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# Michigan Today

The University of Michigan

April 1988 Vol. 20, No. 2



## *The World of the Sherpas*

*See Page 8.*

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Though he has yet to turn 'The Big Apple' into gold, Alumnus Bob Tisch has added lots of luster to it



## THE MIDAS OF MANHATTAN

By Kate Kellogg

**T**he former U.S. postmaster general looked out at the crowd of business executives, financiers and celebrities gathered at Manhattan's Regency Hotel to welcome him "home." His experience in federal government had been rewarding, he told them, "but I can't fool around anymore — I'm glad to be back in the real world." ▶

# MANHATTAN MIDAS



**THE 'POWER BREAKFAST,'** a Tisch innovation designed for movers and shakers who like to do some serious business early in the morning, celebrated its 10th anniversary at the Regency last month. Developer Donald Trump (left) and former New York Gov. Hugh Carey (center) joined Bob Tisch in preparing omelettes for Regency Hotel regulars.

It was hardly "fooling around" when Preston Robert Tisch, '48, restored, as some credit him with doing, efficiency and respectability to the U.S. Postal Service. But Tisch prefers the life of the businessman, whether it involves table-hopping during one of his daily "power breakfasts" at the Regency or running the "family business," the Loews Corporation.

As president and co-chief executive officer of Loews, one of the country's largest diversified financial companies, Bob Tisch, '62, could spend most of his time sunbathing in the Bahamas, Monte Carlo or La Napoule, France — all sites of Loews hotels and resorts. His capable staff of executive managers, including his son Jonathon, president of Loews Hotels, could mind the details of running a multibillion dollar company.

But Tisch isn't interested in early retirement. Instead, he travels 120,000 miles a year around the country and in Europe to check on Loews' 14 properties. On these visits, he has been seen picking stray gum wrappers off carpets and parking guests' cars.

"We allow the heads of our four divisions

a lot of responsibility," Tisch explains in his office at 666 Fifth Ave., "but we also frequently meet and talk with them. Though autonomy is important, we will always participate in management to a certain extent. As our company has expanded, we've spread ourselves further and further to accomplish our goals, yet our management style has remained pretty much the same."

The "we" includes Bob's older brother, Lawrence, co-founder, co-CEO and chairman of the board of Loews. Bob is the "operations man" of the Tisch team, and Lawrence oversees the firm's finances. The elder Tisch recently made big financial news when Loews acquired a controlling interest in the common stock of CBS Inc. Lawrence was subsequently elected president and CEO of CBS.

While Lawrence generally maintains a low public profile, gregarious Bob is highly visible both on the job and at public functions, talking hotel business on the phone with his managers or working with civic planners on ways to improve another beloved project — New York City.

Frankly chauvinistic about his hometown, Tisch, along with Charles Gillett, president of New York's visitors bureau, came up with the city's slogan, "The Big Apple." ("It's an old jazz term meaning number one," he says, "and it

seems to have improved our city's image.")

Tisch is on the boards of many charitable associations and chaired the New York Convention and Visitors Bureau for 17 years. "I feel strongly about the responsibility business leaders have toward their communities," he says. "They may be busy, but they should do what they can to help those around them move forward."

In August 1986, Tisch extended his spirit of public service to the federal arena when he took the job of postmaster general. Upon his resignation from that post earlier this year, news stories lauded his 18-month overhaul of the Postal Service.

When Tisch accepted his appointment, the agency was plagued with complaints about poor service, a stagnating automation program and debilitating labor disputes. "Labor and management were at each other's throats," recalls Tisch, who doesn't mince words. "I believe one of my contributions was the serenity I brought to labor relations. The union and management are getting along much better, as are the agency's board of governors and Congress."

Tisch also got the service's automation program up and running again and improved postal delivery and other services. "I think I helped give the Postal Service a marketing sense," he says. "It was never very customer-oriented before. There's no question that one of the best ways to improve government agencies is to bring in people from industry."

Having laid the groundwork for major innovations in the agency, Tisch was warmly welcomed back by Loews employees, who offer a litany of anecdotes about his personal approach to management and his capacity to "dig in."

"You're likely to see him passing out brochures at trade shows," says a staff member. "He's not like most managers, who stay removed from the detail work while warning their subordinates that a project 'had better be good.'"

Tisch is said to remember the name of every employee and as much of their personal lives as they choose to share with him. "He's been trying to get me married ever since I began working for him," says one woman executive. And when a longtime secretary at Loews headquarters was unable to obtain a ticket to the homecoming parade for the Iranian hostages, "he not only got me a ticket but provided a ride back to the office in his limo," she relates. That mode of transportation is one of the few indications of Tisch's material success, for his spacious but no-nonsense office plainly did not fatten the account of any interior designer.

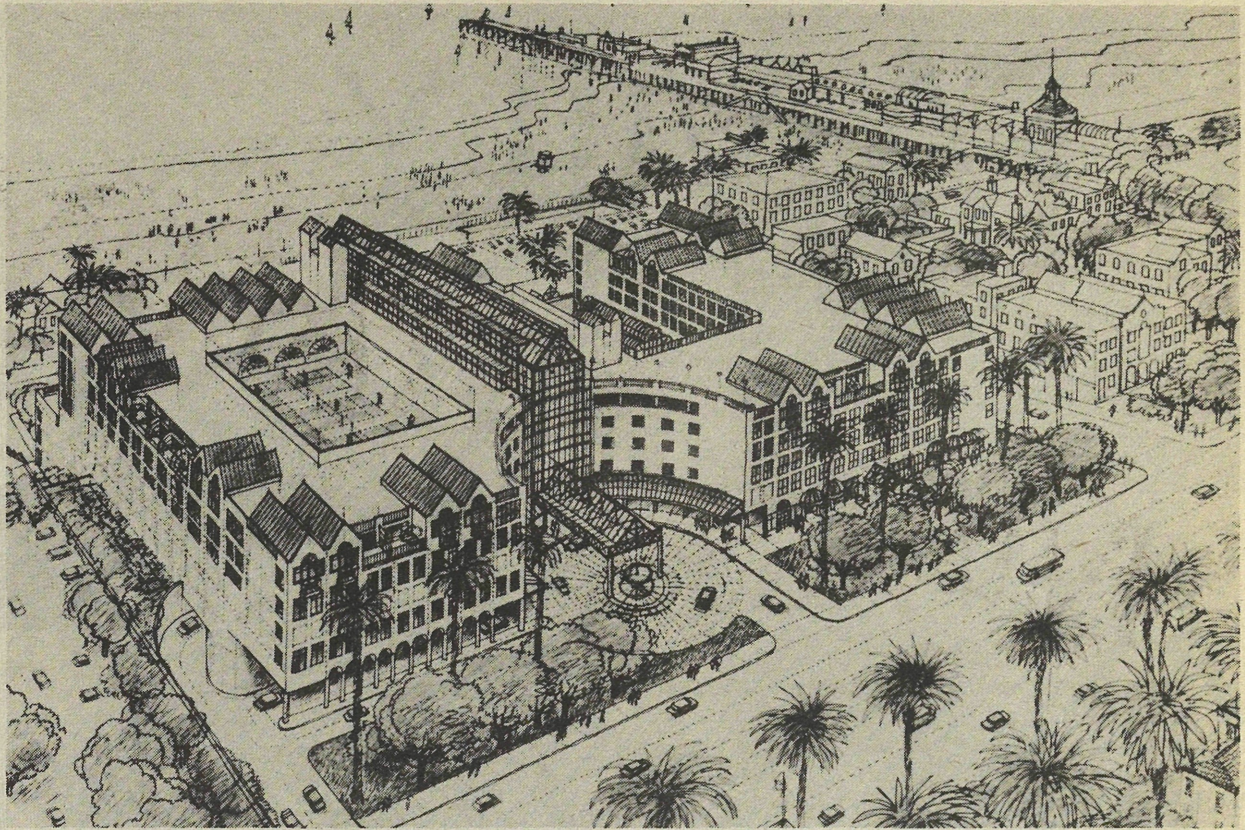
Another staff-told story illustrates Tisch's egalitarian mode of management. At a recent poolside party at a Loews Ramada Inn, Tisch happened to be standing within range of a ringing phone. Rather than wait for a busboy — or even a vice president — to answer it, the billionaire picked up the phone and said, "Ramada Inn, Pool."

The Loews staff and his family celebrated Tisch's homecoming in February with a surprise "power breakfast" at the corporation's Regency Hotel. It was Tisch who created the power breakfast concept at the Regency about 12 years ago, as a means of bringing together New York's financial movers and shakers to discuss the city's fiscal crisis. Today, many members of the business elite still begin their day there, sometimes clinching deals over coffee before they reach their boardrooms.

Tisch plays down his part in orchestrating the ultimate business breakfast, which often provides material for New York newspapers' society pages as well as for their business sections. "We are simply nice to the people who come to our breakfasts," Tisch says. "The 'power' aspect of the breakfasts really developed by itself."

By no means a self-effacing man, Bob Tisch is nevertheless modest about his accomplishments, giving as much credit for his success to his family as to his own initiative. His parents owned a small garment manufacturing business in New York and "were always very supportive of our business efforts."

"In the late '40s," Tisch continues, "they gave Lawrence and me the financial backing for our first hotel, the Laurel-in-the-Pines in Lakewood,



**TISCH SAYS** Loews will go bicoastal in a big way next year when it opens the Loews Santa Monica Beach Hotel, the firm's first West Coast property.

New Jersey, and encouraged us as we moved forward in Atlantic City with the Traymore Hotel, and in Florida with the Americana Bal Harbour." His mother, Sadye Tisch Busch, lives in Bal Harbour, and still maintains an avid interest in his business activities.

The Tisch brothers' success story has become a modern legend of hard work, prudent decisions and some successful risks. Not exactly a rags-to-riches saga, it nonetheless chronicles a steep climb from their first venture in New Jersey to lavish resort properties in some of the most glamorous locations in the world.

One of their most judicious moves was the purchase of Loews Theatres Inc. in 1959. More interested in the sites than the theaters themselves, the brothers began building more hotels on the sites of the least profitable theaters. The theater division was sold in 1985.

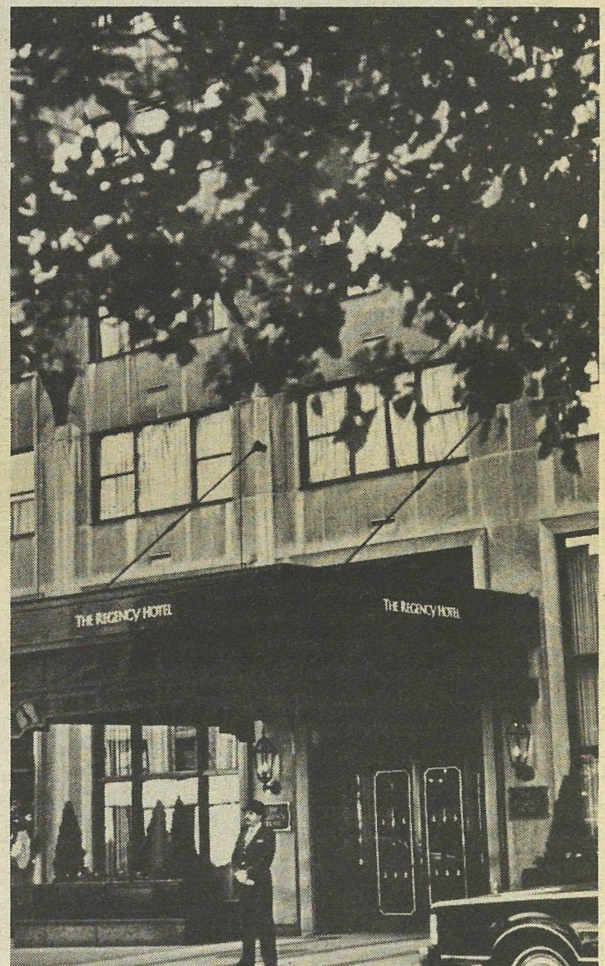
Other major acquisitions were the Lorillard Tobacco Company, the CNA Financial Corporation and Bulova Watch Company in the 1970s, and in 1986, a 24.9 percent investment in the common stock of CBS Inc. Loews Corporation now has assets of more than \$19 billion.

In their hotel division, the Tisches' strategy has been one of controlled expansion. "We are realistic people," Tisch comments. "We know the ups and downs of the business and that it's getting harder and harder to do well in this very competitive field."

He is particularly confident about their position in the hotel field now that his son Jonathon is presiding over that division. Before joining Loews as a sales representative in 1979, Jonathon worked as a cinematographer/producer for WBZ-TV in Boston. "Jonathon did not have a top position in the family business automatically waiting for him when he graduated from college," his father points out. "I'm glad he had a chance to gain experience working for an outside company first. Then, once he decided to join Loews, he kept assuming more and more responsibilities in the development of our hotels. We think it worked out very well."

Tisch's other son, Steve, is a movie producer, and his daughter, Laurie, who graduated from U-M in 1973, is chairman of the board of the Children's Museum of New York City. Neither has been associated with the family business, nor has Tisch's wife Joan (formerly Joan Hyman, of New York City), who received a B.A. in English from U-M in 1948. "She always provided me with good support," Tisch notes, "but our generation didn't expect wives to get very involved in the business world."

Tisch's feelings for his family overshadow his love for his work. The relationship is symbolized by the view from his penthouse window, which



**THE REGENCY HOTEL** in Manhattan is Loews' flagship property. Tisch's son Jonathon heads the hotel division.

is almost blocked by the many family photos on the sill. The photos are arranged around a portrait of Joan in her early 20s.

"Joan and I met in Ann Arbor and were married 40 years ago," Tisch says. "I had begun college at Bucknell University in Pennsylvania but left to join the Army in 1944." After his discharge, he decided to resume college at a Big Ten university and embarked on a trip throughout the Middle West to examine the schools. What made him choose Michigan? "It was the first train stop on the trip," he says with a grin.

"Actually," he continues, "I made the decision during a stopover with relatives in Cleveland. They told me that U-M was by far the best of the Big Ten schools and that since they had accepted me, I shouldn't look any farther. I went back to New York, got my clothes and arrived in Michigan five days later. I never even made it to Columbus for a look at Ohio State."

After earning his bachelor's degree in economics, Tisch decided he "didn't have time" for graduate school. He went straight back east into the "real" no-fooling-around world of business, where he has thrived ever since.

# FAMILY BUSINESSES

They're hard to start, hard to keep going and hard to save

**A** businessman who didn't believe he would die built up his chemical specialty company through large accumulations of capital. Not only did he prove mortal, but his business quickly shared his fate. Within nine months of his death, taxes consumed more than half of his company's \$5 million in assets, and the federal government wound up inheriting more than his widow.

By Kate Kellogg

Two co-owners of an Ohio business were killed in a private plane crash. For lack of a corporate succession plan, the company was nearly lost to family feuding as the owners' two children tried to wrest a larger share of the property. Finally, they settled for 50-50 ownership, an arrangement that, under these hostile circumstances, only guaranteed the company's speedy demise.

According to faculty of the U-M School of Business Administration seminar, Family Business Succession Planning, such obituaries of family-run businesses might as well run right alongside those of their owners, who didn't complete adequate succession strategies. The ultimate fate of their businesses is liquidation, bankruptcy or some form of sale to outsiders that is more profitable for the buyer than for the owner's descendants.

More than 95 percent of all businesses in the United States are family-owned, accounting for more than 50 percent of the gross national product. Yet, according to Business School figures, only about 25 percent of all family businesses survive one generation of owners.

"A primary reason for that high failure rate — lack of succession planning — is clear enough," says David Carpenter, who is on the guest faculty of the Family Business seminar. "But the refusal of many otherwise prudent and foresighted business owners to plan beyond their retirements or deaths confounds experts in the area of family business planning."

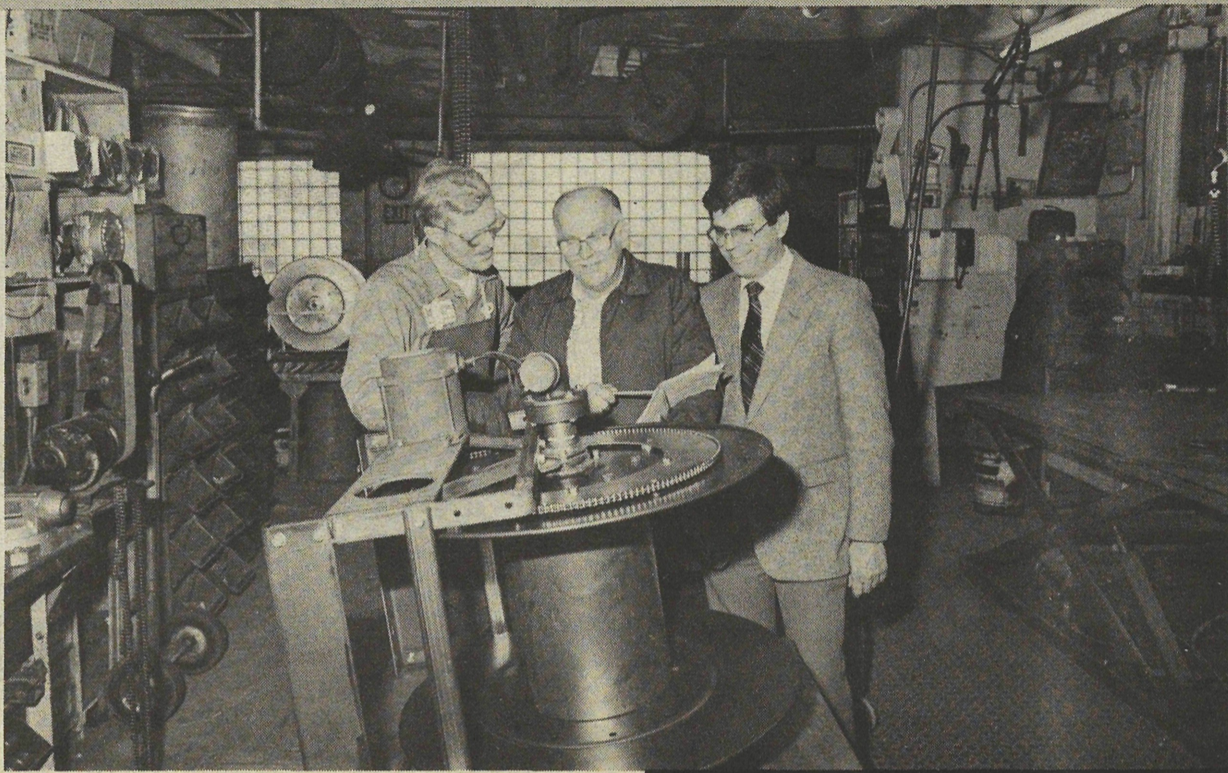
For example, Carpenter (MBA '69, JD '69) points out, in the case of the co-owners killed in the plane crash, the firm would not have nearly disintegrated in the ensuing family feud had the owners used planning techniques.

Both children were interested in the company's assets but not necessarily its management. The owners could have provided for smooth transfer of ownership upon their deaths by designating one child as the more active manager and transferring voting stock to that person. This program could have begun with lifetime gifts to the active child, Carpenter says. The other child would receive a lifetime gift of non-voting stock with the option to eventually require the company to purchase those non-voting shares.

"That is one of the fairer ways of gradually transferring the business over to your children while you are still alive," says Carpenter, who is a tax and business planning specialist for the Cleveland law firm of Calfee, Halter & Griswold. "Such methods prevent scenarios such as a bank holding a company while a succession battle wages or the government taking half of your hard-earned business in taxes."

Through small discussion groups and case studies, seminar participants see how these techniques can apply to a variety of family business situations.

"The program isn't designed to solve everyone's problems but to serve as a catalyst for action," Carpenter says. "As they listen to each other's frustrations and concerns, they learn that the problems of running a family business are not insurmountable."



Roger Hannay (right) checks equipment with Allan Hillicoss, assembler (left) and Hubie Leber, shop foreman.

Carpenter believes that some of the very characteristics that help people build successful businesses deter them from planning well for business perpetuation: "They are a maverick group of highly independent, hard-driving individuals who can turn a business vision into reality. They tend to be imaginative but impatient, always busy hustling but often too busy to seek outside advice from accountants and lawyers for planning into the next generation."

Still, many family businesses have not only survived one generation of management, but now provide products and services with household names. Major national and international firms that began as family businesses include Howard Johnson Motor Lodges Inc., Joseph E. Seagram and Sons Inc., Anheuser-Busch Companies Inc. and Rockwell International Corporation.

But on even a more modest scale, smaller family enterprises throughout the country have proven capable of competing in today's global marketplace dominated by mega-corporations.

Many small, family-owned companies, especially manufacturing firms, have been increasing and thriving in the United States, West Germany, Italy and Scandinavia, according to the *New York Times* of Feb. 11.

Highly productive companies with fewer than 250 employees could account for more than half the country's manufacturing jobs by the early 1990s, up from 42 percent today, according to the *Times* article.

Perhaps because of the better prospects for survivors, more and more family business owners are recognizing the critical need to plan for the long haul. There is also an historical factor behind their concern. "The post-World War II period brought an explosion of family-owned businesses, and the owners of many successful ones are now at retirement age," points out George J. Siedel III, U-M professor of business law.

The Business School's two-year-old Executive Education Program seminar on succession planning has helped family business owners preserve the fruits of their enterprise. Siedel is faculty director of the seminar. ▶

## HANNAY REELS

**I**n 1933, a plumbing contractor in the village of Westerloo, New York, took time out from his plumbing business to experiment with some pipe fittings in his garage. He soon had produced his first hose reel — complete with a rewind crank — for a fuel oil delivery truck.

The man's grandson, Roger A. Hannay, vice president of manufacturing for Hannay Reels, today oversees the largest exclusive manufacturer of hose reels in the world. Hannay, who received his MBA from U-M in 1964 and attended one of the Business School's seminars on family business (see accompanying article), is proud to carry on the legacy that "Papa" Hannay began in his garage nearly 50 years ago.

Hannay Reels is an example of what a *New York Times* business analyst calls "niche manufacturers," those that produce "customized but often mundane products" that have narrow but eternal markets.

Small manufacturing companies that don't rely on mass production tend to be "lean and mean in a way big corporations are not," notes David Carpenter, the tax and business planning specialist who teaches in the U-M's seminar on family business succession planning.

"Today," says Hannay, who attended last year's seminar, "our company produces and markets reels for almost every type of industry and for almost every conceivable product that can pass through a hose."

Yet the Hannays, who produced reels for the launching pads at Kennedy Space Center, for the gardens of Disney World and for the hydrant carts that refuel all national and international airlines, feel their biggest responsibility is to the Westerloo community. With 135 employees in a town of 300, Hannay Reels has a significant impact on the local economy.

But along with the satisfactions of owning a successful family business come the constant burdens of ownership that Hannay finds difficult to explain to people who aren't in his shoes. "The work of meeting the payroll stays with you around the clock," he says. "Other people in the company can say to an angry customer, 'Why are you getting on my back, I don't own the company,' but we family members can't."

### PETTIBONE & JOHNSON CONSTRUCTION

“All in the family” succession is no longer the set route for family businesses. Although Max Pettibone’s 10-year-old land development firm in Annandale, Virginia, has flourished under his guidance, he is not looking to his family for second-generation leadership.

A 1968 graduate of the College of Engineering, Pettibone has a 20-year-old son but does not consider him the “heir apparent.” The college-educated children of many business owners have more career options today than did their counterparts in earlier eras, the Business School seminar leaders point out. Parents can’t assume their heirs will slip behind dad’s or mom’s desk anymore.

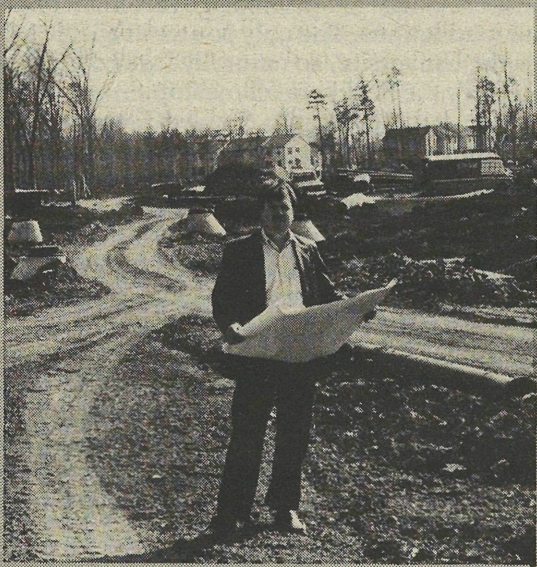
Pettibone, who has a varied business background, isn’t even sure where he wants to be 10 years from now. He attended the seminar mainly because “I needed advice on how to ease myself into a less solitary key-man position.”

After working for a general contractor, Pettibone began his own land development business in his basement. Eventually, he bought out his partner, whom he still employs as an independent contractor. He now has his own office staff, seven work crews in booming Fairfax County, Virginia, and an office condominium he bought on one of his development sites. Suddenly he had grown to a position “where the tax consequences would be a problem if I ever lost the business.”

Pettibone would “rather become a backup player than play every day.” For the present, his business remains a family enterprise that also involves his wife, Cindy, an accountant who does all the firm’s tax work in addition to holding a full-time job outside the business.

With many business hurdles cleared, Pettibone is now investigating the delicate art of transferring management. “Rather than just fold up shop at some point, I want to bring in other people consonant with our direction,” he says. “The attorneys at the seminar advised me of ways I could transfer power and lure some top level executives to the business through profit sharing and employee stock ownership.”

Pettibone



► Seminar participants have included a five-year-old “Mom and Pop” business that developed a popular product and others that go back three generations. While the businesses’ annual sales average between \$5 million and \$15 million, the range is from \$800,000 to \$157 million in annual sales.

The chiefs of small companies find it difficult to get someone to cover for them while they attend business seminars; nevertheless, 35 managed to enroll in the last session.

“We try to get them to ask the difficult but necessary questions,” Carpenter says, “such as, ‘What happens if I die or become disabled within the next few years? How much aptitude, ingenuity and drive do my children have? Are they competent to take over the business at some point?’”



The Bottums, junior and senior

The answers we get to that last question range from ‘yes,’ to ‘maybe,’ to ‘are you kidding?’”

The main objective of the seminar is to help owners make decisions that will prevent future conflicts that could cripple business operations and force a sacrificial sale or liquidation. The seminar offers many techniques for transferring gifts of stock and other assets to family members in ways that minimize gift taxes.

Many family business owners want to perpetuate the business for their communities’ sake as well as their families’ benefit. Some have picked loyal employees outside the family to carry on the business after they retire.

“I find the deep concern for their impact on the community and long-time employees often counters the greedy-businessman stereotype,” Siedel observes. “Some take that concern so far that they want to carry on their businesses even when it doesn’t make financial sense, just for the sake of the communities in which they are key employers. They extend their concept of family to the business.”

The issue of family versus non-family often arises when the owner’s son or daughter takes a key position and finds himself supervising older employees who have been on board since the first generation. “The owner should be prepared to deal with some touchy concerns in such cases,” Siedel advises.

Participants leave the seminar with at least a general knowledge of sophisticated succession techniques; these fall under the broad categories of sale to outsiders, transfer to non-family management or transfer to the family. They also find out that they may not be able to forge a succession plan as independently as they built up their businesses. “Every business owner has to get comfortable with good advisers, good financial and legal help,” said Carpenter. “But that’s not easy for those who have made their marks and all their decisions on their own.”

### REFRIGERATION RESEARCH

Edward Bottum Sr. of Brighton, Michigan, a 1933 graduate of the U-M College of Engineering, already has assurance that his family manufacturing firm, Refrigeration Research, will be in good hands after his retirement. His son, Edward Jr., is executive vice president of the business, which makes refrigeration component parts.

Nevertheless, Bottum and his son attended the Business School’s seminar in 1986 to learn ways of avoiding large tax penalties during ownership transition, and the following year, his son and two daughters attended. “When you run a family business you won’t survive long if you do as the big companies do and look only at the bottom line and the next quarter,” Edward Sr. says.

Bottum started the firm in Detroit in 1944, and later expanded it to Texas and Tennessee. The business has more than 600 regular wholesale and 200 manufacturing customers around the country who use the parts in air conditioners, water coolers and cold storage for trucking.

“Just as my son, daughters and sons-in-law are involved in the business, I employ the children and grandchildren of some of my first employees,” he observes. To keep such loyalty, “You have to consider every employee as part of the family and involve them in the decision-making,” he adds.

Despite the high failure rate of family businesses, Bottum believes his firm’s future is far more secure than that of many larger companies.

“Today, mergers and acquisitions are running rampant through industry,” he notes. “It’s getting hard to keep track of the names of corporations any more. Typically, one company we do business with was involved in a takeover that wasn’t supposed to result in any major changes. Now, 18 months later, everyone who works there is looking for a new position.”

By Kate Kellogg

**R**ackham. Around The University of Michigan, that word serves as a common modifier for fellowships, research grants, a building, a graduate school, and an endowment — all named for a very generous couple whose donation 50 years ago made all the others possible.

The University's share of the Horace H. Rackham and Mary A. Rackham Fund marks one of the most ambitious and liberal gifts ever given to higher education. The Rackham Endowment helped build not only a physical structure, but, more important, U-M's equally enduring leadership in graduate education.

This September, the U-M will celebrate the 50th anniversary of its largest endowment, and of the magnificent building that honors the benefactors. A two-day symposium, focusing on the past, present and future of graduate education at Michigan, is planned for Sept. 30 and Oct. 1.

Horace Rackham, who died in 1933, appointed five trustees to administer the fund, to be used "for such benevolent, charitable, educational, scientific, religious and public purposes as . . . will promote the health, welfare, happiness, education, training and development of men, women and children, particularly the sick, aged, young, erring, poor crippled, helpless handicapped unfortunate and underprivileged, regardless of race, color, religion or station."

The broad terms of Rackham's bequest and the freedom he allowed the trustees in honoring his wishes "set the tone of flexibility and adaptability to changing circumstances that has guided the mentors of the Rackham fortune ever since," noted Marjorie Cahn Brazer in her 1984 book, *Biography of an Endowment*.

Of the \$14.2 million Rackham fund, \$9.5 million eventually went to U-M units, according to Brazer. The University had previously received more than \$600,000 in anonymous gifts from Rackham during his lifetime. The trustees of the fortune, including Mary Rackham, had decided to disburse the fund's assets to institutions that had already demonstrated their capability to use the gifts to achieve Horace Rackham's philanthropic goals.

Not only was Horace Rackham not a U-M alumnus, he had not attended any university; he had studied law with individual attorneys while working for a paint business. Soon after he married Mary, he became a successful Detroit attorney himself. A rather routine professional service — the filing of Ford Motor Company's incorporation papers — resulted in Rackham's pivotal decision to invest in the new company.

Rackham essentially made his fortune through his investments in Ford. After Henry and Edsel Ford bought out the shareholders in 1919, Rackham received more than \$14 million in dividends. Since he had prudently invested his wealth in municipal bonds, it survived the stock market crash of 1929.

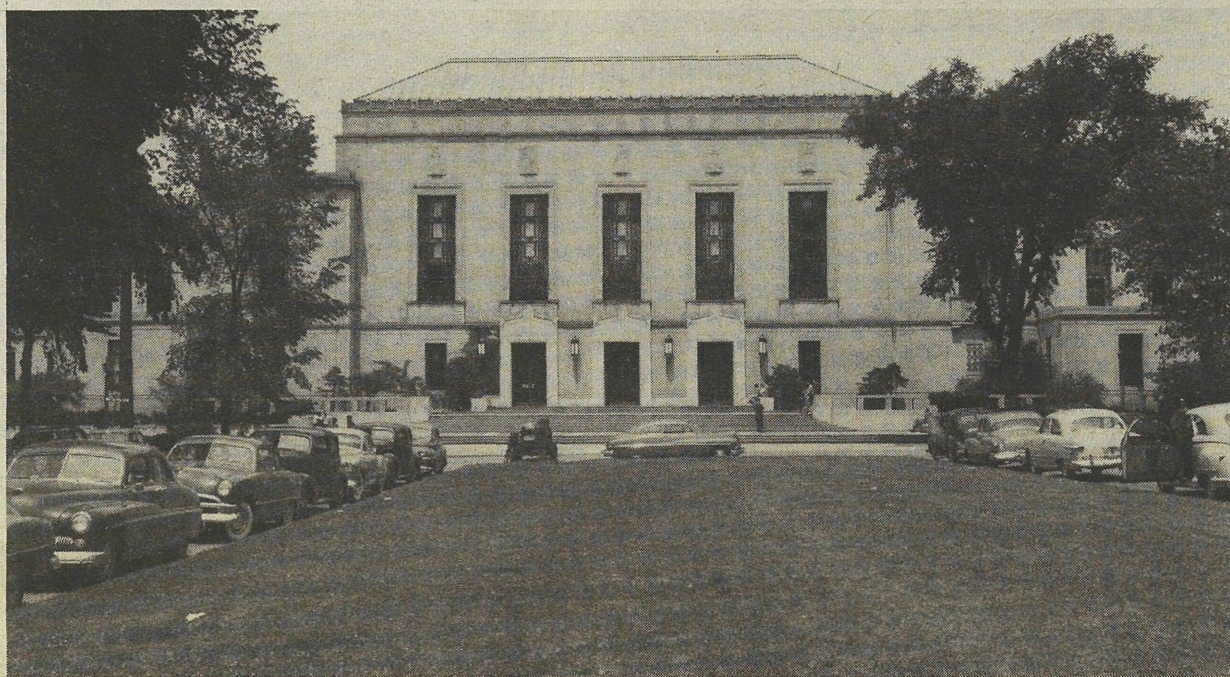
Yet the Rackhams lived modestly, never flaunting their fortune, giving large amounts to various charities — usually anonymously — during their lifetimes. "Perhaps because the Rackhams never had children, they took very seriously the social responsibility of their great wealth," Brazer speculates.

Their gift to the U-M came during a period when the Graduate School, established as an autonomous unit in 1913, was the University's center of research. The School's executive board, representing the various disciplines in arts and sciences, was responsible for allocating the Faculty Research Fund of about \$30,000 annually to departments. Only later, following World War II, did the federal government and its several agencies become the primary sponsor of major research projects.

In 1935 the University still depended mainly on internal funds and, to a lesser degree, on private endowments for research support. Thus, it is hardly surprising that U-M President Alexander G. Ruthven proposed to the Rackham trustees and to U-M Regents that year that a large portion of the Rackham fund be set up as a perpetual endowment for "extending the boundaries of

# RACKHAM'S GOLDEN YEAR

The U-M Graduate School is a monument to learning and beauty



VIEW FROM the esplanade between the Rackham Building and the Graduate Library. The vista between the two buildings remains open after 50 years and much surrounding construction.

knowledge and its application to human welfare." He also proposed a new name, the Horace H. Rackham School of Graduate Studies, for the Graduate School, in appreciation of the endowment.

The trustees and Regents approved the new name and established a \$4 million endowment for research and scholarship plus about \$2.5 million for purchasing land and constructing a building in memory of the Rackhams.

The Rackham Graduate School is governed by a board that includes the president of the University, three distinguished alumni selected from outside the University and the dean of the School. The board gives final approval for all research grants and fellowships supported by Rackham funds.

Originally the three general areas to receive support from endowment income were faculty research, graduate student fellowships and human service programs. At present, graduate student support and faculty scholarly research grants constitute the principal uses of the fund.

Today, of 600 students receiving a Rackham Ph.D. each year, some 60 receive predoctoral fellowships that include stipends of \$750 per month plus tuition for 10 months. During that period, a fellow may not accept salaried employment for more than 10 working hours per week.

Some Rackham fellows maintain they could not have pursued their graduate research at all without the award. Such a claim is "no exaggeration" for Noriko Nagai, assistant professor of international studies at Duke University. She describes her doctoral thesis as an analysis of linguist Noam Chomsky's search for a universal basis of grammar.

Nagai's dissertation for the U-M Graduate Program in Linguistics maintained that Chomsky failed to consider Japanese and other languages that have "syntactic forms distinctly different from English."

"As a graduate student who was not a United

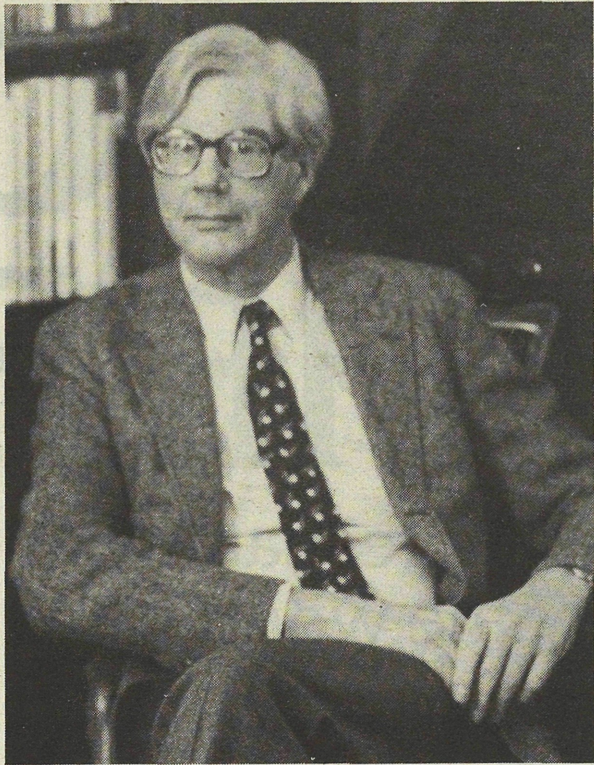
States citizen," Nagai observes, "I would have had extreme difficulty obtaining graduate support outside the University, since I was not eligible for financial aid from the government or private foundations. The only source available to me was the University, so naturally I was delighted to receive the Rackham fellowship."

A Rackham fellowship enabled Tom Bruns to continue his molecular research on the evolution of fungi in much greater depth than he could have without the fellowship support. A postdoctoral researcher in botany at the University of California-Berkeley, Bruns is now mapping regions of mitochondrial DNA across 20 species of fungi.

"I used information gained from my research at Michigan to write a National Science Foundation grant that provides my current salary at Berkeley," Bruns says. "I believe the research I conducted under the Rackham fellowship played a major role in getting me the postdoctoral position I now have."

To encourage postdoctoral scholarship, a Ford Foundation grant was combined with Rackham funds in 1970 to establish U-M's Society of Fellows. These fellowships, awarded each year to three or four junior faculty members, provide a three-year tenure with an annual stipend/salary. Departments contribute one-third of the funds in return for one-third of the faculty member's teaching time or in exchange for departmental research. The balance of the fellow's time is devoted to individual research, publication or creative interests.

Among the first research projects financed by the Rackham endowment or by Rackham during his lifetime were the University's valuable collection of Greek and Coptic papyri, the Department of Physics's cyclotron, (the largest in the world) and the Middle English Dictionary. The last project illustrates how Rackham funding can generate support from outside sources, for the dictionary later obtained a \$1 million grant from



D'Arms

the Andrew W. Mellon Foundation.

The Institute for Human Adjustment is another example of how the Rackhams' start-up funding has developed successful, self-sustaining programs. In June 1936, Mary Rackham gave \$1 million of her personal fortune to establish the Mary A. Rackham Fund, which provided funding for the Institute for Human Adjustment.

Several units of the Institute have become nationally recognized for research, graduate student training and the delivery of health services, although they now receive little or no funding from the Graduate School; these include the Institute of Gerontology, the Medical Center's Arthritis Clinic, the Center for the Child and Family, the Psychological Clinic and the Reading and Learning Skills Center.

Under the direction of the School's current dean, John H. D'Arms, former chairman of the Department of Classical Studies and a professor of classical studies and history, a number of new programs have further encouraged scholarly interaction across disciplines.

"We have attempted to build a closer, more integrated sense of intellectual community among University faculty and graduate students," D'Arms says, noting that predoctoral fellows now come together to share interests across their disciplines at regular intervals during the academic year. He adds that he has been pleased by the Distinguished Dissertation Symposium, a new program that annually honors four of the year's most outstanding new doctoral dissertations.

The Distinguished Dissertations are evaluated by members of the Society of Fellows, who discuss the theses with the authors and their faculty supervisors. The Symposium precedes a reception honoring all new Michigan Ph.D.s on the afternoon prior to Commencement.

To celebrate distinguished accomplishments at the faculty level, D'Arms initiated a series of book-launchings in 1986. The symposiums, held in the Rackham Amphitheater and open to the University community, honor a newly published scholarly work by a Michigan faculty member, and feature a lively discussion of the book by faculty from a diverse range of disciplines.

Another new program, the Research Partnerships Program, was generated by D'Arms and Vice President for Research Linda S. Wilson's desire to "improve the character and quality of academic interaction between individual graduate students and faculty," the dean explains. Now in its third round, the program has provided funding for projects that link a faculty member with a graduate student — not necessarily in the same department — in a mentoring relationship.

"The use of Rackham endowment funds," D'Arms states, "shows how well-targeted programs can have a greater and more positive impact than the actual dollars expended might suggest. In recent years, students in the final phases of doctoral study, and able junior faculty, have been our major beneficiaries. It's hard to imagine better investments in the future of higher education."



## Architectural highlights

Standing on the steps of the Harlan Hatcher Graduate Library, you can look across the Central Campus Mall and see the Horace H. Rackham Building as clearly in the lushest heart of summer as in the stark midwinter dusk.

No feature will ever block the path between the two campus landmarks because Mary A. Rackham so prized that unobstructed view that she preserved this aesthetic feature as a stipulation of her gift. She may have hoped that graduate students wearily stumbling down the library's front steps would see that other building as a reminder of their goals — a way off, yet accessible.

Both the site and cost of the building were enormous, even by today's standards. The total project, including design, construction, land, furniture and equipment, consumed \$2.5 million of the \$14.2 million Rackham endowment. Thirty buildings had to be removed from the site, which comprised two city blocks, according to the U-M Encyclopedic Survey.

Built of white Indiana limestone and designed by the Detroit architectural firm of Smith, Hinchman and Grylls, the 155,000-square-foot building was dedicated in June 1938 by President A. G. Ruthven to the two great branches of learning — the sciences and the humanities.

Ivy now climbs the bronze frames of three glass doors at the main entrance. (The accompanying photographs from the Michigan Historical Collections show some of the building's architectural features.) Above each of five long front windows are bas-reliefs of the disciplines of knowledge: biological sciences, language and literature, social sciences, physical sciences and health sciences. No other ornamentation breaks the facade's long, clean lines.

Inside the airy entrance hall, the eye is drawn upward to a blue-green ceiling with stenciled gold designs and flamingo-hued borders. Such art-deco styling throughout the building presents a surprising contrast to the reserved exterior.

Three pairs of blue-green, bronze-studded leather doors lead into a second lobby and from there into the 1,200-seat Lecture Hall. Considered "acoustically perfect" when it was built, the semicircular hall still accommodates some of the most important visiting artists, performers and lecturers to visit campus.

Among the dignitaries and artists who have taken the stage were former Presidents Jimmy Carter and Gerald Ford (in debate), Nobel Laureate poet Joseph Brodsky, the Budapest String Quartet, German theologian-philosopher Hans Kuhn and American playwright and U-M alumnus Arthur Miller. In 1955 the Lecture Hall was the site of one of the world's most joyous announcements: Dr. Jonas Salk stood at the podium to proclaim the success of the Salk polio vaccine field trials that had been coordinated at the U-M School of Public Health.

On the second floor, a 26-foot dome lights a circular foyer and plaque that honor the memory of Horace H. Rackham. Large student lounges and a study hall are perhaps the most frankly luxurious rooms in the building. Furnished in Chippendale and Queen Anne mahogany and walnut, the lounges contain alcoves for writing and music. The study hall, lit by suspended chandeliers, has a 12-foot wainscot of Appalachian Oak.

Students working at the long oak tables occasionally notice a faculty "intruder," such as Prof. Frank Beaver, chairman of the Department of Communication.

"I sometimes have to explain why I'm working here with the students," says Beaver, who favors the last chair at the first table in the lounge facing the library —



a chair in which, about 20 years ago, he wrote his dissertation on the film critic Bosley Crowther.

"My wife always dropped me off here, along with a box full of notes," Beaver remembers. "The chair was just hard enough and the lighting just right. Now, whenever I'm under a writing deadline, I come back to this chair to set my thoughts down. It's an old writer's trick."

The third floor includes two lecture halls that resemble intimate paneled studies although they accommodate up to 50 people. Much of the fourth floor is occupied by the Rackham Amphitheater, originally intended for laboratory demonstrations and now used for meetings of the University's faculty senate and small symposiums. This floor also offers the best access to the outdoor roof terraces that offer pleasant views from all sides of the building.

"Like any great building," D'Arms notes, "the Rackham Building lifts the spirits of those who experience it. It is truly one of the University's most splendid resources."

### SYMPOSIUM

Alumni and alumnae, friends, faculty and staff of the U-M are invited to celebrate the 50th birthday of the Horace H. Rackham School of Graduate Studies on Fri. and Sat., Sept. 30 and Oct. 1. On those dates, a symposium, "The Intellectual History and Academic Culture at the University of Michigan: Fresh Explorations," will mark the golden anniversary with lectures, discussions, a graduate student reception, a banquet and entertainment.

The celebration actually begins at 8 p.m. on Sept. 29 with a birthday concert by the Tokyo String Quartet in the Rackham Auditorium. The multidisciplinary lectures and discussions that follow will be open to the U-M community and the public. Topics will include University history, intellectual history, the role of public universities, trends in academic research, and the future of graduate and professional education. For further details contact Susan Lipschutz at (313) 764-4405.



# ANTHROPOLOGIST IN THE FIELD

By Dona Rosu and Ann Woodward

**T**he study of anthropology expands our understanding of the range of human possibilities, of the social and cultural processes by which we all live. Since these processes are more easily grasped in small societies, important anthropological work is done by those who take their training into the field to delineate the workings of life in diverse communities.

Prof. Sherry B. Ortner, chair of the University of Michigan Department of Anthropology, has studied the Sherpa people of Nepal for 22 years. Since Nepal was not opened to the world until 1952, the Sherpa population has been studied only since then, although they moved to the Himalayan valleys 500 years ago. (Of the 23,000 Sherpas, about half still live in the mountains, and the remainder in the Nepalese capital, Katmandu, or in Darjeeling, India.)

The Sherpas came to Nepal from the Kham region of eastern Tibet at the end of the 15th century and settled in the valleys below the tallest mountains peaks. Most Sherpas dwell in the valleys of Khumbu, Pharak and Solu, where the climate is surprisingly temperate and snow is often sparse in winter. Because of their knowledge of the terrain and experience in climbing, Sherpas have gained fame as guides for all the mountaineering expeditions, including those up Mount Everest, the tallest peak in the world.

Anthropologically speaking, the Sherpas have a distinct identity. They are neither Tibetans nor Nepalese. Their spiritual profile, customs and rituals, differentiate them from both of these. They are Sherpas.

The Sherpas practice Tibetan Buddhism, which teaches that life is only a stage in a chain of reincarnations. They are agriculturists and herders of animals — yak, cattle and a crossbreed of the two known as zom.

Ortner first did fieldwork among the Sherpas from September 1966 to February 1968, learning their language and trying to understand as much as she could of their society while working on her doctorate at the University of Chicago. A native of Newark, New Jersey, Ortner had received her B.A. from Bryn Mawr College in 1962. She received her doctorate in 1970, and Cambridge University Press published her first book *Sherpas Through Their Rituals* in 1978.

Ortner returned to Nepal in 1976 to make the television film *Sherpas for the British ethnographic documentary series "Disappearing World"* produced by Granada Television.

In 1979 Ortner journeyed to Nepal for the third time to study why the Sherpas had begun to found many Buddhist monasteries in the early 20th century. This fieldwork formed the basis of two books: *High Religion: A Cultural and Political History of Sherpa Buddhism*, forthcoming from Princeton University Press; and *The Monks' Campaign: Religious Transformation and Social Change Among the Sherpas in the Twentieth Century*, currently in preparation.

**Michigan Today: You were only 25 when you went to Nepal for the first time. Why did you decide to study the Sherpas?**

**Sherry B. Ortner:** I wanted to study a fairly distant and exotic group, but I wasn't much interested in primitives. The primitives to me are too distant; I feel I can't understand them. The Sherpas are far away, but they are in the same universe of thought. They have Buddhism, which is what we call a "high religion" — a religion of salvation and morality and sin and so forth. Also, I wanted something very beautiful, and the Himalayas . . .

**MT: There is in anthropology a tendency to romanticize the people who are studied. Are the Sherpas generally romanticized?**

**SBO:** I think in the Western imagination they are, because they climbed Mount Everest. Especially for the British, the romantic image of the Sherpas is that of an idealized native: brave, independent but loyal — the Sherpa who risks his life to rescue a Western climber. So when you go to study them, they have this reputation you have to be

Dona Rosu and Ann Woodward are free-lance writers from Kalamazoo and Ann Arbor, respectively.

## Sherry Ortner's research has taken her to the top of the world

aware of. I know other sides to their culture, and I must present these even if it irritates people who want to imagine that the Sherpas are perfect.

**MT: What is the origin and meaning of the word "Sherpa"?**

**SBO:** It's not clear where the name comes from, but it means "people of the east." It's an ethnic label they have had for a long time. It's also not clear why they left Tibet, but clan histories suggest it could have been to escape warfare between the Tibetans and Mongols.

**MT: What aspects of Sherpa life did you catch in the television film you did?**

**SBO:** The film *Sherpas* alternates between scenes where people are doing things and direct interviews with individuals talking about life in the village. Among other scenes, there is a long woodcutting sequence. The Sherpas' environment is deforested, and the trees are quite far away, so cutting wood is very hard work. It takes all day to get one basket. Then we have a wedding and some family scenes, a household, et cetera. Concerning the interviews, I am sitting behind the camera doing the interview and the person is talking straight at the camera, straight at the audience. It is a technique distinctive to the "Disappearing World" series, and a very strong one.

**MT: Your first book emphasizes rituals. Which of the Sherpa rituals is the most significant?**

**SBO:** All are important; you have to look at the whole ritual system. Ritual in general is a good window into a culture. One very serious ritual is Nyungne; it reminded me, from my tradition, of Yom Kippur. People are fasting and it's very solemn — all about your sins and kind of cleaning up your moral act and restraining all your impulses. It is explicitly a religious attempt to foster compassion and altruism in a society structured in favor of self-interested modes of social relations. I also argued that, because Nyungne is largely observed by the elderly, it is a rite of passage to "postparenthood." The role of "postparenthood" comes when the parents turn over the family property to the youngest son upon his marriage, and thereafter become more and more dependent on him.

But Nyungne is only one of many Sherpa rituals. There are also, of course, rituals related to individual life cycles, weddings and funerals. Weddings are completely secular. Funerals are very elaborate because, with the reincarnation belief, they have to help the soul of the dead person get to the next reincarnation. They chant the *Tibetan Book of the Dead* to guide the soul through an intermediate state between reincarnations. It's very complex; it goes for 49 days.

**MT: Did the method of your fieldwork differ from one stage to another?**

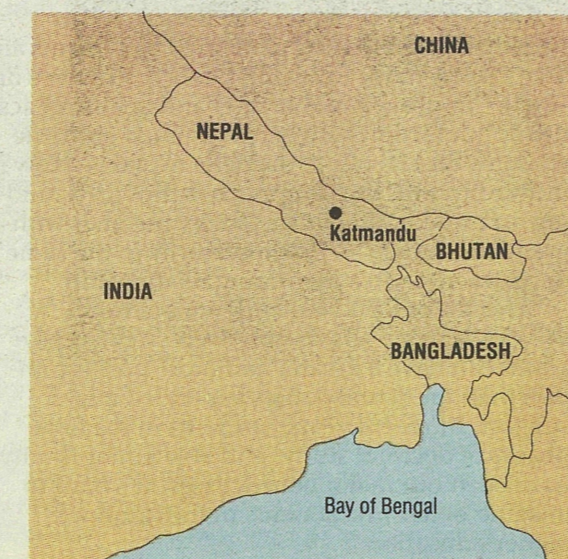
**SBO:** During my first trip I worked relatively intuitively, in terms of deciding which questions to pursue. When I finished it, I knew every man, woman and child in the village and they knew me. I knew all the gossip, the whole place, the whole social system. This was a deep but



A YOUNG Sherpa women with Ortner in 1976. 'I learned the Sherpa language there, by speaking with people,' Ortner says. 'I discovered later that Sherpa is quite close to spoken Tibetan; it would have been very useful to have studied some Tibetan before I went.'



HIGH LAMA Tushi Rinpoche became a close friend of Ortner's — and amazed her one winter day when she solicitously asked him if he was cold after sitting bare-armed in a woolen robe for six hours 10,000 feet up in the Himalayas: 'He put my hand on his arm — and it was hot.'



PORTERS on the road from Katmandu to the Sherpa region.

disorganized kind of ethnography, a kind of "hanging out" around the village, picking up the rhythm of their social system. Once you have done that, then I think you can take up more articulated problems and more selective work. When I went back in 1976 for the film, I didn't do any systematic research, but in 1979, I was doing a historical research problem, so even though I went to all the rituals, it was just like going to the theater. I wasn't trying to enter the life of that village and understand it and all the people, all the social relations, all the assumptions.

**MT: You seem to be a very friendly and direct person. Isn't it a help, in doing anthropological fieldwork, to have that kind of personality?**

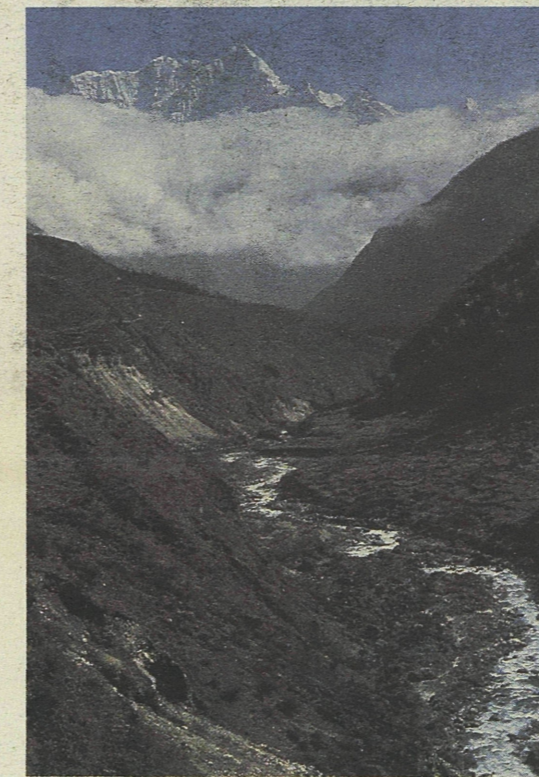
**SBO:** As it turns out, people who are quiet, shy, not that comfortable in their own culture, often become very good fieldworkers. I think I am too forward; I don't sit back enough and let things come in. It's actually very complicated, the social dynamics of a fieldworker. And it's not clear what works best. When I was in the field the first time, which was my longest trip, I was with my first husband, who also is an anthropologist, and he was also doing research there. He's much quieter than I am, and I thought he did better than I did.

### ABOUT OUR COVER

A WEDDING guest celebrates. 'Wedding ceremonies are completely secular,' Ortner explains. 'Marriage proceeds in stages over a period of years. After a dowry is fixed, horoscopes are consulted and plans for the wedding are made, the first wedding ceremony (the demchang) takes place. The couple is now considered to be formally married and children subsequently born are legitimate. If either party wishes to be divorced from the other, he or she must make a payment to the other's family. The amounts of these payments are quite substantial by Sherpa standards.'

'Even after this stage of the proceedings, the husband and wife commonly continue to live with their respective families, with the husband paying visits to his wife in her parents' house. The husband will generally do some labor for his in-laws when he comes to visit his wife, but there is no hard and fast rule for this.'

'The final stage of the proceedings, at which the husband goes to collect his wife and her dowry and bring them back home, may not take place for a number of years. The period of postponement depends primarily on whether the bride's family has been able to put together her dowry, whether they can spare her labor and whether the groom has a house to which he can bring back his bride.'



VIEW OF the peaks in Khumbu. The Himalayan valleys where the Sherpas live have a surprisingly temperate climate, Ortner says.



FATHER AND SON planting corn in Solu. Corn will not grow above 9,500 feet.

**MT: Could gender have been a factor?**

**SBO:** Possibly, and also age. I was too young on my first visit, and sometimes I think they didn't take me seriously because of that. Psychologically, at that point, I had never experienced any personal tragedy. Both of my parents were alive, I had never lost anybody close, so I didn't have much depth. During the time I was in the field, I went to the funerals of seven Sherpas and wrote everything down — but I didn't know what the mourners felt.

**MT: How did the Sherpa receive you as a daily observer?**

**SBO:** I had some friends, people who liked me and my presence there, but by and large I would just say they tolerated me, especially at the beginning. You have the feeling that people have a lot of interpretations of your motives. They don't know what you want exactly and when you explain, it doesn't make a lot of sense to them. My husband and I had brought a houseman/cook with us from Katmandu. He spoke some English and used to tell us what the villagers thought of us, and to take up for us when we were wrongly criticized. For instance, we couldn't eat as much as the Sherpas, but declined food in a way that was impolite to them. Our houseman told them that it really was not our custom to eat as much as they had served us.

They also tended to assume we shared their prejudices. One woman knew I had given some medicine to a villager, so when I told her I wasn't a doctor and couldn't treat a red swelling on her child's leg, she assumed that I had refused because she was poor. Some people also may have thought we were spying for the Nepalese government.

**MT: You have written that the "private-property-owning, highly independent nuclear family is the 'atom' of Sherpa social structure." You've said this "closure" of the family is symbolized, among other ways, by the enormous and complicated padlocks on their homes and the ferocious guard dogs they keep.**

**SBO:** Yes, these customs, which far exceed any real threat to their property, both express and regenerate a cultural image of the "closed" household. The Sherpas' dogs are legendary among mountain trekkers. Members of the local community fear them, too. One day, an American trekker who was staying with us went out to visit a monastery and was threatened by two large dogs. In Nepal, the thing to do is not to stand still and say, "Nice doggy," as we do, but to run and throw rocks to repel the dogs, which will stop attacking at the edge of their territory. The man took the passive way and was bitten on both legs. He came back bleeding. I was bitten once and developed a phobia about those dogs.

**MT: How will the new books you have in progress on the Sherpas differ from the first one?**

**SBO:** They are based on oral history, and are about the late 19th century and early 20th century. Before then, the Sherpas had some temples where lay people gathered to do their rituals, but they didn't have any monasteries — communities of monks. They had what you could call popular Buddhism. Then in the early 20th century, they built not just temples but full-time monasteries, where the monks and the nuns lived their whole lives and were celibate. Thus the monastic system is a fairly recent phenomenon and the project of my new books is about why they founded these monasteries.

**MT: What did you conclude were the reasons for the proliferation of monasteries?**

**SBO:** There seem to be three factors. Some of the Sherpas had become extremely wealthy in Nepal and northern India through road-building enterprises and other endeavors, and this upset the previous economic balance among them. This rich group, nicknamed the "Big People," sponsored the monasteries. All the monks and nuns came from this same wealthy group.

Secondly, friction was developing between rich and poorer classes of Sherpas. The influence of the Big People was being undermined in their

## IN THE FIELD

own communities, especially after some were made tax collectors by the Nepalese government.

Finally, too, there were cultural stories about the founding of ceremonial temples in earlier times by wealthy Sherpas. These folk stories became the model for "replays" of the 20th-century monastery sponsoring, allowing both "big" and "small" people to reassert their status and value in Sherpa society.

More broadly, the building of the monasteries constituted a reinforcing of Sherpa ties with Buddhist Tibet (Nepal is a Hindu state), and a strengthening of the Sherpas' identity as Buddhists, in contrast to other minority groups, which were trying to Hinduize in that same era.

### MT: What was the most fascinating experience for you in studying Sherpas?

SBO: It was getting to know very closely some of the high lamas. Ordinary people don't remember their reincarnations whereas high lamas do remember. I was always impressed by their powerful personalities, and very curious about what goes into making a person with that kind of personality. I was particularly drawn to one lama even though he wasn't an especially good informant; he wasn't good at explaining things clearly. But I was always happy to see him and came to feel that there was something compelling about him. His name is Tushi Rinpoche. Rinpoche is a title which means Precious Master, and Tushi is the specific area he came from.

Tushi Rinpoche became a good friend of mine. When I went back after nine years, he remembered me and asked me personal questions about my life. He made an effort to find out who I was and what I was doing, to understand me, as I was trying to understand him. In the Tibetan training of lamas he is very educated and has a high status. I would say that I have no religious commitment myself but I was absolutely fascinated with these lamas.

Tushi Rinpoche once did a ritual outdoors in a monastery courtyard in the middle of the winter.

The lamas sat there outside for maybe six hours — 10,000 feet up in the Himalayas. It was very cold, there was stone paving, and I had heavy down clothing and boots and wool socks and wool everything I wore — and I was freezing. He had just his woolen robe and one shoulder and arm were bare the whole time. So after the six hours of ritual, I went up to him and I said, "Rinpoche, aren't you cold?" And he took my hand and put it on his arm — and it was hot. I think it was probably a very simple yogic exercise but still it was impressive to me.

### SHAME AND POLLUTION

Inner constraints, as the Sherpas conceive of them, include first of all the desire to avoid shame, which comes when people know and gossip about things one has done, ranging from the foolish or embarrassing to the criminal. Second, there is the desire to avoid personal pollution, which affects one as the result of certain types of acts, and which corrupts one's inner being — often leading to illness — whether people know about one's acts or not. While many sorts of polluting acts are not social and do not have social consequences, such things as fighting, killing and improper sexual liaisons are both social crimes and personal pollutants.

Thus the desire to avoid the very heavy pollution resulting from such acts may at least partially constrain people from committing them. And, finally, there is the desire to avoid sin, out of concern for one's ultimate salvation. All of the major social crimes — theft, violence, murder, adultery — as well as, theoretically, angry thoughts and words, which is to say, disputes — are considered highly sinful. And while no one would claim that these crimes never occur, nor that the relative infrequency of crime if not of disputes is entirely due to Buddhist piety, the avoidance of sin and of a consequent miserable rebirth is considered by the Sherpas themselves an important restraint on human passions and failings.

### THE FAMILY: LAUGHTER, LOCKS AND DOGS

The private-property-owning, highly independent nuclear family is the "atom" of Sherpa social structure. The image of the Sherpa family as a clearly bounded unit, even a "closed" unit opposed to the rest of society, is engendered, reproduced, and reinforced by a wide variety of beliefs and practices beyond the purely economic. One source of reinforcement is the internal structure of the family itself — strong emotional bonds between parents and children are culturally stressed and subjectively experienced.

Further, there is a relaxed intimacy within the household that contrasts with the experience of many "outside" social occasions. Children do not use honorific forms of grammar to their parents within the house. Family meals are warm and relaxed affairs, and etiquette rules do not apply. Pollution constraints are not operative either: Family members pass cups of beer around from mouth to mouth. And often there is relaxed and informal joking, not the nasty ragging to be heard at parties, but rather, significantly enough, occasional parodies of customs of formal etiquette of the social world "outside."

There are a variety of beliefs and practices that further emphasize the "closure" of the family against society. There are first what might be called anti-penetration symbols: Sherpa houses are all locked with enormous, complicated padlocks when no one is home, and bolted and barred heavily from the inside when the family goes to sleep.

Many Sherpa families also keep ferocious guard dogs, legendary among trekkers and travelers, but also feared by members of the local community. And while no doubt there is some objective basis for fearing theft, the lock-and-dog syndrome seems to exceed by far the objective need, and would both express and regenerate the image of the enclosed household.

(Adapted from Prof. Sherry B. Ortner's *Sherpas Through Their Rituals*, Cambridge University Press, 1978.)



Photo by Paul Jarowski

PROFESSOR ORTNER assumed the chair of the Department of Anthropology in 1987.

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'A Class Act'

By Peter Seidman

# Seniors Seek To Build A Tradition of Giving

On a bright blue day in early March, when spring seemed just around the corner but wasn't here yet, students crossing the U-M Diag were confronted with a red-, orange- and yellow-striped, 30-foot-high balloon. You could see it all the way from State Street.

The day was March 2 and the big balloon marked the beginning of the second annual Senior Pledge Program, a student-coordinated fund-raising drive targeted at graduating seniors on the U-M Ann Arbor, Dearborn and Flint campuses.

The campaign was almost as new and different for the U-M as the big balloon that drew attention to it.

In the past, it had been at least two years after their graduation before former U-M students were contacted and asked for gifts. Only recently has the U-M made a concerted effort to introduce seniors to their future role as alumni while they are still students.

"We are working to raise the awareness among students of the need for annual fund support," says Julie Prohaska, assistant director of Annual Giving Programs. "We hope that when they graduate, students will appreciate the important role alumni play in upholding the pre-eminence of the University."

The theme of this year's Senior Pledge Program was "A Class Act: 1988 — Build a Tradition," and over \$57,000 was pledged to it by more than 1,500 seniors.

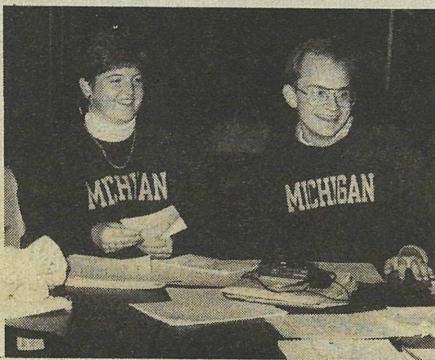
The contributions go to the Annual Fund of the school or college from which the donating senior graduated. These funds provide student loans and scholarships, library materials, laboratory and computer equipment, and support for special programs and innovative research.

In a mailing and during follow-up phone calls from students at the Phone Center, seniors were asked to contribute \$100, \$50 or symbolic gifts of \$88 or \$19.88.

The campaign also involved distribution of more than 1,000 posters and buttons, advertisements in the *Michigan Daily*, and a final thank-you "Happy Hour" in the Michigan Union. At the U-M Dearborn campus, students wrote a rap campaign song that was played periodically over the



VISIBILITY for the Senior Pledge drive was ensured by posters, a hot-air balloon landing in the Diag, pamphlets, phone calls, buttons, advertisements and a 'Happy Hour' in the Michigan Union.



Facktor and Clauser

campus radio station. A similar campaign was held at U-M Flint.

Few graduating seniors are in a financial position that would allow them to make substantial gifts. And \$57,000 is a relatively small portion of the funds needed annually to run the University. But that was OK as far as the Senior Pledge Program volunteers were concerned, because the program

was intended not only to raise money, but to raise awareness among seniors of their status as "alumni in residence," to reinforce class solidarity and to accustom students to playing an active role in University life.

"What the program is really trying to do is to get graduating seniors to see what their role is as alumni and the need for alumni support," says Andy Rubinson of Southfield, a senior in the School of Engineering and a past co-chair of the Student Senior Pledge Program Student Advisory Committee.

"The education we get and experiences we get here are fantastic," Rubinson adds. "You can't buy the type of advantage a degree from the U-M gives you. By giving something back, you help compensate for that."

As Livia Calderoni, who co-chaired

the Dearborn program, puts it: "We should contribute to the University because it enhances the value of our degrees. I know that my B.B.A. is only as good as the University's reputation and facilities."

For Calderoni, the U-M is a family affair. One of her sisters is a student on the Ann Arbor campus and another is enrolled at UM-Dearborn. Her youngest sister is considering attending the U-M upon graduation from high school.

The U-M Ann Arbor program was co-chaired by Robert C. Clauser Jr., a senior honors economics major from West Bloomfield, and Debra D. Facktor, also from West Bloomfield, a senior majoring in aerospace engineering.

Facktor plans to return to the U-M in the fall to pursue joint master's degrees in business administration and industrial operations and engineering.

Clauser is a member of the Committee for Graduation and the executive committee of the University Activity Center, and is past vice president of development for the Student Alumni Council. He intends to go into banking for a few years and then pursue a master's degree in business administration.

"This has been the best four years of my life and I'd like to make that happen for someone else. Giving money is one way of doing that," Clauser says. "Granted, I've had a lot of problems with closed classes and a lot of waiting in line for a lot of things. But I see the Senior Pledge as a way of improving that situation instead of just complaining about it."

Facktor was born in 1966 while her parents were still living in North Campus housing and her father, Michael, was finishing a medical degree. Her mother, Carolyn, had just completed a bachelor's degree in French and education. Her grandfather had received a U-M master's degree in music many years ago.

"I'm a third-generation Michigan person, and I've seen what the University has given to my parents and my grandfather as well as to other relatives," she says. "I've always had a warm spot in my heart for the maize and blue."

## Edna Lacy Fund Supports Undergraduate Education

\$100,000 gift to humanities institute

Undergraduate education in the humanities will be greatly enhanced in coming years thanks to the recently established Edna Balz Lacy Fund for Undergraduate Education in the Humanities.

The Lacy Fund will support a variety of enrichment programs for undergraduates enrolled in any of the humanities programs across the U-M campus. It will be administered through the University's Institute for the Humanities.

"These activities will be open to every interested undergraduate," says John R. Knott Jr., interim director of the Institute. "The purpose of the Institute is to provide a stimulating and supportive environment for students and faculty who are interested in humanistic studies."

Edna Balz Lacy has long been interested in the arts and the humanities. A 1928 graduate of the University, where she received her bachelor's degree and her teaching certificate, she

has been active in numerous civic, cultural, charitable and educational organizations in Indianapolis. Since 1959, she has also served as chairman of the board of Lacy Diversified Products.

Lacy has served as director or as member of the Indianapolis Chamber of Commerce, the Women's Symphony Association of Indianapolis and the national council of the Metropolitan Opera Association of New York City.

For her civic commitments, Lacy has received numerous recognitions. She has been named Sagamore of the Wabash by Indiana Govs. Handley, Branigin and Bowen, and been made Elder Sachem by Gov. Whitcomb. These awards are given to people who have made significant contributions to Indiana. In addition, Lacy has been elected Woman of the Year by the Indiana Republican Mayors Association and by the Indianapolis chapter of Women in Communica-

tions, and she has been elected to the Indiana Academy.

Lacy and her family have been closely involved with The University of Michigan; all three of her sisters obtained their bachelor's degrees and teaching certificates at the University, and nearly 40 other members of her family have ties with U-M.

A member of the Alumni Association, Lacy has been recognized at the Hutchins Society level of contributions.

Upon receiving the U-M Outstanding Achievement Award in 1982, Lacy said, "Of all my multifarious awards, I treasure this one most."

Always a strong supporter of the University, which she has described as a "wonderful example of excellence in higher education," Lacy is a strong believer in the importance of a broad, diversified education. Her gift to the Institute for the Humanities will help undergraduates to broaden their education in the humanities and the arts.

Created in 1987, the Institute sponsors activities that span traditional disciplinary boundaries.

The Institute for the Humanities has received grant support both from the Mellon Foundation and from the



Lacy

William and Flora Hewlett Foundation, which recently selected Michigan as the first public university to receive a challenge grant from its program in support of undergraduate education. The Hewlett Foundation grant is for \$300,000, to be matched on a three-to-one basis (for every foundation dollar received, three others must be raised) over a period of three years. Gifts to the Edna Balz Lacy Fund for Undergraduate Education, or to the Institute in support of undergraduate education, will help meet the Hewlett challenge.

# LETTERS

## Star Wars Is 'Offensive'

STIMULATED by the review of *To Win A Nuclear War*, an excellent book by [U-M Prof. Daniel] Axelrod and M. Kaku (October '87), Virginia Obenchain's letter (December '87) defends the Strategic Defense Initiative (Star Wars). Her desire is commendable — to protect civilians from nuclear attack. Overlooked, however, is the role of SDI as a component of an offensive system.

Practically all experts now agree that no SDI could effectively shield the U.S. from a Soviet first strike. Attention is now given, however, to certain other functions that a partly effective system could perform. My book, *Ammunition for Peacemakers: Answers for Activists* (Pilgrim Press, New York, \$7.95), reveals those functions. Pentagon war-planners exult that outer space provides "an unlimited potential for military operations on which the Air Force must capitalize." An SDI system, many contend, could destroy enemy satellites and other targets in a protracted nuclear war, for which the U.S. is preparing.

More ominous are U.S. plans, in time of crisis, for a pre-emptive strike on the Soviet homeland. The MX, Trident II and other first-strike weapons would destroy most Soviet missiles in their silos. This could reduce the Soviet retaliatory force enough for an SDI system to eliminate most of the remainder in transit. Some Soviet missiles would get through, but U.S. casualties would presumably not exceed 20 to 30 million — a number war-planners consider acceptable.

Soviet leaders are aware of these plans. As the SDI nears completion, they would be strongly tempted to attack it to prevent its use against them. As with other aspects of the U.S. military build-up, the "strength" allegedly meant to defend us would more likely precipitate our destruction. *To Win A Nuclear War* is realistic. It portrays what U.S. strategists actually plan to do, in contrast to administration claims that U.S. policy is solely defensive.

Phillips P. Moulton  
U-M Visiting Scholar  
Ann Arbor

## On Dorothy Donnelly

THANKS SO much for your excellent interview with poet Dorothy Donnelly in the February issue. Your interviewers seemed to touch upon the pulse and vitality of Donnelly's art while bringing to our attention yet another of Ann Arbor's talented citizens. Along with Donnelly, many Hopwood winners have gone on to distinguish themselves in arts and letters, and perhaps this could be the starting point of an occasional feature in *Michigan Today*. It is people like Dorothy Donnelly who enrich our lives in Ann Arbor, so that our little city seems to be one of Donnelly's "miniature isles . . . where a heron may wade" or writers flourish.

Eric LeDell Smith MLS '80  
Ann Arbor

## Black Enrollment Debated

IN YOUR article concerning Dean Steiner (Feb. 1988) you quote the Dean as saying that Black students should consider Wayne State and Howard University as realistic alternatives to U-M. The same thing was said 18 years ago by Robben Fleming and Allan Smith, i.e., "Let them go to Wayne State." Times have not changed much since the BAM strike in 1970.

The issue of Michigan's place among academic institutions is always called into question when the admission of more Black students is recommended. In 1970 it was said that institutions such as Harvard were admitting the very best Black students and this did not leave Michigan with a solid base of qualified Black students to choose from. I wonder if the white students at the University are exclusively the same students who were admitted to institutions like Harvard?

No one wants to lower academic standards at a fine institution like Michigan. The difference is between changing admission criteria and lowering them. A number of able Black students have always been interested in Michigan. These students have done quite well in their careers once they have graduated from Michigan. Yet Michigan consistently shows that it does not have the "climate" for these students.

The recent media attention to racial incidents at Michigan and statements like those made by Dean Steiner make the point that Black students should seek an education elsewhere without regard to their ability. Why should able Black students "flock" to Michigan if they are not wanted?

Sometimes deans put their feet in their mouths. Insults are not always intended. Whatever the truth is in this set of circumstances, some positive actions with tangible results will do a lot more to clarify the University's motives than all the apologies and explanations that have been offered.

Darryl G. Gorman '70  
Washington, D.C.

JUST WANTED to share a letter with you that I wrote to the Michigan State University newspaper regarding their interpretation of Mr. Steiner's infamous statement (their photo caption read: "Officials not helping U-M's bigot image"). I hope that it will provide encouragement to the administration to know that we, the proud alumni, are out here on the front lines struggling to protect the reputation of a University which gave us not only an education, but also the ability to make the world a better place for everyone if we will only take the responsibility to do our part.

. . . You admitted that the intent of Dean Steiner's isolated remark was not clear to you, yet you did not hesitate to deduce his intent and pass judgment on his statement without first searching out the context in which the remark was made. As a U-M graduate, I am incensed by your article regarding racism at U-M (or should I say your misconstrued analysis of Dean Steiner's isolated comment?).

. . . As an alumna, perhaps I can point out some of the details which were overlooked in your analysis.



ALUMNUS Leigh J. Brown of Big Rapids says we erred when we referred to a coin as 'Phony as a \$3 Bill' on our February cover. 'Thought you might like to know there really was one,' writes Brown '56. 'They were hand-signed; nothing on the backside. I also have a \$2 and \$10.' This bill was issued by Jackson County in 1837.

U-M is a premier research university of outstanding reputation and international acclaim. Indeed, it does rank among the elite universities, but that status is based upon scholastic superiority and academic contribution, not demographics. U-M's goal is to attract the best students. Period. It sets its admission standards accordingly. The racial disparity that exists is a result of failure of many Black students to meet admissions requirements, not a result of policies intended to limit Black enrollment.

"This is not the fault or the problem of U-M; the problem resides in the inability of many urban public schools to provide students with adequate preparation to meet the admissions requirements of such universities. Since the proportion of students attending the urban schools is skewed toward the minority sector, these are the students who are at the greatest disadvantage. These same students, however, may nonetheless find acceptance at universities whose requirements are less stringent, such as Wayne State and Howard University. These students are not being denied the right to an education; they are being screened into a system which will maximize their chance of success according to their own personal past performance. Lowering the admissions requirements at U-M to accommodate ill-prepared students of any race would only condone the mediocrity of the public school system. It would not be in the best interest of U-M, the alumni or the student body as a whole.

. . . The real problem is the gross inadequacy of many public schools. Trying to correct the problem at the university level would only be treatment of a symptom, doing nothing to affect the disease causing it. Careful consideration also makes me realize that this is MY problem. It is also YOUR problem. It is OUR problem as taxpayers, as voters, as parents and as future educators. It is not, however, U-M's problem, MSU's problem or Harvard's problem.

. . . Some may jeer at me, 'That's very easy for you to say. You're a white, middle-class female.' Ah, yes. But no one handed me a ticket to U-M on a silver platter. I came from a rural high school that did not prepare me for college, let alone U-M, and a family that couldn't afford to send me anyway. But that didn't deter me. I spent two years at a community college, paying my own way and working very diligently to prove that I was a worthy candidate for acceptance at U-M. I struggled side-by-side with other students, Black and white, who shared the same disadvantages I did. My diligence was rewarded with a scholarship and grant money, as was theirs. The point of my little scenario is that anyone who wants to attend U-M can; the only prerequisites are hard work and sacrifice. For those who don't wish to work hard and sac-

rifice to attain U-M's standards, there are other alternatives."

There will always be bigots in the world. People afraid of those who are different from themselves. People willing to call names and throw stones. But those who sit quietly by, pointing fingers and blaming, are no better than the bigots if they fail to seek out the truth and do their part to correct problems.

Dara L. Walter '83  
Lansing

ALTHOUGH IT was unwise for Dean Steiner to make references to Wayne State and Howard University in the statement of his determination to keep Michigan's standards high, I would guess that most alumni, including those in minority groups, as well as those who want to graduate from the University, applaud the dean's resolution.

Certainly those of us who are aware of what has happened in many colleges across the country in recent years — i.e., the admission of anyone with a high school diploma or its equivalent — have good reason to be concerned with the future of higher education in the United States. Those who go to college should be prepared to do college-level work and maintain acceptable standards throughout the years in college.

Those at Michigan who demanded Dean Steiner's dismissal are acting at least irrationally if not racially. Certainly they have the right to protest his insensitive remarks, but they have the responsibility to judge the man in terms of all that he has done for the University, including his efforts to achieve greater diversity among the faculty and within the student body. Protesters have the right to be heard and their demands should be given appropriate consideration, but protesters don't have the right to be prosecutors, judges and correction officers as well.

William Walter Duncan MA '49  
New York

IT WOULD appear that a once-great university is going to be reduced to mediocrity because a small, vocal minority insists that the main criteria for employment is to be the color of one's skin rather than one's talents. It is nice to see The University of Michigan taking giant steps backwards.

Lynn M. Hoghaug  
Devils Lake, North Dakota

RATHER THAN attributing low Black enrollment levels to the absence of a supportive value structure among Blacks, as LSA Dean Peter Steiner has done, we should shift our focus to the white structures and attitudes which perpetuate racism. European and North American "value structures" abducted, enslaved and murdered millions of Black Americans. Many of the human rights denied to slaves are still denied to Blacks today. White slavemasters whipped slaves for reading.

The policies of white college administrators ensure that white students predominate numerically and that Eurocentric thoughts predominate academically. If The University of Michigan is really committed to confronting racism, it will remove Dean Steiner, whose blatantly racist remarks have been well-publicized, and pay more respect to Blacks and other people of color. People of color have fought and died for the right to an education. They continue to do so. I hope that someday minorities will indeed attend the U of M in large numbers, but before this is possible, some other people need some education themselves.

Brett Stockdill '87  
Ann Arbor

### Diversity and Representation

PERHAPS the percentage of Asian (or Black or . . .) high school students qualified to attend college and willing to attend a diverse university, or the percentage of Asian (or Black or . . .) people qualified to join the faculty and willing to serve at a diverse university, may be different from the percentage of Asians (or Blacks, etc.) in the general population. Thus, by setting goals of "representation proportionate to their numbers in the population," without any apparent consideration of what "the population" means, U-M may have set itself up for a long period of frustration and unwarranted criticism.

The chart, "Black Ph.D.s Awarded in 1985" in the 20 April '87 issue of the *University Record*, is an indicator that such differences may exist; i.e., Blacks are about 11-12 percent of the general population but received anywhere from 0.5 to 16.3 percent (depending on subject area) of the Ph.D.s awarded in 1985. Further, some of these Ph.D.s may wish to enter industry or politics, or to serve at a Black-only university, or whatever. From this example, I assert that saying U-M's student body and faculty should be X% Asian and Y% Black, etc. on the ground that the general population is so distributed, is terribly simplistic.

Roger C. Krueger  
M.S.E., Rackham, '62  
Slidell, Louisiana

### Yerges Was Rock-Solid

I ENJOYED your January article about the 1947-8 championship football team, particularly the parts about Howard Yerges, the quarterback. He was playing softball well into his 40s, at the position of catcher. As a younger man in my 20s I had several home-plate collisions with Howard. Let me tell you, he was rock-solid and fiercely competitive even then, and those collisions hurt.

Lloyd Anderson LSA '69  
Akron, Ohio

### Abbott Wins Sullivan Award

**WOLVERINE PITCHER** James A. Abbott, a junior from Flint, became in March the first baseball player and first Michigan athlete to receive the James E. Sullivan Award as the country's top amateur athlete. The award is presented annually by the Amateur Athletic Union.

Abbott, an outstanding high school quarterback and pitcher, was born with no right hand, but excelled by learning how to make adjustments for his handicap. Earlier, he won the Academy of Sports honor for courage. Last year, Abbott won 11 of 15 starts, pitched three shutouts and one one-hitter, and led the U.S. team to second place in the world series of amateur baseball in Havana, Cuba.

This year, Abbott and the Wolverines were off to a shaky start in the South, dropping a dozen places to number 16 in the country after falling to 1-3. But a surge that included 18 straight wins carried the team back into the nation's top 10 by the first week of April.



### Quick With a Quip

MY FATHER told me the following story and I would like to share the remembrance: Shirley Smith was the vice president of the University during President Ruthven's tenure. Because of his name, he was subjected to general harassment, such as telephone calls from the students. However, he was a master of the sharp retort. One day, during homecoming, a grad approached him and said, "I don't suppose you remember me, Shirley." Mr. Smith said, "I don't remember your name, but the breath is familiar."

Marjory Killins Bentley '43  
Santa Monica, California

### Our Geography Was Off

THE ARTICLE about Michilimachinac in the February issue is interesting and informative; however, the writer shows a sad lack of knowledge concerning the geography of our state. To refer to Beaver Island as "off Traverse City" is like saying that Ann Arbor is adjacent to East Lansing. If Beaver Island is "off" any place in the Lower Peninsula it would be Cross Village or Wilderness State Park. The Beaver Island Ferry, which goes from Charlevoix to Beaver Island, travels north-by-northwest to arrive at St. James. That is a distance of approximately 30 miles.

A. Dale Stoppels '50 Law  
Grand Rapids

I WAS surprised to learn that Beaver Island is "off Traverse City"! In fact, it is more nearly off the Straits, the north end of the Island being almost perpendicular to the Straits. I was also surprised to learn that King Strang was "shot dead". On June 16, 1856, he received three gunshot wounds, two to the head and one to the spine near the tenth rib. While these were fatal wounds, he did not die at the scene. Some of his faithful followers and two of his wives took him to Voree, Wisconsin, where he died on July 9, 1856, without naming a successor.

Vivian H. Visscher  
St. James

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Michigan Today 4/88

## New Community Center For U-Housing Residents

By Mary Jo Frank  
News and Information Services

Although this section of Michigan Today is called "Around the Diag," the following story reminds us that the North Campus and other areas separated from Central Campus are also integral parts of the University.

Family Housing's Community Services is building a new Community Center for the 6,000 persons who live in University-owned family housing.

Lack of community space for parties, meetings and child care, coupled with strong support from students and their families living in University-owned apartments, are the impetus behind construction of the 14,000-square-foot Community Center on the northeast corner of Hubbard Road and McIntyre Drive on the North Campus.

The Center was approved by the Regents at their February meeting. Family Housing residents will pay for the Community Center through increased rent.

Support for the Community Center is an outgrowth of social, recreational and educational programs for students and their families that have been created since Family Housing introduced Community Services in 1979, according to Robert C. Hughes, director of University Housing.

"Once you start doing some things like offering child care and Camp Funshine, people realize they create a much more positive atmosphere," Hughes said.

The philosophy of Family Housing's Community Services is based on the Michigan House Plan adopted by the Regents 50 years ago that states accommodations "should be more than mere rooming and boarding houses."

Providing heat and a place to sleep to residents in Family Housing's 1,700 apartments and town houses is no longer enough, according to Eric D. Luskin, director of Family Housing.

Needs of residents that Community

Services tackles include: loneliness; unfamiliarity with such basics as using kitchen appliances, shopping for food and enrolling children in school; and lack of time for family.

A 1985 study of Family Housing residents revealed:

— half of the residents are from other countries.

— about 90 percent are working on post-baccalaureate programs.

— 55 percent of the residents have at least one child living with them, and 70 percent of the children are under age 6.

Residents reported spending an average of 5.2 hours per day in classes or labs plus 5.4 hours a day studying outside of classes or labs. In addition, 52 percent work an average of 19.1 hours a week, and 43 percent of student spouses work an average of 31.7 hours per week.

Forty-eight percent of the respondents said they "probably" or "definitely" did not have enough time for studies, 42 percent reported they were "dissatisfied" or "very dissatisfied" with the amount of time they could spend with their spouse and 64 percent said they were "dissatisfied" or "very dissatisfied" with the time available to spend with their children.

In a presentation to the Regents, Hughes said single parents make up almost 10 percent of the population, and 53 percent of the residents belong to minority groups. What unites all Family Housing residents "is a genuine concern for the family," Hughes said.

Hughes said that over the years there has been a growing concern about the number of spouses living in Family Housing who feel isolated. Many are highly educated but are not allowed to work in this country. Others lack the English skills to become involved in the community. The Women's Day Program was introduced several years ago as an opportunity for women to get together once a month for lunch and a speaker, workshop or outing.

A program to teach English as a

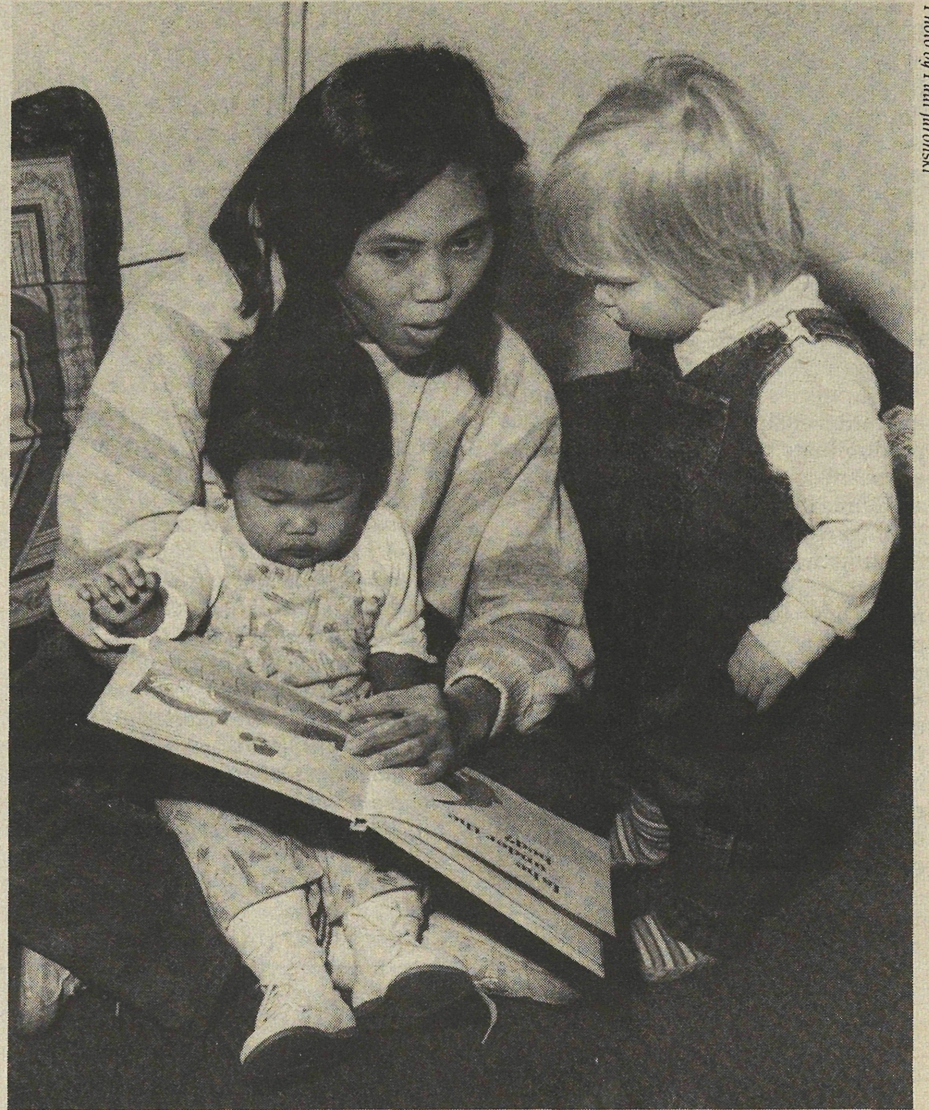


Photo by Paul Janowski

**PARENT-CHILD** play groups led to establishment of the **Preschool Enrichment Program** for families living in University housing. Participants meet twice a week to prepare for kindergarten. Yani Orajudi reads a book to her daughter, Intan, and Gijja Thorstandottir.

second language was established in 1985. About 350 adults participate annually in classes that are offered at all levels and include a pronunciation clinic, a writing workshop and a class about American culture.

Community Services also offers English classes for preschool children. In August newly arrived schoolchildren and teens receive a crash course in survival English, including an introduction to the public school system, Hughes said.

Community Services offers children's programs, including an after-school program for children ages 5 to 11. The program is licensed for only 14 participants due to space limita-

tions. Lack of space also has made it impossible to address the child care needs for preschool children, Hughes said. However, classes were organized to train young mothers in providing small-group child care in their own homes.

The Community Center plan includes a child care center for residents during day and evening hours and expansion of the after-school program for school-aged children. Some 75 to 100 children per day are expected to be served by the Community Center.

The Center also will provide meeting space for Family Housing's Residents' Council and other student groups that serve resident families.

## B School Puts Zing In Its Growth Fund

By Jane R. Elgass  
News and Information Services

The School of Business Administration soon will implement a special investment fund — the Business School Growth Fund — that will be managed by its alumni.

Approval to establish the fund was granted by the Regents at their February meeting.

"During the capital campaign, some of our alumni expressed a desire to contribute funds, but felt that if they managed the funds they could do a better job and take a more aggressive stance," explained Gilbert R. Whitaker Jr., Business School dean. "The Stanford Business School Trust, which we used as a model, has been fairly aggressive and has grown from \$70,000 to \$6.5 million in 20 years."

Whitaker explained that some of the fund's investments will be made in stocks of companies owned by graduates who started their own businesses. "We don't see the fund as growing rapidly," Whitaker added. "For the first 10 years, we'll probably reinvest any proceeds to build a bigger base.

"The fund will seek long-term growth of capital through a diversified portfolio consisting mainly of securities of developing companies with long-range potential," Whitaker said. "We believe such companies could enjoy both a faster rate of expansion than larger companies and possibly a higher rate of increase in earnings."

Whitaker also hopes that creation of the fund will prompt increased support of the School. "We think getting people involved may increase their generosity," he said.

The fund will be managed by a board of trustees approved by the Regents. Board membership will include the dean and the University investment officer.

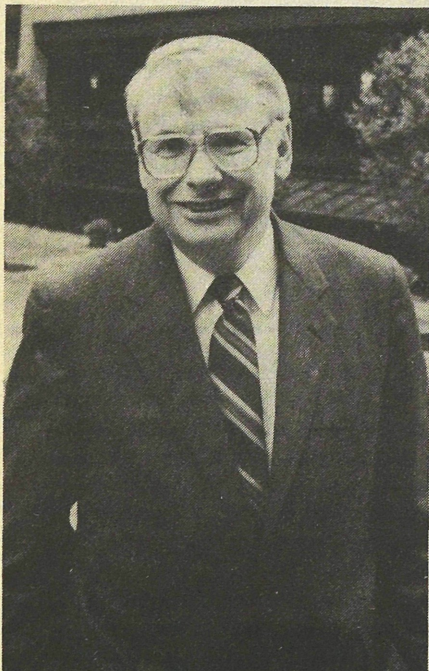
Trustees will be responsible for soliciting contributions for the fund, recommending fund investment policy and guidelines to the Regents, reviewing activities of the fund's investment managers and providing consultation on the timing and recommended distributions from the fund.

Day-to-day investment decisions and implementation of the fund's investment policy and guidelines will be the responsibility of five alumni in-

vestment managers. Like the trustees, they will be recommended to the president by the dean and vice president and must be approved by the Regents.

Investments by the fund will be subject to regental approval and will follow the University's policy on investments in companies doing business in South Africa.

The Regents also stipulated that no other funds of this nature can be established until there has been an opportunity for evaluation of the Business School fund.



Whitaker

## Michigan Today

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Bob Kalmbach - Photographer  
Mary Jo Frank, Kate Kellogg - Writers

Michigan Today is published bimonthly by News and Information Services, The University of Michigan, 412 Maynard Street, Ann Arbor, Michigan 48109-1339

Jon Cosovich - Vice President for Development and Communication  
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U-M 1988-89 Budget:

# The Painful Facts Behind A Likely Tuition Increase

By Jane R. Elgass

A painful 1988-89 budget year may require double-digit percentage tuition increases, along with "strong internal actions to contain and reduce costs," to sustain the University in light of what is essentially a flat state appropriation.

That bad news was delivered to the Regents at their February meeting by James J. Duderstadt, provost and vice president for academic affairs.

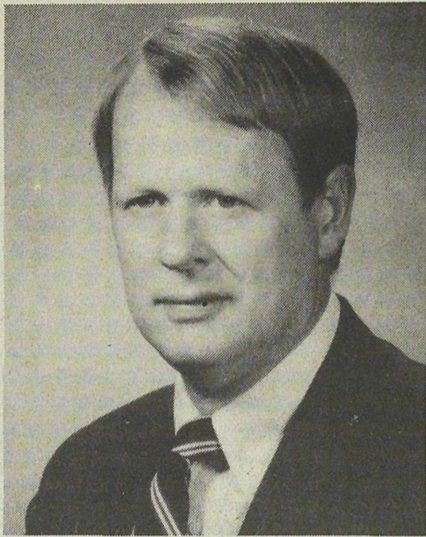
The University has asked the state for a \$50.2 million (11 percent) increase over the \$444 million 1987-88, General Fund budget. This includes a \$36 million minimum increase to meet current needs and \$14.2 million that will help close the funding gap resulting from two decades of decreased state support.

Gov. James J. Blanchard has recommended an increase of \$3.6 million (1.6 percent) for the Ann Arbor campus. According to Duderstadt, when the \$3.6 million is translated from the state's fiscal year to that of the University, the amount is reduced by 25 percent to \$2.7 million.

"Furthermore, on top of this, \$1.8 million must be taken off the top to restore the December cut in this year's appropriation. Hence, the net increase for state support we will receive in 1988-98 is only \$900,000 — out of a total budget request of \$50.9 million," Duderstadt said.

"To put it another way, the Governor's recommendation will amount to essentially a zero increase for higher education this year — a flat appropriation."

Duderstadt added that while there is hope the legislature will add more funds, that is "highly problematic" in view of the weakening state revenue picture. "Hence, the bottom line is that our state appropriation will provide little if any of the increase we require in operating revenue this year," he said. "We must depend almost



Duderstadt

entirely on tuition and fees" to meet these increases.

Duderstadt said that a 1 percent increase in tuition, when adjusted for a corresponding increase in financial aid, yields \$1.5 million.

He added that other state schools face a similar dilemma and that according to William Sederburg, R-East Lansing, chairman of the Senate Higher Education Appropriations Committee, most Michigan colleges and universities will be facing tuition increases ranging from 10 to 13 percent.

Two other sources of income — indirect cost recovery and investment income — will not make much of a dent in a shortfall projected to be \$31.6 million to \$45.8 million.

Duderstadt also said that "as the U-M prepares to enter this new age in which the knowledge resources provided by the University assume even greater importance for the state's future, our sources of support are continuing to shift away from the state."

The University currently receives (in rough figures) \$230 million from the state, \$200 million from the fed-

eral government, \$250 million in tuition and room and board, \$60 million in private gifts, \$500 million from auxiliary activities and \$40 million from other sources.

However, much of this revenue, such as that from the Hospitals or from research contracts, is restricted and cannot be used to help trim the shortfall.

Duderstadt said that revenues from tuition and room and board began to exceed the state appropriation two years ago and "at the rate we are now going, within the next two or three years, federal support will exceed state support."

The "good news" in this shift, Duderstadt said, "is that the balance in our portfolio of revenue sources provides us with unusual protection against major shortfalls in any particular area — such as next year's anticipated state appropriation."

The "bad news" is that the balance shift is due primarily to a two-decade erosion of state support for the U-M.

"The growth in the capacity of this University to serve the citizens of the state of Michigan is increasingly being provided predominantly by our students, private donors and the federal government," Duderstadt said.

In addition, "our capacity to attract these resources, to compete for federal grants, to attract strong private support, will be determined by our excellence — the quality of our activities in teaching and research — more than any other factor.

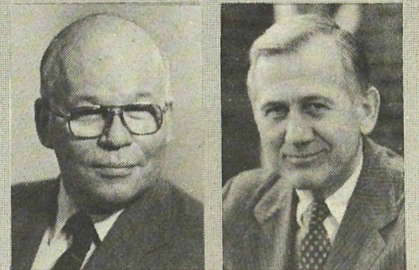
"Here then, is one of the most important — albeit pragmatic — links between the excellence to which this institution aspires and our capacity to service the citizens of this state," Duderstadt said.

"In a very real sense, our capacity to serve this state through our activities in education, research and public service will be increasingly determined by our capacity to attract strong support from the federal and private sectors. And," he added, "it has become clear that this latter capacity is determined primarily by the quality and distinction of this University."

Jane R. Elgass is editor of the Record, the University's publication for faculty and staff.

## Regents recommendations

In light of the "painful" budget year facing the U-M, two Regents have suggested that ways should be sought to strengthen the position of higher education in the state's priorities.



Roach

Baker

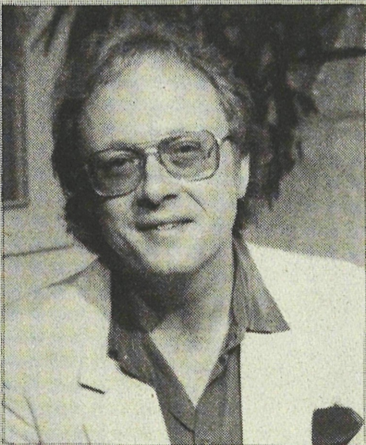
Regent Thomas A. Roach, noting that the state's support of the U-M will shrink to less than 50 percent from 73 percent two decades ago, asked his colleagues and University administrators at the February Regents' meeting if there has been "any discussion of following the lead of Texas during the oil decline. Education and political leaders joined to save the education system there," he said. "We need to increase state revenues and the only way that will happen is movement. The U-M will be okay this year, but our sister institutions will suffer."

He noted that the U-M has been involved in many of the initiatives that have been of economic benefit to the state in recent years, "and this can't be done unless we have the funds."

His thoughts were echoed by Regent Deane Baker, who added that "a good number of the initiatives that state government holds as examples had their genesis in this institution, done in the framework of the resources we had."

Baker also noted that higher education "has never been effective as a constituency due to the nature of its beneficiaries. Students are generally here only four years. We should have equal priority with K-12 education," he said.

## Composer wins Pulitzer



PROF. WILLIAM BOLCOM of the School of Music received the Pulitzer Prize for music composition. He received the award for his composition "12 New Etudes," which was recently released on record and compact disc by New World, performed by pianist Marc Andre Hamelin. Bolcom's monumental setting of William Blake's "Songs of Innocence and Songs of Experience" was runner-up for the prize in 1985. Bolcom, who is also known for accompanying his wife, mezzo-soprano Joan Morris, in performances of American art songs, joined the U-M faculty in 1973.

## U-M Acts to Curb Discrimination

The University of Michigan Board of Regents, at its March 17-18 meeting, approved a set of rules and procedures dealing with discrimination and discriminatory harassment by students in the University environment.

The rules, which were to be refined over the next 30 days, are to take effect from May 1, 1988, through Dec. 31, 1989, subject to renewal by the Regents. In the fall of 1989, the Regents will receive a report on the first year of implementation.

"We must take concrete steps to enforce our commitment to non-discrimination," said U-M Interim President Robben W. Fleming. "The proposed rules are intended to clarify and implement the University's existing policy of non-discrimination."

Recent events and comments suggest that the existing policy is not specific enough to deter those who engage in discriminatory harassment or to allow the University to take corrective action. The constitutional principles of free speech and due process

of law require a more detailed set of rules.

"During the past 18 months the University has experienced several incidents of racial harassment. Such conduct interferes with the educational efforts of minority students and undermines our continuing efforts to build a diverse community. At the same time, we continue to receive reports of sexual harassment and other discriminatory behavior that threaten to destroy the environment of tolerance and mutual respect."

The rules set down "varying standards depending on the locus of the regulated conduct":

— In public places or forums, "the broadest range of speech and expression will be tolerated."

— In educational and academic centers, such as classroom buildings and research laboratories, "discriminatory conduct that materially impedes the educational process is an object of concern and may be proscribed."

For example, "any behavior, verbal or physical, that stigmatizes or victimizes an individual on the basis of race, ethnicity, religion, sex, sexual orientation, creed, national origin, ancestry,

age, marital status, handicap or Vietnam-era veteran status, and that involves an express or implied threat to an individual's academic efforts, participation in University sponsored extracurricular activities or personal safety" is subject to discipline.

— In University housing, "persons should not be required to tolerate discriminatory behavior in their homes. Therefore, the Living at Michigan Credo, a set of principles adopted by the U-M Housing Division, will be applied to residents and non-residents when discriminatory conduct occurs in University housing."

The University's newly adopted anti-discrimination rules also describe available resources for information, counseling and support, as well as procedures for informal mediation and resolution.

The rules also provide formal mechanisms for adjudication, and describe procedures for filing a complaint, forming a hearing panel and conducting hearings, among other steps.

Sanctions listed in the rules include formal reprimand, community service, restitution, removal from University housing, suspension from specific courses or activities, suspension from the University and expulsion.

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# Michigan Today



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