

THE UNIVERSITY OF MICHIGAN

SENATE ASSEMBLY

Minutes of the Regular Assembly Meeting, November 15, 1971

ATTENDANCE

Present: Allen, Anton, Buning, Bertolaet, Bishop, Bowditch, Bowman, Castor, Cohen, Ledger, Cooperrider, Cornish, Darvas, Dowson, Ehrenkreutz, Reade, Franken, Goodman, Graebel, Mohler, Heller, Higgins, Hinerman, Hood, Huntington, Colburn, Kahn, Kerr, Kish, Berkove, Lind, Lloyd, Longone, Magee, Meyer, Michelsen, Hafter, Nystuen, Overseth, Paul, Pollack, Rucknagel, Ryder, Sana, Sandalow, Sawyer, Scherer, Schulze, Moore, Verheyen, Yagle, Youngdahl, Zweifler, Kincaid, Norman

Absent: Abrams, Stolz, Asgar, Bett, Birch, Hildebrandt, DeKornfeld, Iglehart, Preston, Rigan, Schuman, Simpson, Hertzler, Votaw

Guests: Mr. Elgass, Professors Reed and Tice

CALL TO ORDER

Chairman Norman Called the meeting to order at 3:24 p.m. in the Rackham Amphitheater.

APPROVAL OF MINUTES

The minutes of the special meeting of October 4 were corrected as follows: on the last line of page 4 delete Professor Kincaid's name and adjust the preceding phrase accordingly.

The minutes of the October 18 meeting were corrected as follows: on page 7, second paragraph, 4th line from the bottom, add the word "in" following "few"; on page 8, fourth line from the bottom, correct the spelling of "guaranteed".

ANNOUNCEMENTS

Chairman Norman invited Professor Franken to make an announcement about the University Club. Professor Franken said that his main point was to urge faculty members to join the club promptly. He said that there were three requirements for the club to be a success: (1) liquor license, (2) good management, and (3) adequate working capital. The first two requirements had been met. With regard to the third, about \$100,000 was needed initially, of which the bulk was already being contributed by various interested groups. To supply the balance, it was necessary to have 500 to 1000 members signed up by November 30. Professor Franken pointed out that if many faculty members delayed their decisions until they saw how the club was working out, it would simply not get started.

Chairman Norman said a few words about the plans being made for the official Rose Bowl Tour. Bids were being received from interested parties, and great care was being taken in selecting the best possible package.

He added that the resolution on classified research had been transmitted to the Executive Officers and from them to the Regents. SACUA had arranged to meet with the Regents on this topic on November 18.

REPORT OF SACUA ACTIVITIES

Chairman Norman then called on Professor Herbert Cornish to report on SACUA activities since the preceding Assembly meeting. His report follows:

Since the last Assembly meeting, SACUA held regular meetings on October 25th, November 1st, November 8th, and immediately preceding the present meeting. There was also a meeting with President Fleming on November 1st, and a meeting with Gordon Van Wylen and other Engineering Deans on November 10th. Selecting nominees for committee vacancies was an item of business at several meetings, as were the agendas for upcoming Senate and Assembly meetings. There was some discussion of the resolution on classified research, and a meeting with the Regents on this subject was arranged for November 18th. Professor George Kish met with SACUA on November 8th to discuss the report from the Classified Research Committee on its current operating procedures. Professor John Nystuen of the Senate Advisory Committee on Financial Affairs was also present to discuss the report on stock handling. A preliminary report from the Committee on the Rights and Responsibilities of Faculty Members was also received at that meeting.

Other business included the University calendar for 1973-74 and 1974-75, which was received from Vice-President Allan Smith and agreed to with questions on a few points. There was also discussion of the present status of the Health Services and a report on the Vice-Presidency for Research.

At the meeting with President Fleming on October 27th, the report of the Committee to Study the Office of Vice-President for Research was distributed. Discussion included the Assembly resolution on classified research, the Student Health Service, the status of the budget, and the Search Committee for the Vice-President for Student Services.

At the meeting with the Engineering Deans and members of the Engineering College Executive Committee on November 10th, there was a discussion of the situation resulting from the Assembly resolution on classified research, and of possible future action on proprietary research.

At the previous meeting today there was a discussion on the presentation of the Report of Committee on Rights and Responsibilities of Faculty, which includes a 15 page introductory section and recommendations. Other problems of scheduling future SACUA meetings were also resolved.

Since there were two major items of business to be taken care of, and also nominations and appointments to be approved, Chairman Norman suggested that the remaining time should be divided evenly between the major items, with 15 minutes or so left over for handling the nominations and appointments and any old or new business that might come up.

REPORT ON
UNIVERSITY
STOCK -
HANDLING
POLICIES

Turning to the first major item, the Report on University Policies in Handling Stock, which had been distributed with the call to the meeting, Chairman Norman reminded the group that the report had been received during the summer, and discussion postponed until the present meeting. In the meantime, the Committee on Financial Affairs had re-drafted the report. He invited Professor John Nystuen to come forward to make any remarks he wished and to answer questions.

Professor Nystuen said that the report had been reorganized into three sections, one dealing with current policy, a second consisting

of comments by members of the Committee, and a third including recommendations for action. Additional information on current policy had been placed in the first section. He announced that Mr. Elgass, of the Office of Financial Affairs, was present and could answer questions.

Professor Nystuen said that it was the feeling of the Committee that the University should not make itself prominent in trying to change society through stock-voting decisions, but should try to maintain a low profile. However, when groups on the campus raised questions about specific issues, as in the recent Campaign GM, all sides should be heard from in an effort to maintain trust in the University community. The University should not serve as an amplifier for special interests.

Professor Colburn asked if the University had ever refrained from delegating the voting of its stock to corporate management. Professor Nystuen replied that it had never done so, but that stock had sometimes been sold. Professor Colburn asked whether this was done on a financial or philosophical basis. Professor Nystuen said that the answer to this question was not clear-cut. In response to a later question by Professor Cohen, about whether voting against corporate management had been seriously considered (except for Project GM), Mr. Elgass said that this had been a live issue, but very infrequently. Professor Cohen asked whether there were policies not to purchase certain kinds of stock. Mr. Elgass replied that there were no investments made in questionable enterprises; Professor Nystuen added that the University didn't own anything that the Mafia was running. He said, however, that the Committee had not concerned itself systematically with the portfolio of stock held. Professors Zweifler, Moore, and others expressed some disappointment at this.

Professor Magee expressed some concern whether the remarks on page 4 of the report concerning representation for non-faculty employees covered the situation adequately.

In response to a request from Professor Rucknagel for an explanation of recommendation (d), "make recommendations to the Vice President for Financial Affairs", Professor Nystuen said that the committee might forward information to the Regents, and might suggest that the Regents should send a letter of concern to the management involved. There was some further discussion of this topic by Professors Colburn, Rucknagel, and Kerr. There seemed to be agreement that the University should avoid taking political stands, but there was some doubt what this meant. Professor Rucknagel said that he would like to have a statement to the effect that under some circumstances the University would vote neither for nor against management. Professor Kerr said that there must be a distinction made between efforts to influence public policy and efforts to manage a corporation; if the University was not happy with the management, the stocks should be sold.

Professor Kish remarked that there was a growing problem to which no one had a solution, namely, that more and more stockholdings were institutional. He asked whether a nation-wide committee made up of University representatives could be formed to study these questions.

Professor Anton asked a number of questions about the rate of return being secured on University investments. Mr. Elgass said that

this question was under continuing study, but that performance was hard to measure; however, he felt that it was in the upper 30 to 40% as compared with other pension funds. In response to a further question, he said that there had been a recent decision to reduce holdings in mortgages and bonds and put more money into stocks.

Professor Ryder urged that the committee report should be accepted. He pointed out that the University received funds in gifts with the understanding that the returns should be maximized. He felt that the committee recommendations were a good compromise between this objective and a reasonable concern for public policy.

REPORT
ACCEPTED

The committee report was accepted by a voice vote, with only a few negative votes.

REPORT OF
COMMITTEE ON
RIGHTS AND
RESPONSIB-
ILITIES OF
FACULTY
MEMBERS

The next item on the agenda was the report of the Committee on Rights and Responsibilities of Faculty Members. Chairman Norman reminded the Assembly that the Committee had been created as a special committee to handle this question by a vote taken in February. The preamble of the report including the committee's recommendations, had already appeared in the University Record, while the text of the report had been distributed with the call to the meeting. Appendices were still to come.

Chairman Norman invited Professor John Reed, the chairman of the committee, to come forward and discuss the report.

A summary of Professor Reed's remarks follows:

Since the report is quite lengthy (95 pages plus 3 appendices and a bibliography), it is too expensive to give out copies of the report to the entire faculty. Consequently, the resumé and recommendations were printed separately, and have appeared in the University Record. However, it would be unwise to consider the bald recommendations without the background provided by the rest of the report. It should be noted that all recommendations are addressed to the Senate Assembly.

As indicated on page ii of the report, the charge to the committee was very broad, and recognized that financial and organizational policies are inseparable from each other.

The hottest issue to be considered was unionization, and we attacked that first in our report. But that issue is interrelated with larger questions of University priorities and how they are determined. Thus the report is a unit.

Collective bargaining on campus is a lively topic in schools across the land. I am tempted to say that there is an inverse correlation between the quality of the institution and the amount of interest in unionization. However, it cannot be assumed that the issue will not arise here.

It is important to note also that collective bargaining deals not only with compensation, but also with other conditions of employment. It probably goes without saying that when the employment climate is sunny, there is less pressure for collective bargaining.

We observe also that bargaining typically involves trade-offs; -more pay, perhaps but also more productivity, less control over hiring, or the like (see page 43 ff.)

The committee views the possibilities as lying along a spectrum from where we are to collective bargaining fashioned after the union model. And we believe that it is well-nigh impossible to back up toward the present arrangement if any intermediate steps are leapfrogged. We suggest one small step away from the present situation, namely, "consultative negotiation".

We studied the functioning of the faculty role in University governance over the last ten years, and now recommend some changes.

The committee began with a wide range of views, yet somehow we came to agreement on this general report even though no one of us would have written the report in exactly this form.

Everyone on the committee worked hard, but there should be a particular acknowledgment of Professor Terry Tice. As Vice-Chairman, his was the task of bringing the pieces of the report together into a coherent whole.

[There should be a slight change on page xiii of the report. Since the Committee on Resource Allocation was delayed in being constituted, it could not be asked to provide its findings before June, 1972, rather than in January as indicated in the report.]

QUASI-
COMMITTEE
OF THE WHOLE

Chairman Norman suggested that the Assembly should go into a quasi-committee of the whole to discuss the report informally. There being no objection, the quasi committee of the whole was formed at 4:25 p.m. It rose at 5:10 p.m.

In accordance with the call to the meeting, Chairman Norman presented the nomination of Professor Lawrence S. Berlin to a one-year term on the Civil Liberties Board as a replacement for Professor John Stevens. He also presented a panel of two names, Dr. Paul W. Gikas and Professor T. Francis Oglivie, to fill a two-year term on the Committee on Communications as a replacement for Professor Meyer Ryder. There were no nominations from the floor, and all the nominees were approved unanimously.

OLD
BUSINESS

Under the heading of old business, Professor Meyer drew attention to the memorandum by him and Professor Kish that had been distributed with the call to the meeting. There was a slight modification of the memorandum distributed at the October 4 special meeting. He moved, with a second from Professor Rucknagel, the first proposal on the sheet as follows:

At the time the Committee approves a proposal, or at the time a proposal is submitted by the University if not approved by the Committee, a copy of the Pre-proposal Summary Form and of the 'work-statement' (as included in the formal proposal) shall be filed in the SACUA office open to the University community.

He also read the following explanatory comment:

This modifies the recommendation of the Research Policies Committee (p.6; no. 4 on summary list) as suggested by Humphries and Hood (p. 14: b). The effect is to make the supporting documents for all approved or submitted proposals available to the University community at the time when they are acted on. The Research Policies Committee recommendation applied only to funded projects at the time when they were funded. The motion seems in keeping with the intent of the Assembly resolution to make visible the effective working of the Committee.

Chairman Norman asked whether the current procedures of the Classified Research Committee included the proposed procedures. Ron Fleming, of the Classified Research Committee, replied that funded proposals, minutes of the Classified Research Committee meetings, and work-statements written by funding agencies are now being sent to the SACUA office. However, this is not being done currently with Pre-proposal Summary Forms or work-statements prepared by the proposer.

Professor Franken opposed the motion, pointing out that if a proposal is sent to NSF, for example, it is proprietary with the researcher, and is not exposed to public view until it is funded. He maintained that it was not fair to treat classified proposals differently in this regard. Professor Kish expressed some surprise, saying that he never thought any of his proposals were confidential. Chairman Norman verified, however, that agencies such as NSF do regard proposals as confidential. Professor Yagle pointed out that the Research Policies Committee had discussed the point, and did not recommend the motion that was being advanced. Professor Meyer acknowledged this, but said that he thought moving the time ahead was in accord with the sentiment of the Assembly. After some further discussion, the motion was defeated by a voice vote.

Professor Cohen asked a question about the SACUA meeting with the Regents. He expressed the hope that SACUA would pass their rejoinders to President Fleming's questions on to the Regents at the meeting.

Professor Rucknagel indicated that he was not yet through with the previous discussion, and asked if the Pre-proposal Summaries were currently being filed with SACUA after proposals were funded. Ron Fleming replied that they were not. Thereupon, Professor Rucknagel moved that the Classified Research Committee should be asked to do so; his motion was seconded by Professor Meyer. Professor Franken said that it would be capricious to pick out one recommendation of their Research Policies Committee and vote to adopt it, without considering the other recommendations at the same time. There was some further discussion on both sides of the question, but as the hour was drawing late, Professor Colburn moved to postpone the motion indefinitely, seconded by Professor Bowman. The motion to postpone passed on a voice vote.

NEW
BUSINESS

Under the heading of new business, Professor Ryder drew the Assembly's attention to the forum on classified research on November 18 being sponsored by the Committee on Communications.

ADJOURNMENT

The Assembly adjourned at 5:36 p.m.

Wilfred M. Kincaid
Secretary