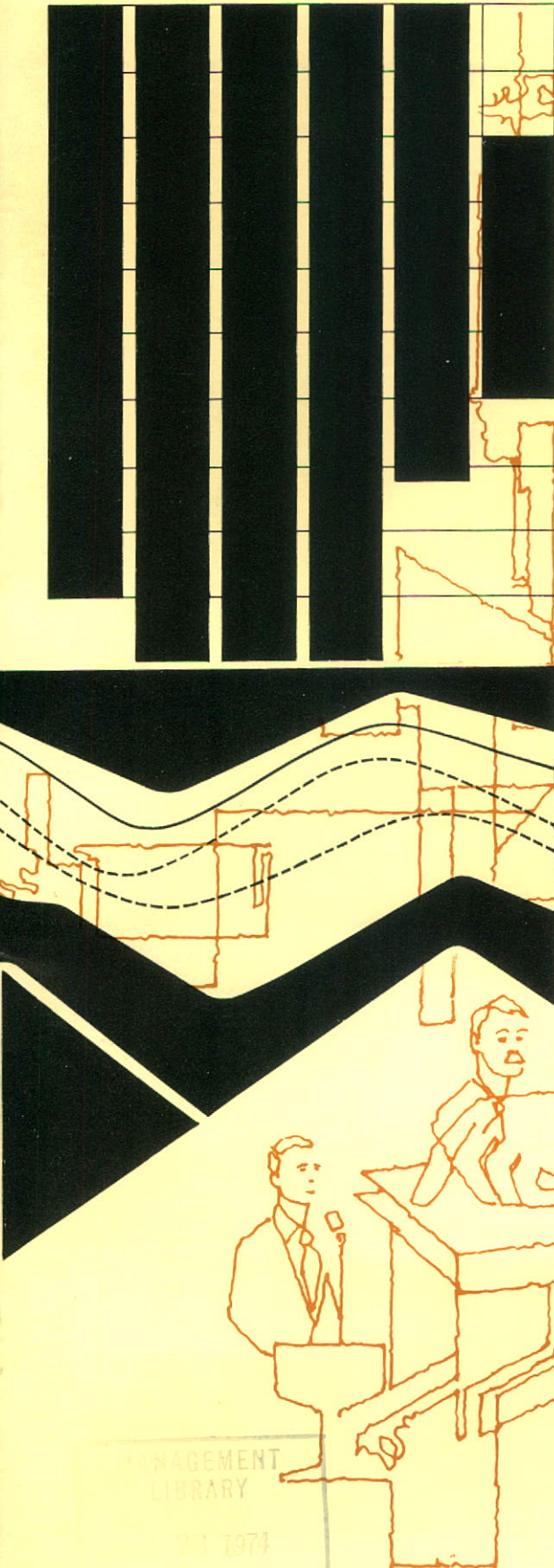


Conference Board, Inc.

C

1973

FIFTY SEVENTH ANNUAL REPORT
THE CONFERENCE BOARD



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the conference board

**"THE FUNDAMENTAL PURPOSE ...
IS TO PROMOTE PUBLIC WELFARE
BY BRINGING TOGETHER THE
COLLECTIVE EXPERIENCE OF THOSE
ENGAGED IN INDUSTRY, BY
STUDYING INDUSTRIAL AND
ECONOMIC CONDITIONS, AND
BY DISSEMINATING WELL-
CONSIDERED VIEWS THEREON..."**

from the certificate of incorporation



PRESIDENT'S REPORT

Walt Whitman wrote that "it is provided in the essence of things that from any fruition of success, no matter what, shall come forth something to make a greater struggle necessary." The fiscal year 1972-1973 brought much that was successful for The Conference Board, but our satisfaction is tempered by the many tasks yet incomplete.

Perhaps the year's most satisfying development was the vote of confidence received from associated companies in response to our appeals for increases in their financial support of the Board's work. The growth in subscription income reflected the very high level of economic prosperity in both the U.S. and Canada, with the annual value of such income increased by \$634,000 or 12% over the previous year. A portion of this increase came from an intensive membership campaign conducted in both countries, with 113 new companies joining the Board in the U.S., 33 from overseas, and 85 new Associates benefiting from the expanded program of The Conference Board in Canada. While proud of this pattern of accelerated financial support from our member organizations, we are realistic about the speed with which it will be absorbed, especially after two years in which our income lagged while costs escalated. Although our staff has not increased, we require large sums, merely to allow for appropriate salary improvement. To these new expenses we must add the replenishment of operating reserves which were drawn down in several prior years when economic conditions were not so robust. Hence we are determined to continue with strict cost controls and a stable organizational size, expanding only in those areas where new funds are clearly in hand.

During the year just ended we were proud to see the level of productivity of our research efforts rise rather substantially. During the fiscal years 1968 through 1971, an average of 37 reports and studies were issued annually. In fiscal 1972, the number increased to 44, and in fiscal 1973 to 50, with no appreciable increase in the U.S. staff. Our pipeline of projects remains full, and our emphasis will have to be — as in the past — on publication of the most timely and valuable research results of interest to our members. Our Conference Division also expanded its service to Associates, presenting an enlarged and more varied schedule of conferences, courses, briefing sessions and regional meetings throughout the year both at home and abroad. The year 1973 also found us in full preparation for the September session of the International Industrial Conference, the quadrennial gathering of over 650 leaders of the private and public sectors from 75 nations, which is held in San Francisco in cooperation with the Stanford Research Institute.

An area of new and important activity of the Board in 1973 has been a series of informal briefing sessions between leaders of the Federal Government and senior executives of Conference Board Associ-

ate companies, the purpose being to improve the quality and candor of dialogue between these two leadership groups. In sessions held in several major cities with Cabinet officers, legislative leaders, and Executive Branch authorities, we achieved our purpose and contributed importantly to better understanding of respective viewpoints on major policy issues. With the knowledge that much remains unaccomplished in this endeavor, we will expand this activity in the year ahead. The interlock of interests between business and government is a crucial problem area in which the Board can well play an important catalytic role.

Additionally, our 1973 program included some traveling seminars designed to bring to our Associates an in-depth exploration of selected research results. The authors of particularly timely work in the compensation field visited several major cities to expand on their findings for associated companies. This is an example of our desire to improve our methods of communicating research findings to our members, recognizing the utility of alternative techniques to the printed word. We are monitoring closely the audiovisual technology that is now more accessible and adaptable to our type of endeavors. More selective distribution of our printed reports will reduce Associates' reading requirements as well as our publication costs. One very important mechanism for faster and more pinpointed availability of our knowledge is through our Information Service Division. Having handled 80,000 requests for assistance and information in 1973, our information specialists are a key link with our Associates and we urge greater use of their skills.

During the year just ended, the key staff at the Board completed a long-range planning review of our programs and operations. Led by Senior Vice President David Moore, the group has developed an improved approach to the setting of priorities in the selection and conduct of our research activities. Knowing that limited resources prohibit the Board from being all things to all people, we have tried to identify our major audiences and the methods by which we can best serve them. Each research unit will rank its projects in order of desirability for the forthcoming year. There will probably be somewhat fewer research reports, but ones of greater depth and comprehensive treatment. Publications which duplicate information readily available from other sources will be discontinued. In implementation of this selection process, we will not continue in fiscal year 1974 the publication of our Weekly Desk Sheet of Business Trends. While it was difficult to make, this decision is typical of the kind of cost-benefit analysis we must apply to all of our activities.

Our review and reappraisal of activities also turned inward during the year, focusing on some of the Board's own administrative practices. We designed and put into operation an extensive Affirmative Action program. We instituted a grievance procedure and a system of alerting employees to new advancement opportunities, and started building an inven-

tory of staff skills for use in effecting promotions. Steps are being taken to upgrade the quality of our position descriptions and performance appraisals and to set better job objectives and standards. A search is being undertaken to find ways of improving communications within our staff group to alleviate duplication of effort and enhance teamwork. Several changes were made in payroll and time record administration to reduce inequities. And during the summer months we initiated an experimental four-day-week schedule to test its applicability to our mode of operations. All these steps were taken in the belief that The Conference Board has a particular obligation to handle its employee relations as professionally and as fairly as possible, and no effort will be spared in achieving that goal.

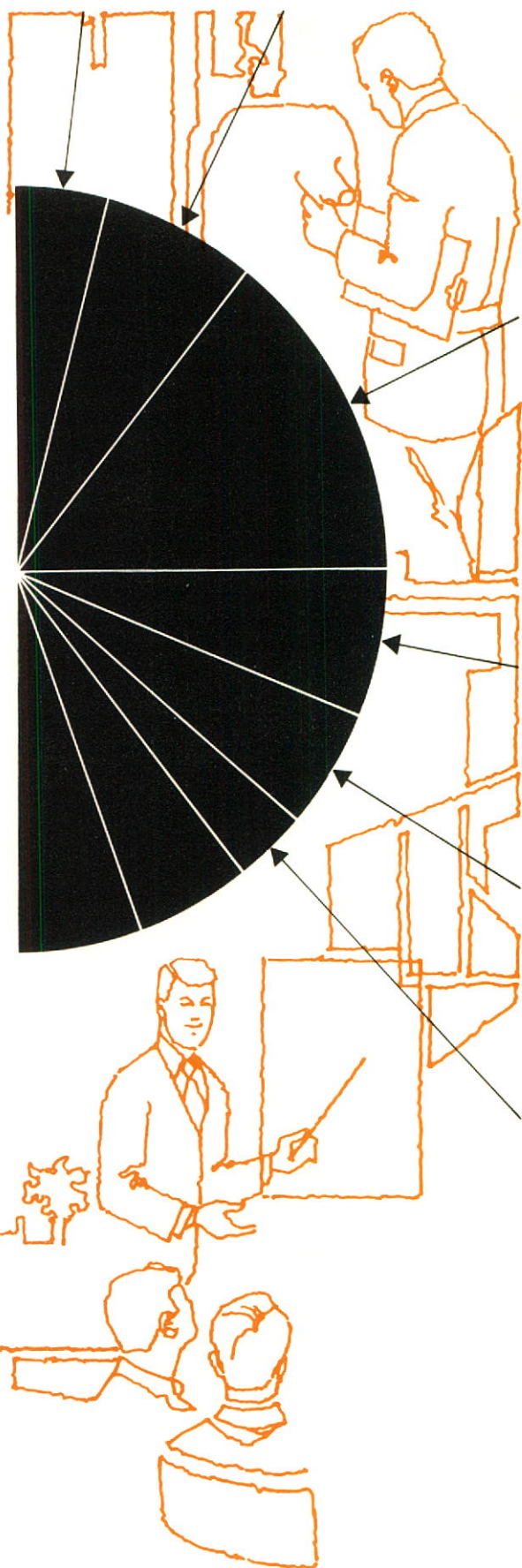
During the year there were some important personnel changes in the Board's staff. We were pleased to see Vera Reap elected as Treasurer of The Conference Board, a position well earned through 33 years of excellent service. We were also fortunate to enlist the services of Dr. George H. Brown, who joined our staff after four years as Director of the Bureau of the Census in Washington. Dr. Brown will become Secretary of the Board in October 1973 following the retirement of Herbert Briggs, who for the past 26 years has so ably served the Members and Trustees of the Corporation. On the other hand we regretted to announce the recent resignation, for personal reasons, of Dr. John Kendrick as Vice President for Economic Research. He will return to the faculty of George Washington University.

Our Trustees, under the chairmanship of Jack S. Parker, were greatly saddened by the death of one of their members, Frederick S. Beebe, Chairman of The Washington Post Company, during his first year of service. We welcomed the interim elections as Trustees of Arjay Miller, Dean of the Stanford University Graduate School of Business, and John D. deButts, Chairman of American Telephone and Telegraph Company, replacing Ellison L. Hazard and Roy L. Ash who had served The Conference Board well.

In all, the 1973 fiscal year was one in which success was hedged by appreciation of the many challenges still unmet. We reaffirmed much of our past, and we reappraised much of our present in terms of future utility to our supporters. This process of interlacing tradition and transition will be our guide for many years to come.

Alexander B. Trowbridge

Alexander B. Trowbridge



THE BOARD'S RESEARCH AND CONFERENCE PROGRAM

The strength of The Conference Board's program depends in the first instance on the quality of its research. The research team is made up of the Office of the Chief Economist, Economic Research Division, International Affairs Research Division, Management Research Division, Public Affairs Research Division, and Computer Systems and Research.

The strength of the Board's program in the second instance depends on the quality of its communications. The research product must be delivered to the right place, in the right form, and at the right time. The Board makes a major effort to insure that its communications are effective. Its communications team is made up of the Production and Distribution Division, which is a new division with responsibility for publishing and distributing research reports and periodicals to Associates; The Conference Board RECORD, which is a monthly magazine designed for the business executive and providing a comprehensive review of relevant issues and research findings; Public Information, which relates Board activity to the mass media and publishes FOCUS each month to provide Associates with a brief review of current Board research and information about conferences; and Information Service, which provides direct answers, whenever possible, to Associates who ask specific questions of The Conference Board.

The strength of the Board's program depends in the final instance on the Conference Division, which works closely with the research divisions in organizing and implementing the major conferences for which the Board is famous.

The primary objective of Board research is to provide management and other leadership groups with a background of objective information on relevant business, economic, and managerial issues. Specifically, the Board's research staff is concerned with three interrelated areas: (1) the economic, social, political, and technological environment of business; (2) the policies, leadership initiatives, and responses of various key institutions in our society which are required to cope with changing events and meet the challenges and opportunities of our times; and (3) the basic administrative techniques and organizational structures and processes needed to insure the effectiveness and efficiency of business.

THE PROGRAM IN 1972-73

the economic environment of business

The economy required close surveillance throughout the past year, and the Board's economists were very much up to the task. Altogether, they published 83 separate statistical reports and chartbooks and released them on a weekly, monthly, quarterly, and semiannual basis in order to provide Associates with ready sources of easily digested information about overall business conditions. Of special note was the introduction of a new quarterly chartbook, *Current Economic Trends*. More than this, Board economists published 29 reports and articles analyzing emerging economic conditions and trends. These analyses appeared regularly in *THE RECORD*, *Monthly Business Review* (for overseas Associates), and *Current Economic Trends*. The views of Board economists were tested against the views of the Board's newly reorganized Economic Forum, a group of distinguished, seasoned practitioners of the art of applied economics, drawn from the business and academic worlds, who met twice last year to review and analyze current business conditions. The proceedings of these discussions were published for release to Associates immediately after each Forum meeting.

Associates were able to follow U.S. economic trends and the factors influencing them in at least three major conferences, namely, *Business in 1973* held in New York in the fall, the *Eighth Annual Financial Conference* held in New York in the winter, and the *Mid-Year Economic Outlook* held in Los Angeles in the spring. There were two similar conferences organized specifically for Canadian Associates and other Associates interested in the Canadian economy in the fall and spring. Overseas Associates last year might have attended *The Fourth International Conference on Financial Outlook* in Amsterdam or *The American Economy — Its Implications for Japan* in Tokyo.

Overall economic trends are merely reflections of what is going on in various sectors of the economy. The Board's economists devote special attention to particular economic sectors like the fiscal sector, monetary sector, and capital markets area. During the past year, the major research products of the Board's economic staff grew out of ongoing studies of the Federal budget, consumer markets, antitrust and government regulation of business, industrial economics, and aspects of international economics. In the Federal budget sector, the Board made its annual and highly respected analysis of the new budget and also provided charts and historical accounts of the various key components of the budget and the Board's special assessment of budgetary priorities.

Associates were able to keep close tabs during the year on trends in the consumer market through monthly statistical reports and analyses of consumer market indicators, bimonthly reports and analyses of consumer attitudes and buying plans, and an annual

compendium of consumer market facts. Two new indices were added during the year, namely, the "Consumer Confidence Index" and the "Buying Plans Index" which permit comparisons of current trends with trends over the previous six years. At an analytic level, the staff reported on one or more phases of the consumer market in all 12 issues of *The RECORD*. In addition, a special chartbook on women together with comments was published during the year and received wide attention. A conference held in Chicago covered the broad topic, *A New Era For Consumer Markets*.

In antitrust, the Board continued its studies of the largest corporations and their shares of sales, assets, value added by manufacture, and net profits after taxes. Antitrust issues in today's economy were reviewed in the Board's annual antitrust conference, held in New York. Associates were able to stay abreast of who was acquiring or divesting themselves of whom through the regular monthly *Announcements of Mergers and Acquisitions*. The results of all of this research were published in special reports and the *RECORD*. In addition, a group of studies previously published by the Board in the antitrust field were brought together in a special 700 page report and distributed to economists and other scholars interested in industrial organization. This report was also made available to Associates.

The Board's research in industrial economics included work in input-output and inter-industry analysis which resulted in special reports on the primary metals markets and on the use of such information in economic forecasting and corporate planning. In addition, there were studies of the uses of energy by industries plus a conference on essential resources, which had industrial implications.

In international economics, there were studies of the international monetary situation, international banking, incomes policies in five Western European countries, U.S. energy needs and foreign trades, and the price competitiveness of U.S. goods in international markets. A special conference on *The Impact of Changing Economic and Monetary Policies in International Trade* was held in New York.

The Board's economic research staff also conducted its regular surveys of capital appropriations and investment conditions. The results of these surveys were published in quarterly and semiannual reports. In addition, there was some work in the monetary area especially with regard to interest rates and the international monetary situation previously mentioned.

social and political issues

Monitoring and tracking social trends are difficult without systematic information such as that available in economics. The Board's research staff as a result concentrates most heavily on social and political changes which have already become public issues. Early in the year, the Public Affairs Research Division published a survey of trends in public affairs activity in a number of large corporations. The survey showed that there was greater emphasis being placed in a majority of these companies on environmental considerations, minorities, governmental relations both at the state and the Federal levels, urban affairs, and consumerism. The Board has been undertaking research in all of these areas, some of which reached completion in the past year.

The Management Research Division made a comprehensive study of the emerging law in the equal employment opportunity area which was released during the year. In addition, the Board's staff provided several background studies on the status of black Americans and women. A major conference was held in New York on *Equal Employment: Opportunity or Quota*.

In the essential resources, energy, and environmental quality areas, the Public Affairs Research Division not only launched a number of new studies but brought several to completion during the year. It published a compendium of background and policy papers on energy. It completed and reported the results of its annual survey of capital expenditures by industry to control pollution. It launched an important conference on *The Environment and Public Policy* in New York, and another, in Washington, on *Essential Resources*.

The Board continued its research in corporate giving — this time in smaller companies. It also focused attention on the Tax Reform Act of 1969 and its impact on company foundations.

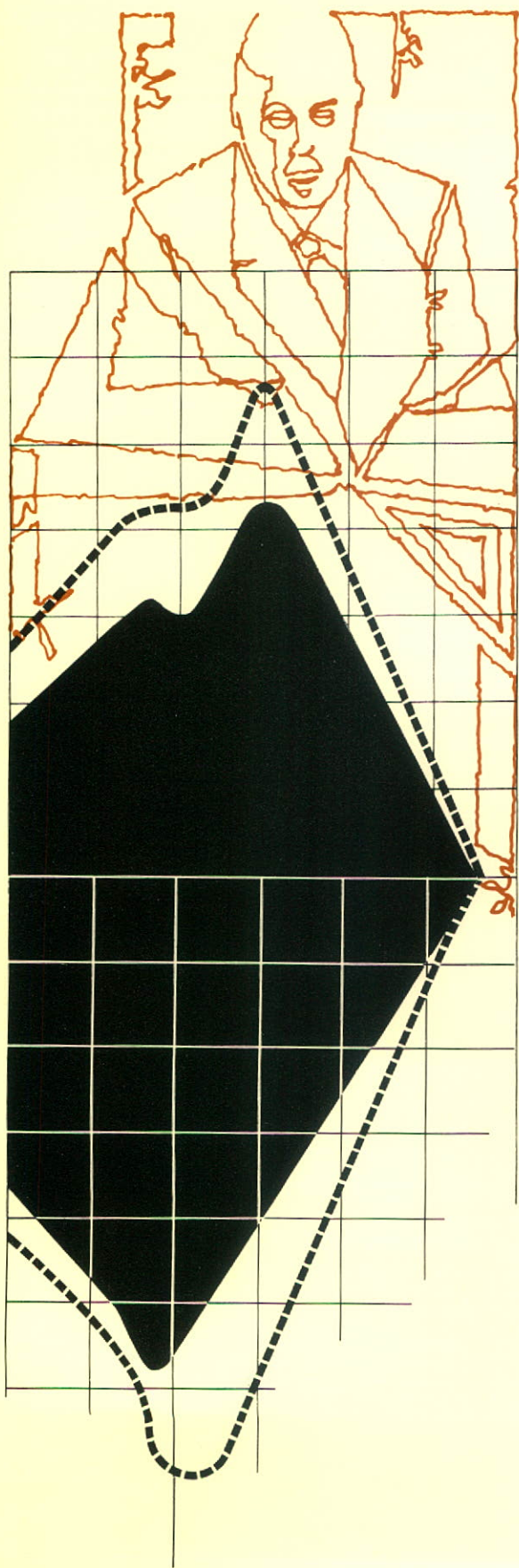
Major studies are currently underway in energy consumption, health care, and urban economics. Brief reports on aspects of health care and urban economics were made during the year with comprehensive reports expected in the coming year.

There were scattered commentaries on retirement, labor dispute settlement legislation, the Pay Board, tax problems, and other social and governmental issues. The important issue of worker participation in Western Europe was reviewed by the International Affairs Research staff. Moreover, the Management Research staff organized a spring conference on *Labor Issues of the Seventies* held in New York.

There were two studies of educational institutions during the past year — one on innovational programs in the training of educational administrators and the other on the relations between business and educational institutions.

management research

Most of the research in management during the past year focused on basic considerations of managerial



techniques and organizational structures and processes. There were a number of studies in the planning area, particularly at the corporate level. The Conference Board undertakes regular studies of corporate directorship practices and contributes thereby to a better understanding of corporate organization at the very top. Two major reports were made of this subject in the past year. There were studies of staff-line roles and relations, staffing, use of authority, training and management development, and the use of reports in employee control.

A major study of comparative management and organization in diverse institutions was commissioned by the Public Affairs Research Division. The study provides analyses by some of the nation's outstanding authorities of emerging new forms of management and organization.

Important contributions in the field of compensation were made by the Management Research Division during the past year. Studies covered top executives, key personnel overseas, salesmen and sales executives, and directors. A conference was conducted in New York on *Executive Compensation*. To top it off, special symposia on the subject of salesmen and sales management compensation were undertaken by the staff in four cities.

The Board also conducts studies of managerial initiatives and responses to economic and social trends. During the past year, in the field of finance, the Management Research Division undertook several pertinent and timely studies of such subjects as the way companies plan their capital structures, how they manage cash, how they were reacting to the "credit squeeze in '73," the use of commodity futures, and their experience with banking services. The Management Research staff also collaborated with Economics in offering the *Eighth Annual Financial Conference* which covered timely topics of concern to financial executives as well as economists.

In the field of marketing, in addition to studies of a more basic nature, the Board explored how marketing managers had responded to the economic slump in the several years just past. The annual *Marketing Conference* also provided Associates with an unusual opportunity to update themselves in all aspects of marketing over a three day period in New York.

In the field of productivity, the Management Division and Economics jointly offered Associates a special conference on *Productivity*.

The Public Affairs Division helped in the development of a minority engineering program in the universities by bringing together major companies, engineering schools, associations, and governmental agencies in a significant effort to increase the number of minorities entering engineering schools.

Finally, the Management Division studied corporate moves to the suburbs—the underlying economic and social reasons for the move and how management went about effecting the change.

HIGHLIGHTS OF THE COMING 12 MONTHS

a selective sampling
of the year ahead

economic environment of business

INFORMATIONAL SERVICES

The Conference Board Statistical Bulletin
Road Maps of Industry
Current Economic Trends
Consumer Market Statistics
Consumer Attitudes and Buying Plans
Guide to Consumer Markets (annual)
Announcements of Mergers and Acquisitions
Investment Conditions Series

ANALYTIC SERVICES

"Business Highlights" in the RECORD
"Consumer Markets" in the RECORD
Business Outlook: Proceedings of the
Economic Forum

RESEARCH REPORTS

Consumer Satisfaction with Products and Services
Demographic Characteristics of 12 Regional Markets
The Federal Budget: Its Impact on the Economy
A Guide to Forecasting Interest Rates
World Economy in the 1970's: Trends and Issues—
A Chartbook
R & D Expenditures by U. S. Companies Abroad
Cost of Local Government in Core Cities and Suburbs
Effects of Enlargement of the European
Economic Community

public issues

RESEARCH REPORTS

What Troubles the World's Business Leaders
Emerging Antitrust Issues
Pending Health Legislation and Employee
Benefit Structures
Impact of Imports on Employment in U. S. Industries
Energy Consumption in U. S.
Manufacturing Industries
Meaning and Scope of Federal
Environmental Activities

initiatives and responses to economic, social and political change

RESEARCH REPORTS

Organizing For Effective Consumer Relations
Alternatives to Strikes
Information For Investors
Biennial Survey of Company Contributions
Current Status of Employee Benefit Programs
Private Industry's Involvement in Health Care
Reports of Energy Information Center
Reports of Minority Engineering Program
Management of Trusteed Pension Funds

basic studies of management and organization

RESEARCH REPORTS

Evaluating New Product Proposals
Improving Organization Performance through
Organization Development
Corporate Organization Structure
Forecasting Sales
Developing More Effective Supervisory Training
The Corporate Planning Director

conferences, courses, seminars

CONFERENCES

1973 Annual Marketing Conference
Senior Management and Data Processing Function
Conference on Product Recall
Annual Financial Conference
Annual Antitrust Conference
Public Affairs Conference
The Economic Outlook at Mid-Year
Conference on International Trade Policy
Canadian Business Outlook (West Coast)
Business Outlook — 1975

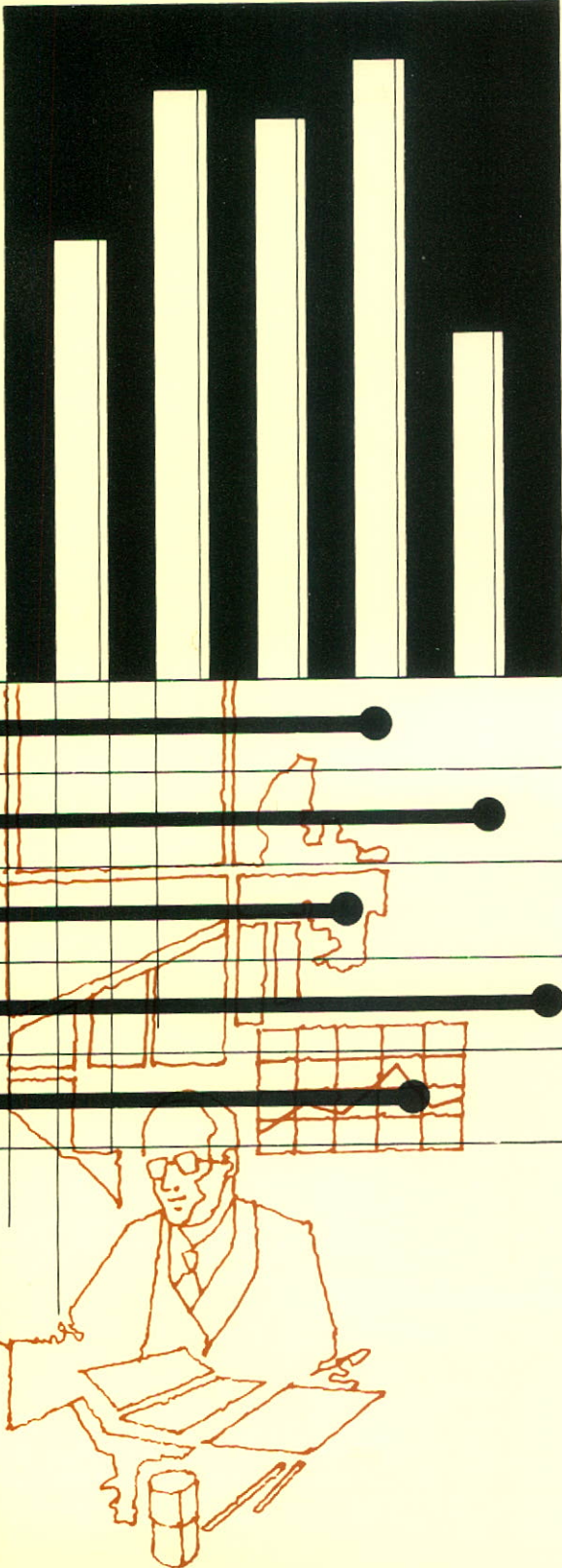
COURSES

Practical Economics for Executives
Management and Personnel

SEMINARS

Affirmative Action
Managing the Consumer Affairs Function
Company Contributions





THE BOARD HAS A CLEARLY DEFINED RESPONSIBILITY TO SERVE THE PUBLIC WELFARE AND DISCHARGES IT BY...

- Performing a catalytic role among various institutions concerned with matters of great public importance, and providing them with reliable information upon which to base sound decisions.
- Undertaking for governments, foundations and others, at cost, special studies of major problem areas such as the probable impact of pending legislation on existing health benefit plans, the effects of imports and U.S. foreign investment on domestic employment, and changes in management practices and personnel relations resulting from new government regulations.
- Creating opportunities for full and frank exchange of views between decision makers in business, government and education on major policy issues.
- Stimulating the creation of new organizations as changing social and economic conditions require continuing study or action.
- Cooperating with corporations and foundations to improve the complementarity of actions aimed at discharge of social responsibilities.
- Inviting responsible spokesmen from diverse fields to address the business community through Board conferences.
- Sharing with the public, through the news media, the Board's research findings and the views of its conference speakers.
- Encouraging newsmen who seek reliable information about business and the economy to use the Board as a resource.
- Permitting liberal use of Board research by outside authors and scholars.
- Distributing the Board's chart series, "Road Maps of Industry," free-of-charge to educators and clergymen, at their request.
- Extending Associate membership to anyone, anywhere, and offering membership at reduced rates to public libraries and educational institutions.

THE CONFERENCE BOARD IN CANADA

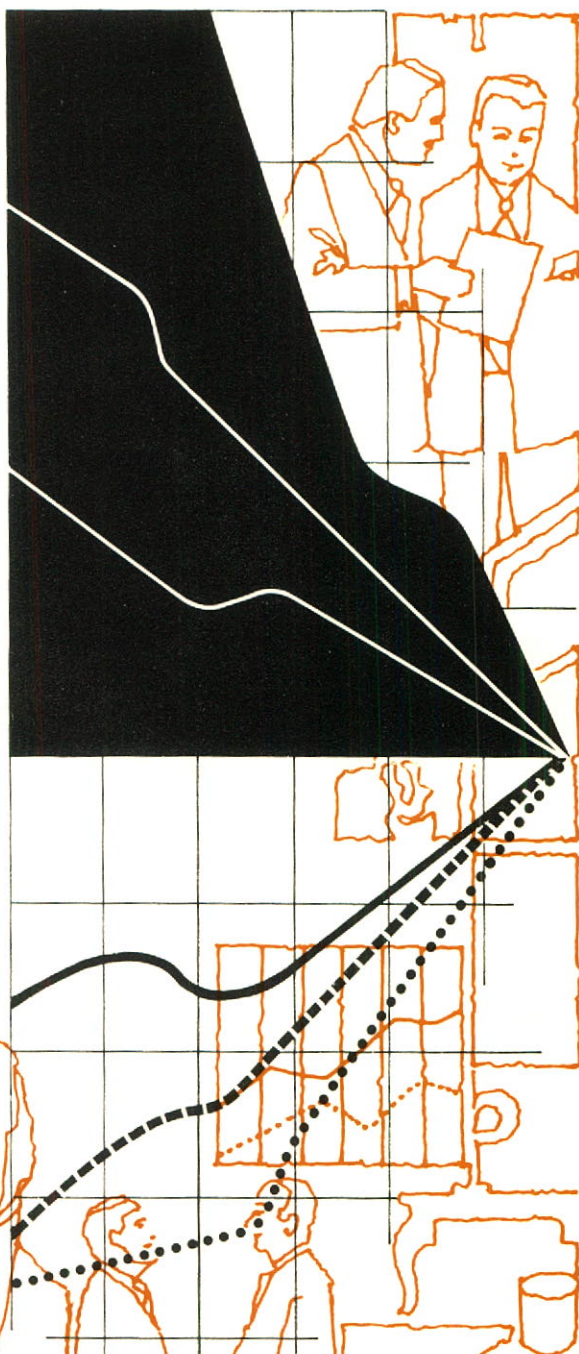
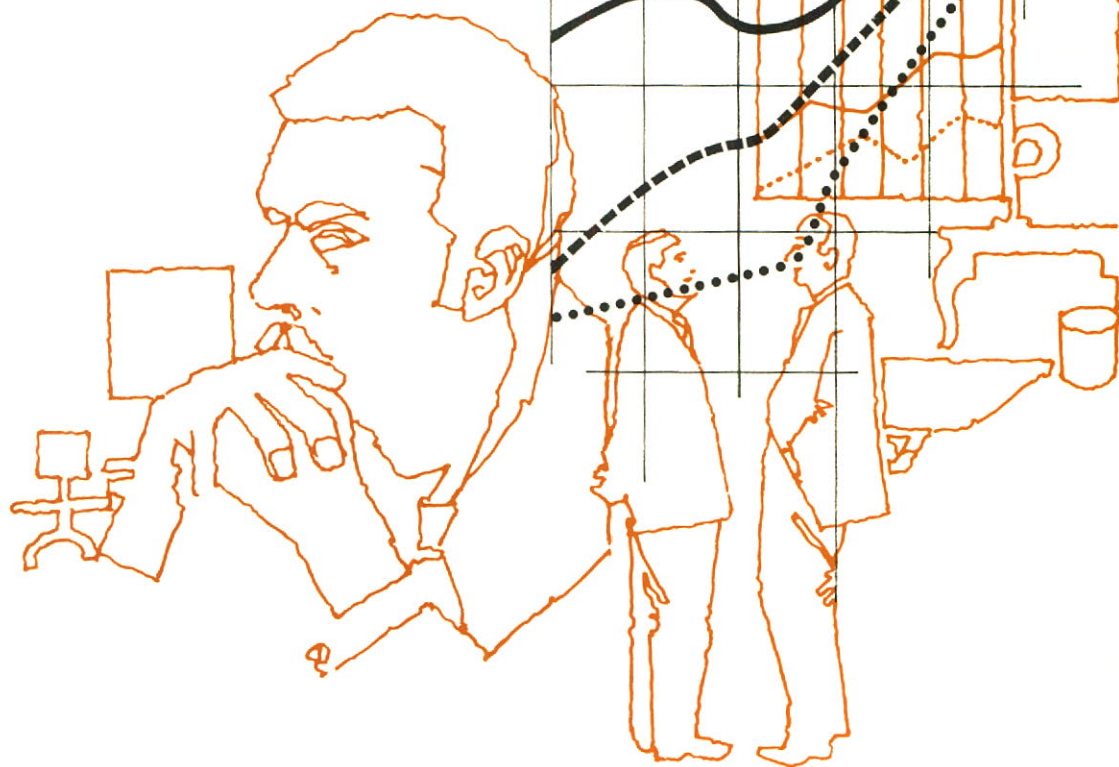
president's report

The past year has been one of rapid growth and expanded services in The Conference Board in Canada.

The Board is now serving a much larger constituency of Canadian Associates, numbering about 450, compared with 375 a year ago and about 300 two years ago. This growth has encompassed all major sectors of the economy — business, government, labour unions, farm organizations and educational and research institutions. It has also been widely spread across the country.

Expansion of the Board's services, which has helped to attract new Associates, has also benefited members of long standing, most of whom have strengthened their contacts and relationships with the Board in pursuit of useful information and analysis for decisionmaking.

A greatly enlarged program of Canadian conferences and meetings has been a prominent feature of the year. Three major business outlook conferences were held — in Montreal, Winnipeg and Calgary. A special conference, the first of its kind sponsored in Canada by the Board, was arranged in Toronto on the subject of The Canadian Consumer in the Seventies. A coast-to-coast program of informal, half-day seminars for business executives was launched to provide forums for useful exchanges of views about current eco-



conomic problems and the shorter-term business outlook. The Canadian Economic Forum met twice during the year, and its assessments of business trends were published.

A major part of the expansion thus far has been centered in the field of business economics, and especially in preparing for the development of a comprehensive system of economic information and analysis. The Conference Board in Canada is committed to becoming the foremost institution in the private sector of Canada in the field of short-term economic analysis and forecasting. The goal is to provide decisionmakers with high quality analyses of current developments and emerging issues, forums for discussion and exchange of views, and certain basic tools for creation of a good overview of the likely course of economic activity. Among other things, the staff is now engaged in developing a short-term quarterly forecasting model of the Canadian economy, and an economic forecasting service for Associates, designed to provide a basis for regular and coherent sets of judgments about economic trends over a horizon of six quarters or so.

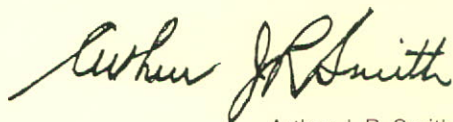
Two regular new publications were initiated—*Monthly Business Indicators* and *Quarterly Business Indicators* — intended to provide up-to-date charts of key Canadian business statistics in a convenient form for busy executives. A third similar chartfolder, to be entitled *Regional Business Indicators*, has been designed and will be released soon on a monthly basis. During the past year, a new initiative has also been launched to develop more substantial studies of management practices in the Canadian context. A Director of Management Practices has been appointed, together with other new staff members in this field. In the coming year, this area of research should develop significantly.

These growing capabilities in business economics, management practices and conference activity will help to provide a strong base during the coming year for introducing a quarterly *Canadian Business Review* that will: report regularly on key business trends and selected aspects of management practices; be used as a channel for wider dissemination of outstanding conference presentations; and contain contributed articles by specialists in various fields on major current and prospective economic issues and problems affecting Canada. This publication will help to fill a vacuum that now exists in Canada for high-quality practical analyses of economic and business matters.

Information Service for Canadian Associates has also grown rapidly during the past year. The number of inquiries has approximately doubled. Increased staff resources have greatly expanded the capacity of the office to handle more sophisticated types of inquiries. This service will continue to grow and respond more effectively in the year ahead, to meet the needs of both existing and new Associates.

Supporting the growth and development of The Conference Board in Canada has been a very large rise in the resources made available to it. During the past year, the annual rate of subscription income from Canadian Associates has risen by more than 50 per cent, and is currently running at a rate of over \$600,000. Additional Canadian income from conferences, meetings, publication sales and other sources, together with some further use of the Development Fund gathered in 1972-73, has provided a budget of close to \$950,000 for the coming 1973-74 fiscal year. The financial base for continued sturdy growth is therefore assured.

The accomplishments of the past year have owed much to the advice and wise counsel of both Mr. William I. M. Turner, Jr., the new Chairman of the Canadian Council, and my colleagues in the New York office of the Board. Also, during the past year, we have been successful in recruiting extremely competent, enterprising and highly productive new staff members. Their dedication and dynamism have provided the essential means for the advances already made, and for helping to lay the basis for the still greater achievements in prospect in the future.



Arthur J. R. Smith

OFFICERS

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

Vice Chairmen

Willis B. Boyer, Chairman of the Board
Republic Steel Corporation

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

John T. Connor, Chairman of the Board
Allied Chemical Corporation

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

TRUSTEES

Roy L. Ash, former President
Litton Industries, Inc.
(resigned January 18, 1973)

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., Chairman
The Bechtel Group

Frederick S. Beebe, Chairman of the Board
The Washington Post Company
(deceased May 1, 1973)

B. F. Biaggini, President
Southern Pacific Company

William Blackie, Chairman of the Board, Retired
Caterpillar Tractor Co.

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

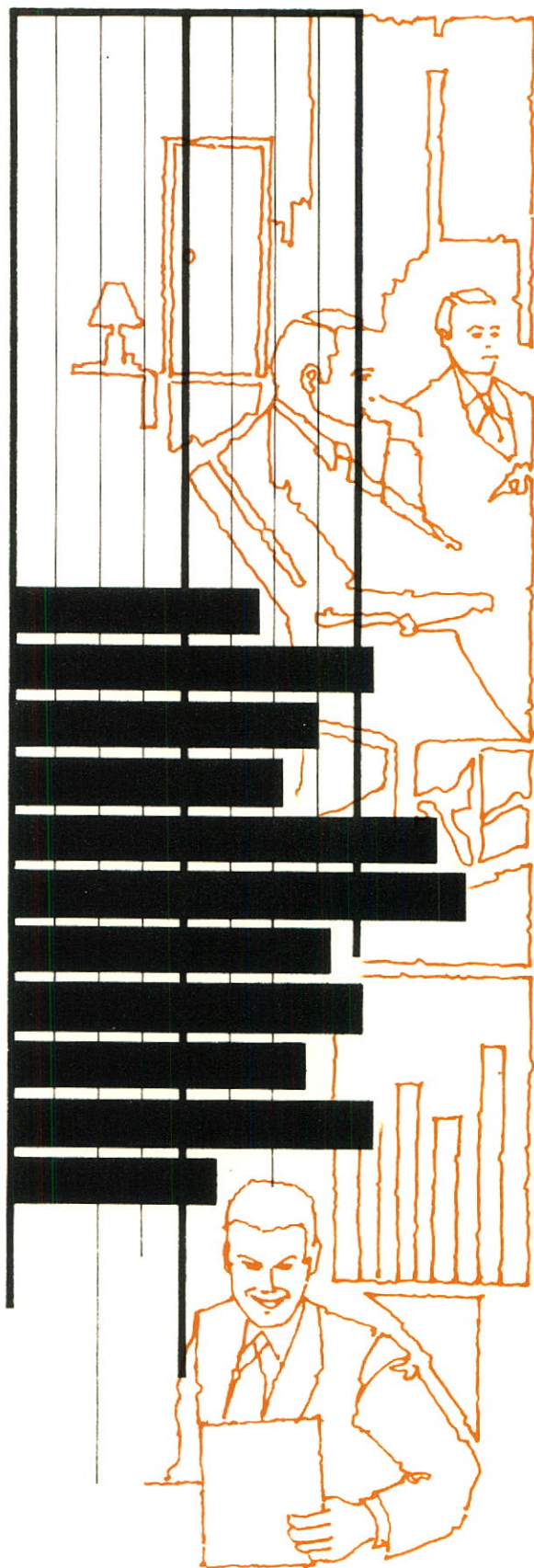
C. W. Cook, Chairman
General Foods Corporation

John D. deButts, Chairman of the Board
American Telephone and Telegraph Company
(effective January 18, 1973)

B. R. Dorsey, Chairman of the Board
Gulf Oil Corporation

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

Ellison L. Hazard, Director
Continental Can Company, Inc.
(resigned January 18, 1973)



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

Ian MacGregor, Chairman
American Metal Climax, Inc.

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

Arjay Miller, Dean
Graduate School of Business, Stanford University
(effective January 18, 1973)

G. William Miller, President
Textron Inc.

Robert D. O'Brien, Chairman
PACCAR Inc.

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

William S. Renchard, Chairman of
Executive Committee
Chemical Bank

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

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

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

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

W. O. Twaits, Chairman of the Board
Imperial Oil Limited

ADMINISTRATION

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President and Chief Executive Officer

David G. Moore
Senior Vice President, Research

Albert T. Sommers
Senior Vice President and Chief Economist

G. Clark Thompson
Senior Vice President, Development

Carl G. Baumes
Vice President, Finance and Administration

Walter A. Hamilton
Vice President, Public Affairs Research

John W. Kendrick
Vice President, Economic Research
(until September 30, 1973)

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

Harold Stieglitz
Vice President, Management Research

Herbert S. Briggs
Secretary
(until October 1, 1973)

George H. Brown
Secretary
(effective October 1, 1973)

Vera Reap
Treasurer

RESEARCH AND ADMINISTRATIVE DIRECTORS

W. Jerome 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, Production
and Distribution

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

Roberto Edwards, Director, International
Associate Relations

J. Frank Gaston, Director, Special
International Studies

Jeannine Green, Director, Information Service

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

John Hein, Director, International Economics

Linda Hess, Director, Personnel Relations

Michael E. Levy, Director, Economic Policy Research

Fabian Linden, Director, Consumer Research

Luke McSherry, Director, Computer Systems
and Research

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

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

Walter S. Wikstrom, Director, Organization
Development Research

OPERATIONS BY FUNDS

The effects of rapidly rising costs of salaries, goods and services have been well documented. It is, therefore, with added satisfaction that the Board's management can report that the Operating, Reserve and Gifts and Bequests Funds all show modest gains.

Our public accountant's certified statement, shown in a separate document, reports a consolidated financial picture of the Board's operations. The following report from management describes the status of the three Funds.

operating fund

Operations for the year show a net gain of \$3,124. Of special significance is the fact that the approximate break-even position was achieved with the use of only \$37,000 of the \$293,000 budgeted use of Operating and Canadian Development Funds. The remaining \$256,000 is, therefore, saved for use, if necessary, in future years.

During the year, Operating Fund revenue from all sources was \$468,000 greater than the corresponding figure for the previous year, a modest gain of only 6.8%. In view of the pressures of inflation, our favorable financial position is a tribute to the cost control capabilities of the Board's entire staff.

reserve fund

The Reserve Fund is designed as a safeguard against a prolonged major depression. This is in contrast to Operating Reserves that have as their purpose the "averaging out" of year-to-year fluctuations in such high cost items as, for example, printing of reports.

During the year, \$90,000 of income earned on investments was contributed to operations. In addition, however, the Fund increased in cash value by \$15,000 to \$1,440,000.

gifts and bequests fund

The Gifts and Bequests Fund represents unrestricted gifts by both corporations and individuals wishing to advance the work of the Board.

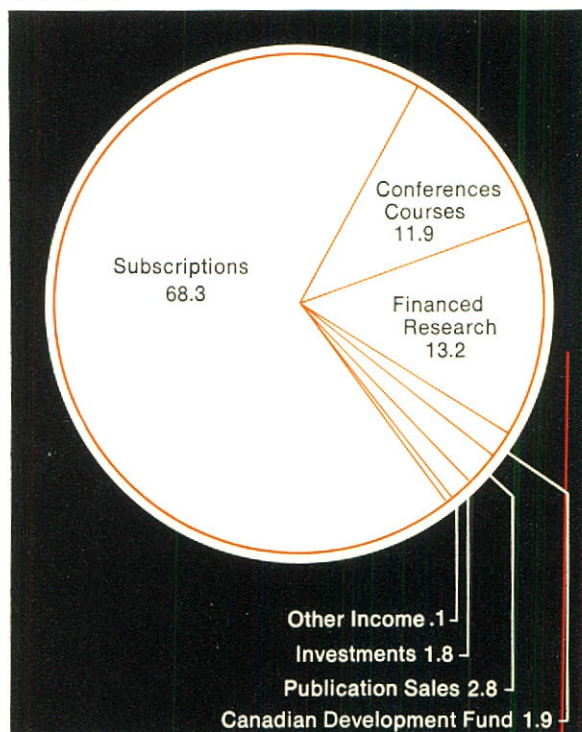
No such gifts were received during the current fiscal year. The Board has not actively solicited such unrestricted gifts. However, if over the years you have benefited from the work of the Board, and would like to recognize its accomplishments, your special bequests would be put to good use in serving the business community and the free enterprise system. Net income from dividends and interest amounting to \$360 brought the Fund balance to \$16,464 at year-end.

A consolidated audited statement of the Board's financial position as of July 31, 1973, is printed separately and is available on request.

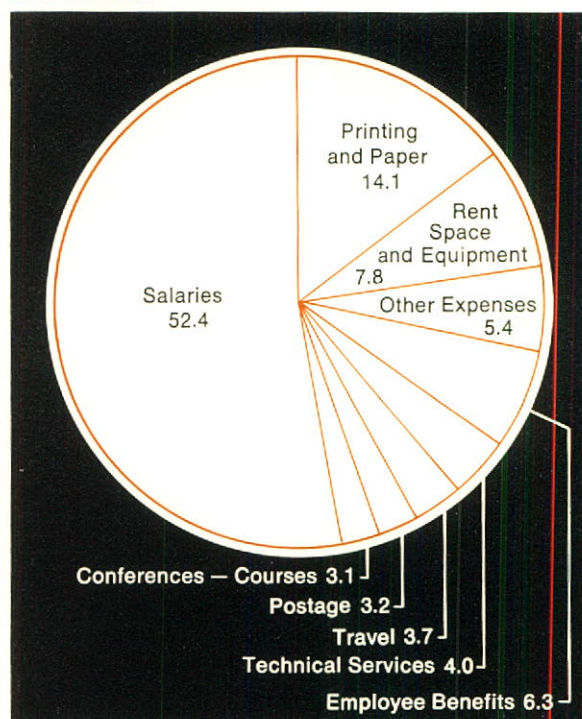
The work of the Board's 270 full-time staff is supported by approximately 4,000 Associates

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



OPERATING FUND STATEMENT

	Year Ended July 31,	
	1973	1972
income		
Subscriptions	\$5,344,942	\$4,940,358
Conferences and courses	932,734	867,875
Financed research	1,028,545	861,762
Canadian development	152,250	295,200
Sale of publications	217,604	203,138
Interest	137,795	140,059
Other income	4,368	42,056
TOTAL INCOME	7,818,238	7,350,448
expenses		
Salaries	4,079,910	3,657,505
Employee benefits	491,910	375,189
Payroll taxes	139,817	112,837
Travel	289,608	271,451
Conferences and courses	239,477	253,550
Outside printing	863,602	825,972
Paper and supplies	234,831	242,336
Postage and mailing expenses	250,926	248,236
Furniture and equipment	29,819	39,490
Books and periodicals	38,967	35,708
Rent — equipment	175,850	159,818
Rent — space	431,216	423,157
Maintenance and repairs	44,674	38,145
Technical services	309,288	340,125
Telephone and telegraph	111,456	104,979
Other expenses	58,513	48,516
TOTAL EXPENSES	7,789,864	7,177,014
EXCESS OF (EXPENSES) INCOME	28,374	173,434
Fund balance at beginning of year	43,810	42,976
Transfers from (to):		
Reserve Fund	90,000	50,000
Operating Reserves	37,000	42,600
Canadian Development Fund	(152,250)	(265,200)
FUND BALANCE AT END OF YEAR	\$ 46,934	\$ 43,810

RESERVE FUND

	Year Ended July 31,	
	1973	1972
income		
Interest and dividends	\$ 61,586	\$ 61,411
Gain on sale of common stocks	50,101	11,944
Total Income	111,687	73,355
expense		
Bank charges	6,664	5,365
Excess of income	105,023	67,990
Fund balance at beginning of year	1,425,097	1,407,107
Transfer to Operating Fund	(90,000)	(50,000)
Fund balance at end of year	\$1,440,120	\$1,425,097

GIFTS AND BEQUESTS FUND

income		
Dividends	\$ 451	\$ 449
expense		
Bank charges	91	97
Excess of income	360	352
Fund balance at beginning of year	16,104	15,752
Fund balance at end of year	\$ 16,464	\$ 16,104

THE CONFERENCE BOARD

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THE CONFERENCE BOARD IN CANADA

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