YOUR INVITATION TO SPEAK HERE TODAY

WAS ACCEPTED WITH APPRECIATION

BY ALL OF US IN CONTROL DATA'S MANAGEMENT.

I KNOW THAT MANY IN OUR MANAGEMENT ARE WELL-KNOWN TO YOU

BECAUSE OF THEIR INVOLVEMENT OVER THE YEARS

IN ST. PAUL'S CIVIC AND BUSINESS AFFAIRS.

LET ME SAY RIGHT AT THE OUTSET

THAT IT IS KNOWLEDGE OF YOUR GOALS AND MOTIVATIONS

THAT MAKE IT AN HONOR TO BE ASKED TO SPEAK HERE TODAY.

SOMEDAY IN THE FUTURE

I'M SURE PEOPLE WILL LOOK BACK

AND THANK YOU FOR MAKING ST. PAUL

SUCH AN EXCITING CITY

IN WHICH TO LIVE.

SO IT'S A PLEASURE TO BE YOUR GUEST.

AS SOME OF YOU KNOW,

CONTROL DATA HAS DEEP ROOTS HERE,

DATING BACK TO 1946 --

ELEVEN YEARS BEFORE THE PRESENT COMPANY WAS FOUNDED IN MINNEAPOLIS.
AND, OF COURSE, MANY HEALTHY BRANCHES

ARE THRIVING YET IN ST. PAUL PROPER

AND IN THE SUBURBS OF EAGAN, ARDEN HILLS AND ROSEVILLE.

HOWEVER, BECAUSE WE ALSO OPERATE IN MINNEAPOLIS

AND ITS SUBURBS OF PLYMOUTH, EDINA AND BLOOMINGTON --

AND BECAUSE OUR HEADQUARTERS IS IN NEITHER ST. PAUL OR MINNEAPOLIS --

AND ALSO BECAUSE WE OPERATE IN 35 COUNTRIES ABROAD --

WE REALLY SEE OURSELVES AS A MULTI-NATIONAL COMPANY,

HEADQUARTERED IN THE TWIN CITIES.

EVEN SO, OUR FRIENDS ACROSS THE RIVER

ARE QUESTIONING OUR IMPARTIALITY LATELY

AS THEY OBSERVE THE MOMENTUM CONTROL DATA HAS GOING HERE:

FOR EXAMPLE, OUR DEVELOPMENT

JUST ANNOUNCED FOR THE MEARNS PARK SITE IN LOWER TOWN;

THE LARGE NEW DISTRIBUTION CENTER UNDER CONSTRUCTION

OFF OF DALE IN SUMMIT-UNIVERSITY,

OUR NEW FAIR BREAK LEARNING CENTER ON UNIVERSITY

AND THE CURRENT PROJECT

TO DOUBLE OUR OPERATIONS ON SELBY.
ALL OF THOSE DEVELOPMENTS ARE EXPRESSIONS OF CONTROL DATA's STRATEGY WHICH IS TO APPROACH PROBLEMS SUCH AS THOSE OF THE INNER CITY, WITH THE IDEA THAT SOLUTIONS CAN INVOLVE GOOD OPPORTUNITIES TO BUSINESS IN SITUATIONS WHERE THE RESOURCES REQUIRED FOR SOLVING PROBLEMS ARE BEYOND THOSE OF A SINGLE COMPANY, AS MANY ARE, WE TRY TO POOL RESOURCES THROUGH COOPERATIVE PROJECTS OR JOINT VENTURE COMPANIES. CONTROL DATA ADOPTED THIS STRATEGY SOME TWELVE YEARS AGO. AND ON THE BASIS OF OUR EXPERIENCE WE KNOW IT IS ABSOLUTELY SOUND. ALTHOUGH WE UNDERTAKE SOME SOCIAL PROGRAMS JUST BECAUSE THEY ARE THE "RIGHT THING TO DO", FOR THE MOST PART WE VIEW THE MAJOR UNMET NEEDS OF SOCIETY AS OPPORTUNITIES TO PURSUE PROFITABLE BUSINESS.
THIS IS, AFTER ALL,

THE BASIC REASON FOR THE EXISTENCE OF BUSINESS.

THE LIST OF SOCIETY's NEEDS IS LONG.

REBUILDING OF CITIES IS JUST ONE OF MANY NEEDS;

MORE AND CHEAPER ENERGY IS ANOTHER;

LOWER FOOD COSTS;

MORE AVAILABLE AND LESS COSTLY HEALTH CARE;

LOWER COST, MORE AVAILABLE & HIGHER QUALITY EDUCATION;

AND -- MOST IMPORTANT OF ALL -- MORE JOBS.

CONTROL DATA EVALUATES THESE OPPORTUNITIES

NEEDS TO BE ADDRESSED BY CONTROL DATA

ARE SELECTED ON THE BASIS OF A NUMBER OF CRITERIA,

INCLUDING: (1) THE IMPORTANCE OF THE PROBLEM TO SOCIETY.

(2) CONTROL DATA'S CAPABILITIES TO ADDRESS IT.

(3) THE LIKELIHOOD THAT SOLUTIONS WILL PROVIDE A BUSINESS OPPORTUNITY.

WITH THAT RATIONALE ESTABLISHED,

LET ME DESCRIBE BRIEFLY

SOME OF OUR PROGRAMS

THAT EITHER ADDRESS THEMSELVES DIRECTLY TO CENTRAL INNER CITY NEEDS

OR ARE ESPECIALLY RELEVANT TO THEM.
FIRST IS OUR INNER CITY PLANT PROGRAM.

WE HAVE SUCCESSFULLY ESTABLISHED NEW PLANTS IN THREE ECONOMICALLY DEPRESSED AREAS,

A FOURTH IS UNDER CONSTRUCTION HERE IN ST. PAUL

AND A FIFTH IS DUE TO GET STARTED BEFORE LONG.

WHEN THE FIFTH IS COMPLETED,

1,500 PERSONS WILL BE EMPLOYED IN THOSE PLANTS.

WE HAVE SUCCEEDED IN MAKING OUR POVERTY AREA PLANTS PROFITABLE AT A LEVEL COMPETITIVE WITH OUR CONVENTIONAL OPERATIONS.

AT THE SAME TIME WE ARE SERVING THE INTERESTS OF EACH COMMUNITY AND PROVIDING A PATH FOR DISADVANTAGED PERSONS TO ENTER THE MAINSTREAM OF INDUSTRY.

PLANNING FOR OUR FIRST INNER CITY PLANT BEGAN IN 1967 DURING THE TIME OF RIOTING ON PLYMOUTH AVENUE IN MINNEAPOLIS.

A SITE ON THE NORTH SIDE WAS SELECTED AND AFTER MANY MEETINGS WITH BLACK LEADERS & CITY OFFICIALS TO ASSURE THEIR SUPPORT, WE DECIDED TO PROCEED.
THE PLANT OPENED IN JANUARY 1968.

WE ARE CAREFUL TO OBSERVE

A NUMBER OF RULES

THAT BEAR HEAVILY ON THE SUCCESS OF AN INNER CITY PLANT.

FIRST, IT IS NOT PHILANTHROPY,

BUT CLEARLY A BUSINESS VENTURE

THAT WILL RETURN AN ATTRACTIVE PROFIT.

SECOND, THE START-UP COST IS TO BE VIEWED

IN THE SAME WAY BUSINESS VIEWS

RESEARCH AND DEVELOPMENT FOR A NEW PRODUCT.

THIRDLY, THERE IS A TOTAL COMMITMENT TO SUCCESS

THAT IS WIDELY VISIBLE,

BOTH INSIDE AND OUTSIDE THE COMPANY.

TO HELP ASSURE THIS,

THE PLANT MUST MAKE AN IMPORTANT PRODUCT,

SO THAT WE ARE AS DEPENDENT ON THE PLANT'S SUCCESS

AS THE PEOPLE WORKING THERE.

INTERNAL VISIBILITY IS HELPED

BY HAVING FIRST RATE MANAGEMENT INVOLVED.
THE PLANT SHOULD BE NEW AND USE THE MOST ADVANCED FACILITIES.

FOURTH, THE COMMUNITY HAS AN EQUAL CONTRIBUTION TO MAKE TO THE PLANT'S SUCCESS. THIS TAKES THE FORM OF KNOWLEDGE ABOUT THE COMMUNITY, PROBLEMS OF ITS PEOPLE, AND POTENTIAL SOLUTIONS TO THESE PROBLEMS.

COMMUNITY LEADERS COMMIT THEMSELVES TO HELP ASSURE SUCCESS, AND THERE ARE CLEARLY ESTABLISHED LINKS BETWEEN THEM AND THE COMPANY.

FINALLY, THE UNUSUAL PROBLEMS ARE TO BE SOLVED PROMPTLY, NOT KICKED AROUND.

THERE WERE PLENTY OF UNUSUAL PROBLEMS IN STARTING UP THAT FIRST PLANT.
ONE WAS THE OPPORTUNITY FOR EMPLOYEES TO OBTAIN CREDIT.

WE SOLVED THAT BY PROVIDING LOANS FROM OUR COMMERCIAL CREDIT SUBSIDIARY.

ANOTHER WAS LACK OF DAY CARE FOR CHILDREN,

WHICH RESULTED IN ABSENTEEISM FOR MOTHERS WHO NEEDED TO WORK.

PEOPLE IN THAT COMMUNITY, WE FOUND,

ALSO EXPERIENCED AN UNUSUAL AMOUNT OF LEGAL HASSLE WITH LANDLORDS AND STORES.

AND MONDAY MORNING’S PRODUCTION WOULD SUFFER BECAUSE PART OF THE WORK FORCE HAD LANDED IN JAIL OVER THE WEEKEND.

THE SOLUTION TO THAT PROBLEM WAS TWOFOLD:

FIRST, ONE OF OUR YOUNG LAWYERS MADE A TRIP TO THE CITY JAIL EARLY MONDAY MORNING WITH A BOOK OF BAIL BONDS TO GET PEOPLE BACK TO WORK;
THE OTHER WAS TO PROVIDE

MORE EXTENSIVE COUNSELING AND LEGAL HELP

TO SOLVE PERSONAL PROBLEMS.

ANOTHER PROBLEM WAS OUR STANDARD EMPLOYMENT FORM

WHICH REQUIRED A LISTING OF WORK EXPERIENCE,

EDUCATIONAL BACKGROUND, REFERENCES,

AND ARREST AND CONVICTIONS.

THE AVERAGE APPLICANT HAD NO EXPERIENCE,

NO USEFUL REFERENCES

AND FOR SOME

THERE WASN’T NEARLY ENOUGH SPACE ON THE FORM

TO LIST ALL OF THE ENCOUNTERS WITH THE LAW.

THE SOLUTION TO THAT WAS EASY:

ELIMINATE MOST OF THOSE REQUIREMENTS

SO THAT IN ESSENCE

WE WERE SAYING WE ARE MORE INTERESTED IN YOUR FUTURE

THAN IN YOUR PAST.
SO AS YOU CAN SEE,

THERE WERE SOME NOT QUITE ORDINARY START-UP COSTS --

ABOUT $2.5 MILLION IN FACT,

TO BRING THAT PLANT

UP TO THE EFFICIENCY LEVEL OF OTHER PLANTS.

AS I SAID, WE FINANCED THAT AS "R&D"

WITH THE GOVERNMENT PAYING $1 MILLION OF THE $2.5

AND CONTROL DATA $1.5 MILLION.

CONSIDERING THAT WE NOW HAVE AN EFFICIENT PRODUCTION OPERATION

WITH BETTER THAN AVERAGE TURNOVER

AND TENURE AT MORE THAN FIVE YEARS,

AND CONSIDERING WHAT WE HAVE LEARNED,

THE PAY-OFF IS A HANDSOME ONE --

COMPARABLE TO PRODUCT R&D.

WHILE THE CHILD DEVELOPMENT CENTER

THAT WAS SET UP AS PART OF NORTHSIDE

HELPED SOLVE THE PROBLEMS FOR SOME WORKING MOTHERS

WE LEARNED THAT THERE WERE MANY JOB SEEKERS

WHO COULD NOT MEET WORKING HOUR REQUIREMENTS.
THEY INCLUDED FEMALE HEADS OF HOUSEHOLDS

WITH SCHOOL-AGE CHILDREN,

AND HIGH SCHOOL,

VOCATIONAL AND COLLEGE STUDENTS

IN NEED OF INCOME TO STAY IN SCHOOL.

TO ADDRESS THAT PROBLEM,

EARLY IN 1970,

WE DECided TO OPEN A PLANT IN THE SELBY AREA

WHICH WOULD

EMPLOY PART-TIME WORKERS TO DO ELECTRONIC SUBASSEMBLY.

SOON AFTER WE STARTED THE OPERATION,

THE COMPUTER INDUSTRY SUFFERED A DOWNTURN.

THE NEED FOR SELBY'S PRODUCTS LAGGED

AND THE ORIGINAL PLAN HAD TO BE REVISED.

WE CONVERTED THE OPERATION INTO ONE

PROVIDING COLLATING,

BINDING, LABELING, AND MAILING OF PUBLICATIONS

TO MEET CONTROL DATA'S INTERNAL NEEDS

AS WELL AS THOSE OF OTHER BUSINESSES.
IN 1974, A NEW 15,000 SQUARE FOOT FACILITY

BUILT MAINLY BY MINORITY CONTRACTORS,

WAS OPENED TO ACCOMMODATE THE OPERATION’s GROWTH.

IT WAS THE FIRST NEW INDUSTRIAL FACILITY

TO BE BUILT IN THAT DELAPIDATED MILE-LONG STRIP

SINCE A TROLLEY-CAR POWER HOUSE WAS ERECTED IN 1889.

THE OPERATION HAS BEEN SO SUCCESSFUL

THAT IT IS BEING EXPANDED

AND WITH AN ADDITION TO THE PLANT NOW IN PROCESS

WILL GO UP TO 275 EMPLOYEES.

USING PART-TIME WORKERS IN A CONVENTIONAL PRODUCTION ENVIRONMENT

HAS BEEN PROVEN SOUND

AND WE ARE PUSHING FOR WIDER USE OF PART-TIME WORKERS

AT OTHER CONTROL DATA OPERATIONS.

SELBY HAS PRODUCED ANOTHER BENEFIT AS WELL.

SINCE IT BEGAN

MORE THAN 150 EMPLOYEES HAVE LEFT THOSE PART-TIME JOBS

FOR MORE SKILLED & BETTER PAYING, FULL-TIME EMPLOYMENT

AT OTHER CONTROL DATA FACILITIES

AND OTHER TWIN CITIES COMPANIES.
BASIC TO JOBS, HOWEVER,

IS EDUCATION AND TRAINING.

CONTROL DATA's LARGEST PROGRAM

ADDRESSES THE NEED FOR BETTER, MORE AVAILABLE

AND LOWER COST EDUCATION.

OF COURSE, THE NEED FOR IMPROVEMENT IN EDUCATION

IS NOT JUST CONFINED TO THE INNER CITY

BUT IS NATIONWIDE AND WORLDWIDE.

CONTROL DATA HAS BEEN ENGAGED

IN DEVELOPING PLATO COMPUTER-BASED EDUCATION FOR FIFTEEN YEARS.

WE SEE COMPUTER-BASED EDUCATION

AS ULTIMATELY HAVING A GREATER POSITIVE IMPACT ON INNER CITY LIVING

THAN ANYTHING ELSE.

PLATO COMPUTER-BASED EDUCATION

IS CENTRAL TO FAIR BREAK,

WHICH IS A CONTROL DATA PROGRAM

TO PREPARE YOUNG, DISADVANTAGED UNEMPLOYED PERSONS

TO GET AND KEEP A JOB.

MAKE JOBS MORE AVAILABLE TO PEOPLE
• Our first Fair Break Center
• Is now operating here in St. Paul
• And delivering innovative training and employment.
• The program averages four months in length
• And involves training in basic skills, job readiness,
• Life management and job seeking,
• During the time the youth is involved in Fair Break,
• He or she will work part-time
• With Control Data or another firm --
• To create a source of income
• And to identify any problems to be resolved
• Before employment is sought out in the community.
• The program is being delivered
• In cooperation with St. Paul City Schools
• With funds from the St. Paul Comprehensive Employment & Training Program.
• An effort that will ultimately find
• Important application in the inner city
• Is our program to improve Indian health care
• On South Dakota’s Rosebud Indian Reservation.
CONTROL DATA HAS WORKED WITH TRIBAL LEADERS

TO APPLY COMPUTER TECHNOLOGY

AND MANAGERIAL RESOURCES

TO DRAMATICALLY IMPROVE HEALTH CARE DELIVERY.

PREVIOUSLY, ONE SMALL HOSPITAL

WAS RESPONSIBLE FOR THE CARE OF 8,500 NATIVE AMERICANS.

THOSE WHO REQUIRED CARE

HAD TO TRAVEL UP TO 130 MILES TO GET IT

AND THE NUMBER OF PROFESSIONAL STAFF WAS WOEFULLY INADEQUATE TO THE TASK.

SIGNIFICANT IMPROVEMENTS HAVE BEEN EVIDENT

SINCE CONTROL DATA’s MEDICAL VAN BEGAN TRAVELING THE RESERVATION

PROVIDING CARE TO 900 RESIDENTS PER MONTH.

IN ADDITION, FOUR CLINICS HAVE BEEN ESTABLISHED

AND INDIAN PARAMEDICS HAVE BEEN TRAINED.

ALL THIS WAS ACCOMPLISHED

WITH A FRONT-END INVESTMENT

FROM CONTROL DATA’s CORPORATE SOCIAL RESPONSIBILITY FUNDS.
THE NEXT PHASE OF THE PROGRAM
IS TO TEACH SELF-HEALTH CARE TO AVOID ILLNESS.
AN ENORMOUS TASK.

BUT THROUGH THE USE OF PLATO
IT IS POSSIBLE.

IT IS IN FACT
THE ONLY HOPE TO EVER BRING ABOUT.

THE NEEDED IMPROVEMENT IN INDIAN HEALTH
THE DEVELOPMENT OF SOLUTIONS TO SOCIETY's PROBLEMS IS HAMPERED
WHEN PROVEN TECHNOLOGY IS NOT PICKED UP AND USED ELSEWHERE.

AND NOWHERE HAS THIS BEEN MORE OF A PROBLEM THAN IN THE CASE OF URBAN EFFORTS.

THE SUCCESSFUL PROBLEM-SOLVING TECHNOLOGIES OF ONE CITY OR ONE NEIGHBORHOOD MIGHT NEVER BE APPLIED IN ANOTHER SETTING.

CONTROL DATA's TECHNOTEC SERVICE ADDRESSES THIS PROBLEM.
IT IS A WORLDWIDE COMPUTER-BASED COMMUNICATIONS SYSTEM FOR COLLECTING AND HELPING TO TRANSFER TECHNOLOGY.
A HOST OF NEW TECHNOLOGIES,

SUCH AS LOWER COST ENERGY SOURCES

AND LOWER COST & ENERGY EFFICIENT CONSTRUCTION

ARE REQUIRED FOR BETTER INNER CITY LIVING.

MANY ALREADY EXIST

AND ARE BEING STORED IN TECHNOTEC.

EASIER ACCESS TO NEEDED TECHNOLOGIES

WILL BE ESPECIALLY HELPFUL TO SMALL ENTERPRISES

THAT WILL PLAY AN IMPORTANT ROLE

IN REBUILDING NEIGHBORHOODS AND COMMERCIAL CENTERS.

PARTICIPATION IN SMALL ENTERPRISES

GIVES CONTROL TO RESIDENTS OF THE INNER CITY

AND PROVIDES THEM THE LONG-ABSENT ECONOMIC OPPORTUNITY

AND INCENTIVES FOR SUCCESS.

REVITALIZATION PROCESS

BASED ON DIVERSE PROFITABLE ENTERPRISES

RATHER THAN A HOST OF PUBLIC PROGRAMS

WILL BE A PRINCIPAL MEANS BY WHICH A COMMUNITY

CAN BECOME SELF-SUFFICIENT.
• BECAUSE OF THE IMPORTANCE OF SMALL BUSINESS

• IN CREATING AND MAINTAINING A SOLID BASE

• FOR URBAN REVITALIZATION,

• A NEW PROGRAM AT CONTROL DATA —
  • THE BUSINESS AND TECHNOLOGY RESOURCE CENTER —
  • FOCUSES ON FACILITATING SMALL BUSINESS FORMATION

• THROUGH BUSINESS AND TECHNOLOGY RESOURCE CENTER

• THE BUSINESS AND TECHNOLOGY RESOURCE CENTER

• WILL PROVIDE FACILITIES AND SERVICES

• NECESSARY FOR THE SUCCESSFUL START-UP

• AND GROWTH OF SMALL BUSINESSES.

• THERE WILL BE CENTRALLY SHARED

• TECHNICAL AND ADMINISTRATIVE SERVICES

• AND A COMPLETE RANGE OF COMPUTER SERVICES,

• INCLUDING TECHNOLOGY TRANSFER SERVICES

• AND COMPUTER-BASED EDUCATION.

• BENEFITS WILL ALSO BE OBTAINED FROM THE ENHANCED ENVIRONMENT

• FOR PEER INTERCHANGE.
It is intended that computer-based education

will not only provide a wide range of courseware

including management training, accounting,

and compliance with Federal Trade Commission regulations;

but will also enhance collaboration

with universities and government laboratories.

You might also like to know more about the consortium

in which Control Data is now participating

along with a number of other companies

in our commitment to urban revitalization.

The consortium, which was announced last month

is called "City Venture Corporation"

and it is being formed:

(a) to plan and manage

innovative and comprehensive programs

to revitalize existing urban areas

as well as create new cities;

and (b) to assemble the full range of technology

including that from both the physical & social sciences

necessary for the effective solution

of urban problems.
THE CORPORATION WILL MARKET ITS SERVICES

TO COMMUNITIES, TO STATE AND FEDERAL AGENCIES

AND DEMONSTRATE THAT THE BUILDING

AND REBUILDING OF AMERICAN CITIES

CAN BE A PROFITABLE ENTERPRISE.

CITY VENTURE CORPORATION,

WILL REPRESENT A BROAD CROSS-SECTION

OF RELEVANT INDUSTRIES,

WILL HARNES THE NEEDED TECHNOLOGIES AND RESOURCES

MANAGE LARGE-SCALE URBAN PROGRAMS

TO ACHIEVE BETTER URBAN LIVING.

OTHER MEMBERS SO FAR

ARE THE MINNEAPOLIS STAR & TRIBUNE COMPANY,

BERTRAND GOLDBERG, FOUNDER OF MARINA TOWERS IN CHICAGO,

ONE OF THE MOST INNOVATIVE ARCHITECTS OF OUR TIME,

AND KRAUS-ANDERSON DEVELOPMENT & MANAGEMENT COMPANY.

THERE IS MUCH MORE THAT I COULD SAY ABOUT CITY VENTURE CORPORATION,

BUT I WILL USE THE REMAINING TIME

TO RELATE STOCKHOLDER REACTIONS TO CONTROL DATA's STRATEGY --

WHICH, ON BALANCE, IS HIGHLY POSITIVE.
• FROM THE BEGINNING

• OF CONTROL DATA's INNER CITY PLANT PROGRAM

• AND THEREAFTER,

• WE HAVE BEEN METICULOUS

• IN REPORTING PLANS AND PROGRAMS TO STOCKHOLDERS.

• DURING THE COURSE OF THESE PROGRAMS

WE'VE HAD SOME SEVERE PROBLEMS

• CONTROL DATA HAS BEEN CONFRONTED WITH SEVERE PROBLEMS

• WHICH HAVE HAD ADVERSE IMPACT ON PROFITABILITY

• EVEN TO THE EXTENT OF CAUSING A LOSS FOR 1974.

• FOR MOST OF THE YEARS

• CONTROL DATA PAID NO DIVIDEND TO STOCKHOLDERS.

• AND IT WASN'T UNTIL 1977

• THAT THE FIRST CASH DIVIDEND --

• A SMALL ONE OF 15¢ PER SHARE -- WAS PAID.

• IT WAS INCREASED TO 25¢ IN 1978.
OFFHAND, ONE MIGHT GUESS

THAT UNDER THOSE CIRCUMSTANCES

STOCKHOLDERS WOULD TAKE A DIM VIEW

OF A STRATEGY ADDRESSING SOCIAL PROBLEMS AS BUSINESS OPPORTUNITIES.

WHERE THE PAY-OFF IS OFTEN LONG-TERM

WELL INTO THE FUTURE.

BUT THAT WAS NOT THE REACTION

OF THE MAJORITY OF INDIVIDUAL STOCKHOLDERS.

SURE, THERE WAS THE OCCASIONAL LETTER

DEMANDING THAT THE COMPANY PAY DIVIDENDS

WITH THE MONEY BEING USED FOR OTHER PROGRAMS TO HELP SOCIETAL PROBLEMS

OR STATING THAT THE BEST THING THAT COULD HAPPEN TO CONTROL DATA

WOULD BE A TAKEOVER BY ANOTHER COMPANY

WHO WOULD THEN THROW US ALL OUT.

AT THE SAME TIME

WE RECEIVED MANY MORE STOCKHOLDER LETTERS

EXPRESSING APPROVAL OF THE PROGRAMS

AND WISHING THE COMPANY BETTER TIMES

AND HOPING FOR A CASH DIVIDEND DOWN THE ROAD.
Even though there were more letters from stockholders who were supportive, we couldn't be sure of the position of the vast majority who were silent...

At least not until last May, when the answer became clear.

In order to better protect the employees, stockholders & other stakeholders of Control Data from the injustices accompanying hostile takeovers, a proposal was submitted for the approval of stockholders to amend the company by-laws to make it mandatory that the directors consider all social factors, not just the money in an attempted takeover.

The proxy stated that the result of such an amendment might strengthen the position of current management.

More than 95 percent of the individual stockholders of Control Data voted in favor.
I will conclude with the observation that business has for too long been living in the past, preoccupied with doing things in the traditional way. Meanwhile, the world has changed. The problems and needs of the U.S. industrial society today are different from those of the 19th century or the first half of the 20th. This is reflected in the growing controversy in recent years between the "social" responsibility of business and the "profit" responsibility of business. Business needs to be reminded that the fundamental reason for its existence is to deliver the goods & services that society needs.
IN OUR SYSTEM, PROFITS ARE THE RESULT

OF MEETING THESE NEEDS

WITH EFFECTIVE AND EFFICIENT PRODUCTS.

AND PROFITS PROVIDE THE WHOLEWILL FOR INVESTING IN THE FUTURE.

WHILE BUSINESS IN THE MAIN

HAS BEEN IGNORING THE MAJOR PROBLEMS OF SOCIETY,

THE GOVERNMENT HAS TRIED

BUT HAS ONLY DEMONSTRATED ITS INABILITY

TO SUCCESSFULLY COPE WITH THEM.

SO THE PROBLEM IS CONTINUING TO GROW.

IT IS TIME THAT BUSINESS RESPONDS.

AND I BELIEVE THAT THE EXPERIENCES CITED HERE

INDICATE THAT THE AVERAGE INDIVIDUAL CORPORATE STOCKHOLDER

WILL NOT ONLY SUPPORT RESPONSE

BUT ENCOURAGE IT.

I ALSO BELIEVE THAT THE MOST STABLE, ENDURING

AND PROFITABLE BUSINESS OPPORTUNITIES

WILL RESULT FROM SUCH A STRATEGY.

THANK YOU.