

Congressional Breakfast (3/11/92)

Introduction

Wonderful to be here at this Michigan outpost in the Capital especially since we left behind one of those Spring in Michigan snowstorms.

Special greetings to our speaker, Congressman Bonier,
(acknowledge other distinguished guests)

Thanks to all the club members

please join me in giving special thanks to Monique Rothschild and Bill King,

Co Chairs of Planning Committee for this Breakfast.

The Good News

You should know that the extraordinary "Go Blue" Michigan spirit is alive and well...

We are having

another spectacular year on the playing field

...our fourth Big Ten championship in a row

...and third Rose Bowl in 4 years

...and although the outcome wasn't what we intended,

a Michigan coach remarked to me after the game that

"The next best thing to winning the Rose Bowl
is to lose it!"

I'm sure Ohio State and Michigan State would agree...

...Desmond Howard's Heisman trophy...

...or our Fab Five's upset last Sunday

of Indiana and Bobby Knight

as they tuneup for the NCAA party...

(Mention that you watched the game

with Harlan Hatcher...Cazzie's president...

who at the age of 93 is really into

Michigan basketball...he also attended

the UM-Duke game in December...)

But our main claim to attention is still academics

and we have had a pretty spectacular year there, too.
Last fall it was announced that UM has moved up,
to second in the nation in its research activity...
last year conducting \$310 million, only \$1 million behind MIT
and ahead of other universities such as Stanford, UC,
Harvard, and Wisconsin.

Speaking of national championships in a revenue sport
...Business Week ranked Michigan #1 in nation
in Executive Education

Francis Collins continues his revolutionary work
in mapping and identifying genes
responsible for devastating diseases such as
cystic fibrosis, neurofibromatosis, and breast cancer.
In fact in the months ahead they will be performing some
of the first clinical trials of gene therapy!

Gerard Mourou and his team in our NSF Science and Technology Center
have managed to achieve the highest laser power levels in
history...now operating at 10^{18} w/cm²...achieving
electromotive pressures high enough to compress matter
to thermonuclear fusion densities and temperatures!

Michigan, in partnership with IBM and MCI, continue to
operate and expand the National Research and
Education network, the computer network that now
links together over 4 million users throughout the world!

Our students and faculty also deeply engaged
The Institute for Social Research is working closely
with both the Polish and Russian government
to establish counterpart social research institutes
that will provide the social science data necessary to
enable the transition to free market economies...
...and we are continuing to send scores of MBA students
over to work with the business community in Eastern Europe.
This fall ABC-TV honored two of our women faculty as

ABC "Person of the Week"...

...June Osborn,

chair of the President's Commission on Aids

...Catherine McKinnon,

perhaps the foremost legal scholar

on the laws governing sexual harassment

So too, our School of Education is responding to the crisis in K-12 education by implementing new programs to allow professionals in other fields to easily switch careers and move into teaching...

...including a special program with the Peace Corps to help Peace Corps Volunteers to be trained as teachers and then placed in inner city schools...

And, last fall the University of Michigan became the first university in America to exceed \$1 million in its annual United Way fund drive...

...all the more remarkable in view of the great economic hardships we are experiencing in our state.

Student Characteristics

It has also been a spectacular year in terms of faculty and student recruitment .

Just as an example, let me tell you a bit about this year's freshman class.

The number of applications has tripled over the past 15 years, to almost 20,000 for the roughly 4,000 positions in our freshman class.

We have students from every state this year but South Dakota--(Rick Shaw will have to strap on his snow shoes and make a trip out there to see what the problem is.)

Let me note an interesting point here:

We have more undergraduate students from out of state than the entire

undergraduate enrollment of any of our peers

...UM: 5,400 out of state

...Stanford 6,000 total

...Harvard 6,000 total

...Yale 5,000 total

Test scores continue to rank high...

65% in top 10% of their class

Listen for a moment to some of the high school achievements

of these students:

...935 elected to student offices

...850 in student publications

...725 in theater

...1,979 in varsity athletics,

...666 varsity cheer leaders

...1,125 performed in school music group,

even more had given a public recital

...730 had exhibited works of art,

...255 had written articles for public press

...510 won prize for science work

...644 volunteered in hospitals or clinics,

1059 volunteered in community program

846 volunteered in handicap/disadvantaged programs

524 received awards for community service

...2,078 held regular part time job

...265 started their own businesses.

Pretty impressive group, isn't it?

Some things never change including that our students are the best!

Tough Times

These are tough times for our state

Michigan is feeling considerable pain

and we feel the pain, too,

as we see our students and our neighbors experience hardship

and as we see state leaders struggle to support critical institutions and services

including our own University with decreasing revenues and rising costs.

Michigan's location in the heart of the Rust Belt,

means we have a front row seat for the transformation

of our economy and society as we move

from an industrial, domestic economy to a globally competitive one.

Michigan is being buffeted about by the extraordinary

forces of change characterizing our society and

our world...

Indeed, only last week

General Motors announced the elimination

of another 9,000 jobs in our state...including closing

perhaps the greatest symbol of post-WWII industrial America,

the Willow Run assembly plant...

I certainly don't need to tell you folks the challenges

faced by the State of Michigan...

Although a few parameters illustrate their profound nature...

...Michigan's share of the Gross Domestic Product

has dropped from 4.5% in 1975

...to 3.5% in 1985

...to 3.0% today...

...During the decade of the 1980s, Michigan ranked

...42nd in growth in GSP...

...48th in growth of its manufacturing sector

It is clear that our state is in the midst of a profound transition...

...from an industrial economy based upon the abundance

of natural resources, unskilled labor, and, to some degree,

constrained, slowly moving domestic markets...

To a knowledge-based economy, characterized by intensely

competitive world markets, rapid change, and knowledge driven.

America is entering an uncharted and and challenging era in which

educated people and the ideas they produce

have truly become the wealth of nations.

We are learning that now it is our research universities,
that are now the prime producers of that wealth

The Challenge

The good news is that Michigan has built with generations of sacrifice,
a superb system of research universities
and we can look to them to help build new prosperity.

The task ahead isn't easy

--to help diversify the economy of our state and rebuild competitiveness

--to cushion against the continuing shocks

But we have what we need to succeed and we have made a start.

For example, thanks to close cooperation among

the three research universities of Southeastern

Michigan, state government and the private sector, we have begun to
build

a new economy--attracting billions of dollars of new, mostly high tech
business,

in the past decade or so.

I mention this because I think we are learning something
important from this experience.

It is becoming increasingly clear that the old strategies
just don't work any more...

...they are broken

...they cannot be fixed

...indeed, they are almost totally irrelevant

to the time of change in which we now

find ourselves.

Both the pace and nature of the changes occurring

in our world today have become so rapid and so profound

that our present social structures--in government, education,

the private sector--are having increasing difficulty in even sensing

the changes (although they certainly feel their consequences),

much less understanding them sufficiently to allow institutions

to respond and adapt.

I worry that our present institutions, and our ways of doing business
and believe me I include universities
may turn out to be as counterproductive and irrelevant
to our future as the American corporation of the 1950s.

I believe we need to explore new social structures, networks, and habits of
mind

capable of sensing and understanding change, and capable
as well of engaging in the strategic processes necessary
to adapt or control change so that it serves rather than overwhelms us..

We need to cast aside the old approaches, old battles, old grievances
and old ways of pursuing our special interests at the expense of our
society
and to think far more strategically about how we can work productively
together .

Later today, I am going to be speaking to a conference
about rebuilding the partnership of government, universities,
and the private sector that has been responsible for the extraordinary
technological superiority that has fueled our national prosperity
in the postwar era.

There are signs of strain, even rupture, in that critical partnership today
when we need it more than ever.

My central point will be that we must renew and revitalize that partnership
to serve the national interest.

Those of us who love Michigan can begin by renewing our partnership
to serve the people of our state.

Universities have much to offer--

....initiative, innovation, creativity in research that will create jobs and
improve quality of life,

...we have information, analysis, expertise and experience

...people willing to work

that we can contribute to our state and its leaders,

including our Delegation here in Washington.

UM wants to play its part in strengthening Michigan and America.

We know we will need to adapt to be effective--all of us will.

An Offer...

To this end, let me take off my hat as President of the UM
and instead put on a hat as chair of the Council of
Presidents of Michigan's Public Universities...

To offer these institutions as a resource for the delegation,
to assist you in working together in the months ahead
as a bipartisan body, working closely with other
sectors of our state...

To develop a strategy that will benefit the people you serve
and the state you represent well into the next century!

Public Higher Education in Michigan is prepared to do its part.
in helping Michigan regain the leadership that has
characterized our state over its long history.