CORPORATE POLICIES FOR CREATING A NEW BUSINESS CULTURE

THE INORDINATE AMOUNTS OF ATTENTION FOCUSED ON CORPORATE GOVERNANCE AND ACCOUNTABILITY THESE DAYS ARE A MAJOR DISTRACTION FROM THE GRAVE AND GROWING PROBLEMS BESETTING OUR NATION. SEC CHAIRMAN HAROLD WILLIAMS AND A HOST OF OTHER SPOKESMEN FOR GOVERNMENT, ACADEMIA, LABOR, AND EVEN BUSINESS ITSELF DWELL ON PREVENTING THE MISUSE OF CORPORATE POWER. SEC REGULATIONS, GREATER PUBLIC DISCLOSURE, MODIFIED LAWS OF INCORPORATION, SHAREHOLDER DEMOCRACY, LEGISLATION ON OVERSEAS PAYMENTS, AUDIT COMMITTEES, NOMINATING COMMITTEES, AND CONSTITUENCY REPRESENTATION ARE AT THE CENTER OF THE STAGE. INDEPENDENT OUTSIDE DIRECTORS ARE DEEMED NECESSARY TO KEEP MANAGEMENT ON THE STRAIGHT AND NARROW, AND DIRECTORS ARE BEING ASKED TO FUNCTION PRIMARILY AS CORPORATE COPS.

NO ONE CAN QUARREL WITH THE NEED FOR REASONABLE LEGISLATION TO CORRECT DEFICIENCIES IN THE SYSTEM OR THE NEED FOR SURVEILLANCE. SURVEILLANCE, HOWEVER, IS EASY. WHAT IS LACKING ARE INDUSTRIAL STATESMEN CAPABLE OF PROVIDING THE LEADERSHIP NEEDED TO APPLY CORPORATE POWER TO MAJOR PROBLEMS OF SOCIETY. LEADERSHIP MEANS ACTION, NOT JUST TALK OR TIME SPENT
IN A SEMINAR ON IMPROVING PRODUCTIVITY OR A WHITE HOUSE
CONFERENCE ON BALANCED GROWTH AND ECONOMIC PLANNING.
LEADERSHIP DOES NOT MEAN JOINING 75 OTHER BIG NAMES IN A WALL
STREET JOURNAL AD CALLING FOR THE U.S. TO STRENGTHEN ITS
COMPETITIVE ABILITY. THE LEADERSHIP I'M TALKING ABOUT MEANS
COMMITMENT OF RESOURCES TO PROGRAMS ADDRESSING MAJOR PROBLEMS.

TALK, STUDIES, AND LITTLE ACTION UNFORTUNATELY ARE HALLMARKS OF
CONTEMPORARY BUSINESS CULTURE IN AMERICA. FEW OF US ARE
WILLING TO ACCEPT THE CHANGES AND THE RISKS INVOLVED IN
ADEQUATELY ADDRESSING OUR MAJOR SOCIAL AND ECONOMIC PROBLEMS.
FEW OF US PERCEIVE THE SERIOUSNESS OF OUR PROBLEMS OR
UNDERSTAND THAT MANY OF THE OLD WAYS ARE NO LONGER WORKING WELL
ENOUGH. THE ONLY CONSOLATION I'VE HAD IN RECENT MONTHS CAME
FROM A BRITISH FRIEND WHEN I OBSERVED THAT INCREASING ECONOMIC
AND SOCIAL DETERIORATION PUT THE U.S. IN A DOWNHILL RACE WITH
THE BRITISH. HE EMPHATICALLY ASSURED ME WE COULDN'T WIN THAT
RACE.

THE SERIOUSNESS OF THE ECONOMIC AND SOCIAL PROBLEMS WE FACE CAN
HARDLY BE EXAGGERATED, AND THEIR SOLUTION PRESENTS A GARGANTUAN
AND COMPLEX CHALLENGE. WHILE THERE ISN'T TIME TO ELABORATE, I
WOULD LIKE TO OUTLINE A PROGRAM BASED ON MY CONVICTION THAT
TECHNOLOGY CAN BE EFFECTIVELY UTILIZED TO ALLEVIATE OR
ELIMINATE SUCH MAJOR PRESENT-DAY PROBLEMS AS DECLINING PRODUCTIVITY, INFLATION, UNEMPLOYMENT AND UNDEREMPLOYMENT, URBAN STAGNATION AND BLIGHT, THE NEED FOR LOWER FOOD COSTS AND HOUSING, FOR BETTER LESS EXPENSIVE AND MORE AVAILABLE EDUCATION AND HEALTH CARE, FOR A HEALTHIER SMALL BUSINESS SECTOR, AND FOR ALTERNATIVE AND CHEAPER SOURCES OF ENERGY.

IN THIS CONNECTION, IT SHOULD BE NOTED THAT WHILE THE TECHNOLOGICAL WHEEL IS IN EFFECT BEING REINVENTED ALMOST DAILY, THERE ARE VAST AMOUNT OF UNDERUTILIZED TECHNOLOGIES IN THE LABORATORIES OF BIG BUSINESS, GOVERNMENTAL AGENCIES, AND UNIVERSITIES. MUCH OF IT LIES DORMANT, LITTLE IS TRANSFERRED AMONG THESE HUGE RESERVOIRS OF KNOWLEDGE, AND EVEN LESS FOR THE PRODUCTION OF NEW PRODUCTS AND SERVICES. THUS, WHILE THERE'S A CRITICAL NEED FOR THE DEVELOPMENT OF NEW TECHNOLOGIES, THE IMMEDIATE AND MORE URGENT GOAL IS TO MAKE EXISTING TECHNOLOGIES MORE AVAILABLE AND TO FACILITATE THEIR APPLICATION.

TO ACHIEVE THE OBJECTIVES OF THE PROGRAM I RECOMMEND WILL REQUIRE MASSIVE RESOURCES, IN MOST CASES BEYOND THOSE OF A SINGLE COMPANY. RISKS WILL BE GREAT, MORE THAN MOST INDIVIDUAL COMPANIES CAN OR WILL ASSUME. THE ANSWER IS FOR BUSINESS TO TAKE THE INITIATIVE TO POOL RESOURCES WITH OTHER SECTORS OF SOCIETY AND SHARE RISKS THROUGH WIDESPREAD
COOPERATION, ESPECIALLY AMONG BUSINESS CORPORATIONS AND BETWEEN BUSINESS AND THE GOVERNMENT. MORE SPECIFICALLY, BIG BUSINESS MUST PROVIDE THE LEADERSHIP NEEDED TO ADDRESS MOST OF OUR MAJOR UNMET SOCIETAL NEEDS.

NO OTHER SECTOR OF SOCIETY HAS THE CAPABILITY TO TAKE THE LARGE-SCALE INITIATIVES REQUIRED TO EFFICIENTLY PLAN THE LARGE AND DIVERSE PROGRAMS REQUIRED, OR TO ASSEMBLE THE NECESSARY RESOURCES AND MANAGE THE PROGRAMS. MOST AGENCIES OF THE GOVERNMENT ARE NARROWLY FOCUSED ON SPECIFIC FIELDS SUCH AS LABOR, COMMERCE, HOUSING, AGRICULTURE, URBAN DEVELOPMENT, TRANSPORTATION, ENERGY, OR DEFENSE. THEY HAVE NEITHER THE COMPETENCE NOR THE AUTHORITY TO ADDRESS MAJOR SOCIETAL NEEDS WHICH REQUIRE MULTIFACETED SOLUTIONS. EDUCATIONAL INSTITUTIONS, FOUNDATIONS, AND OTHER PARTS OF THE NON-PROFIT SECTOR ARE EQUALLY LIMITED. ON THE OTHER HAND, WITHIN THEIR FIELDS OF EXPERTISE, ALL OF THESE ORGANIZATIONS CAN MAKE ESSENTIAL CONTRIBUTIONS TO THE BROADER SCALE PROGRAMS.

A NECESSARY PART OF THE INITIATIVE IS TO OBTAIN APPROPRIATE PARTICIPATION BY THE GOVERNMENT. DURING THE EARLY STAGES OF A PROGRAM, THIS OFTEN MEANS MUCH LARGER FINANCIAL INVESTMENT BY THE GOVERNMENT TO HELP PROVE THE VALIDITY OF AN APPROACH. GOVERNMENT FUNDING IS APPROPRIATE FOR PLANNING, RESEARCH, AND
DEVELOPMENT, FOR SPECIAL FACILITIES, AND FOR EDUCATION AND TRAINING. AND IT HAS BEEN MY EXPERIENCE THAT GOVERNMENT AGENCIES WELCOME INITIATIVES BY BUSINESS AND WILL SUPPORT WELL-CONCEIVED PROGRAMS.

WHAT I AM ADVOCATING IS NOT MERE THEORY NOR DOES IT SUGGEST A POLICY OF PURE ALTRUISM ON THE PART OF BUSINESS. IT IS BASED ON CONTROL DATA'S FUNDAMENTAL STRATEGY THAT WITH AN APPROPRIATE SHARING OF COST BETWEEN BUSINESS AND GOVERNMENT, SOLUTIONS TO MOST OF THE MAJOR UNMET NEEDS OF SOCIETY CAN BE TURNED INTO PROFITABLE BUSINESS OPPORTUNITIES. TO INDICATE THE SUCCESS OF THIS STRATEGY, I WOULD LIKE TO REVIEW BRIEFLY A NUMBER OF PROGRAMS INITIATED BY CONTROL DATA IN THE FIELDS OF EDUCATION, HEALTH CARE, SMALL BUSINESS ASSISTANCE, URBAN REVITALIZATION, AND RURAL DEVELOPMENT.

ON THEIR FACE, MANY OF THESE MAY SEEM STRANGE ACTIVITIES FOR BUSINESS, ACTIVITIES MORE APPROPRIATE TO GOVERNMENTAL AGENCIES OR NON-PROFIT CIVIC ORGANIZATIONS. BUT I ASSURE YOU, THE PROFIT MOTIVE IS ALIVE AND WELL AT CONTROL DATA. THE ACTIVITIES IN WHICH WE ELECT TO ENGAGE ARE THOSE IN WHICH WE SEE OPPORTUNITIES FOR PROFIT. WE VIEW THESE AS MARKETS TO BE SERVED -- MARKETS FULLY AS LEGITIMATE FOR BUSINESS INVOLVEMENT AS ANY OTHER, AND PROVIDING GREATER LONG-TERM POTENTIAL THAN MOST.
EDUCATION: ONE OF CONTROL DATA'S OLDEST PROGRAMS ADDRESSES THE WORLDWIDE NEED FOR BETTER, MORE AVAILABLE, AND LESS COSTLY EDUCATION. IT IS BASED ON THE ASSUMPTION THAT THE ONLY PRACTICAL WAY TO MAKE SIGNIFICANT PROGRESS IN MEETING THIS MASSIVE AND URGENT NEED IS THROUGH THE USE OF TECHNOLOGY SUCH AS TELEVISION, AUDIO/VIDEO TAPES, AND TELEPHONE AND SATELLITE TRANSMISSION COORDINATED IN A NETWORK LEARNING SYSTEM WITH COMPUTER-BASED EDUCATION.

CONTROL DATA HAS BEEN ENGAGED OVER THE PAST 18 YEARS IN DEVELOPING SUCH A SYSTEM CALLED PLATO COMPUTER-BASED EDUCATION. THE EFFORT INCLUDES SCORES OF COOPERATIVE PROJECTS WITH THE GOVERNMENT, UNIVERSITIES, LARGE COMPANIES, SMALL ORGANIZATIONS AND INDIVIDUALS.

MOST OF THE INITIAL FUNDING FOR PLATO CAME FROM THE NATIONAL SCIENCE FOUNDATION IN SUPPORT OF A COOPERATIVE PROJECT BETWEEN THE UNIVERSITY OF ILLINOIS AND CONTROL DATA. AFTER APPROXIMATELY $25 MILLION IN GOVERNMENT FUNDING, FEASIBILITY WAS VERIFIED. SINCE THEN, MOST OF THE FUNDING, IN EXCESS OF $600 MILLION, HAS BEEN PROVIDED BY CONTROL DATA. PLATO COMPUTER-BASED EDUCATION IS CURRENTLY AVAILABLE AT LEARNING CENTERS THROUGHOUT THE UNITED STATES AND WESTERN EUROPE. IT
HAS BEEN PROVEN COST-EFFECTIVE IN MANY FIELDS INCLUDING VOCATIONAL TRAINING AND THE TEACHING OF BASIC SKILLS. WE ARE CONFIDENT THAT THIS TYPE OF INSTRUCTION WILL PENETRATE VIRTUALLY ALL AREAS OF EDUCATION AS MORE COURSEWARE BECOMES AVAILABLE AND COSTS CONTINUE TO DECLINE WITH GREATER USE OF ELECTRONIC COMPONENTS.

HEALTH CARE: CONTROL DATA’S HEALTH CARE PROGRAMS ARE BASED ON THREE FUNDAMENTAL PREMISES. ONE, WESTERN SOCIETY CANNOT AFFORD THE COST OF TODAY’S HEALTH CARE SYSTEM. TWO, IN DEVELOPING COUNTRIES, ADEQUATE HEALTH CARE IS NOT EVEN AVAILABLE TO MOST PEOPLE, LET ALONE AFFORDABLE. THREE, BETTER HEALTH AT AN AFFORDABLE PRICE CAN ONLY BE ACHIEVED THROUGH AN EXPANDED EMPHASIS ON PREVENTION.

FOR EXAMPLE, ON THE ROSEBUD INDIAN RESERVATION IN SOUTH DAKOTA, CONTROL DATA, IN COOPERATION WITH THE LEADERS, HAS IMPROVED DRAMATICALLY THE HEALTH CARE SERVICE TO THE TRIBE THROUGH THE APPLICATION OF TECHNOLOGY AND MANAGERIAL RESOURCES. FIVE YEARS AGO, ONE WOEFULLY UNDERSTAFFED SMALL HOSPITAL WAS RESPONSIBLE FOR THE CARE OF SOME 8,500 NATIVE AMERICANS. THOSE WHO REQUIRED THAT CARE HAD TO TRAVEL UP TO 130 MILES BY DIRT ROAD TO GET IT. TODAY, CONTROL DATA’S MEDICAL VAN TRAVELS THE RESERVATION PROVIDING CARE TO 900 INHABITANTS PER MONTH. IN
ADDITION, FOUR CLINICS HAVE BEEN ESTABLISHED AND INDIAN PARAMEDICS TRAINED.

CONTROL DATA'S NEWEST PROGRAM IN THE AREA OF HEALTH CARE IS CALLED STAYWELL. ITS PURPOSE IS TO TEACH HEALTH AWARENESS AND SOUND HEALTH PRACTICES. THE PROGRAM IS DELIVERED PRIMARILY THROUGH PLATO, BECAUSE IT WOULD NOT BE ECONOMICALLY FEASIBLE WITH TRADITIONAL METHODS, NOR WOULD IT HAVE THE CONVENIENT ACCESSIBILITY MOST PEOPLE REQUIRE. THE COURSEWARE IS BEING DEVELOPED COOPERATIVELY WITH A NUMBER OF INSTITUTIONS AND INDIVIDUALS.

SMALL BUSINESS: ASSISTANCE TO SMALL BUSINESS IS ANOTHER IMPORTANT PART OF CONTROL DATA'S STRATEGY. THE NEED BY SMALL BUSINESS FOR MORE HELP IS EVIDENCED BY THE FOLLOWING: FIRST, ABOUT HALF OF ALL PRIVATE SECTOR JOBS ARE IN SMALL BUSINESS AND OVER 90% OF THE NEW JOBS IN THE LAST TEN YEARS HAVE BEEN PROVIDED BY COMPANIES WITH 500 OR FEWER EMPLOYEES. YET, THE ENVIRONMENT FOR SMALL BUSINESS HAS BEEN DETERIORATING BECAUSE OF INCREASING COMPETITION FROM LARGE COMPANIES, INCREASING GOVERNMENT REGULATION AND DECREASING AVAILABILITY OF CAPITAL.

THE MAGNITUDE OF SUPPORT REQUIRED HAS BEEN DEMONSTRATED IN THE PAST BY THE SHOCKING MORTALITY RATE OF NEW FIRMS. ONLY 20%
THAT ARE STARTED SURVIVE, MOST FAIL IN THE FIRST YEAR, AND OVER 400,000 FAIL EACH YEAR. THIS SOCIAL WASTE HELPS FUEL THE DEVASTATING INFLATION THAT IS UNDERMINING OUR QUALITY OF LIFE. EVEN WORSE IS THE LOSS OF JOBS REPRESENTED BY THESE FAILURES. THE ONLY FEASIBLE WAY TO ACHIEVE ADEQUATE IMPROVEMENT IN THIS DISMAL PICTURE IS THROUGH THE BETTER UTILIZATION OF EXISTING RESOURCES TO AVOID BIG INCREASES IN GOVERNMENT SPENDING.

MAJOR RESOURCES PRESENTLY UNDERUTILIZED FOR HELPING SMALL ENTERPRISE ARE THE TECHNOLOGIES AND PROFESSIONAL AND MANAGEMENT RESOURCES OF BIG BUSINESS, UNIVERSITIES AND GOVERNMENT ORGANIZATIONS. HELPING SMALL ENTERPRISE IS A MAJOR BUSINESS OPPORTUNITY FOR BIG BUSINESS. CONTROL DATA OFFERINGS FOR SMALL BUSINESS INCLUDE FINANCIAL, DATA PROCESSING, TRAINING, AND TECHNOLOGY TRANSFER SERVICES.

ANOTHER SERVICE IS OUR BUSINESS AND TECHNOLOGY CENTERS WHICH PROVIDE SMALL BUSINESSES WITH VARIOUS COMBINATIONS OF FACILITIES AND CONSULTING SERVICES. MORE SPECIFICALLY, EACH CENTER HAS FLEXIBLE OFFICE AND LABORATORY SPACE THAT CAN BE SUBDIVIDED AND LEASED TO SMALL BUSINESSES. TENANTS ALSO HAVE ACCESS WITHIN THE BUILDING TO A LIBRARY, MODEL SHOP, CLEAN ROOMS, PLUS DRAFTING, ACCOUNTING, PURCHASING, AND LEGAL
SERVICES, AND A COMPLETE RANGE OF COMPUTER SERVICES INCLUDING EDUCATION AND FINDING TECHNOLOGY.

THE COMPUTER-BASED EDUCATION USED IN THESE CENTERS NOT ONLY PROVIDES A WIDE RANGE OF COURSES INCLUDING MANAGEMENT TRAINING, ACCOUNTING, AND COMPLIANCE WITH FEDERAL TRADE COMMISSION REGULATIONS BUT ALSO ENHANCES COLLABORATION AND TECHNOLOGY EXCHANGE WITH UNIVERSITIES AND GOVERNMENT LABORATORIES.

THE LAST SERVICE THAT I WILL MENTION WHICH IS MEETING AN IMPORTANT UNMET NEED OF SMALL BUSINESS IS HIGH GRADE CONSULTING SERVICES AVAILABLE AT A COST SMALL BUSINESS CAN AFFORD. CONTROL DATA BUSINESS ADVISORS, INC. WAS ESTABLISHED JUST A YEAR AGO FOR THAT PURPOSE. USING COMPUTER-BASED TECHNOLOGY AND BETTER ORGANIZED DELIVERY SYSTEMS, BUSINESS ADVISORS INC. IS ABLE TO FURNISH SMALL BUSINESS CLIENTS A QUALITY OF PROFESSIONAL COUNSEL WHICH HAS HERETOFORE BEEN WHOLLY BEYOND THE MEANS OF MORE THAN A HIGHLY FAVORED FEW.

AS ONE WAY OF ACHIEVING SIGNIFICANT COST REDUCTIONS WITHOUT SACRIFICE OF QUALITY, CONTROL DATA EMPLOYEES EXPERT IN AREAS OF POTENTIAL INTEREST TO SMALL BUSINESSES HAVE BEEN LISTED IN A RESOURCE DATA BANK AND MADE AVAILABLE FOR CONSULTING ON A PART-TIME BASIS. THE PROGRAM IS BASED ON THE FACT THAT MANY
INDIVIDUALS WITH TALENTS BEYOND THOSE CALLED FOR IN THEIR CURRENT JOBS FREQUENTLY GROW STALE DOING THE SAME TASK DAY-AFTER-DAY. THUS TEMPORARY CONSULTING ASSIGNMENTS NOT ONLY MAKE MORE PRODUCTIVE USE OF SUCH INDIVIDUALS BUT PROVIDES STIMULATION THROUGH THE CHALLENGE OF VARIED ASSIGNMENTS AND A MEANS OF GAINING BENEFICIAL ADDITIONAL EXPERIENCE. IN ORDER TO MAKE EVEN GREATER USE OF UNDERUTILIZED HUMAN RESOURCES, THE SERVICE IS BEING EXPANDED TO INCLUDE THE NAMES OF RETIRED PERSONS AND UNIVERSITY FACULTY WHO ARE AVAILABLE FOR CONSULTING BUT CURRENTLY WITHOUT MEANS OF MARKETING THEIR SERVICES EFFECTIVELY, ESPECIALLY TO MEMBERS OF THE SMALL BUSINESS COMMUNITY.

URBAN REVITALIZATION: REVITALIZATION OF INNER-CITY COMMUNITIES REPRESENTS ONE OF THE GREAT GROWTH INDUSTRIES OF THE FUTURE AND OFFERS BUSINESS OPPORTUNITIES FOR VIRTUALLY ALL COMPANIES. TO BE SUCCESSFUL, THE PROGRAM MUST ENCOMPASS A BROAD SPECTRUM OF REQUIREMENTS IN THE CATEGORIES OF JOB CREATION, BETTER KNOWLEDGE AND EDUCATIONAL SYSTEMS, ENERGY SUPPLY AND CONSERVATION, RESIDENT PARTICIPATION, RENOVATION, CONSTRUCTION, MANAGEMENT, MAINTENANCE, HEALTH AND SOCIAL SERVICES, SECURITY, TRANSPORTATION AND RECYCLING OF WASTE.

UNTIL A FEW YEARS AGO, THERE WAS NO ENTITY CAPABLE OF PLANNING AND MANAGING PROGRAMS THAT COULD HANDLE THE MANY COMPLEX
PROBLEMS INHERENT IN URBAN REVITALIZATION. IN RESPONSE TO THIS NEED, CONTROL DATA JOINED WITH TEN OTHER COMPANIES AND TWO CHURCH ORGANIZATIONS IN FORMING A CONSORTIUM CALLED CITY VENTURE, A SEPARATE CORPORATION WHICH FOR A FEE PLANS AND MANAGES INNOVATIVE PROGRAMS FOR THE REVITALIZATION OF EXISTING URBAN CENTERS AND THE CREATION OF NEW CITIES. THE APPROACH MANDATES THAT ANY PLAN FOR BUILDING OR RESTORING A COMMUNITY MUST BE BASED ON MEETING THE NEED FOR HIGH QUALITY, ACCESSIBLE, AND AFFORDABLE EDUCATION AND TRAINING -- AND, EVEN MORE IMPORTANTLY, THE NEED FOR DECENT JOBS. SMALL ENTERPRISES, OF COURSE, ARE A MAJOR SOURCE OF JOBS, AS WELL AS AN IMPORTANT MEANS FOR BUILDING, REBUILDING, AND MAINTAINING HOUSING AND COMMERCIAL CENTERS. SMALL BUSINESSES ALSO PARTICIPATE IN PROVIDING HEALTH CARE, EDUCATION, AND OTHER SOCIAL SERVICES.

CITY VENTURE IS LESS THAN TWO YEARS OLD, BUT IN THAT TIME GOVERNMENT FUNDED CONTRACTS HAVE BEEN OBTAINED FOR PROJECTS IN MINNEAPOLIS, TOLEDO, PHILADELPHIA, BALTIMORE, ST. PAUL AND MIAMI.

TO GIVE YOU SOME INDICATION OF THE IMPACT OF A TYPICAL CITY VENTURE PROJECT, LET ME QUOTE FROM A RECENT SPEECH BY MR. GEORGE HAIGH, CEO OF TOLEDO TRUST INC. AND ONE OF THE LEADERS RESPONSIBLE FOR THE EFFORT TO REVITALIZE THE WARREN-SHERMAN AREA IN TOLEDO. QUOTE:
"THE PROJECT BEGAN WITH A NEIGHBORHOOD THAT SUFFERED UNEMPLOYMENT IN EXCESS OF 32 PERCENT; INADEQUATE, RUN-DOWN HOUSING, LOW HOUSEHOLD INCOMES; INADEQUATE SHOPPING; LACK OF SMALL BUSINESS; AND LACK OF RECREATIONAL FACILITIES. CRIME, ARSON AND PRIDE-SAPPING NEIGHBORHOOD DECAY WERE ALL TOO EVIDENT.

USING CITY VENTURE AS A CATALYST AND GAINING THE TRUST AND ACTIVE DECISION-MAKING INVOLVEMENT OF NEIGHBORHOOD PEOPLE, NEIGHBORHOOD ORGANIZATIONS, THE CITY OF TOLEDO, AND SEVERAL PRIVATE BUSINESSES, A UNIQUE PROGRAM BEGAN TO RAPIDLY TAKE SHAPE. NOT A PROGRAM FEATURING HANDOUTS, BUT ONE THAT WOULD PROVIDE IMPROVED NEIGHBORHOOD HOUSING, TRAINING AND EDUCATION FOR HUNDREDS, OVER A THOUSAND ADDITIONAL NEIGHBORHOOD JOBS, A NEW BUSINESS AND TECHNOLOGY CENTER TO HELP MINORITY BUSINESS, A NEW SHOPPING CENTER, NEW PARKS FOR RECREATIONAL USE -- AND THE LIST GOES ON. MOST IMPORTANTLY, HOWEVER, IS THAT THESE PROGRAMS ARE ALL INVESTMENTS THAT ARE AIMED TO PRODUCE PROFIT FOR THE PRIVATE SECTOR, PRIDE FOR THE NEIGHBORHOOD, AND REAL OPPORTUNITIES FOR PEOPLE."

END OF QUOTE
THE TOLEDO EXPERIENCE IS DUPLICATED IN OTHER LOCATIONS IN WHICH CITY VENTURE IS OPERATING, AND THERE IS ALREADY A SIZEABLE BACKLOG OF OTHER CITIES WISHING TO BE SERVED.

RURAL DEVELOPMENT: THE NEED FOR RURAL DEVELOPMENT HAS BEEN APPROACHED THROUGH ANOTHER CONSORTIUM CALLED RURAL VENTURE. PARTICIPANTS INCLUDE BUSINESSES, CHURCH ORGANIZATIONS, FARM COOPERATIVES AND FOUNDATIONS.

ONE OF RURAL VENTURE’S PRIMARY OBJECTIVES IS TO IMPROVE THE VIABILITY OF SMALL FAMILY FARMS AND SMALL-SCALE FOOD PROCESSING. IT IS NOW EVIDENT THAT WITH PROPER SELECTION AND APPLICATION OF EXISTING AND EMERGING TECHNOLOGIES, AND WITH ADEQUATE ONGOING R&D, SMALL FAMILY FARMS AND FOOD PROCESSING OPERATIONS CAN REDUCE THE COST OF FOOD, MAKE A SIGNIFICANT CONTRIBUTION TO FOOD PRODUCTION, DO IT IN MORE ENVIRONMENTALLY PROTECTIVE WAYS, AND PROVIDE A DECENT LIVING FOR THE OPERATORS.

COMPUTER TECHNOLOGY IS THE CENTERPIECE OF THE STRATEGY TO ACCOMPLISH RURAL VENTURE’S OBJECTIVES. A DATA BANK OF AGRICULTURAL TECHNOLOGY IS BEING ASSEMBLED AND COMPUTER-BASED EDUCATION COURSEWARE WRITTEN THROUGH COOPERATIVE EFFORTS WITH SOME 15 UNIVERSITIES AND OTHER ORGANIZATIONS. COMPUTER-OPTIMIZED SELECTION OF CROPS, LIVESTOCK, EQUIPMENT,
AND OTHER TECHNOLOGIES ARE MADE FOR EACH SMALL FARM. A FULL RANGE OF COMPUTER-BASED EDUCATION AND TRAINING PROGRAMS ARE BEING PREPARED TO HELP INDIVIDUAL FARMERS APPLY THE TECHNOLOGIES EFFICIENTLY.

RURAL VENTURE IS MAKING SPLENDID PROGRESS, HAVING RECEIVED A NUMBER OF SIGNIFICANT CONTRACTS INCLUDING THOSE FROM THE STATE OF VIRGINIA AND A NATIVE AMERICAN ALASKA DEVELOPMENT CORPORATION. THE VIRGINIA CONTRACT’S OBJECTIVE IS PREPARATION OF A HOLISTIC REDEVELOPMENT PLAN FOR A REGION OF LOW-INCOME COUNTIES. THE FIRST EFFORT UNDER THE ALASKAN CONTRACT IS PREPARATION OF A SIMILAR PLAN TO ESTABLISH A NEW NATIVE VILLAGE IN AN AREA ABOVE THE ARCTIC CIRCLE. A MAJOR SOURCE OF LIVELIHOOD WILL BE SMALL-SCALE ARCTIC FARMING AND FOOD PROCESSING. WORK HAS ALSO COMMENCED IN CLEARING LAND AND MAKING THE MOST APPROPRIATE CROP SELECTIONS. YOU WILL HEAR A GREAT DEAL MORE ABOUT RURAL VENTURE AS TIME GOES ON.

BOARD OF DIRECTORS ROLE: MUCH MORE COULD BE SAID ABOUT CONTROL DATA’S WORK IN FIELDS SUCH AS THESE. UNFORTUNATELY, WE DO NOT YET HAVE MUCH COMPANY. WHILE A GROWING AMOUNT OF INTEREST IN PROGRAMS SUCH AS THOSE I HAVE DESCRIBED HAS BEEN EXPRESSED IN SOME CORPORATE BOARD ROOMS, THE NUMBER ACTUALLY DOING ANYTHING ALONG SIMILAR LINES IS STILL DISCOURAGINGLY SMALL. I
AM CONVINCED THAT IF A SIGNIFICANT NUMBER OF LARGE CORPORATIONS FOLLOWED THE EXAMPLE OF CONTROL DATA, THE FABRIC OF AMERICAN SOCIETY WOULD BE PROFOUNDLY IMPROVED AND THE COMPANIES THEMSELVES RICHLY REWARDED AT THE BOTTOM LINE.

A MAJOR PART OF THE INITIATIVE TO MAKE THIS HAPPEN, HOWEVER, MUST COME FROM THE DIRECTORS ON THE CORPORATE BOARDS OF AMERICA. INDEED IN MANY COMPANIES, ONLY IN THE BOARD ROOM CAN THE ENVIRONMENT AND POLICIES BE ESTABLISHED THAT WILL ALLOW THE NECESSARY ACTIONS TO BE TAKEN. EQUALLY IMPORTANT, DIRECTORS MUST ALSO PLAY A LEADING ROLE OUTSIDE THEIR COMPANIES IN ORDER TO GENERATE SUPPORT FOR THE NECESSARY CHANGES. IN SHORT, DIRECTORS MUST FOSTER THE CREATION OF A NEW BUSINESS CULTURE.

THE OLD CULTURE CONSISTS OF AN ADVERSARIAL RELATIONSHIP BETWEEN INDUSTRY AND GOVERNMENT, MINIMAL COOPERATION AMONG COMPANIES, EMPHASIS ON LOW-RISK, QUICK-PAYOUT INVESTMENTS, AND A PREDILECTION FOR DWELLING ON CORPORATE GOVERNANCE AND ACCOUNTABILITY. IN A SMALL NUMBER OF COMPANIES, DIRECTORS PROVIDE OVERSIGHT OVER LONG-RANGE STRATEGY, AND SOME BOARDS PARTICIPATE IN THE OPERATIONS OF THE COMPANY BY SERVING ON COMPENSATION, RESEARCH, PUBLIC AFFAIRS, AND OTHER COMMITTEES. BUT FOR THE most PART, CORPORATE GOVERNANCE IS PRIMARILY A MATTER OF MONITORING PERFORMANCE.
IN THE NEW CULTURE, DIRECTORS WOULD BE PRIMARILY RESPONSIBLE FOR CATALYZING CHANGE BY INSTITUTING A SERIES OF POLICIES DESIGNED TO ENCOURAGE INNOVATION, COOPERATION, AND ATTENTION TO THE MAJOR AND GROWING SOCIETAL NEEDS IN OUR MIDST. CONTEMPORARY GOVERNANCE AND ITS SHADOW OF ACCOUNTABILITY ARE INCONSISTENT WITH CHANGE, YET CHANGE IS DESPERATELY NEEDED, BECAUSE PRESENT METHODS AREN'T WORKING NEARLY WELL ENOUGH.

POLICIES FOR STIMULATING INNOVATION: LET ME BEGIN THIS PART OF THE DISCUSSION BY NOTING THE SPECIAL IMPORTANCE OF DEVELOPING POLICIES WITHIN THE COMPANY THAT HELP CREATE AN ENVIRONMENT CONDUCIVE TO INNOVATION. IN THAT RESPECT, TWO MAIN OBJECTIVES NEED TO BE CONSIDERED. ONE IS THAT REQUIRED TO KEEP THE CURRENT BUSINESS GROWING PROFITABLY. THE OTHER IS INNOVATION FOR ADDRESSING SOCIETY'S UNMET NEEDS. THE TWO SHOULD OVERLAP TO AN INCREASING EXTENT WITH THE PASSAGE OF TIME.

THE POLICY OBJECTIVE FOR THE FIRST FIELD WOULD BE TO IMPROVE THE FORMIDABLE BARRIER TO INNOVATION WITHIN THE COMPANY CAUSED BY TRADITIONAL EXECUTIVE PAY SYSTEMS KEYED PRIMARILY TO ANNUAL PERFORMANCE. THIS BARRIER CAN BE OVERCOME BY AUTHORIZING MANAGEMENT TO PROPOSE ADDITIONAL EXPENDITURES FOR URGENTLY NEEDED INNOVATION WHEREVER DEEMED NECESSARY. IF THE BOARD
CORPORATE POLICIES

APPROVED, APPROPRIATE ADJUSTMENTS WOULD THEN BE MADE IN EXECUTIVE BONUS GOALS.

ANOTHER PART OF THE POLICY WOULD REQUIRE SEMI-ANNUAL REVIEWS OF THE NEED FOR INNOVATION AND THE ACTIONS BEING TAKEN. IT’S IMPORTANT HERE TO DISTINGUISH BETWEEN RUN-OF-THE-MILL INNOVATION AIMED AT IMPROVING EXISTING PRODUCTS AND SERVICES AND INNOVATION ADDRESSING NEW ONES. WHAT THE POLICY ADDRESSES, THEN, IS INNOVATION FOR MAJOR NEW OFFERINGS. THESE ENTAIL GREATER RISK AND COST, COMPLETION DATES ARE MUCH MORE DIFFICULT TO ESTIMATE AND ARE SUBJECT TO CONSIDERABLE ERROR. THEREFORE, THE POLICY MUST PROVIDE FOR A PERIODIC REVIEW AND ADJUSTMENT OF THE BUDGET WITHOUT PENALIZING EXECUTIVE BONUSES.

THERE IS ALSO THE MATTER OF IDENTIFYING THE NEED FOR MAJOR INNOVATION. THIS CAN BE PARTICULARLY DIFFICULT FOR A HIGHLY SUCCESSFUL BUSINESS. MOST EXECUTIVES AND DIRECTORS IN A LARGE COMPANY ENJOYING GREAT SUCCESS APPARENTLY HAVE DIFFICULTY PERCEIVING THE WARNING SIGNS OF A MAJOR SETBACK. GENERAL MOTORS, FORD, AND CHRYSLER ARE CLASSICAL EXAMPLES WHERE THE NEED FOR MAJOR INNOVATION WAS EITHER NOT PERCEIVED OR NOT GIVEN ENOUGH CREDENCE UNTIL TROUBLE WAS ON THE DOORSTEP. A POLICY REQUIRING A SEMI-ANNUAL REVIEW OF THE PROGRESS OF EXISTING INNOVATION PROJECTS AND THE NEED FOR MAJOR NEW INNOVATIVE
EFFORT, IF FAITHFULLY AND FORCEFULLY IMPLEMENTED, WOULD CERTAINLY HELP AVOID THE AUTO INDUSTRY TYPE OF CATASTROPHE.

A POLICY FOR INNOVATION IN NEW FIELDS WOULD AUTHORIZE A SPECIAL ANNUAL BUDGET FOR INNOVATION ADDRESSING BUSINESS OPPORTUNITIES IN UNMET NEEDS OF SOCIETY THAT ARE NOT LIKELY TO BE PURSUED AS PART OF THE COMPANY'S MAINSTREAM BUSINESS. IT WOULD BE PRIMARILY CONCERNED WITH PROGRAMS WHERE ONE OR MORE OF THE FOLLOWING CONDITIONS ARE PRESENT: A LONG PERIOD OF DEVELOPMENT IS REQUIRED, ACCOMPLISHMENT IS UNCERTAIN, OR THE ULTIMATE SIZE OF MARKET CAN'T BE PERCEIVED OR APPEARS TOO SMALL COMPARED TO REVENUES FROM EXISTING COMPANY PRODUCTS AND SERVICES.

SUCH INNOVATIONS MUST THEREFORE BE PROTECTED FROM SHORT-TERM CONTINGENCIES. THEY SHOULD BE GOVERNED BY A SEPARATE BUDGET AND BE CONTROLLED BY AN EXECUTIVE NOT RESPONSIBLE FOR THE PRIMARY BUSINESS.

SPECIAL EMPHASIS SHOULD ALSO BE GIVEN TO INNOVATION THAT WILL HELP IMPROVE THE PERFORMANCE OF INDIVIDUALS AND SMALL COMPANIES. THESE KEY RESOURCES COULD BE MADE MUCH MORE PRODUCTIVE IF KNOWLEDGE WERE MORE ACCESSIBLE AND USABLE BY THEM. SOME OF THE PROGRAMS I'VE MENTIONED, ESPECIALLY THOSE IN EDUCATION AND HEALTH CARE, ILLUSTRATE MY POINT. EVERY
LARGE CORPORATION HAS EXTENSIVE LATENT RESOURCES WHICH, IF USED CREATIVELY TO HELP INDIVIDUALS AND SMALL COMPANIES, COULD NOT ONLY ENLARGE PROFITS BUT WOULD INCREASE PRODUCTIVITY AND THE QUALITY OF LIVING FOR MILLIONS OF PEOPLE. AT THE SAME TIME, THE BIG BUSINESSES INVOLVED WOULD BE CREATING A FAVORABLE ENVIRONMENT FOR INNOVATION WITHIN THEIR OWN ORGANIZATIONS. MANY EMPLOYEES WOULD BE STIMULATED TO THINK ABOUT CHANGE AND WOULD THEREFORE NOT ONLY BECOME MORE AMENABLE TO CHANGE BUT WOULD ALSO HELP ENGENDER IT.

FOSTERING COOPERATION: IN ADDITION TO POLICIES AIMED AT FOSTERING INNOVATION WITHIN THEIR OWN ORGANIZATIONS, DIRECTORS SHOULD INSTITUTE POLICIES TO ENCOURAGE COOPERATION WITH OTHER COMPANIES AND THE GOVERNMENT IN ASSEMBLING AND UTILIZING THE WIDE VARIETY AND LEVEL OF RESOURCES REQUIRED FOR MAJOR INNOVATIONS.

HAVING LEARNED BY EXPERIENCE THAT MOST COMPANY EXECUTIVES DO NOT THINK IN TERMS OF COOPERATION EITHER WITH OTHER COMPANIES OR THE GOVERNMENT, I SUGGEST THAT THE FIRST POLICY ADOPTED FOR ENCOURAGING COOPERATION REQUIRES PARTICIPATION IN AT LEAST ONE CONSORTIUM ENGAGED IN URBAN REVITALIZATION OR RURAL DEVELOPMENT. WHILE FOR ANY LARGE COMPANY PARTICIPATION WOULD INVOLVE A MODEST INVESTMENT AND A RELATIVELY SMALL RISK, THE
CORPORATE POLICIES

BENEFITS WOULD BE SUBSTANTIAL REGARDLESS OF THE COMPANY’S LINE OF BUSINESS.

FIRST OF ALL, PARTICIPATION IN A CONSORTIUM WILL GENERATE SALES LEADS FOR THE COMPANY’S EXISTING PRODUCTS AND SERVICES BECAUSE THE REVITALIZATION OF AN URBAN OR RURAL AREA LEADS TO INCREASED ECONOMIC ACTIVITY OVER A WIDE FRONT. PROBABLY MORE IMPORTANT, BECAUSE THE MOST ADVANCED EXISTING AND EMERGING TECHNOLOGIES ARE USED IN THE REVITALIZATION PROCESS, THE CORPORATIONS INVOLVED WILL BE AMONG THE FIRST TO DISCOVER FUTURE OPPORTUNITIES FOR NEW PRODUCTS AND SERVICES.

ASIDE FROM DIRECT ECONOMIC BENEFITS, CORPORATIONS WILL ALSO PROFIT FROM THE EXPOSURE TOP EXECUTIVES WILL HAVE TO THE HUMAN PROBLEMS FESTERING IN POVERTY-STRICKEN AREAS. UNTIL YOU ARE PERSONALLY INVOLVED IN ADDRESSING THEM, YOU CAN’T REALLY GRASP HOW PERVERSIVE, WIDESPREAD, AND DANGEROUS THEY ARE. RIOTS IN MIAMI, ORLANDO, AND CHATTANOOGA, PERSISTENT AND SHOCKINGLY HIGH UNEMPLOYMENT RATES AMONG DISADVANTAGED YOUTHS, MUSHROOMING CRIME STATISTICS, AND MILLIONS OF PEOPLE LIVING BELOW THE FEDERAL POVERTY LEVEL ALL FAIL TO COMMUNICATE THE DEGREE OF SERIOUSNESS, BECAUSE LITTLE OF THE ADVERSE EFFECTS ARE NEXT DOOR TO MOST OF US. CONTINUING TO LARGELY IGNORE THE NEEDS OF THESE PEOPLE, HOWEVER, WILL GENERATE AN INCREASING AMOUNT OF
SOCIAL UNREST AND DISORDER. BEFORE LONG, THOSE OF US WHO LIVE OUTSIDE POVERTY-STRICKEN AREAS CAN LOOK FORWARD TO SHARING THE FRIGHTENING CONSEQUENCES OF A RISING LEVEL OF CRIME IN OUR OWN NEIGHBORHOODS AND DAILY FEAR OF PERSONAL SAFETY.

MOST CORPORATE EXECUTIVES ARE NOT SUFFICIENTLY AWARE OF THE REALITIES IN THIS DETERIORATION. A SMALL NUMBER WOULD LIKE TO DO SOMETHING ABOUT IT, BUT THEY DON'T KNOW HOW OR DO NOT HAVE ENOUGH INFLUENCE TO REDIRECT CORPORATE RESOURCES. THE CONSORTIUM APPROACH OFFERS THE ANSWER AND IS GAINING CREDIBILITY.

TECHNOLOGICAL COOPERATION WITH OTHER COMPANIES: Much more can be said for the importance of revitalizing poverty areas and the benefits to be gained from the process. However, I would like to move to a discussion of a policy that would require review of each major new project for the potential of more efficient execution through cooperation with other companies. The vast potential of technological cooperation has yet to be realized. At the same time, there is enormous duplication of effort which is not only costly but it is placing the U.S. at a competitive disadvantage with other countries where cooperation among companies and between industry and government is more commonplace.
A major reason for lack of cooperation within industry in the United States is concern for maintaining a proprietary position. In the past, individual companies have been able to develop new products with reasonable risk and affordable technical effort while providing an attractive return on investment. But circumstances are changing. Many of the easiest things have been done and it is getting tougher to bring in new proprietary products -- much more costly -- more time-consuming and much more risky. Consequently, industry has turned its attention more to product improvement and cost reduction. As a result, there have been few significant breakthroughs in recent years, and even when there have been, the new technology has been diffused so rapidly that any initial business advantage has soon been lost. Companies in most industries are selling the same basic product. Differentiation is achieved by designing features to apply the product better and to support the customer better. Concern for proprietary position today is rooted more in tradition than logic. While there are reasons to protect proprietary elements of the marketing process, the time for such protection to be a major consideration in research and development has passed.
OUR OWN COMPUTER INDUSTRY IS A CASE IN POINT. AN ENORMOUS DUPLICATION OF RESEARCH AND DEVELOPMENT HAS BEEN GOING ON FOR THE PAST TWENTY-FIVE YEARS -- YET NO EXCLUSIONARY PROPRIETARY POSITIONS HAVE RESULTED. CONTROL DATA HAS PARTICIPATED IN COOPERATIVE EFFORTS TO A MUCH GREATER EXTENT THAN ANY OTHER COMPANY, AND WE HAVE BENEFITED HANSONSOMELY. AT NO TIME HAS IT BEEN DISADVANTAGEOUS. EVEN SO, CONTINUED FRAGMENTATION AND DUPLICATION OF R&D HAS MADE IT MUCH EASIER FOR THE JAPANESE TO CATCH UP TECHNICALLY. IF THE PRESENT LACK OF COOPERATION CONTINUES IN THE U.S., WHAT HAPPENED IN DETROIT CAN HAPPEN IN THE COMPUTER INDUSTRY.

COOPERATION WITH THE GOVERNMENT: AVOIDING AN AUTOMOBILE INDUSTRY TYPE OF DISASTER WILL ALSO REQUIRE MORE COOPERATION WITH THE GOVERNMENT. TO HELP MAKE SURE IT HAPPENS, DIRECTORS SHOULD REQUIRE PERIODIC ASSESSMENT OF THE COOPERATION NEEDED AND WHAT IS BEING DONE TO ACHIEVE IT.

THE SCOPE OF ACTIVITY REQUIRED IS TOO GREAT TO REVIEW TODAY. IT INVOLVES ALL LEVELS OF GOVERNMENT STARTING WITH LOCAL COMMUNITIES. FOR BUSINESS, COOPERATION MEANS BETTER COMMUNICATION IN THE PLANNING STAGES AND A WILLINGNESS TO CONSIDER AND RESPOND TO PUBLIC NEEDS. FOR THE GOVERNMENT, IT MEANS FINANCIAL SUPPORT WHERE APPROPRIATE AND RELIEF FROM ONEROUS REGULATIONS.
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Most companies are cooperating with the government to some extent, but in piecemeal fashion. The levels of cooperation are inadequate because the present government-business climate is unhealthy. Business people want government to leave them alone. Government officials are suspicious of business and mistrust its motives. It may seem simplistic, but a policy adopted by every company to promote business and public cooperation is needed and will help improve our degenerating climate.

Board composition: Before concluding this talk, I'd like to emphasize the folly of accepting some of the advice being promulgated in certain quarters on the matter of board composition. I am convinced that any board comprised entirely of outside directors, with the exception of the chairman, would be incapable of adequately stimulating needed change and innovation. Accomplishing such objectives requires directors getting involved, exercising initiative, and assuming a share of the risk -- all inconsistent with the "independent" stance so widely advocated.

Furthermore, I can't envision a board of outside independent directors possessing enough knowledge of the wide spectrum of
TECHNOLOGY EMBRACED BY LARGE CORPORATIONS TO BE COMFORTABLE ENOUGH WITH THE RISKS INVOLVED IN SIGNIFICANT INNOVATIONS. MY EXPERIENCE HAS BEEN THAT A MIXTURE OF INSIDE AND OUTSIDE DIRECTORS IS REQUIRED -- AND THESE ARE TIMES WHEN A MAJORITY OF INSIDERS MAY BE PREFERABLE.

MY ONLY OTHER THOUGHT ON BOARD COMPOSITION TODAY IS THAT THE MUCH TOUTED WORD "INDEPENDENT" SHOULD BE REPLACED BY "COMPETENT", SINCE A TRULY COMPETENT DIRECTOR IS VERY LIKELY TO BE INDEPENDENT. THINKING AND SPEAKING IN TERMS OF COMPETENCE WOULD HELP ELIMINATE THE SUPERFICIALITY IN MUCH OF THE DISCOURSE ON BOARD COMPOSITION, WHICH IS MISLEADING THE PUBLIC. THIS IN TURN COULD LEAD EVENTUALLY TO MISGUIDED AND ONEROUS CORPORATE GOVERNANCE LEGISLATION.

CONCLUSION: WITH THAT THOUGHT, I'D LIKE TO CONCLUDE BY REFERRING TO THE MUCH PUBLICIZED "REINDUSTRIALIZATION" MOVEMENT FOR REVITALIZING AMERICAN INDUSTRY. SEVERAL VARIATIONS HAVE BEEN PROPOSED. MANY OF THEM DIFFER WIDELY IN THE ACTIONS SUGGESTED, BUT THEY ALL EMBRACE TAX INCENTIVES FOR INCREASED BUSINESS INVESTMENT, EMPHASIS ON DEVELOPMENT OF NEW SOURCES OF ENERGY, CHANNELING INCREASED INVESTMENT TO INDUSTRIES WITH THE GREATEST GROWTH POTENTIAL, AND A REDUCTION IN GOVERNMENT REGULATIONS. ONE OTHER COMMON ASPECT IS THAT THEY ALL AVOID
ANY REFERENCE TO ECONOMIC PLANNING, PROBABLY BECAUSE OF THE
DEEP-SEATED AVERSION IN THIS COUNTRY TO NATIONAL PLANNING.

WHILE GENERALLY UNACKNOWLEDGED, ECONOMIC PLANNING IS IN FACT
GOING ON, ALBEIT IN A DISJOINTED MANNER. A CONTINUATION OF
THE PRESENT BUSINESS-GOVERNMENT ADVERSARIAL STANCE AND THE LACK
OF COOPERATION WITHIN INDUSTRY WILL ASSURE THAT BUSINESS WILL
BE A LESS THAN ENTHUSIASTIC PARTICIPANT IN AN EXTENSIVE
PATCHWORK OF NATIONAL ECONOMIC PLANNING THAT WILL EMERGE.

NATIONAL ECONOMIC PLANNING CAN EMBRACE A WIDE VARIETY OF
ELEMENTS RANGING FROM THE DISSEMINATION OF INFORMATION,
LONG-RANGE FORECASTS, AND SUGGESTED ACTIONS -- ALL THE WAY TO
ALLOCATION OF RESOURCES UNDER GOVERNMENT DIRECTION AND
CONTROL. INITIATIVES TAKEN NOW BY CORPORATE DIRECTORS LEADING
BUSINESS DOWN A ROAD OF COOPERATION AND ATTENTION TO THE MAJOR
UNMET NEEDS OF SOCIETY CAN LARGELY DETERMINE THE NATURE OF OUR
NATIONAL PLANNING. ESPECIALLY IMPORTANT IS COOPERATION AT THE
COMMUNITY LEVEL. IT IS HERE, THROUGH UNDERSTANDING AND
ACCOMPLISHMENT, THAT THE GRASS ROOTS SUPPORT WILL BE BUILT FOR
REVITALIZING AMERICA UNDER THE LEADERSHIP OF BUSINESS.

CORPORATE DIRECTORS OF AMERICA HAVE A CRUCIAL CHOICE. IF THEY
CONTINUE IN THE TRADITIONAL MODE OF SURVEILLANCE OVER THE