The following text reports on my first twenty months as President of our University. As a printed brochure including the financial statements of the University for 1982, it was sent to Trustees, standing faculty, and alumni and friends who have been special benefactors.

Through this insertion in Almanac, I want to share the report with the rest of the University family.

On this occasion, I also want to congratulate all of you on your contributions, whether you make them as teachers and researchers, administrators, or members of the support staff. You have all had a part in the events I report here, and you will play a very important role in keeping Penn strong in the future.

How the University fares in the years immediately ahead will depend on how well we all do our jobs. Penn cannot thrive by shrinkage nor by being allowed to deteriorate. We must plan well and make creative use of our resources to reward people and strengthen programs. Only then will we continue to attract the very best students, faculty members, and administrative and support staff.

One of the most impressive features of this University is the dedication of its people—not only faculty and alumni, but staff members, who could take their skills anywhere but have chosen to be here.

My colleagues and I are greatly encouraged by this spirit of cooperation and the high degree of professionalism and imagination that is directed toward keeping Penn a strong, vibrant, and interesting university. We will be calling upon this dedication in the future in support of the work and the development of the various schools and units of the University.

With the highest regard for you and Penn, I invite you to share this first report.

Sheldon Hackney
I am delighted to report to you on my first twenty months as President of the University of Pennsylvania. It has been an exciting and stimulating experience and a period of measurable progress on many fronts.

Let me state a few facts at the outset upon which I will elaborate in the following pages:

Pennsylvania is financially healthy and has established sound preventive care measures to keep it that way.

Sustaining the University’s superb faculty is key to keeping Pennsylvania among the nation’s most distinguished intellectual and scientific centers. Under the leadership of a dynamic new Provost, we are building on the University’s many academic strengths—introducing curricular innovations and keeping Penn one of the most attractive places to be for distinguished scholars and talented students.

Spurred on by a set of problems facing all of higher education, this University is setting a fast pace in finding new sources of support for research, teaching, and student financial aid; gaining broader access to the best students in a shrinking market; and reaching out productively to the City, the Commonwealth, and the world.

Trustee Thomas S. Gates once applauded Pennsylvania for its “eternal dissatisfaction,” an apt phrase to describe this institution’s special capacity for looking at itself, analyzing its goals, and taking one more giant step. Indeed, Pennsylvania is a place of academic ferment, a research center opening up pathways to new knowledge on many fronts.

As Pennsylvania has grown in stature in American higher education, it has developed a strong identity characterized by a heterogeneous faculty and a student body operating at a high energy level. There is a lively interaction among Penn’s schools, centers, and departments that is unmatched in any other institution I know.

Penn’s intellectual and academic diversity is one of its great strengths upon which we plan to build in the coming decade. One objective of this administration is to draw together the University’s resources in even more imaginative ways, and to make this a more cohesive community in all of its aspects.

The University is also diverse in its human composition. It is a warm, friendly community whose members are dedicated to a high level of academic achievement. We are committed to the idea that such a community can be wonderfully stimulating and mutually supportive in working toward common goals. As a step in that direction, we have established the President’s House on campus. My wife and I are looking forward to taking part intensively in the life of this lively, exciting University.

In the course of this report, I will examine the nature of challenges facing higher education in the next ten or fifteen years, addressing them in the light of Pennsylvania’s special qualities that can be marshaled to lead to solutions.

A capsule of the good news that follows is that our faculty remains strong and distinguished as indicated by the increasing number of honors they receive and their sustained high level of scholarship and research support. Headlining the financial section* is the fact that the University continues to operate within a balanced budget and the further heartening news that our endowment invested through the Associated Investment Fund is outperforming the market.

For the future, we have established a new administrative structure that will help us look more closely and with greater clarity at the University’s short-term financial planning and long-term opportunities for growth. I refer particularly to the Academic Planning and Budget Committee, which brings together those two functions of academic planning and budgeting for the first time at this University to provide coordinated and reconciled advice to the administration. The Committee’s members are chosen for their commitment to the general welfare of the University, a spirit that allows them to act as impartially as possible in reviewing specific proposals.

The success of the new Committee’s work is linked to the insights and vitality of its chairman, the Provost. Pennsylvania is fortunate to have attracted as its chief academic officer under the President, Thomas Ehrlich.

If the University is to achieve its academic goals, it must be able to attract the best students regardless of their financial resources and it must sustain the quality of its faculty by providing competitive salaries and services. The Committee has applied itself to the issues of greatest importance in fashioning the budget—tuition, financial aid, and the compensation of faculty and staff.

Caught by the combined pressures of reduced federal aid for students, Commonwealth appropriations that lag behind inflation rates and reduction of indirect cost rates in sponsored research, it has been necessary to raise revenues through the most immediate means available to us. The 15.9 percent increase in tuition and fees to $8,000 this year, while falling about midway in the scale of other Ivy League universities, is nevertheless far more than we like to impose on our parents and students.

To compensate for the increase in student costs and sustain our “need blind” admissions policy, one that gives our student profile its distinction, we have increased our undergraduate unrestricted student aid by almost 25 percent. Finding new resources for student aid and faculty salaries has become an objective of the greatest urgency calling for creative management and fund-raising.

*The full President’s Report with text and tables on financial performance is available for inspection at Van Pelt Library and in the offices of deans, chairmen, vice presidents and directors.
It is widely believed that the greatest opportunities for intellectual and scientific advances in the near future will emerge from the interaction of traditional disciplines. Pennsylvania's special capacity to operate as "one university," stimulating teaching and research across departmental and school lines, gives it a distinctive advantage over other institutions that have remained fragmented. We are in a good position to exploit this advantage in the next several years.

Some of the programs in greatest demand today are those that integrate the management techniques of the Wharton School with those of other professions such as engineering, law, and the health sciences. Students of exceptional talent are drawn in greater numbers each year to the joint Wharton and Engineering program known as Management and Technology.

In the past year, the Law School and the School of Arts and Sciences have combined their talents to focus on previously neglected areas of national concern—the economic analysis of such complex issues as the regulation of utilities, transportation, communication, protection of the environment, and consumer product quality. Until the formation of the Institute for Law and Economics at Pennsylvania, there had been no integrated approach to the study of legal and economic analysis of these pressing public concerns.

While the University has made considerable progress in its quest to open up more educational and employment opportunities to minorities, we have more to do. There is evidence that a renewed effort is already starting to pay off. We have, for example, a higher enrollment of blacks and members of other minority groups in the Class of 1986 and an increasing proportion of women and minority-group members throughout the administrative and support staff and on the faculty. We are not yet where we ought to be, but we are making vigorous efforts and some real progress.

There has been some overlap in these University events and the celebrations of the 300th anniversary of the City of Philadelphia. The University has had a prominent role in many of the Century IV activities including a Wharton conference bringing national and international business, financial, and political figures to the City to discuss the outlook for world economics. A tribute to Princess Grace of Monaco, a Philadelphian with many family ties to the University, was held in the flag-decked and canopied Annenberg Center where we welcomed Hollywood stars, friends and relatives of the Princess, and City officials. We cherish that memory.

The first of five volumes of The Papers of William Penn was published by the University of Pennsylvania Press in time to commemorate the Tercentenary of the Pennsylvania charter. The second volume is scheduled for publication in November 1982. Penn historian Richard S. Dunn has been an editor and moving spirit in this scholarly achievement.

Rarely does a major change in our economy take place without analysis by Penn economists, or an important medical event without reference to Pennsylvania medical and health care experts, or action in the Middle East without an interpretation by one of the University's authorities on that part of the world. In technology and the sciences during the past year, there has been extensive coverage of a wide range of Penn activities including sending sunflower seeds into space to test the effects of weightlessness on growth; studies of the value of companion animals in our lives; and the growing success of our scientists who pioneered the process of healing bone fractures with the use of electricity.

These are but a few ways in which Penn is becoming better known both inside and outside of Philadelphia.
Much of the University's intensity and vitality can be consolidated in ways that will help us meet challenges head-on and perhaps even convert them to opportunities. To that end, we convened the full complement of University deans and senior administrators a year ago to start deliberations about the future of this institution. In a series of retreats, we examined the major problems that confront higher education and especially the ways they will affect Pennsylvania.

Some questions have been concerns of the academic world for several years: demographic changes, for example, resulting from the dramatic decline of the national birth rate in the 1960s and 1970s. Pennsylvania has already taken steps to counter the effects of a reduced pool of students resulting from that phenomenon by broadening its recruiting program. Yet, we must continue to explore ways to attract students of the very highest qualifications in competition with our peer institutions. (In contrast, just 25 years ago, University administrators were worrying about how to cope with the World War II baby boom at a time when faculty and physical facilities were inadequate and access to higher education had been dramatically opened up to our G.I. veterans.)

We are moving as rapidly as possible to strengthen student services through improved undergraduate counseling and tutoring, better health services, and enhanced recreational programs and facilities for student life. Penn's unified and handsomely landscaped residential campus provides a wealth of resources for almost any kind of endeavor—cultural, scholarly, or recreational.

The students use their campus intensively, selecting among some 150 different student activities. The recent renovation of Houston Hall—the first student union building at any American university—has helped draw together the administrative structure of their many organizations. The ground floor has been transformed into a mall of shops and game rooms. In the past year, the University dedicated the great West Lounge to Trustee Gordon Bodek, whose generosity helped renew and refurbish it in its original turn-of-the-century style.

In another move to improve the total environment for our students, we will soon provide a campus Intercultural Center. This will be an important step toward encouraging a closer relationship between our minority students and faculty and the rest of the University.

One of Pennsylvania's attractions is its diverse program in athletics and recreation. Not only do we field 15 men's and 13 women's varsity teams, but also an extremely popular intramural program in which more than 13,000 students last year participated on over 1,100 teams in 21 sports.

I am proud of the fact that one of the early actions of this administration was to issue a statement on athletic policy, strongly reaffirming the University's intention to sustain a broadly diverse athletic program and to compete successfully with our varsity teams. We are committed to the Ivy Agreement which holds that athletes are students first and athletes second, and that our athletes in varsity competition should be truly representative of the student body. We also restated the University's intention of providing equal opportunity for men and women in the athletic program.

Another problem being felt throughout the academic world today is the restricted job market for teachers in many fields, a condition that resulted from the great growth of the professoriate in the 1950s (to accommodate those G.I. veterans), giving us a large number of faculty in the middle-aged group now. There will be relatively few retirements in the 1980s, especially in the humanities and social sciences. The result is a marked decrease in new doctorates since 1975, reflecting the accurate perception of young people that there are limited opportunities in academic life now. Without some creative initiative, we stand to lose a whole generation of scholars.

We must stimulate a flow of new talent, new ideas, scholars of different backgrounds and different training to ask new questions. It is up to us to act aggressively to reverse this trend at Pennsylvania, and to be persuasive in seeking support for scholarly renewal.

One positive and very exciting step in that direction was made possible in June of this year when the University received a commitment of $4 million from the Pew Memorial Trust for support of our faculty in the arts and sciences. This is a highly creative grant, the largest the University has ever received for the purpose. It will allow us over the next seven years to make replacement appointments ahead of the time that retirements naturally occur, thereby smoothing the flow of new scholars into the community. We are determined to use the funds productively and imaginatively in the hope of encouraging others to follow this model of academic support.

One of the most serious concerns of higher education today is the federal government's proposal to limit the funding of research and to reduce significantly the federal funds flowing into the student aid programs. This year, the University has reallocated a large block of its own funds to offset the first round of federal reductions, but we cannot afford to do the same thing again. The cut proposed by President Reagan for 1983-84 would reduce federal student aid by about 50 percent.

Alarmed by these prospects, the University of Pennsylvania took the lead in protesting the cuts by rallying fourteen colleges and universities in the Philadelphia area.
We have attempted, with considerable success, to persuade legislators that the quality of our entire system of higher education is at stake. To broaden our effort, we are seeking the support of students, parents, faculty, and friends who may wish to make their voices heard in Washington.

Higher education is also adversely affected by the transfer of responsibilities once centered in Washington to the separate states. This comes at a time when many states, especially in the industrial northeast, are suffering economic reversals.

This University's historic ties to the Commonwealth of Pennsylvania have resulted in greatly-needed appropriations since 1903. The appropriation for 1982-83 was $22,892,000. In recent years, however, as the industrial depression has taken its toll in the Commonwealth, the annual appropriations to the University have not kept pace with inflation. This is a threatening trend to which we have been giving our concerted attention. The University is one of the Commonwealth's greatest assets: We are the largest private employer in Philadelphia, maintaining an outstanding faculty and research resource, educating some 10,000 Commonwealth residents a year, attracting major outside funding, and providing services in a range from small business counseling to human and veterinary health care.

We welcome with great enthusiasm, therefore, the Governor's recently announced plans for redevelopment of the economy of the Commonwealth, and especially the opportunity to participate in a consortium of academic, governmental, and corporate enterprises. Toward that end, we are working for closer cooperation with the State. With our Commonwealth's leadership looking increasingly to high-technology industry as the key to the State's economic future, the University's teaching and research capabilities can play a central role in recovery. By the same token, we will continue to urge a restoration of the State's support of the University at a more equitable level.

Another result of the shifting political sands and efforts to bring the national economy back to life is that universities and corporations are moving into closer relationships. Business leaders are examining how they might find and develop new technologies born of university research. At the same time, private educational institutions are looking for ways to supplement diminishing or stagnant federal funds, and they envisage university/corporate partnerships as potential sources of new research funding.

Clearly, the prospects for building such partnerships are appealing to both the academic and corporate worlds, yet each side sees prospective pitfalls. Faculties and university administrators worry about the effects of a strong shift from basic to applied research and the impact of contractual relationships with industry on the openness of research. Business managers and executives are wary of growing requests for support by higher education with no guarantee that corporate investment in university research will be productive.

To resolve some of the problems and look more closely at the opportunities, the University of Pennsylvania has organized a National Conference on University/Corporate Relationships. The Conference will be held at Pennsylvania on December 14-16, 1982. It will be co-hosted by the presidents of eight major universities—Cornell, Johns Hopkins, Princeton, Yale, and the Universities of Michigan, Washington, Texas, and Pennsylvania.

In addition, the University is exploring new approaches for facilitating contracts between its faculty and industry. These efforts involve the reformulation of guidelines for university/corporate contractual relationships which take into account the recent spate of activity in this area and the proposed creation of a new office having as its mission the promotion of joint university/corporate research.

Pennsylvania's ability to attract sponsored research funds is strong evidence of the quality of its faculty. Even as government support dropped off in certain areas between 1977 and 1981, Pennsylvania's total support continued to gain at a rate of about 12.5 percent. This is largely because of the University's concentration of research in fields of biomedicine and energy that have been favored by the government. We are now in danger of losing some of the momentum through a weakening of support of the social sciences and a decrease in the amount allowed by government agencies for indirect cost recovery.

Nevertheless, 72 percent of the faculty proposals were funded in 1982 for a total of $127 million. A few examples of Pennsylvania research in the news this year:

New diagnostic technologies being explored in the School of Medicine may lead to Pennsylvania's designation as a national center for disease detection. The technique of nuclear magnetic resonance (NMR), employing powerful magnetic fields, can reveal minute biochemical changes in living tissue characteristic of a wide range of diseases. Thus, earlier treatment will be possible. NMR provides more information than computer-assisted tomography (CAT-scanning), without the use of potentially harmful rays. CAT-
scanning, incidentally, was also pioneered at Pennsylvania.

Two Pennsylvania scientists, a chemist and a physicist, through sophisticated polymer research in the past few years, have developed a powerful rechargeable plastic battery. If it proves to be commercially feasible, its use will be important in the development of the electric car.

A team of biologists sent dwarf sunflower seeds many times around the earth in the space shuttle Columbia this year to test the proper amount of moisture for growing plants in a weightless environment. This study will lead to further testing on Spacelab I in 1983 to find out whether or not gravity is a factor in the cyclical growth of plants.

The first test-tube calf was born recently as the result of an experiment by a professor of animal reproduction at the University's Veterinary School. In the past, such procedures have been used successfully in litter-bearing animals with short-gestation periods. The experiment with a cow, however, having a nine-month gestation period, is more closely applicable to the human development period. The procedure, therefore, is expected to have important application not only in animal husbandry but also in improving the prospects for success in human reproduction where sterility is a problem.

### Private Support

In my first months as President I traveled across the country to meet alumni wherever they are concentrated. It was an exhilarating experience and one that I intend to continue, for everywhere I felt the genuine interest of our graduates in learning more about their University. Very clear evidence that they like what they hear and see is registered by their participation in Annual Giving.

This once-a-year program of support has grown remarkably over a period of eight years from a level of $3 million in 1975 to $7.5 million in 1982. In the last campaign, we broadened the Annual Giving leaders' group, renaming it The Benjamin Franklin Society, and established a new donors' group, The Founders, who contribute at the general annual level of $10,000 or more. The response was superb. The leaders' group went over the $3 million mark for the first time, spearheading the most successful year of Annual Giving history. We look for continued growth in this most valuable source of unrestricted operating support for the University.

Annual Giving was the key to sustaining private support at a level that compensates for inflation. Total voluntary support for 1981-82 was $50.7 million, with $16.6 million (including Annual Giving) from alumni and friends, $10 million from corporations, and $24.1 million from foundations and associations. Reviewing the results, Reginald Jones, Chairman of the Trustees Resource Committee, pointed out that while gifts from foundations, corporations, and associations have remained strong, there has been some loss of momentum in major capital gifts by individuals.

A key to expanding individual support will be the involvement of more alumni, trustees, faculty, and friends in speaking for Pennsylvania all over the United States and abroad. Among the immediate needs of the University for which their advocacy will be most valuable are faculty support, student financial aid, the renovation of student residences and dining facilities, and certain other hard-used and overcrowded facilities. To help achieve a stronger and more visible role for alumni in the life of the University, a handsome building in the heart of the campus has been renovated as the new Sweeten Alumni Center.

Among the outstanding major gifts made to Pennsylvania last year are new professorships created by three major national corporations to honor their former chief executive officers:

- The Sun Company established the Robert G. Dunlop Chair as a University-wide professorship to be awarded at only the highest academic levels. Appointed as its first incumbent is Dr. Edward G. Stebbins, Dean of the School of Medicine.
- Merrill Lynch & Company and former colleagues of U.S. Treasury Secretary Donald T. Regan established a professorship in English literature in Mr. Regan's name, recognizing his love of the English language. We will soon welcome a most distinguished scholar, Dr. Paul Fussell, to be the first Regan Professor. The University is gratified by this corporate support of the humanities.
- The General Electric Company founded a professorship and a center for the study of corporate management. The Reginald Jones Chair in Corporate Management is the seat of leadership of the new G.E.-supported Center for Management Policy, Strategy, and Organization at the Wharton School. Another example of Pennsylvania's talent for joining its resources to focus on problems and opportunities, this Center is the first in the country to grapple with top management concerns. It draws upon Wharton's acknowledged excellence in accounting, marketing, and finance, and incorporates related interests of the Law School, Engineering, and the School of Arts and Sciences.

The International Business Machine Corporation made a grant of $1 million to the School of Engineering and Applied Science to establish an IBM Venture Fund to be used at the discretion of the dean. Plans for the Fund already include studies of robotics which concern the use of computers in industrial production, and research into the links between computers and the human process of thought. The Fund will also help the Engineering School improve its undergraduate curriculum in computer science, an increasingly popular field of study.

A gift of $1.5 million was made by ARA Services, Inc. to found the Fishman/Davidson Center at Wharton to study the service sector of the national economy. Once again, a corporate donor has made a creative response to an important unmet need. Recognizing that today, two out of three members of the American work force are engaged in service industries, the Fishman/Davidson Center will apply itself to studying and analyzing the entire

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From English, the first Regan Professor, Paul Fussell (below) and award-winner Dierdre Bair (right). The student below in in the School of Nursing's infant intensive care unit.
enterprise to try to find ways to make services more efficient and effective.

The W. K. Kellogg Foundation made a gift of $1.8 million to the School of Dental Medicine to demonstrate, in cooperation with the University of Connecticut, the value of assessing the professional quality of general practice in dentistry. Most formal reviews of dental practice have been made in the past in hospitals or other institutions. The proposed study will be of individual or small-group practices.

Two separate gifts of $1 million each were made by individuals to establish distinguished professorships in the School of Veterinary Medicine. Mrs. William Whitney Clark, a dedicated member of the Ladies Committee of the Veterinary Hospital, founded a chair in nutrition, while Mrs. Gerard B. Lambert, a member of the Veterinary School's Board of Overseers, established a professorship in cell biology.

Another grant of the W. K. Kellogg Foundation ($584,000) will establish a Center of Excellence in Nursing and Health Care Administration at the School of Nursing. Courses in management will be offered to undergraduates and graduates, as well as to practicing nurse/administrators. There will be a new doctoral program concentrating on administration.

At the master's degree level, the School of Nursing and Wharton will offer a two-year joint-degree program.

The nation's first endowed professorship of nursing and mental health care was established in the School of Nursing this year too. The chair is named in honor of the donor, the van Ameringen Foundation.

Members of the National Association of Tobacco Distributors gave $1 million to establish the Professorship in Social Responsibility in Business at the Wharton School. The chair will serve to focus upon business ethics as a central consideration of Wharton's total program in management education.

The Class of 1986

Addressing the reality of a shrinking student pool by broadening our geographical outreach is a response that also serves the University's long-standing commitment to diversity in the student body. We are inviting our alumni, students, and faculty to help advance our objectives so that we can continue to select from among as many strong candidates as we have in past years.

The Class of 1986 upholds the standards admirably. The freshman class has all the signs of academic quality and diversity that we hope to sustain.

Our intensified recruiting efforts outside of the Northeast have brought us more students from California, Texas, Ohio, and Illinois than ever before. There is also a welcome surge in the number of foreign students—56 in the Class of 1986, compared to 26 the year before. These international students represent 22 countries in Europe, Asia, Africa, and Central and South America.

We also enjoyed better results from our efforts to attract talented members of minority groups. One hundred and forty-six black students are in the Class of '86, up from 115 last year. There were also increases among Orientals and Latinos. Seventeen percent of the entering class are members of minority groups.

Pennsylvania continues to be attractive to academically qualified women applicants. Forty-two percent of the entering class this year are women, compared to 38.1 percent last year. The increase is due in part to the greater number of women choosing engineering and business as fields of study.

Sustaining Academic Quality

The fact that Pennsylvania's name is always to be found among the leaders in attracting outside funding and scholarly honors is no accident. For one thing, our faculties are strongly motivated toward self-support. Perhaps a side-effect of being relatively underendowed is that our scholar/teachers have become more creative in the quest for funds.

Coupled with their ingenious entrepreneurial style, however, is a pride in teaching, the essence of their enterprise. Under the aegis of the Provost, we are in the process of reassessing our teaching throughout the University, finding new ways to reinforce strengths and reward and honor outstanding performances.

The appointment and promotion of faculty members is based on a series of rigorous reviews that begin at the departmental level, then go to the schools, and finally to the Provost's staff. At each stage there must be convincing evidence of excellence in both scholarship and teaching.

Among recent outstanding additions to the faculty from other institutions are those of Paul Fussell and Marc Nerlove.

Dr. Fussell, who was named the first Donald T. Regan Professor of English, is widely known as a critic and as an author of seven major books. For his contributions, he has received the National Book Award, a National Critics Circle Award in Criticism, and the Award in Literature of the National Academy of Arts and Sciences.

Dr. Nerlove comes from Northwestern University where he held the Cook Professorship. He is widely known and honored for his work in microeconomics, econometrics, agricultural economics, and human resources. In 24 years of teaching and research, he has held positions at the Universities of Minnesota, Chicago, Yale, and Stanford. His acceptance of this position at Pennsylvania is a credit to the caliber of our faculty in economics.

Awards are the marks of a faculty's distinction. This year, nine members of the Pennsylvania faculty received prestigious Guggenheim Fellowships. Only two other institutions have more winners. About the time I arrived on campus, Dr. Lawrence Klein won the Nobel Prize in economics. Within the past year and a half, two faculty members have been elected to the Royal Society of London for Improving
Physical Renewal

A number of physical changes have been made to renew or expand teaching and research facilities on campus in the past two years. One of these is the new Veterinary Hospital of the University of Pennsylvania, a four-story, $16.5 million structure that has been called a model small-animal care facility.

Ours is the only veterinary school in the Commonwealth of Pennsylvania, training seventy percent of all veterinarians practicing here. As a part of the University's Medical Center, the School participates in a large and active biomedical research community, sharing many of the same interests and disciplines as the medical faculty.

The University was wise to have persuaded Dr. John Cebra, an outstanding immunologist, to come to Pennsylvania from Johns Hopkins two years ago. He was asked to attract leading teacher/investigators in emerging specialties of biology.

Appropriate space was our single most important concern. We are now completing the second stage of a two-phase renewal of the Leidy Building to be our main teaching facility; meantime, the Trustees have approved construction of a new building to accommodate our extensive plans for research.

As the physical renewal of biology moves ahead on target, staff changes are being made, adding faculty in areas of emerging importance—molecular genetics/developmental biology; cell physiology, and ecology/population genetics.

We are looking forward to the dedication of the Wharton School's renovated and enlarged headquarters building early in 1983. Those faculty members and students who have been transplanted to other parts of the campus for over two years during construction will especially welcome the dramatic new space and new look of Dietrich Hall. A magnificent gift of $4 million from Wharton alumnus Saul Steinberg made possible the addition of an entirely new front section to the building, housing two large lecture halls, and a skylighted atrium and reception area. This new section will be known as Steinberg Hall.

The renewal and new space were urgently needed because of Wharton's dramatic expansion in recent years. In addition to enrollment growth, 27 years of constant use and changing requirements had made the building obsolete. While applications to some schools of the University have slowed up in the national trend, those to Wharton continue to rise in both numbers and quality. With our new facilities, we will be all the more competitive with the other leading business schools in the country to attract and hold faculty members distinguished for their teaching and research.

Renewal of University Hospital is on schedule and the present phase should be completed in the fall of 1983. Nine areas of the Hospital's five buildings are being renovated and modernized. One new section is already in service—the Short Procedures Unit where we expect some 4,500 surgical procedures to be performed each year.

Pennsylvania has been known over the years for its strength in the Romance Languages, its expertise in South Asian Studies, and its distinguished Department of Anthropology. Only in the past two or three decades, however, has the University as a whole achieved recognition for its international dimensions. Today, under the able leadership of Dr. Humphrey Tonkin, Coordinator of International Programs, Pennsylvania conducts at least 40 teaching and research programs in cooperation with other institutions in more than 25 countries, and is exploring many more ways to expand its international outreach. Some of these programs are limited in scope, others are extensive, including student and faculty exchanges.

Looking Ahead

Last year, we began again the process of studying the University's comparative educational advantages, its opportunities, and the directions in which we expect to move in the coming decade. Our deliberations have centered initially on six topics: the further development of undergraduate education; reassessment and reaffirmation of the importance of graduate education in the preparation of scholars, teachers, and professionals; a strong commitment to minority presence among our students, staff, and faculty; sustaining the strength of research; developing high quality programs in continuing education; and building a stronger partnership with the City of Philadelphia.

Out of the original discussions evolved a set of preliminary planning directions for the immediate future which were presented for discussion to the entire University. The result has been a stimulating and productive colloquy. We are now sifting and refining the many new ideas and constructive suggestions for implementation. The next step will be the development of a strategy for the coming decade to inform the more detailed thinking that must be an everyday part of our normal operations. I have issued an agenda statement on that subject this fall.

This is a great University. With careful planning, I believe we will find ways to focus our energies and resources on those things we do best. In that way, the University of Pennsylvania will continue to grow in stature and distinction.