



DEC. 7, 1973

REPORT OF THE MONTH

Proofing Your Travel and Entertainment Expenses

The battle of the profit-and-loss statement frequently is won in elegant restaurants, country clubs, discotheques, and jumbo jets. The social climate in which many deals are agreed to, the friendly camaraderie which lubricates the course of difficult negotiations, the exchanging of views outside of the executive suite's pressures — all these can cause the cash registers to ring merrily. But there are few, if any, income tax disallowances so common as travel and entertainment expenses. This Report explores what steps can be taken to make your travel entertainment deductions 100 proof.

Federal income tax administrators recognize that in the frantic business and professional world, it isn't possible to keep track of every piece of paper, of every penny. So there are circumstances where *approximations* are accepted in lieu of detailed documentation of expenses. Specifically, the so-called *Cohan* rule provides that if a taxpayer demonstrates to the satisfaction of the court, that he has had business expenditures of a certain type, but there is no detailed substantiation, a court may estimate the amount of the allowable deduction. That rule was devised to cover the undocumented expenses of the celebrated actor-singer-composer George M. Cohan. But, curiously, the one area today in which credible estimates are not acceptable for federal income tax purposes is T & E. You are not permitted to deduct one cent without substantiation in some acceptable form. So existing business procedures may have to be reviewed and tightened up to prevent automatic disallowance of such expenses.

This applies to expenses for entertainment, travel, and business gifts.

Why T & E expenses differ from all others

The reason for this severity on the part of the tax people is obvious. As one court stated in a 1972 decision, "entertainment expenses are peculiarly susceptible of abuse."

Thus, no deduction is allowed for business entertainment expenses unless the taxpayer substantiates — by adequate records or by sufficient evidence corroborating his own statement — (1) who was entertained, (2) the amount of such expense, (3) the time, (4) the place, (5) the business relationship to the taxpayer of the person or persons entertained.

What is required must be understood before you can undertake to prove your right to deductions. Unlike other business deductions, it is not always enough to show that entertainment costs are "ordinary and necessary." The taxpayer must show:

1. That the expenditure was directly related to the active conduct of his trade or business; or,
2. In the case of an expenditure directly preceding or following a substantial and bona fide business discussion including business meetings at conventions and otherwise, that the expenditure was associated with the active conduct of the taxpayer's trade or business.

What is "directly related"?

An expenditure is *directly related* to a taxpayer's trade or business if it meets all of these tests:

1. When he made the entertainment expenditure or committed himself to it, he had a reasonable expectation of deriving some business benefit at some indefinite future time.

☞ **recommendation:** Keep data such as interoffice memos, business diaries, or letters indicating what you expect to get out of entertaining someone. A taxpayer does not have to prove, however, that benefit actually did result from every expenditure.

2. During the entertainment period, the taxpayer actively engaged in a business meeting, negotiation, discussion, or other good-faith business transaction, other than entertainment, for the purpose of deriving income. (Get this fact on paper, at the time.)

3. In the light of all of the facts and circumstances, the principal character of the combined business and entertainment was the active conduct of trade or business. It isn't necessary to prove that more time was devoted to business than to entertainment in order to meet this requirement.

4. The entertainment expenditure was allocable to the taxpayer and person or persons with whom the taxpayer engaged in active conduct of a trade or business.

☞ **recommendation:** If outsiders happen to be present, leave their portion of the tab out of your expense deduction. It makes a more favorable impression if you do this yourself instead of waiting for a Treasury examiner to do it — with a heavier hand.

An expenditure is considered directly related to the active conduct of a trade or business if it is established that the expenditure was for entertainment occurring in a clear business setting directly in furtherance of the trade or business. An expenditure isn't deemed to be directly related to the taxpayer's trade or business if he was not present during the period of entertainment. Nor is there the necessary clear business setting if the distractions were too substantial to allow for the discussion of those things which businessmen have to discuss. This could rule out entertainment expense deductions for cocktail parties, group encounters, and meetings where many outsiders are present. One decision sustained the Treasury's disallowance of entertainment at a nightery called "Las Vegas" because the very name suggested that serious discussions could

not have been held there about such mundane things as product specifications or delivery dates.

Expenditures for food and drink will be allowed as tax deductions, without reference to the ground rules for *directly related* expenditures enumerated above, where the circumstances are conducive to business discussions, even if business is not actively discussed. But the surroundings must provide an atmosphere where there are no substantial distractions. This may be referred to as the "quiet business meal."

The "associated expenditures" test

Entertainment expenses which do not meet the *directly related* test but are *associated* with the active conduct of a trade or business are allowable, if the entertainment *directly precedes* or *follows* a substantial and genuine business discussion. In general, any ordinary and necessary entertainment expense is associated with the active conduct of one's trade or business if the taxpayer can show that he had a clear business purpose in incurring the expenditure, such as to develop new business or to encourage the continuation of an existing business relationship. But any portion of the expenditure allocable to persons not *closely connected* with those who attended the substantial and genuine business discussion won't be considered by the Treasury to be associated with the active conduct of the trade or business. This makes it difficult to justify expenditures for persons you brought along to "liven up the party."

What is entertainment?

Entertainment includes more than the payment for food, drink, theatre tickets, and the like. Dues and fees paid to a social, athletic, or sporting club are treated as expenditures for an entertainment facility — that is, deductions are allowed where the facility is used *primarily for the furtherance of the taxpayer's trade or business*. If he can prove that he used a club more than 50% of the time for business purposes, he can deduct that portion of his dues which is

directly related to the active conduct of the business. One case allowed a businessman to deduct that portion of his total dues which corresponded to the percentage which his expenditures for business meals at the club represented of his total yearly expenditure for food and beverages furnished there.

Inasmuch as a country club or similar facility for hunting or social purposes customarily is thought of as pleasure-oriented, the taxpayer has to offset the logical presumption that he really joined for personal pleasure, as most people do. But this can be accomplished. One lawyer convinced the court that he joined a country club even though he didn't enjoy golf; what he did enjoy was the fact that 50% of the persons with whom he wanted to do business were members of the club. Another individual was permitted to deduct his expenses at a hunting club which had no recreational features, the court noting that he didn't even own a gun. And another taxpayer was allowed the entertainment expenses claimed by producing a chart which showed that new business income paralleled entertainment expenses.

What if you're not actually looking for business?

Entertainment expense is for the purpose of attracting or of retaining customers. But what if you can't serve any more customers? Deduction still may be possible, but the problem presents more of a challenge.

One manufacturer who was unable to fill existing orders was allowed to deduct 50% of the entertainment expenses which he claimed. Neglected customers could be disinterested ex-customers when business was required later on. But the entertainment expense deduction of a prominent automobile dealer was slashed greatly by a court in a year when cars were in short supply and, possibly, it was the dealer who was more apt to be entertained by a would-be customer.

A broker who had been suspended indefinitely by the New York Stock Exchange was not permitted to deduct the cost of entertaining people

who would be his customers *if he were reinstated*. Those weren't expenses related to the active conduct of his business, for he could not actively conduct it. The ordinary common garden variety of expenditure is not allowed where a taxpayer is not yet engaged in business. An insurance company wasn't permitted to deduct entertainment expenses in connection with the establishment of agencies in a state where it had not yet been licensed to do business.

Company expenses can be converted into your own

A corporation executive or other employee ordinarily cannot deduct expenses of entertaining company customers. These are company expenses and the individual who picks up the tab is acting as its agent, entitled to reimbursement for outlays on behalf of the employer. Only the company is entitled to deduct the expenses of its entertaining.

But the tax situation is quite different if entertaining of customers or clients is expressly a part of the job for which the employee is being paid. Some companies, which feel that entertainment expense accounts all too often are really "swindle sheets," require employees to assume all such costs without possibility of reimbursement as part of their salaried job. Other suspicious companies allow reimbursement for entertaining established customers but not for "prospects," which might be poor risks or even friends and relatives of the employee. The employee who feels that his own business (being a company employee) would be helped by entertaining customers could properly claim the deduction as being helpful in doing his job.

A vice-president of a prominent paper company, whose principal responsibility was maintaining "first-name" contacts with top echelon officers of customers, could deduct his substantial entertainment expenses by showing that he had a specific understanding with his president that he (the veep) would assume the usual and ordinary entertainment required by his job, while the corporation would take care of large-scale entertaining.

Inasmuch as company entertainment for which an individual *could* be reimbursed is not an expense which he can deduct, care must be taken to see that reimbursement is made unavailable by a letter, statement of company policy, corporate bylaw, or the like.

Entertaining your spouse

Deduction for the cost of entertaining one's spouse is permissible, but the element of proof of business purpose is vital because (presumably) entertaining one's own spouse is a matter of pleasure. For that matter, so is writing out a purchase order, and entertainment expenses in connection with that pleasure should not be difficult to justify.

If a businessman takes a customer and the customer's wife to a nightclub, and the businessman's own wife also is present, the evening's expenses are deductible, provided the evening follows an afternoon session between the two men where a substantial business discussion had taken place.

How substantiation is provided

The taxpayer claiming an entertainment expense deduction must furnish corroboration of his claim. The Treasury requests that a receipt be obtained for entertainment expenditures of \$25 or more. "A restaurant receipt would be sufficient," we are told, "if it shows the name and location of the restaurant, the date, and the amount of the expenditure (and, if a charge is made for an item other than meals and beverages, such as a tip, an indication that such is the case)." If a person entertains a relatively large number of people, he isn't required to record each of the names. Where a class of readily identifiable individuals is involved, a designation such as "all of the stockholders of XX Corporation" would be sufficient. On the other hand, if the identity of a class such as "customers of KK Corporation," is not sufficient to identify the persons entertained, then an individual designation of each person entertained would be required. Identification could be in such language as "Mrs.

MM, branch manager of VV Company, and her nine salespersons."

Evidence of entertainment expense need not be in writing if the taxpayer backs up the expenses with corroboration by the verbal statement of somebody in a position to know the facts and circumstances. The leading decision in this area says: "Thus oral testimony of the taxpayer, together with circumstantial evidence available, may be considered 'sufficient evidence' for the purpose of establishing the business purpose required . . ." Here an individual obtained testimony from the cashier of a restaurant as to the amount he customarily spent there on persons he entertained, many of whom she knew. But reliance upon her memory and credibility was a gamble.

A cancelled check, in itself, is not sufficient to document an entertainment expense deduction. Payments to hotels, for example, have turned out to be for purchases of clothing delivered to the front desk or even cash advances from the hotel. But a cancelled check, together with a bill from the payee, ordinarily would establish the element of deductibility if the business nature of the invoice were valid.

As a 1972 decision established, the entertainment expense deduction is forfeited where the host is reluctant to ask bartenders for receipts for purchases. Nor was deduction allowed where the taxpayer had billing statements from bars, without indication of who was entertained and how many shots the host had taken. "Were we to hold otherwise," observed the court sagely, "with a little trading back and forth from day to day, well-nigh every drink at every bar, every doughnut and every cup of coffee would wind up as a deduction on somebody's tax return." For meal expenditures under \$25, however, receipts or other documentary evidence are not required. A diary entry alone is sufficient.

What happens to your part of the entertainment tab

Under the Tax Court's "Sutter" rule, a taxpayer who entertains when he is not traveling away from home cannot deduct that portion of his own

meal which is not in excess of what he would ordinarily have spent for his meal if he were not entertaining. This rule has also been approved by other courts, but the Treasury will invoke it only in abuse cases where taxpayers claim deductions for substantial amounts of personal living expenses.

But what is abuse and what is meant by substantial? The Treasury has no fixed guidelines or rules of what constitutes either abuse or substantial. If an agent makes a disallowance for what he considers abuse, the taxpayer may then have the burden of proving that the agent was wrong. In one case, an individual was successful when he established that he was a diabetic who took no alcoholic liquors and even when he dined with a customer he ordered only coffee and vegetables for himself. He won his case but may have lost several customers who didn't enjoy dining in solitary splendor with a noneater.

Where full documentation isn't enough

Suppose that a person has solid evidence of every element of his business entertaining. He still may lose part of his tax deduction. The regulations say that to the extent the expenditure is lavish or extravagant, the deduction can be disallowed, but they don't say what lavish or extravagant means. Entertainment expenses won't be disallowed on this ground merely because they exceed a fixed dollar amount or are incurred at plush restaurants, hotels, nightclubs, and resort establishments. An expense which, considering the facts and circumstances, is reasonable won't be considered to be lavish or extravagant. Sometimes a business person will attach to his expense account the menu of a hotel or restaurant where he has been entertaining, to show that his bill was about as reasonable as possible in terms of the tariff existing there.

Credit cards and diaries

Despite the lure of many advertisements, credit cards in themselves are not the answer to substantiation of business entertaining deductions. Checks drawn to the order of a credit card

company weren't allowed as tax deductions in a case where there was nothing to relate any particular expenditures to any person or business reason. Such cards establish only the *where*, *when*, and *how much*. They don't establish the *who* and that highly important *why*.

Detailed substantiation isn't required in the case of expenditures under \$25 other than for lodging while traveling away from home, and diary notations of the party entertained, with his business identification, will be sufficient. But that fact furnishes only limited support to the ads of some commercial stationers that their columnar diaries will satisfy the tax deduction requirements of the Internal Revenue Service.

What if you have no supporting evidence?

The business entertainer who has no back-up records is generally not entitled to any deduction. One salesman offered a Treasury agent a list of 10 persons from whom he allegedly received more than \$20,000 in commissions in lieu of detailed entertainment bills. But the Treasury subpoenaed one of these persons, who was said to have been entertained on eight occasions, none of which he could remember. The deduction was disallowed. In another case, after a named guest told the agent that he never had been entertained by his alleged host, the latter claimed that his former customer had become hostile because of an unfortunate business transaction. But that's the risk you run when you give the tax people an excuse to speak to your customers. One taxpayer lost an entertainment deduction when the customers in question told the Treasury agent that they would have placed orders even without entertainment, which suggested that the entertainment had not been an expenditure necessary to get business. And a deduction must represent an ordinary and *necessary* expense.

If you can show that your records were destroyed through circumstances *beyond your control*, such as a flood, the Treasury may permit a re-construction of the records on the basis of the best evidence available.

Records must be contemporary

The recording of the necessary elements of an entertainment expenditure in one's records must be made at or near the time of the expenditure. If the entries are made belatedly, they will not comply with the substantiation rules. There can be no "reconstruction."

Improperly handled entertainment records can be costly

If entertainment expenses incurred by an officer-stockholder of a corporation are disallowed on the corporation's tax return because of insufficient corroboration, an equivalent amount may be taxed to him as a dividend, on the ground that he derived an economic benefit at the corporation's expense because he was a stockholder.

Where a person fails to keep the records required to justify an expenditure, ordinarily all he has to fear is disallowance (and some interest). But where he is highly knowledgeable in tax or even in general financial and business matters, he may be assessed a penalty because he should have known better than to claim unsubstantiated entertainment expenses as a tax deduction.

Requirements for travel expense deductions

The United States Supreme Court has laid down three conditions which must be satisfied before a traveling expense deduction is allowed:

1. The expense must be a reasonable and necessary traveling expense, such as that term is understood.
2. The expense must be incurred while away from home overnight.
3. The expense must be incurred in pursuit of business. This means that there must be a direct connection between the expenditure and the carrying on of the trade or business of the taxpayer or of his employer. Such an expenditure, moreover, must be necessary or appropriate to the development and pursuit of the trade or business.

Travel expenses away from home include the cost of transportation from one's home or place of work to the airport or station, and vice versa; air, rail, and bus fares; baggage charges; transportation costs from the place where you are staying to where you work when you are away from home overnight; the cost of maintaining and operating an automobile, including a trailer; meals and lodgings, both en route and at the destination; telephone and telegram charges; cleaning and laundry expenses; the cost of a public stenographer; other similar expenses incidental to qualifying travel; tips.

Documentation

It is not necessary to make a separate entry in one's expense account record for each incidental separate expenditure, such as for taxi fare, buses, telephone charges. For each day, expenditures may be aggregated in reasonable categories, such as for local transportation, gasoline and oil, the taxpayer's own meals.

Business-pleasure trips

Although travel expense is deductible only when business-related, some pleasurable features of the trip will not negate the finding of an overall business benefit. If the trip was primarily for business and, while at his business destination, an individual extended his trip for non-business reasons, the travel expenses to and from his destination are deductible. If the trip was primarily personal, his travel expenses to and from the destination are not deductible even if he engaged in some business activity at the destination.

If a person makes a trip outside of the United States primarily for business, but there were some non-business activities, the cost of travel is to be allocated between business (deductible) and non-business activities. However, this partial allowance rule applies only if (a) travel outside of the U.S. exceeds one week and (b) the portion of travel time outside the U.S. which is not attributable to the taxpayer's trade or business or an income-producing activity is 25 percent or

more of the total travel time outside the U.S. But there is no partial disallowance if the taxpayer does not have substantial control over arranging the trip or getting a personal vacation or holiday was not a major consideration in deciding to make the trip.

Travel expenses of one's spouse

Where an individual's spouse accompanies him or her on a business trip, expenses attributable to the accompanying spouse (for old times' sake, let's use the word "wife" here) are *not* deductible unless it can be shown that her presence on the trip has a genuine business purpose. The wife's performance of some incidental service does not cause her expenses to qualify as deductible business expenses. Even where she accompanies him on a business trip to assist him in entertaining business associates at the destination, her expenses usually are regarded as personal, non-deductible. But her expenses are deductible where it can be shown that she helped him to perform his job. Court-approved instances are:

1. Where the husband was sent abroad by his employer to report on the employer's overseas operations as to employees' working conditions, recreational and educational facilities, health, morale, and the like. The wife, by chatting with employees' wives, was able to gather data inaccessible to him.
2. Where the husband was a diabetic who could not go abroad without the instant availability of medical aid if required, and the wife had been trained for this. However, the tax court disallowed the wife's expenses in a similar situation in a later decision.
3. Where the husband conducted business in a social atmosphere at the homes of customers' top executives, who specifically asked that he bring his wife with him.
4. Where the wife was conversant with the language of foreign countries where her husband conducted business and he was not. Many matters to be discussed were too confidential to rely upon interpreters.

Conventions

Travel expense to a business convention, if not subject to reimbursement, is deductible, provided attendance at the convention is appropriate or helpful in one's trade or business. The agenda of the convention does not have to deal specifically with the taxpayer's official duties or the responsibilities of his position, if the agenda is so related to his business and responsibilities that attendance for a business purpose is plainly indicated.

It should be useful to preserve with your tax papers the program or schedule of events at the convention, to show that attendance there was for the purpose of benefitting you in a business way.

Business tips

Tips in connection with business entertainment or travel are deductible, but frequently such tips are not a part of a restaurant or other bill and hence are apt to be unrecorded. In aggregate, the amounts may well be large enough to document, with a record of that essential business purpose. One court observed that "The common experience of mankind would bear out the fact that an additional gratuity to a maitre d' or a doorman will, on occasions too often to be a mere coincidence, have the effect of securing a better table location or a more prompt taxicab." Indeed, a reasonable case can be made that tips are ordinary and necessary and proximately related to a salesman's duty of entertaining his clients.

But it's still necessary to show the time, place, business purpose, and business relationship of tipper and tippee. This point is stressed because few persons bother with such records and valid tax deductions are thus forfeited.

Practical suggestions

Where the facts justify the position you take on your tax return, the following should be helpful:

1. There should be a record of what *actually* was discussed during the course of the alleged

quiet business meal, not a conjecture of what *probably* was discussed. This can be in the form of minutes, a report sent the following day to one's superior or associate, a tape recording dictated when you get back to your home, hotel room, office, or car. Of course it's a nuisance. So is a tax disallowance.

2. When you've entertained some one, especially in the elaborate manner which so frequently gets disallowed, often you will get a "thank you" note. Preserve it. Keep it with your bill for that evening.

3. File copies of purchase orders or contracts along with the expense vouchers of persons whom you entertained while that order was being discussed.

4. When you are taking a customer, client, or prospect out to dinner or the fights, remind him of the appointment in a letter which can be attached to the expense voucher. There could be noted briefly various business matters which you hope to be able to discuss with him. There's no reason to be coy about mentioning business matters. He knows why you are taking him out.

5. Keep records of names and dollar amounts of business obtained from persons you met at the country club where you are a member. Ditto in the case of persons you took to the opera or the dog races.

6. When you are entertaining at expensive nightclubs and the like, often there is a photo girl who snaps pictures for an outrageous fee. It isn't outrageous if it shows an identifiable person

who is a customer or prospect. Put it in with the expense vouchers.

7. If you take your spouse to Europe with you on a business trip, take the camera also. Don't forget to take pictures of her at your customers' factories, or trudging in some company town through snow and mud (that was no pleasure trip).

8. When you sign a chit at a restaurant or bar, note on the reverse side the data which the Treasury is likely to demand some day: name or names of persons present, purpose of the meeting, and the like.

9. Require that even the highest level executives in your corporation keep documentary back-ups for T & E. Too often Mr. Big thinks that company rules don't apply to him. The Treasury agent isn't impressed by titles.

10. Make certain that vouchers and entertainment expense data don't get thrown away when the files have their periodic weeding out. Such data must be kept as long as the tax returns which they document are still open under the statute of limitations, which usually is three years, but may be longer. Ask your tax adviser how long to keep the back-up data for each of your taxable years.

11. Don't bury T & E expenses in other accounts so as to keep confidential data from the staff, or for other reasons. To a Treasury agent that suggests you didn't want *him* to see what you were doing, and he'll draw his own conclusions as to why.

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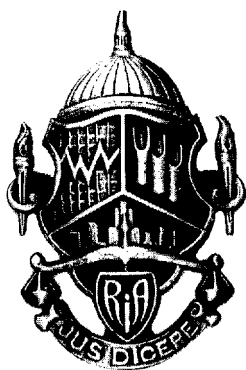
The Research Institute of America, Inc.

*The dogmas of the quiet past
are inadequate to the stormy present.*

Abraham Lincoln

*The art of progress is
to preserve order amid change,
and to preserve change amid order.*

Alfred North Whitehead



Evolution Of An Idea

One of the fascinations of business is the way in which a new idea is born and is nurtured to success. In the depression year of 1935 a unique concept was launched from a one-room office with remarkable results.

A small group of forward-looking business experts saw that the country faced a period of unprecedented business change. The federal Social Security Act and other laws just passed by Congress were the first of many controls that government would impose on business. They saw that businessmen would need someone to interpret these complicated legislations, regulations and directives into the kind of business English that executives could understand and follow. They also reasoned that most single companies could not afford to hire enough management specialists to look into and make recommendations on all of the complex changes that would affect business. But if many companies joined together they could engage a group of topflight specialists and share in the findings.

The idea was the brainstorm of Carl Hovgard, a young Kansas businessman, who came to New York to try out the new concept. Shortly thereafter, he was joined by Leo Cherne, a brilliant young lawyer-journalist. Then Joseph D. Ardleigh came aboard to employ a staff of people who would further the aims of the Institute and start a field sales organization to sell the programs they developed.

The Idea Gains Acceptance and the Institute Grows

When the idea was tested and proved valuable to businessmen, the Research Institute began to flourish. Over the years the initial concept has been expanded in varying ways. Today RIA plays an ever-increasing role in helping businessmen adjust to the bewildering changes dictated by Washington, the economy, social change, and world events.

RIA is now the world's largest private business management and advisory organization. It counsels more than 150,000 executives in all fields of business and government. At any given time, 75% of the companies in *Fortune's* Top 500 hold Membership in Institute programs. The Institute serves the guidance needs of large, medium-sized and smaller companies and assists government agencies, legal and accounting firms, as well as a variety of individual businessmen and professionals.

A Professional Staff Dedicated to Continuing Research

Today, on the Institute's full-time staff, RIA employs many of the country's leading management consultants, attorneys, economists, tax analysts, personnel and industrial relations specialists, marketing strategists, behavioral scientists and computer and programming experts. RIA's journalists and foreign affairs analysts, backed by a network of correspondents throughout the world, continually report current developments in every area affecting business.

In the Institute's offices each of these professionals is responsible for continuing research in his or her area of specialization, and the preparation of concrete recommendations for appropriate action by individuals, companies and government agencies.

How The Institute Serves Members

The Research Institute provides business intelligence and guidance that alerts the business community to the opportunities and pitfalls in all levels of management decisions of an operational or manpower nature. RIA performs this service for Members in every phase of business varying from tax guidance to economic forecasting, fiscal planning, sales and marketing to manpower management.

As a clearing house of available business and government intelligence, the Institute gathers the findings of research groups, industry and trade organizations, and the results of all significant court decisions. To these are added the findings of RIA's own continual scientific research in each area of specialization. The Institute conducts over 150 interviews a day by telephone and in person, in addition to initiating periodic surveys, audits and conferences.

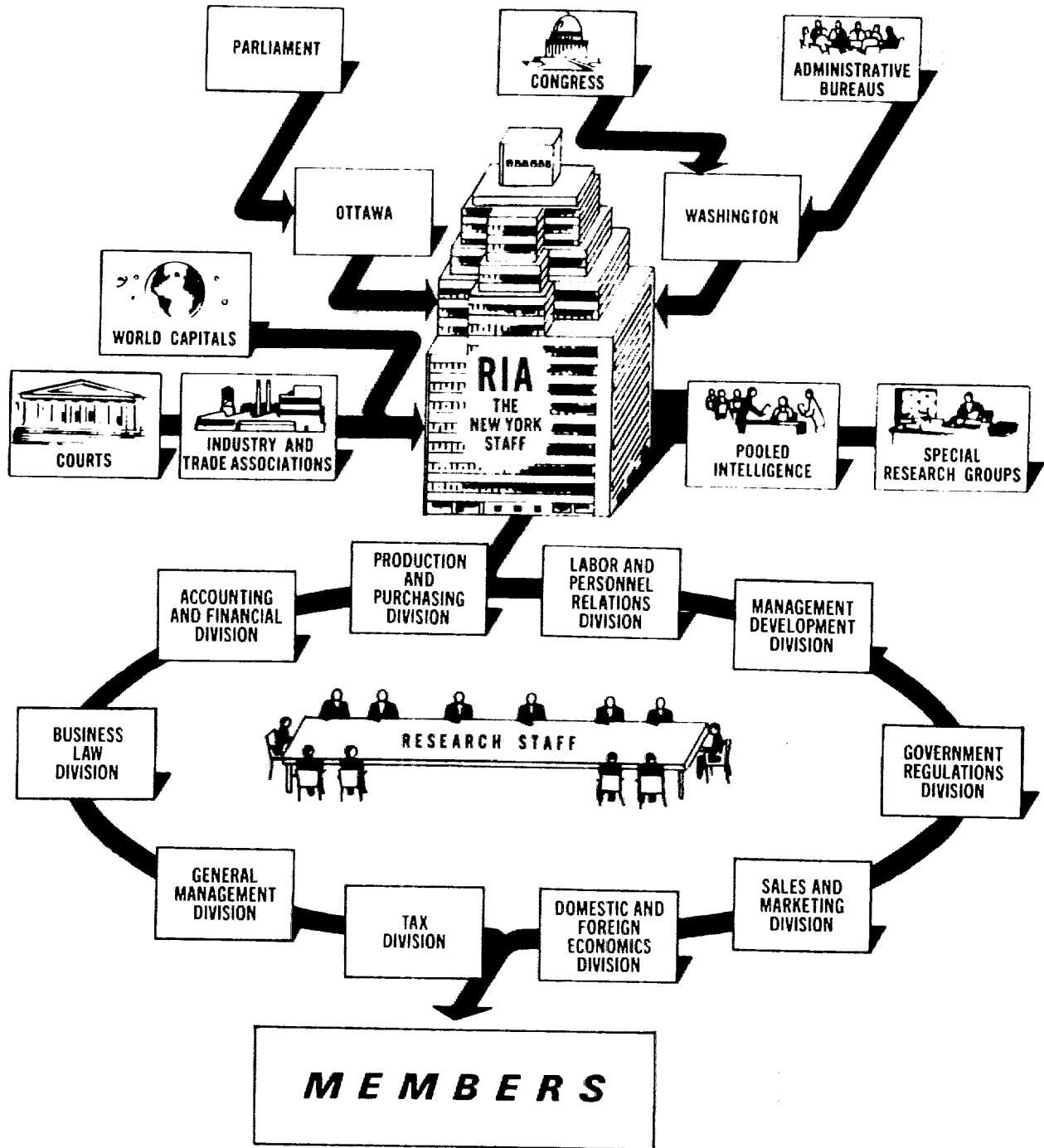
The Institute provides information, guidance and counsel with a unique distinction to Members.

An **RIA Observation** offers complete and useful *interpretation* of business intelligence. Significant facts are sifted and weighed for their real importance, and each observation carries the thoughtful and proven judgment of the highly skilled professional staff.

An **RIA Recommendation** is the most profitable of the Institute's functions in the opinion of most Members. In clear language it details principles and step-by-step procedures that help Members contribute to corporate profits and avoid seemingly inevitable losses.

In the years since 1935 no Research Institute recommendation has ever been reversed by a court of law or successfully challenged by an agency of the government.

RIA's Flow of Intelligence



RIA's Unique Feedback Concept "Pooled Intelligence"

At the center of this continual flow of information is "*Pooled Intelligence*," the Institute's unique input idea. In a confidential exchange of information with RIA, Members report actual business experience as it applies in their company's day-to-day operations. This not only provides RIA with an excellent sounding board on all of the latest ideas and developments affecting business, but through this exchange Members benefit from other companies' successful or unsuccessful experiences. How the Institute coordinates this mass of information is shown in the flow chart on page 4.

The Institute's intelligence further responds to the needs of Member firms. Since developments in one area of business ultimately affect others, all RIA intelligence and feedback are sifted and screened through a cross-fertilization of ideas between staff specialists—experienced in all phases of business operations. For example, one line of a given report or recommendation is often a compression of literally weeks of study and analysis on scores of management experiences, economic statistics and legal decisions.

A Long Record of Objectivity and Accuracy

An important aspect of RIA's intelligence is its emphasis on objectivity. The Institute gives unbiased answers to management questions and problems where many companies find it difficult to obtain impartial opinions. Another is the reliability of RIA's predictions, reports and recommendations. This record of accuracy has long been acknowledged in business and government circles.

Atlantic magazine says:

"Steadiest record for accuracy among current forecasters . . . most thorough and specific of all services in its business analysis."

But long before being disseminated to Members, RIA intelligence must meet certain criteria: (1) it must answer a timely question business is facing, or soon will face; (2) it must tackle the real *problem*, not just the symptom; (3) it must offer help that is not available from any other source. Finally, and most important of all, it must respond to the needs of Member firms as confidentially expressed to RIA through "Pooled Intelligence."

The equation "RIA=EWS+QRC" best describes this objective: to provide an "Early Warning System" for anticipating problems and opportunities, and furnish "Quick Reaction Capability" to do something about it.

Fortune magazine says:

"The Institute not only reports developments affecting the businessman but actually tells what to do about them. So far it has handled this colossal assignment with astonishing success."

With this record of accuracy and objectivity, it is not surprising that eight out of ten companies in the United States and Canada continue their membership year after year.

By having access to top RIA intelligence and guidance a company, large or small, can keep pace with its competitors and ahead of the rapid, frequent and unexpected challenges facing business.

Current Research Institute Programs

Institute programs are designed for management's responsibilities and concerns—policy-making, planning, equipment, finance—and for the people who implement them. If they all work together for the same objectives, management can cut costs, avoid unnecessary loss, increase profits and gain personal satisfaction.

Members can participate in the following programs:

Executive Membership

This program provides policy-making executives with rapid access to RIA's capabilities in all areas of business. It is designed to help companies grow in size, sales and profits by keeping executives abreast of all the changes *outside* the company which have a bearing on the company's operations. The system is carefully organized so that a Member need invest only minutes a week to keep on top of developments affecting *his* business.

Management is alerted to important ideas, strategies, methods and techniques, with recommendations for their possible application. The ever-increasing number of government regulations with which business must comply are reported and evaluated for planning and action. As the need dictates, periodic in-depth studies on business problems and opportunities are included. Members also draw upon the Institute's unique information-retrieval system—a "bank" where RIA stores information on hundreds of problems that management will encounter in business.

Associate Membership

The Institute provides two coordinated, flexible systems that will supplement a company's efforts to improve the performance and effectiveness of their people. The aim of these programs is to create so sound a relationship between upper management and supervisors, and between supervisors and employees, that the productivity of each is substantially increased.

Today, more than ever, a company's success depends on its people. We at RIA believe, in common with most experienced companies, that people do change with the times, and that today's employees not only have different problems but different values and viewpoints from their counterparts of a decade ago. Therefore in facing any important decision management must ask itself, "Is the old way, even though basically sound, good enough today?" In the light of today's conditions, the Institute can help companies find a better way to approach their problems—and solve them—through properly motivating their personnel.

RIA tackles this by concentrating on the *total development* of the individual in two distinct dimensions. First, the individual's *on-the-job* requirements. Second (of increasing and frequently overlooked importance), is the individual's *off-the-job* needs and concerns. By communicating brief and authoritative guidance, a clearer understanding and better motivation for performance is achieved.

Associate Membership programs are designed for two specific areas: *Sales and Marketing*, and *Supervisory and Management*. These programs represent years of Institute experience working with people at all levels of responsibility—both in government and industry.

Associated Research Institute Companies

The Research Institute of America, Inc. includes separate associated companies whose specialized activities help business capitalize on the profit opportunities in a constantly changing economy.

Tax Research Institute of America

This organization helps solve tax problems. Special memberships and services provide reports and guides which keep business up-to-date on the federal tax laws. It publishes the well-known *Tax Coordinator*, *Tax Guide*, *Tax Action Coordinator* and *Tax Membership*.

Autotax Incorporated

Autotax is a computerized system for preparing tax returns for individual and corporate clients of professional tax practitioners. It performs all necessary calculations and prints out tax returns, supporting schedules and diagnostic reports.

Research Institute Investors Service, Inc.

This company provides guidance for the investor and keeps him up-to-date on the Institute's current evaluation and analysis of the stock market.

Research Institute Management Reports, Inc.

This company publishes a variety of influential, timely and topical newsletters covering a wide spectrum of business interests. They include marketing, selling, the law for business executives, interpersonal skills for both executives and secretaries—and a distillate of RIA guidance for executive planning and action.

A View Of RIA's

It isn't possible to adequately convey the extent of the Institute's network of complex facilities in these pages. However, a few selected photographs show some of its installations, and the professional staff at work.



Staff specialists screening RIA intelligence with a cross-fertilization of ideas.



One of RIA's Management Information Center libraries serving the reference needs of the professional staff.



A production facility at Lawyers Co-operative Publishing Company, including a high-speed Hantscho web-offset press.



Separate Information Center and Business Office in Mount Kisco, New York, serving Member company needs.



RIA's sophisticated computer installation building in Mount Kisco.



A corner of RIA's computer installation with some of its IBM equipment.

Facilities And Operations

With the broadened opportunities that RIA shares as part of a corporate communications family, there will be continued expansion and a strengthening of the services it provides to Members.



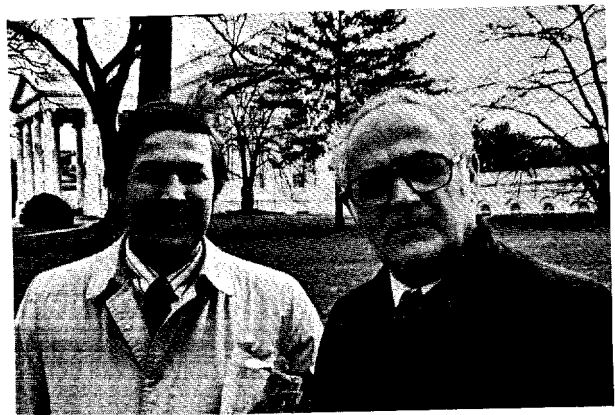
Staff member Daisy Kempton conducting a RIA "Pooled Intelligence" survey with a Member.



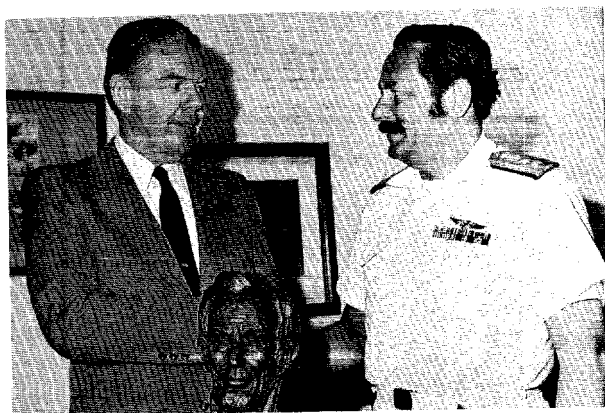
RIA District Manager Walker Stansell presents an award to executives of Holiday Inns, Inc., in recognition of their manpower development program.



Executive Director Leo Cherne presenting his annual economic forecast before the Sales Executives Club of New York.



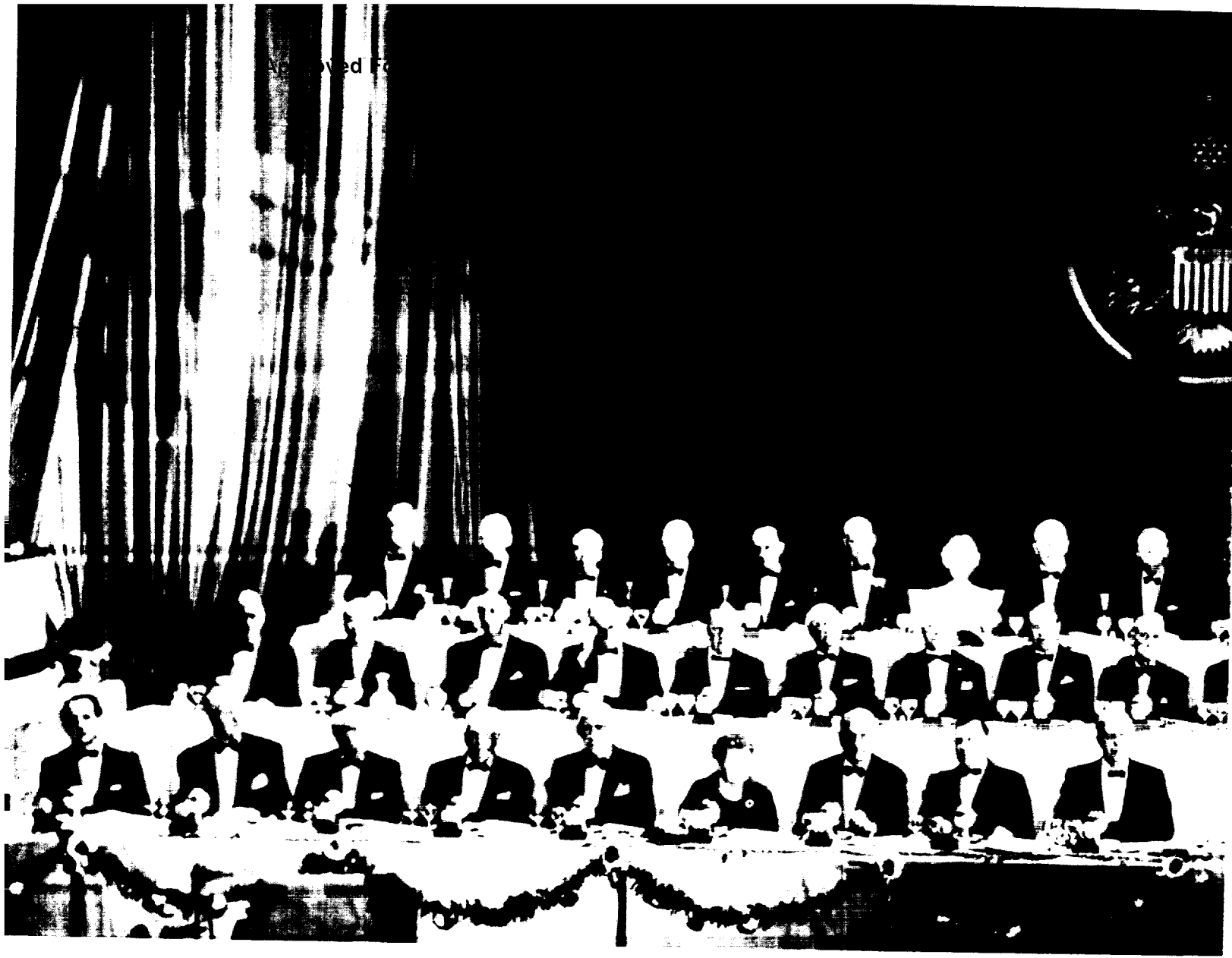
Dave Nelson, Bureau Chief of RIA's Washington office, with Peter Lisagor, Washington Bureau Chief of the *Chicago Daily News*, following a White House press conference.



RIA Government specialist Tom Roth presents achievement award to Admiral D. K. Weitzenfeld of the Naval Air Systems Command.



RIA's Canadian Manager Richard Spei with Robert Robertson, Executive Publisher of Maclean-Hunter, Ltd.



THE RESEARCH INSTITUTE

Carl Hovgaard *Samuel I. Rosenman* *Raymond Moley* *David E. Lilienthal* *Henry A. Wallace*
 CARL HOVGARD SAMUEL I. ROSEMAN RAYMOND MOLEY DAVID E. LILIENTHAL HENRY A. WALLACE

James A. Farley *Rexford Guy Nugwell* *Frances Perkins* *Walter Reuther*
 JAMES A. FARLEY REXFORD GUY NUGWELL FRANCES PERKINS WALTER REUTHER

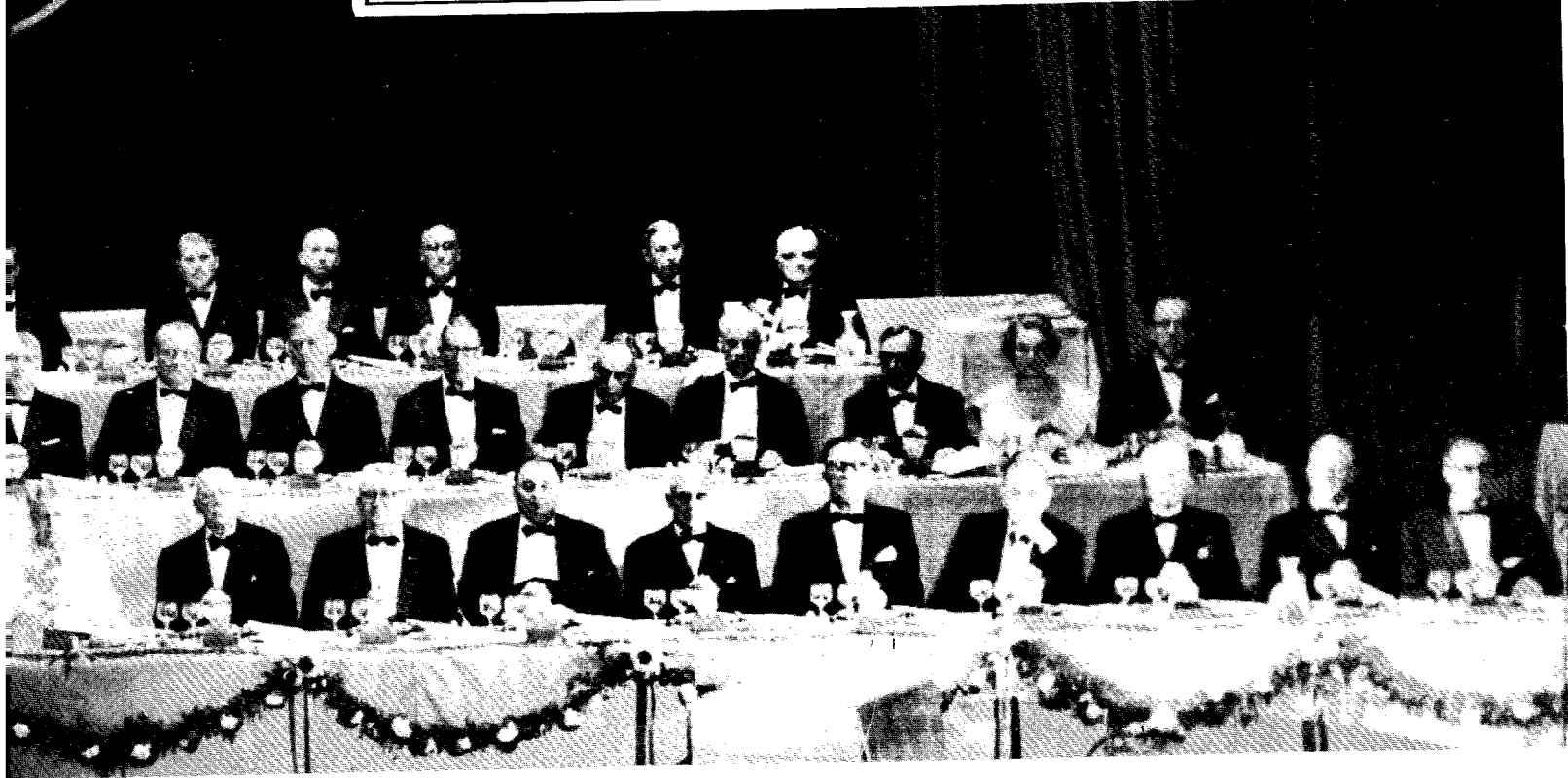
Second row: *Joseph D. Ardleigh* *Mark W. Clark* *Anthony C. McAuliffe* *David Sarnoff* *Arthur Hays Sulz*
 JOSEPH D. ARDLEIGH MARK W. CLARK ANTHONY C. MCAULIFFE DAVID SARNOFF ARTHUR HAYS SULZ

Leo Szilard *Carl Paatz* *James F. Byrnes* *William S. Paley* *Charles*
 LEO SZILARD CARL PAATZ JAMES F. BYRNES WILLIAM S. PALEY CHARL

Third row: *G. Keith Funston* *Lewis L. Strauss* *Alfred M. Gruenther* *Clare Boothe Luce* *U.C. Hoop*
 G. KEITH FUNSTON LEWIS L. STRAUSS ALFRED M. GRUENTHER CLARE BOOTHE LUCE HENRY CABOT

Arthur Ross *Harold E. Stassen* *John F. Kennedy* *Lyndon B. Johnson* *Hubert H. Humphrey*
 ARTHUR ROSS HAROLD E. STASSEN JOHN F. KENNEDY LYNDON B. JOHNSON HUBERT H. HUMPHREY

The Institute took the occasion of its 25th anniversary celebration in 1960 to inaugurate "The Living History Awards," saluting the living men and women of the nation who played a significant role in shaping the major events of our history in the turbulent years since 1935. The Awards were presented at the Research Institute Anniversary Dinner at the Waldorf-Astoria Hotel in New York, before 1,800 leaders of American industry.



25TH ANNIVERSARY DINNER

- N.V. Caltenborn*
H. KALTENBORN
- Leon Henderson*
LEON HENDERSON
- Charles E. Wilson*
CHARLES E. WILSON
- C.W. Nimitz*
CHESTER W. NIMITZ
- Leo Cherne*
LEO CHERNE
- Eleanor Roosevelt*
ELEANOR ROOSEVELT
- Lewis B. Hershey*
LEWIS B. HERSHEY
- James H. Dugan*
JAMES H. DUGAN
- Thurman Arnold*
THURMAN ARNOLD
- Allan Nevins*
ALLAN NEVINS
- William F. Knowland*
WILLIAM F. KNOWLAND
- Estes Kefauver*
ESTES KEFAUVER
- Norman Thomas*
NORMAN THOMAS
- Oneta Cull*
ONETA CULL
- W.F. Brannan*
W.F. BRANNAN
- James A. Van Fleet*
JAMES A. VAN FLEET
- Robert Moses*
ROBERT MOSES
- Joseph W. Martin, Jr.*
JOSEPH W. MARTIN, JR.
- Ezra Taft Benson*
EZRA TAFT BENSON
- Wernher von Braun*
WERNHER VON BRAUN
- William H. Draper, Jr.*
WILLIAM H. DRAPER, JR.
- Learned Hand*
LEARNED HAND
- James H. Conant*
JAMES H. CONANT
- Frank Price, Jr.*
FRANK PRICE, JR.

Chronicle Of Growth 1935-1974

This abbreviated chronicle of RIA achievements provides prospective Members with an insight into the operations of the Institute, and records its history of accuracy and growth.



PRESIDENT
Franklin D. Roosevelt

1935—Carl Hovgard opens 12' x 12' office in the middle of the Great Depression.

1936—Leo Cherne joins the Institute and helps expand services.

1937—Contrary to unanimous opinions, Institute accurately forecasts General Motors sitdown strike. Predicts U.S. Supreme Court would uphold National Labor Relations Act. Predictions cause RIA Members to have doubts, but when facts become known, Membership swells.

1938—Persuaded war is imminent, U.S. Government asks RIA to prepare studies for mobilization and production planning. RIA predicts President Roosevelt's precedent-shattering third term two years ahead of time. RIA hammers away at the theme "Watch the Far East."

1939—Joseph D. Ardleigh joins to start a sales organization and a new era of expansion begins in the Institute. RIA warns Members to prepare for industrialization in World War II.

1941 Predicts specific events shaping up in the Pacific and that U.S. would be at war with Japan. General Douglas MacArthur calls upon the Institute to devise a plan for redistribution of wealth in Japan, to serve as a stimulus for Japan's economic expansion in the decades after.

1949 Leo Cherne serves as consultant to the United Nations. RIA helps with Marshall Plan.

1950—RIA predicts Supreme Court would review and reverse legislation enabling President Truman to seize steel mills. Provides Members with complete and accurate analysis of government defense regulations at outbreak of Korean war. Conducts American management courses for European industrialists.

1955—U.S. Treasury Dept. gives RIA "Outstanding Public Service" award for helping to train personnel for U.S. Savings Bonds campaign.

1956—Leo Cherne flashes reports on Hungarian revolt directly from Budapest to the White House. RIA hosts luncheon for then West Berlin Mayor Willy Brandt, and later Chancellor of Germany—1,700 business and community leaders attend. *Life* magazine gives recognition to RIA as number one authority on what to expect in the Sixties.



PRESIDENT
Harry S. Truman



PRESIDENT
Dwight D. Eisenhower

Research Institute Highlights

The medallions on these pages signify the honor the Institute has had in contributing its unique capabilities to the efforts of each successive Administration since 1935.

1960—RIA celebrates 25th anniversary by honoring 50 men and women who made history during first quarter century.

1961—Predicts compulsory arbitration would be applied in public service field. Two years later Congress first applied it to halt rail strike.

1962—Forecasts Supreme Court would force discontinuance of “super seniority” status for workers who replace strikers during labor disputes.

1963—American Bar Association gives RIA coveted “Silver Gavel” Award. to RIA accurately predicts the first increase in the Federal Reserve Bank’s discount rate in a year and a half. Throughout the 1960’s RIA warns Members about future effects of campus radicalism on hiring criteria. Consistently defines effects of civil rights legislation on business. Forecasts emergence of Japan as super power. Forecasts devaluation of British pound and vulnerability of dollar, and centrist shift of Supreme Court following retirement of Justice Earl Warren. Warns Members of ever-increasing federal government interference in affairs of private business.

1970—At turn of decade professional Staff members accurately predict stock to market slide. RIA issues OSHA legislation evaluation to Members
1974 across the country before it was eventually passed. Forecasts direction of new consumer movements and legislative results giving Members recommendations for trouble and worry-free compliance.

Within hours of President Nixon’s historic wage/price freeze announcement RIA Staff produces analysis, and a few days after mails detailed study to Members.

With office theft at an all-time high, RIA mails comprehensive report “Countering White Collar Crime.” As nation’s Social Security programs get drastically overhauled, the Institute mails three different FICA handbooks for management executives, salesmen and supervisors.

The Research Institute has lived and thrived through one depression, five recessions and three wars. But most important, during these years it has helped thousands of other businesses survive those crises—and will continue to do so in the future.



PRESIDENT
John F. Kennedy



PRESIDENT
Lyndon B. Johnson



PRESIDENT
Richard M. Nixon

What Members Tell Us

The Research Institute, naturally, receives an unending stream of endorsements and testimonials from Members. They tell us of the value of membership, praise the depth of the intelligence and guidance offered by the Staff, and how specifically RIA programs save them time and money, regardless of the company's size or stature. A few are shown here.



"In the Depression's bleak days, one of the first investments I made for Volpe Construction was RIA Membership. There is no doubt that the guidance we received in those early days was contributory to the success of our small, new company. Volpe Construction is still a member."

HON. JOHN A. VOLPE, *former Secretary of Transportation, present Ambassador to Italy*



"I have been an Executive Member of the Research Institute for a number of years and have found the information which this association has made possible very helpful."

WILLIAM S. LOWE, *Chairman of the Board, A.P. Green Refractories Co., former President, Chamber of Commerce of the United States*



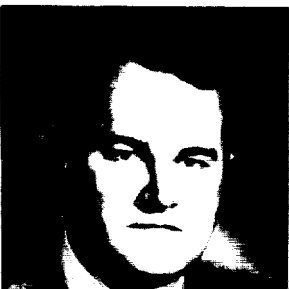
"Fashion is totally a reflection of the times and acts as a sharp mirror of social and economic change. In order to be a successful fashion retailer, you have to keep pace with and interpret correctly every shift and trend. This kind of guidance is key, and that's why I read RIA's reports."

JANE R. EVANS, *President I. Miller Salons*



"When you're a growth company with offices all over the world, and in a people's business, an organization like RIA not only provides you with ideas, but keeps the bases covered."

JOHN C. EMERY, JR., *President Emery Air Freight Corporation*



"RIA Membership is an investment that has paid off well. I know I can count on RIA to bring me concise reports, expert opinions, and good advice . . . and I need only spend only a fraction of the time I used to devote to keeping posted on what's going on in the world."

WILLIAM N. AUSTIN, *President Gaffers & Sattler, Inc.*

Leading Company Members Of The Institute

You may not have known about our services before, or you may be one of our Member companies. In either case you will be interested in this partial list of the thousands of companies who are presently Members of the Research Institute.

Abbott Laboratories	Eastern Airlines	IBM Corporation
A. B. Dick Company	Eastman Kodak	Idaho Power Company
Aetna Life & Casualty	Eaton Yale & Towne	Illinois Central Railroad
Alberto-Culver	Economy Forms	Ingersoll-Rand
Allied Chemical	Elba Systems	Inmont Corporation
Aluminum Company of America	Eli Lilly	International Paper Company
American Broadcasting Company	Endicott Johnson	International Wire Products
American Cyanamid	Equitable Life Assurance	Interstate Restaurants
American Express	Ethyl Corporation	Itek Corporation
American-Standard	Elanco International	Intertel
Anaconda Wire & Cable	Electrolux Corporation	Ivan Sorvall, Inc.
Avis Rent-A-Car	Exxon Corporation	Ivy Supply Company
Babcock & Wilcox	Faberge, Inc.	Jackson Beauty Supply
Bancroft & Martin	Fairchild Industries	Japan Airlines
Bank of New York	Fairbanks Morse	Jiffy Manufacturing Company
Baskin-Robbins	Farmers Supply Company	John Hancock Life Insurance
Bell & Howell	Federal Reserve Bank of Philadelphia	Johns-Manville
Bendix Corporation	Ferro Corporation	Johnson & Johnson
Bethlehem Steel	Firestone Tire & Rubber	Jones & Laughlin Steel Corporation
Black & Decker	Florida Power & Light	Joseph Schlitz Brewing Company
Boise Cascade	Ford Motor Company	Joyce Associates
Borden, Inc.	Frito-Lay, Inc.	Judd & Detweiler
Boston University	Fuller Brush Company	Jung Products
Burroughs-Wellcome	Funk Brothers Seed Company	Jurgenson Construction Company
CIT Financial Corporation	GAF Corporation	Kable Printing Company
Canadian Forest Producers	General Motors	Kaiser Aluminum
Celanese Corporation	Georgia Pacific	Kalamazoo Spring Corporation
Chrysler Corporation	Gerber Products	Katz, Schachter & Krause
Ciba-Geigy	Goodman & Company	Kayser-Roth Corporation
Coca Cola	Goodyear Tire & Rubber	Kent & Snow
Connecticut General Life Insurance	Grand Rapids Gypsum	Kenyon & Eckhardt
Container Corporation	Grandma Cookie Company	Kimberly Clark Corporation
Control Data	Great Scott Supermarkets	Kirby Block
Crane Company	Green Shoe Manufacturing Company	Kohler Company
Crown Zellerbach	Greyhound Bus Corporation	Kraft Foods
Cuneo Press	Gulf Oil Company	Kurtz, Coleman & Weber
Dallas Merchant & Taylor	Hallmark Cards	Lake Ontario Cement Company
Dan River	Hartford Courant Company	Lawrys Foods
Decision Data Computer	Hermes Electronics	Lederle Laboratories
DeKalb Feeds	Hertz Corporation	Lehn & Fink Products
DeLaval Turbine	Hewlett-Packard	Libbey-Owens-Ford
Detroit Edison	Hoffman-La Roche	Liberty Mutual Bank
Dillon Read & Company	Holiday Inns	Lincoln Electric Company
Doctors Hospital	Honeywell, Inc.	Litton Industries
Dow Corning Corporation	Houston Chronicle	Loews Theatres & Hotels
Drydock Savings Bank	Hughes Tool Company	London Records
Du Pont	Hurdman Cranston & Penney	Luntz Corporation
Duro Metal Products	Hyster Company	Lykes Brothers, Inc.

Lyons Petroleum	Quigley Company	Varian Instruments
Mack Trucks	Quincy Compressor	Vaughn & Fortner
Macleam-Hunter Ltd.	Quinney & Quinney	Vedder, Price & Kaufman
Madison Square Garden Corporation	Quinlan & Company	Venable, Bactjer & Howa
Magnavox Corporation	Quirk & Quirk	Vendo Company
McLean Trucking Company	Quiter, Younger & Swanson	Victor Equipment Company
Merck, Sharp & Dohme	Radio Corporation of America	Vincent Brass & Aluminum
Metropolitan Life Insurance Company	Ramada Inns	Volkswagen Company of America
Midas Muffler Shops	Rand McNally	Vornado, Inc.
Midwest Liquor Company	Raybestos	W. R. Grace & Company
Milbank, Tweed & Hadley	Raytheon	Wagner Electric Corporation
Minnesota Mining &	Reuben H. Donnelley	Walgreen Company
Manufacturing Company	Reynolds & Reynolds	Walt Disney Productions
Motorola, Inc.	Rheem Manufacturing Company	Warner-Chilcott Laboratories
National Cash Register	Rockwell Manufacturing Company	Watkins Ward & Stafford
Nankin Schnoll & Company	Ronson Corporation	Weber & Company
Naramore Niles & Company	Rust-Oleum Corporation	Wells Fargo Bank
Narco Scientific Industries	Ruzzo Scholl & Murphy	West Bend Company
Nash Engineering	S. S. Pierce	Westcoast Transmission
New England Envelope Company	Safeway Stores	Westheimer, Fine & Berger
Norcross Corporation	Sanders & Sanders	Weyerhaeuser Company
North American Rockwell	Schering Corporation	XYO Vest, Inc.
Norton & Norton	Scott Paper Company	X-L Brass Manufacturing Company
Novak & Agnoli	Seven-Up Bottling Company	X-Ray Medical Group
Novaro & Company	Shell Chemical	Xanthos, Carloni & Pelleg
Nuclear Technology Corp.	Sherwin Williams	Xcelite, Inc.
Occidental Petroleum	Singer Company	Xebec Corporation
Ogilvy & Mather, Inc.	Smith & Wilson	Xerox Corporation
Ohio University Library	Squibb Corporation	Xidex Corporation
Olin Corporation	Stewart Warner	Xim Products Corporation
Oscar Mayer & Company	Teledyne, Inc.	Xomox Corporation
Oshkosh Truck Corporation	Texas Instruments, Inc.	Xtermco
Ostrow, Dailey & Dailey	Thomas J. Lipton, Inc.	Xtra, Inc.
Otis Elevator Company	Todd Shipyards	Yale University
Overhead Door Corporation	Toro Manufacturing Corporation	Yamaha Parts Distributors
Owens-Illinois, Inc.	Touche Ross & Company	Yancey Brothers, Inc.
Oxford Paper Company	Travelers Insurance Company	Yandell Page & Archer
Ozinga Brothers, Inc.	Triangle Publications	Yates & Fann
Pan American World Airways	Tuck Industries	York Bank & Trust Company
Parade Publications	Tucumcari Industries	York Machinery & Supply Company
Parker Brothers, Inc.	Tupper Moore & Company	Young Door Company
Peat, Marwick & Mitchell	Turney & Dupree	Young & Rubicam
Pepsico, Inc.	Uncle Bens, Inc.	Younghans & Imgrund
Pillsbury	Underwood Wilson Sutton	Youngs Drug Products Corporation
Pitney-Bowes	Uniflite, Inc.	Yuma City Refrigeration
Polaroid Corporation	Unimac, Inc.	Zacks Luper & Durst
Porter Stahnke & Phillip	Union Carbide Corporation	Zenith Radio Corporation
Price, Waterhouse & Company	United Grocers Association	Zetley & Palay
Procter & Gamble	United States Steel Corporation	Zinsco Electrical Products
Puerto Rico Cement Company	Uniroyal, Inc.	Zippo Manufacturing Company
Quad City Food Services	University of Wisconsin	Zonolite
Quaker Oats Company	Upjohn Company	Zunker Business Services
Quakertown Brick & Tile	Utah, International	Zurich Insurance Company
Quality Stamp Company	Utility Trailer Manufacturing Company	Zurn Industries
Queen City Barrel Company	Vail-Ballou Press	Zweiback & Laughlin
Quest Apartment Locators	Vamac, Inc.	Zwick & Zwick
	Vanier Graphics, Inc.	Zwight Logging Company

People Make The Difference

Every company has a particular flavor and character—a style that makes it different from all others. Though many factors contribute to a company's stability and growth, business experts generally agree that the major one in a company's success is the effectiveness of its people. Performance and profits go hand in hand, resulting from people's attitudes, work habits, loyalty, knowledge and energy. If a company seeks to educate and motivate its employees in the best possible way, it can look to the Institute for guidance.

The Research Institute itself is only an organization of people—its most important resource. Some of the professional staff are shown on the next two pages. Their backgrounds and abilities offer some insight into the depth and diversity of talent available to American business.

Top management usually sets the tone or atmosphere in an organization. If it is industrious, serious and fair-minded, the company as a whole tends to take on this character. Both RIA's management and staff work hard to develop and sustain a climate of excellence. They are proud of their special way of being and of doing things.

As the Institute grows and instills new methods of intelligence and guidance in its programs, it offers businessmen a way to improve profits through the effective management of people.

Meet Some Of The Research Institute's



ROBERT C. ALBROOK
Formerly associate editor of *Fortune*, specializing in management research and analysis, and a member of the Editorial Board of *The Washington Post* and *The Evening Bulletin* in Philadelphia. Head of a U.S. Senate committee staff, and lecturer at the University of California.



THEODORE CASE
Responsible for all marketing sales intelligence and recommendations. Gained broad merchandising experience with consumer and industrial firms. Yale University and Alliance Francaise de Paris.



GENE EPSTEIN
Specializes in analyses and recommendations for foremen and front-line supervisors, with special concentration on the relationships between off-the-job activities to on-the-job performance. Award-winning author. St. John's College, Annapolis.



HAIG BABIAN
Political-economist, historian and analyst of the macroeconomics of growth and social change. Specialist in international trade and monetary affairs, as well as government programs to regulate the economy. Former director of the Institute of Economic Affairs, M.A., New York University.



RAY CONCANNON
Over 20 years of practice, specializing in commercial law. Broad experience in analysis of business legislation. Author of "You and the Law," an ABA gavel award winner. Doctor of Law, Fordham University.



EMIL ERNST
Responsible for the Institute's Tax Coordinator. Member of the New York Bar and N.Y. County Lawyers Association. B.S.S., CCNY; J.D., Harvard Law School.



ROBERT A. BEDOLIS
Labor relations analyst. More than two decades' experience in evaluating and reporting significant developments in management union relations. Former labor editor of major New York newspaper. Master's Degree, Columbia U.



JOE COWLEY
Specializes in writing and editing reports on selling and sales management. Previously: salesman, freelance writer, English teacher and sales promotion director. B.A. cum laude and M.A., Columbia University. Co-author of "The Executive Strategist."



LEON GOLD
Director of the Institute's staff of nationally-known tax attorneys and accountants. Member, Taxation Section, American Bar Association and member, Tax Advisory Board, Pace College. Author of tax section, Encyclopedia Americana Annual. B.A., NYU (Phi Beta Kappa); J.D., Harvard Law School.



JANE G. BENSÄHEL
Specialist in analyzing and describing supervisory developments, middle management techniques and behavioral psychology. B.S. Degree in Economics, University of Pittsburgh.



KEN DOBRER
Marketing change analyst. More than 20 years of experience in selling and sales management with leading consumer and industrial firms. Broad background in both tangibles and intangibles. Industrial Psychology major, Columbia University and Baruch College.



BERT GOTTFRIED
Chief economist for the Institute. Also specializes in U.S. regulatory agencies. Nineteen years' experience in projecting economic conditions and business prospects. Formerly with the Bureau of Economic Research. Master's Degree in Economics, Columbia University.



ISIDOR BIRKENTHAL
Anticipates, evaluates and reports on fine points of selling. Broad corporate background as broadcast salesman, sales manager, copy editor and advertising account executive. English major at Brooklyn College and New York University.



PAT DURSTON
Wide experience as an analyst of corporate affairs and management practices in U.S. and Europe. Author and editorial consultant. Graduate of Smith College.



BARBARA HAUGEN
Chief Washington Bureau analyst of U.S. government regulatory agency operations. Also experienced in covering other Federal executive departments. B.A., University of Minnesota.



RUTH BURGER
Specialist in personnel relations, communications and management development. Writer and lecturer on industrial psychology for over 20 years. Author of "The Psychologist in Industry." Graduate of Douglass College, Rutgers University.



CHARLES E. ELTING
Specialist in Trusts and Estates. Adjunct Associate Professor of Taxation, New York University and Pace College. Member of the Tax Court of the U.S. Bar. A.B., Yale; J.D., Harvard Law School; LL.M. (Taxation), N.Y.U.



MARGARET HIGGINSON
Specialist in organizational and environmental development. Nineteen years' experience in business research, writing and administration. Author of "Management Policies" and "Managing With EDP." B.S. and M.A., University of New Mexico.

Dedicated Professional Staff



MARY LOUISE JOHNSON
Government regulations analyst with extensive journalistic credits. Contributor of numerous articles on business trends and outlook in foreign and U.S. newspapers and magazines. Former Washington correspondent to United States missions in Southeast Asia and other areas. B.A., Rosemont College.



DAVID NELSON
Chief of the Washington Bureau. Former aide to a vice president of the U.S. and to a governor of North Dakota. Master's Degree in Political Science, University of Minnesota.



ERNEST E. SCHNEIDER
Washington Bureau staff. Specialist in urban and government affairs. Chief analyst of U.S. National Trends For Free Europe for many years. Graduate, Institute of International Studies, Geneva, Switzerland, M.A., International Relations, Yale University.



MARY IOLLON
Over 10 years' experience in secretarial management and supervisory training. Extensive corporate management background. Graduate of St. John's University, New York.



MARJORIE NOPPEL
Specialist in manufacturing management. Eighteen years' experience in research and writing on all phases of plant management and production operations. Co-author of a book on executive development. Graduate of Wellesley College (Phi Beta Kappa).



GERALD STEIBEL
Recognized authority on government, international relations, foreign policy. Author and teacher. Consultant to Defense Department. Former Research Director, Free Europe Committee, Ph.D., Columbia University.



STEVE KAUFMAN
Responsible for sales management and manpower development material. Former magazine writer and editor. Also served as reporter with leading newspaper. B.S. Degree in Journalism and Communications, University of Illinois.



THOMAS L. QUICK
Authority on organization development and group behavior. Author of books on task force management and the dynamics of behavioral change in organizations. B.A., Fordham University.



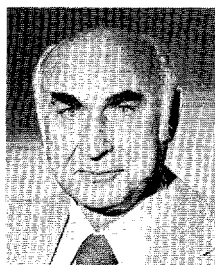
GENE THOMPSON
Specialist in management with over 15 years' operating experience in financial, marketing and general management. Past president, Society for Advanced Management. Former liaison officer for General Joseph Stilwell with Lord Mountbatten. B.S., University of Missouri.



JESSICA MILLER
Responsible for in-depth marketing and management analysis. Broad communications background includes corporate sales promotion. B.A. Political Science, Chatham College.



JOSEPH QUIGLEY
Specialist in tax research for more than 20 years. Member, New York Bar; Tax Court of The United States Bar. Lecturer and author. B.S., Holy Cross; J.D., Fordham University.



AUREN URIS
Internationally recognized authority in the fields of supervision and management. Author of 20 books. Frequent television and radio guest and panelist. B.A., New School for Social Research.



AUGUSTUS MORRIS
Prepares in-depth reports on opportune tax situations. Particular emphasis on the specific nature and timing of the action to be taken. C.P.A. and twenty-four-year veteran of the Institute. B.S. and M.S., Columbia University.



JAMES M. RUSSELL
Chief of Washington Tax Bureau. Conducts Institute's liaison with Internal Revenue Service and Congressional Committees. Certified Public Accountant. Law degree, George Washington University.



THOMAS WEYR
Specialist in national affairs, politics, social change, legislation. Former Washington reporter and foreign correspondent. B.S., Columbia University. Ph.D., University of Vienna.



DOMENICA MORTATI
Specialist in researching, analyzing and describing new and improved office methods and procedures. Fifteen years of corporate communications and business research. B.A., Hunter College.



RICHARD M. SALZMANN
Directs RIA's Executive Membership program and staff. Former vice president of President Eisenhower's People-to-People programs. M.A., University of Cincinnati; B.A., University of Chicago; B.D., Wartburg Seminary.



BARBARA WHITMORE
Director of Research for management and organization behavior. Over 25 years' experience includes advising management on manpower development, labor relations, personnel practices. B.A., Wellesley College; M.A., Stanford University.

RIA's Top Management Leaders



WARREN C. MEEKER

Chairman of the Board

For more than twenty-five years, Warren C. Meeker has made distinguished contributions to the professional, business and publishing worlds as a researcher, marketer and administrator. He was formerly president of Bancroft-Whitney Company, and president of Bender-Moss Company. Mr. Meeker is active in a variety of professional and community organizations.



JOSEPH D. ARDLEIGH

President

Recognized nationally as an authority in modern marketing and personnel practices, Joseph D. Ardleigh has over thirty-five years experience in sales management including former operation of his own company, Sales Methods, Inc. A past president of the Sales Executives Club of New York, he serves in numerous capacities with the National Society of Sales Training Executives, Chamber of Commerce, and The Business Advisory Council of Manhattan College. Mr. Ardleigh is also a Director of Emery Air Freight Corporation.



LEO CHERNE

Executive Director

As a lawyer, political scientist and economist, Leo Cherne, from the inception of the Research Institute, has directed the Institute's distinguished research staff. Mr. Cherne is Chairman of the Board of the International Rescue Committee. He has been an advisor to successive Administrations in Washington and has worked closely with heads of nations throughout the world. He is a member of the President's Foreign Intelligence Advisory Board, the United States Advisory Commission on International Educational and Cultural Affairs, and a member of the Board of Advisors of the Industrial College of the Armed Forces.

RIA Supported By A Corporate Communications Family

The Research Institute of America is one of three specialized companies which together serve the vital function of providing authoritative information and stimulating ideas to assist the world of business.

Lawyers Co-operative Publishing Company, created in 1882, is the parent firm, and also founded on a unique idea: the cooperative effort of a group of lawyers to underwrite the publishing of lawbooks and to merchandise them at a reasonable cost to their associates in the profession. Its headquarters is in Rochester, New York.

Early in this century LCP became associated with the *Bancroft-Whitney Company*, a successful West Coast lawbook publisher founded in 1856. This led to increased collaboration and common ownership of the two firms in 1956. With large-scale, coordinated research staffs and related products and customers, they now serve separate geographical areas of the country with a full range of legal reference materials.

Since the Research Institute is a vital source of information on business in general, and on tax law, a logical merger took place when RIA joined the corporate family in 1965. Together these three companies share the same basic mode of operation and fundamental objectives, and represent a major voice in the field of communications.

At the same time each company maintains its own personality, reflecting the character of its people and the nature of its corporate development over the years.

The highly analytical and detailed nature of all its operations makes the group well suited to the adoption of sophisticated computer technology. All three use unique information retrieval systems, and have the capability of reproducing the output with automatic typesetters and high-speed printing and binding equipment, to provide almost instantaneous answers to questions facing business. In 1971 the Lawyers Co-operative Publishing Company completed a major new plant in the Rochester suburb of Webster, New York, which provides the latest computerized data-base publishing capability to all three companies.

As they increase the efficiency of handling research information, and develop new and effective ways of providing the services needed by the business, legal and accounting professions, Members will clearly benefit by their association with the Research Institute.

Management's Need For RIA's Services Greater Than Ever

America is now undergoing more fundamental change and experiencing more pressures and uncertainties than ever before. Some of our basic values are being changed. New and divisive concerns affect our business and personal lives. Complex local, state and federal legislation, the widening tax maze, spiraling costs, new technology and ever-increasing competition continue to frustrate management's task of operating profitably.

For a company or government department committed to keeping pace with today's accelerated change, promoting more effective performance on all management levels and thus fostering dynamic growth, RIA offers the benefits of a service that has successfully advised and assisted business and government for almost forty years.

If a man's ability to grow is as good as the quality of his mind, then the nation's ability to prosper is as good as the quality of its management. Mobilizing every professional resource required toward this undertaking is the continuing objective of the Research Institute and the heart of the service it renders.

We Invite You To Participate

This brochure provides only a broad, general understanding of the services offered by Membership in the Research Institute; it can't possibly answer all the questions you may have. A better way to learn about us and our capabilities as they relate specifically to your business would be a brief, informal talk with one of our District Managers nearest you. Or, if you wish, we would be pleased to send you further detailed information about our programs.

We invite you to call us, without obligation.

In New York (212) 755-8900

Or, if you prefer, write for further information to:

The Research Institute of America, Inc.
589 Fifth Avenue
New York, N.Y. 10017



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