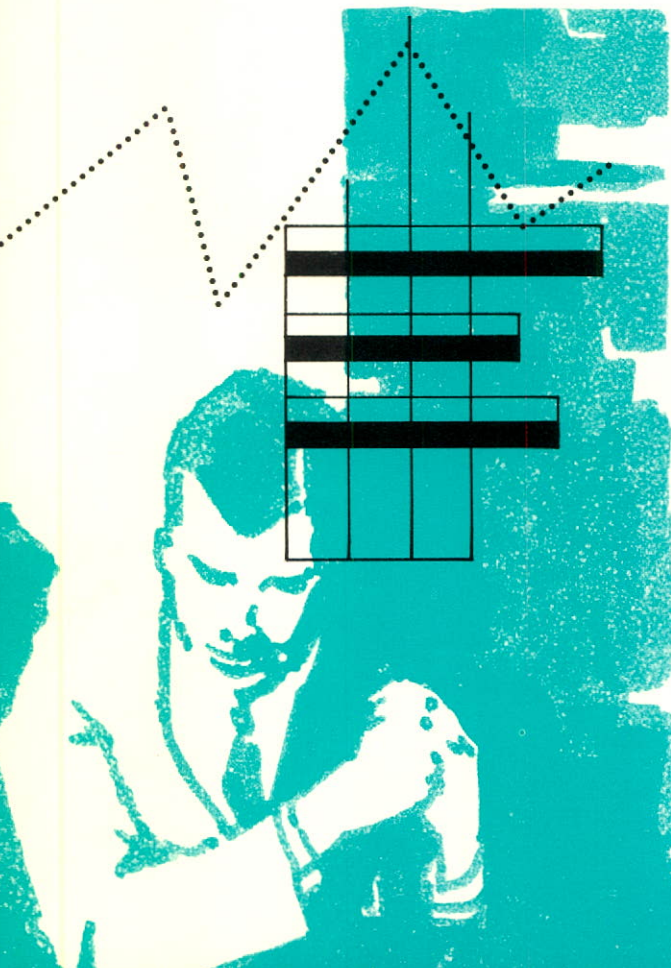
James S. Kemper, Jr., President
Kemper Insurance Group

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

T. Vincent Learson, Chairman of the Board
International Business Machines Corporation

Edmund F. Martin, Former Chairman
Bethlehem Steel Corporation

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



Robert D. O'Brien, Chairman
PACCAR Inc.

R. A. Peterson, Director
Bank of America National Trust and Savings Association

William S. Renchard, Chairman
Chemical Bank

J. Henry Smith, President
The Equitable Life Assurance Society of the United States

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

Alexander B. Trowbridge, President
The Conference Board, Inc.

Henry S. Wingate, Director
The International Nickel Company of Canada, Limited

administration

Alexander B. Trowbridge
President and Chief Executive Officer

Martin R. Gainsbrugh
Senior Vice President and Chief Economist
(until July 1, 1972)

David G. Moore
Senior Vice President, Research

Albert T. Sommers
Senior Vice President and Chief Economist
(effective July 1, 1972)

G. Clark Thompson
Senior Vice President, Development

Carl G. Baumes
Administrative Vice President and Treasurer

Walter A. Hamilton
Vice President, Public Affairs Research
(effective May 1, 1972)

John W. Kendrick
Vice President, Economic Research (effective July 1, 1972)

Donald F. McMahon
Vice President, Public Affairs Research (until May 1, 1972)

Arthur J. R. Smith
Vice President; President of The Conference Board
in Canada

Harold Stieglitz
Vice President, Management Research

Herbert S. Briggs
Secretary

Vera Reap
Assistant Treasurer

research and administrative directors

W. J. Arnold, Editor-in-Chief, The RECORD

Earl L. Bailey, Director, Marketing Management Research

Betty Bock, Director, Antitrust Research

James K. Brown, Director, Management Planning
and Systems Research

Stuart R. Clarkson, Director, Conferences

Daniel Creamer, Director, Special Projects

Stuart C. Dobson, Director, Planning

Michael Duerr, Director, International Management Research

Walter E. Duffett, Vice President, The Conference Board
in Canada (effective October, 1972)

J. Frank Gaston, Director, Special International Studies

Gary Goodwin, Director, Personnel Relations

Jeannine Green, Director, Information Service

James Greene, Director, International Center
for the Study of Business Environments

John Hein, Director, International Economics Research

Michael E. Levy, Director, Economic Policy Research

Fabian Linden, Director, Consumer Research

Luke McSherry, Director, Systems and Procedures

John G. Myers, Director, General Economics Research

Joseph L. Naar, Director, Public Information

Frank Nash, Director, Graphics and Production

James K. Ramsey, Director, Service Extension

Henry P. Theodore, Director, Foreign Services

Francis J. Walsh, Jr., Director, Financial Management
Research

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

Walter S. Wikstrom, Director, Organization
Development Research

finances

Notwithstanding the general economic slowdown and inflationary pressures during the year ended July 31, 1972, the Board's finances continue at a satisfactory level. The principal fund — the Operating Fund — reported a modest increase, as did the two supporting funds — the Reserve Fund and the Gifts and Bequests Fund.

operating fund

Operations for the year show a net gain of just under \$1,000. The Board's management is gratified that the break-even position was achieved with the use of only \$42,600 of the \$101,000 budgeted transfer from the Program Maintenance Reserve Fund.

Revenue from all sources was \$461,000 greater than the corresponding figure for the previous year. However, \$295,000 of the increase represents contributions to a special fund for the future expansion of the Conference Board in Canada. Strict control of staff and other costs kept ex-

penses in line with revenue. The two charts shown below depict the relative size of income and expense items.

reserve fund

The Reserve Fund is designed as a safeguard against a prolonged major depression. During the year, the Fund increased by \$18,000 to \$1,425,097.

gifts and bequests fund

In the Gifts and Bequests Fund there is accumulated a number of unrestricted gifts by corporations and individuals wishing to advance the work of the Board. No such gifts were received during the year just closed. Net income from dividends and interest amounting to \$352 brought the Fund balance to \$16,104 at the year-end.

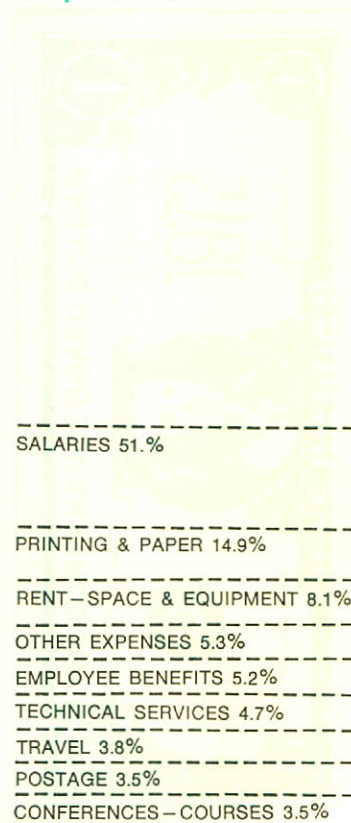
A more detailed audited statement of changes in Fund balances and of income and expenses is printed separately and is available on request.

The work of the Board's 267 full-time staff is supported by approximately 4,000 Associates and by foundations, government agencies and other organizations that provide sponsorship for its research. The Conference Board's management appreciates their continued loyal support.

income



expenses



(EXCLUDING CANADIAN DEVELOPMENT FUND)

operating fund statement

	Year Ended July 31,	
	1972	1971
income		
Subscriptions	\$4,940,358	\$4,884,567
Conferences and courses	867,875	764,417
Financed research	861,762	856,733
Canadian development	295,200	—
Sale of publications	203,138	217,062
Interest	140,059	137,676
Other income	42,056	28,816
TOTAL INCOME	7,350,448	6,889,271
expenses		
Salaries	3,637,505	3,500,285
Employee benefits	375,189	333,754
Payroll taxes	112,837	100,568
Travel	271,451	276,296
Conferences and courses	253,550	225,387
Outside printing—Note 2	825,972	813,385
Paper and supplies	242,336	287,080
Postage and mailing expenses	248,236	213,707
Furniture and equipment	39,490	19,068
Books and periodicals	35,708	27,029
Rent—equipment	159,818	155,296
Rent—space	423,157	413,167
Maintenance and repairs	38,145	60,828
Technical services	340,125	412,873
Telephone and telegraph	104,979	85,589
Other expenses	48,516	37,232
total expenses	7,177,014	6,961,542
excess of (expenses) income	173,434	(72,271)
Fund balance at beginning of year	42,976	39,247
Transfers from (to):		
Reserve Fund	50,000	50,000
Reserve for program maintenance	42,600	26,000
Canadian Development Fund	(265,200)	—
fund balance at end of year	\$ 43,810	\$ 42,976

reserve fund

	Year Ended July 31,	
	1972	1971
income		
Interest and dividends	\$ 61,411	\$ 63,587
Gain on sale of common stocks	11,944	31,636
Total Income	73,355	95,223
expense		
Bank charges	5,365	2,856
Excess of Income	67,990	92,367
Fund balance at beginning of year	1,407,107	1,364,740
Transfer to Operating Fund	(50,000)	(50,000)
Fund balance at end of year	\$ 1,425,097	\$ 1,407,107

gifts and bequests fund

income		
Dividends	\$ 449	\$ 327
expense		
Bank charges	97	59
Excess of Income	352	268
Fund balance at beginning of year	15,752	15,484
Fund balance at end of year	\$ 16,104	\$ 15,752

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