

CLEARY UNIVERSITY COMMENCEMENT ADDRESS
DECEMBER 10, 2005
GIVEN BY ROBERT R. TISCH

President Sullivan, members of the faculty, board of trustees, distinguished guests, graduates, parents and families, ladies and gentlemen: Congratulations on your hard won achievement.

It is a great honor for me to participate in this commencement ceremony this morning. Thank you for inviting me. I am particularly happy to be here in part because my high school counselor, Mr. Richards, told me 42 years ago that I probably would not amount to much and I should not bother applying to college. Instead, I enlisted in the Navy and toured the world from the deck of a ship, including two tours in Vietnam. I mention this because I know that many of you also started your educational careers late or have had personal hurdles to overcome, which makes today's celebration even sweeter. Congratulations! You should be very proud.

As happy as you are, I know there is a group of people here even happier--your families. As a parent of a recent college graduate--with a job--I know there is nothing more rewarding than to see your child take on a worthy goal and exercise the ambition and self discipline to see it through. As a husband or wife of a graduate, you know the promise land is at hand. No more weekends ruined by the anxiety of tests and papers due, no more hours alone as your spouse is locked up studying, and no more scratching up the thousands of dollars for tuition every semester. For those graduates with children, you have given them a wonderful gift, a good example.

The work begun here by Patrick Cleary in 1883 and nurtured by hundreds of people over more than a century has led to this commencement celebration today. Cleary University is providing a vital role in preparing the leaders of our community. We need you. We are depending on you to solve the problems that lie ahead of us. You are the future, and this commencement ceremony today marks a beginning. It provides us an opportunity to reflect on the world that you will be encountering, and the personal qualities you will need to succeed.

As you embark on your careers, you will face new challenges. You will need to become familiar with the great issues of our time, and the implications of the policies promoted by our leaders. Unlike past generations, you will be competing with three billion new capitalists who have shed their socialist ideology, and gained access to technologies that eliminate time and distance as a barrier to economic and political participation. They will compete not only for markets, but for resources that were once so cheap, and are now so dear. In the past, the brightest people came to this country to access our tools and technology. They worked in laboratories here, and their energy and genius helped to build our country and put it in the leadership position it now enjoys. In the future, many of them will stay home because communication and the transplantation of research laboratories by multinational corporations to their home soil will enable them to do so. Their countries will be enriched by their genius, some of the technologies and know-how associated with their discoveries will stay abroad,

and the spin-off industries that have deepened our capabilities may not be created here. We will have to be sharper than ever to compete in this new environment. In the past we employed government/private partnerships to spawn the great technologies that we currently enjoy, such as the internet, computers, nuclear energy, and integrated circuits, to name a few. We opened our markets and our technology to Japan, Korea, Taiwan, and Germany following WWII and extended this policy to other countries as a strategy to win the Cold War. Now, most of our trading partners have formed their own government/private partnerships, while we have embraced a policy that keeps government out of business except with regard to taxation, regulation, and PAC contributions. Many foreign competitors have taken technology developed here and built hugely profitable industries in their countries and then insulated them from competition. For example, the South Koreans acquired the technology for making flat panel displays from a U.S. multinational company, invested the necessary money, and now completely dominate the field. There are no U.S. manufacturers of flat panel displays, despite the fact that the original technology was developed here. The Japanese Ministry of Trade is devoted entirely to protecting domestic industries and targeting foreign markets that Japanese industry could possibly enter and eventually dominate. In Europe, Airbus is a joint collaboration of European governments, an excellent example of government policy supporting private industry. Meanwhile, Boeing is transferring the new technology of the carbon fiber wing to Fuji Industries. How long will it be before another key U.S. industry flies overseas? If we want to prosper in the future, we must protect the goose that lays the golden eggs. History shows us that multinational corporations will sell the goose. We must protect our treasures, make sure the competitive playing field is as fair as possible, maintain strategic industries and technical capability, and provide opportunity for those who cannot compete at the highest intellectual level. We must remember that no matter how good capitalism and the marketplace are, they are not instruments of national planning; they are a mechanism for resource allocation among those with assets.

As productive and prosperous as our economy is, some people are left behind. Children are being brought into the world here without the resources or parental attributes necessary to assure their proper development. In Detroit, for example, about 15,000 students entered the high school freshman class in 1999 and less than 5,000 graduated in 2003. That is a 67% dropout rate. How are high school dropouts going to make a living in the United States today? Many resort to crime, as reflected in our rising prison population. We now have the highest prison population per capita in the world--about 2% of our eligible workforce, with another 2% under correctional supervision! Clearly, we must do a better job developing our youth and helping them participate in the economy. The necessity to invest in our social fabric is obvious, but it conflicts with the globally imposed imperative of lowering our social overhead, which will be one of the most important economic determinants of the coming decades. The retirement of the baby-boom generation will add to the difficulty.

In the past, less than 10% of our population was retired, but over the next 20 years the number of retired people will double. As a society we have made huge unfunded promises to the elderly. According to my calculations, our economy

will have to produce 18% more wealth per worker just to stay even, despite our population growing nearly 25% over this period. Other countries have serious demographic problems too, but nevertheless, the coming burden of social overhead will strain our standard of living. Changes will clearly have to be made in our society and in our role in the world in order to fund these obligations. We will have to reexamine our massive and disproportionate global defense posture. The U.S. spends more on defense than the rest of the world combined. We spend more on defense than Russia, the second largest spender, generates in GDP! While we spend almost \$2,000 per person on defense in this country, the other members of G-8 spend less than \$500. To solve our social problems we will have to accept a reduced role in the world, become more collaborative, and stop giving the rest of the world a free ride on our defense dollar.

Clearly we face serious challenges, but they are mostly of our own making and can be solved. Despite our difficulties, the United States is not only the best place in the world to live; it has the most desirable combination of attributes to meet the challenges of the future. We need leaders who will recognize the challenges and put forth policies to address them. Solving our problems and integrating the new capitalists into the modern world will offer you, the educated, unparalleled opportunities if you have the right combination of personal qualities.

As the external world changes, you will have to adapt and evolve to meet emerging conditions. To do so, you will certainly have to develop your inner self, which will lead you to consider the following four elements of personal success. First, your education: keep it up to date. Your graduation today is more a beginning than an end to the education process. After 33 years experience, I am still studying. Do I need it? You bet! It has inspired me. It has given me new product ideas and led me to new markets. It has expanded my horizons. Continuing your education will keep you sharp, at the forefront of your profession, and astride the changes enveloping our world. As Francis Bacon said, "Knowledge is power."

But knowledge by itself is not enough, it needs energy. If knowledge were an arrow, enthusiasm would be the force that makes it fly. One day I was attending a sales meeting in Detroit. It was during the first oil embargo and business was terrible. The company I worked for was holding a sales campaign kickoff, and the managers dressed up like Walt Disney characters--Mickey Mouse, Donald Duck, and Goofy. The grand prize of the campaign was a trip to Disneyworld, which had just opened. I was put off by the whole thing, thinking that it was childish and frivolous. I was in a dour mood, and stressed by business conditions. Then I looked up and saw above the stage a banner quoting Ralph Waldo Emerson. It said, "Nothing great was ever achieved without enthusiasm." Wow! Such a simple statement! So few words, but how profound. I looked into myself and realized that I would never become successful without enthusiasm. Enthusiasm is a portal into the soul. It radiates from a person like sunshine. Van Gogh said, "Color in a picture is like enthusiasm in life." With enthusiasm you can move mountains; without it, you are just furniture.

Over the years I have learned that to be enthusiastic you have to have two things going for you: a goal that excites you, and a plan to achieve it. As long as you are working toward a goal that expresses your inner nature, you will be enthusiastic. Just before his death, Joseph Campbell appeared with Bill Moyers on a PBS presentation regarding religion and mythology. He was asked how a person could find the right goal in life. His advice: "follow your bliss." I think if you do that, and seek the advice of successful and happy people, you will find the right track, you will be enthusiastic, and your arrow will fly swiftly towards its target.

But shooting an arrow is one thing, aiming and hitting the bull's eye is quite another. That takes skill. Education is not skill, and enthusiasm is not skill. Skill is the art of execution. It is learned by practice and it is honed by trial and error. Ironically, hard work is often a substitute for skill, and by doing the work you gain the skill. You will make mistakes, but don't be discouraged. Developing skill requires discipline, sacrifice, and humility. Trying to learn something yourself is admirable, but finding the best person in your field and becoming their apprentice is smarter. Work for free if necessary, but put yourself in the presence of a master. Learn from the best, it will be the most valuable learning experience of your life and the most direct path to success.

Finally, an arrow is not much good unless it is straight. When I was a boy, my father told stories about his Uncle Walt, who was a mortician in Navarre, Ohio. One day he took my brother and me to meet him. When we got there, I saw that he was an elderly man over 90 years old, and near the end of his life. I thought about all the friends and acquaintances he had known, who had lived their lives together in that little town and, over the years, passed away one by one. I thought about all that he must have seen, and the wisdom he must have gained. Then, just before our visit ended, he asked my father if he could give us some personal advice. I must admit as a young boy I was a little uncomfortable. He looked at us for a moment, and then he told us he had something important to say that he wanted us to remember. He said: "Your integrity is the most important thing you've got. Guard it! It's everything. Never forget it. Never lose it." I never saw him again, and I never forgot his message. Over the years I have learned that a person's integrity--their honesty and truthfulness--is put to the test every day and in many ways. Integrity requires self denial and personal discipline. In business situations, when it is lost, it is usually sold for money.

So, I will close this morning by saying to you that we face a challenging future in a changing world, but when has this not been the case? Use your considerable talents to build a better society. Maintain your education; keep it current so that you will be able to lead. Stay excited: When you love what you are doing, you will be enthusiastic and that will tell you if you are on the right track. Work hard, the more you do, the more skillful you will become. And, finally, maintain your integrity, for "what does it profit a man to have gained the world, but lost his soul?"

Good luck, congratulations, and best wishes for a successful and happy life. Thank you.

