Kevin Duffy, Associated Students of Colorado School of Mines

Good afternoon. I’m Kevin Duffy, president of the Associated Students of Colorado School of Mines and it is my honor to welcome all of you here today to the 2009 William H. Erickson lecture, featuring our distinguished guest and speaker former Colorado Governor Bill Owens.

Thanks to the generosity of Justice Erickson and his wife Doris, this lecture series provides the Mines community with an opportunity to explore a rich array of topics in areas including leadership, ethics, education, economics and international relations – all of which are of critical importance to us as future scientists and engineers.

Justice William H. Erickson is a 1947 Colorado School of Mines alumnus. He went on to earn his law degree from the University of Virginia. After practicing law specializing in the trial of complex cases, he was appointed to the Colorado Supreme Court in 1971. He served as Chief Justice from 1983 to 1985. In 1990, he was awarded a Colorado School of Mines Distinguished Achievement Medal and in 2002 the school recognized his extraordinary lifetime achievements with an honorary Doctorate of Engineering. We are very fortunate this afternoon to have Justice Erickson with us today, accompanied by his son Steve who is also a Mines alumnus. Please join me now in recognizing the Ericksons for making this lecture series possible and for their continuing philanthropic support for this great institution.

We are also privileged to have many other special guests with us this afternoon including members of our own Board of Trustees, our Foundation Board of Governors and President Bill Scoggins. Thank you all very much for coming here today. And to the many students, faculty, staff and valued alumni here today, welcome to what promises to be a very exciting event.

We are honored that Governor Owens accepted our invitation to be this year’s William H. Erickson Distinguished Lecturer. We are delighted that he is here with us today to share remarks he has titled, “An Optimistic View of Our Tough Times.” Mr. Owens served as Governor of Colorado from 1999 through 2007, during which he was reelected by the largest margin in Colorado history. During his two terms, Governor Owens was committed to improving Colorado’s transportation infrastructure, reforming education, and lowering the tax burden on Colorado families and businesses. Named the best Governor in America by a National Review cover story, Owens was elected by
his peers to serve as chair of both the Western Governors Association and the Republican Governors Association. The Governor earned a master’s degree in public affairs from the University of Texas and his bachelor’s degree from Stephen F. Austin State University. Prior to his election as governor, Owens served as state treasurer for four years and previously was a member of both the Colorado House of Representatives and the State Senate. He also served on the board of Colorado’s Public Employees’ Retirement Association pension fund.

Bill Owens is currently a principal in JF Companies, a Denver-based land development fund. He also serves on the board of Key Energy Services, Highlands Acquisition Corporation and FESCO, a Russian holding company. He is also a senior fellow at the University of Denver’s Institute for Public Policy Studies. We are privileged that he will share his insights on the state’s current economic situation and his outlook for the future. After his remarks have concluded please feel free to make your way up to the microphone stands for a brief question and answer period. Ladies and gentlemen, it is my honor to introduce Governor Bill Owens.

**Governor Bill Owens**

Thank you very much, Kevin. It is my honor and pleasure to be here. I appreciate so much what so many people do for the School of Mines and for the State of Colorado. I see members of the board here – President Scoggins, Mike Nyikos, Jim Spaanstra, David Wagner – and people like Wayne Murdy who have done so much for the Colorado School of Mines Foundation. Mines is truly a jewel in Colorado. Wherever I travel either in my current business involvements, which are primarily energy and minerals related, or as Governor in the past, I hear about Colorado School of Mines and I want to thank everybody who has made this school so much a part of what’s special about Colorado.

As I was walking in today, President Scoggins asked me what it is like to be out of office, after 24 years of service as an elected official. I told him a little story that I will share with you. A few weeks ago I was driving to the mountains and before I got onto the interstate, I stopped to get some gasoline. After pumping my own gas, I went inside to get a soft drink for the drive. The gentleman behind the counter looks at me as if he has perhaps seen me somewhere before. After all those years as governor, it’s still not unusual to be recognized. So, I go over to the counter to pay for my purchase and he says, “Hey, has anybody ever told you that you look a little bit like our ex-governor?” And I say, “Well, yes, as a matter of fact they have.” So he says, “I bet that makes you pretty angry, don’t it.”

As Trustee Frank DeFilippo, who served with me in the House of Representatives in the 1980’s, will attest – it’s good to have served and be proud of what you’ve done – and it’s good also to move on.
In 24 years of elective office I learned at least one important fact: When it comes to public policy, there’s a huge gap between perception and reality. I saw it in issue after issue, and I still see it in how the news is covered. There is a bias toward the negative, toward the problem, toward the failure, with almost no coverage of success. Michael Prouse of Britain’s *Financial Times* recently wrote, “The United States has a much worse reputation than it deserves. Commercial television and movies present a grotesquely distorted image of modern American life. The tendency of foreigners to bash the United States is encouraged by the very openness of the American society which ensures that every possible vice – from political corruption to low test scores – is paraded before the world. Other countries try to hide their sins in the interest of progress. Americans take a delight in exposing theirs.”

Today I am going to try and put these tough times in perspective and tell you why I’m an optimist, although I certainly am feeling many of the same economic challenges that you are. My retirement portfolio is largely in equities and that means it’s been down about 40 percent since July and August. I am on the board of Key Energy, which is North America’s largest well servicing company, with 800 drilling rigs. I’m largely paid for that board service in stock, which was at $20.00 in July and this morning was at $3.81. I am active in a Russian infrastructure company which operates the second largest railroad in Russia. Thirty percent of our rolling stock is idle today. At our last meeting in Moscow the board voted to not accept a salary as a way to encourage savings and efficiency throughout the organization. I tell you this so you know that I feel some of the same economic challenges that you do.

When I tell you I’m an optimist, it’s not because I’m not feeling the pain. Yet it is amazing how much attention we pay to those who predict doomsday is just around the corner. Incidentally, this is not a new phenomenon. In 1980 an official United States government report, Global 2000, commissioned by President Jimmy Carter predicted how the world would look in the year 2000. It was described at that time by *Newsweek* magazine as follows: “The year is 2000 – a desolate planet slowly dying of its own accumulated follies. Half the forests are gone. Sand dunes are spreading where fertile lands once were. And man is propagating so fast his cities have grown uninhabitable.”

This report – which does not describe the year 2000 I remember – cost a million and a half dollars. It sold millions of copies; it was shown on broadcasts around the world; it was widely believed; it was printed and translated into eight foreign languages – and it was incredibly wrong.

Some of you who were in college as I was in the 1970s may well remember the Club of Rome’s 1970 report, “The Limits to Growth.” Those of you who are too young to remember it should look it up on Google. This book was essentially required reading in
most college classrooms in the 1970s. It explained to a world audience that “lifeboat earth” was so weighted down with people that we were running out of food, minerals, forests, water and energy – in other words, just about everything necessary for human survival.

Stanford biologist Paul Ehrlich also wrote a best selling book in 1968, *The Population Bomb*. It is still recommended reading in college classrooms, even though it just isn’t true and it isn’t going to come true. Ehrlich, for example, gave England a 50/50 chance of surviving until the year 2000 in that best-selling book. He wrote that “the battle to feed humanity is over. In the 1970s, hundreds of millions of persons will starve.”

These reports and books are all widely read, widely commented upon, widely believed, and widely wrong. Oddly, many of the very areas about which we are most pessimistic are the very areas where we are improving the most. I’m going to go through quite a bit of data and I’ll welcome any critique and challenges later when I will be glad to attempt to answer your questions.

In regard to the environment, if we asked Americans today how are we doing in terms of improving our environment, most would say the environment is getting worse. Yet – in fact - we’ve had stunning improvement in the environment over the last 40 years. In regard to food, most Americans would think food is getting more expensive. Actually, by almost any historic measure, food is cheaper today than it has ever been in the history of the world. The risk of dying in an accident or natural disaster is down by 66 percent over the last 50 years. Most people think that houses, cars and consumer goods were all better made in the good old days, but in fact cars today are far better than they were. Our houses today are better by almost any measure than the houses I grew up in during the ‘50s, ‘60s and ‘70s.

I’ve won two bets in recent years based on this difference between perception and reality. About five years ago, I was speaking at the Aspen Institute in its summer forum series, attended by 400 to 500 people from all over the country. After I had spoken, we had a dinner party for many of the speakers, and at this dinner a gentleman who lives in Aspen said that it’s a shame how we are losing our forested areas across the United States. Since I had had reason to delve into this in recent years, I told him that was simply not the case. In fact, we have more forested land today in the United States than we did in 1900. There are more trees today in the United States than there were in 1900. Now, I know about four-fifths of you probably disagree with this assertion, but I encourage you not to bet me on this! Now this gentleman I was speaking with is a multi millionaire, so I told him I would bet him a thousand dollars that I was right. He took the bet and when I got back to Denver, I sent him four or five citations proving my point. He conceded I was right, so he set the money aside, but of course he couldn’t pay me while I was governor, and unfortunately I haven’t run into him since to collect!
The second bet was in the heat of the 2004 presidential campaign and the assertion was made by the Colorado Sierra Club that “under Governor Owens and President Bush the air quality in Colorado was the worst it had been in decades.” I called the reporter who wrote the story and issued a challenge to the Sierra Club. I offered to bet them a thousand dollars – with the winner getting to pick a charity to receive the donation. They wouldn't accept the bet because, in fact, they were very wrong. In 1970, Colorado was in violation of today’s clean air standards more than 150 times in that single year. In recent years we have been in violation about once a year. That’s how much better air quality is today in Colorado than it was in the 1970s. The Sierra Club, of all groups, should have known these facts, but in my view it was simply trying to make political points in a political year.

I started my business career with a “Big 8” accounting firm on the consulting side. I always encouraged our clients to not just feel or think or assume, but to measure - examine the data, look at the numbers. So I’m going to share with you a few numbers in some widely diverse fields today in order to make my point that things are in fact getting better. I’m going to start with something that is dear to all of us, and that’s children.

**Children Mortality, Infant Deaths:**

It is amazing how quickly we have improved as a country in regard to children’s mortality and infant deaths. In 1986, 31 children out of every 100,000 children aged 5-14 would tragically die in an average year. By 2004 that mortality rate had been almost cut in half to 17 per 100,000. That’s almost a 50 percent reduction in less than 20 years in children’s death rates. That’s incredible when you think about how long we’ve been on Earth and how quickly we’ve been making progress. Dr. Kenneth Hill, a professor of public health at Johns Hopkins, recently wrote that “in the developed countries of Europe and North America, the probability of dying before your first birthday has fallen in modern countries from as high as 200 per 1,000 to less than 10 per 1,000 in this century alone.”

**Health:**

A child born in 1900 could expect to live to be 48. A child born today can expect to live to be 78. The Center for Disease Control says the U.S. death rate is at a record low. Yet, most Americans are not aware of this data. Most Americans think that cancer is increasing because it hits all of our families, but in fact it’s decreasing dramatically. In regard to heart disease, the death rate has been cut in half just since 1960. These are huge improvements – yet we don’t really know much about it. We don’t see this data in our newspapers, magazines or on television.
Education:

Two hundred years ago only 5 percent of the world was literate. Today it’s 82 percent. In the United States in 1920, only 20 percent of the population was comprised of high school graduates. Today it’s about 90 percent. In 1900 about 5 percent of college-age people could go to college. Today it’s about 35 percent.

Environment:

I talked a little bit about air quality earlier. Nationally, air quality data since the 1970s shows that all six major air pollutants are down significantly: sulfur dioxides down 58 percent; nitrogen dioxide down 27 percent; ozone down 30 percent; carbon monoxide down 61 percent; lead down 97 percent. Emissions per capita are down by half since 1960. And the energy use and conservation numbers are similarly remarkable. Energy usage per output of GDP has been cut in half since 1960. A lot of times I’ll hear the statistic that the United States makes up 5 percent of the world’s population but we use 25 percent of the world’s energy. Actually, the United States not only uses 25 percent of the world’s energy but we account for about 25 percent of the world’s GDP. So while Americans may only represent 5 percent of the world’s population, we produce a quarter of the world’s goods. In regard to water pollution, according to the Council on Environmental Quality, in 1961, 30 percent of the U.S. drinking water was declared poor and undrinkable, or not safe to drink. Today it’s 5 percent. Since 1980, organic waste going into our public waters is down 46 percent, toxic organics are down 99 percent, and toxic metals are down 98 percent. In 1972 only 36 percent of our U.S. rivers and lakes were safe for swimming and fishing. Today it’s 84 percent.

Food:

I talked earlier about how food is more affordable today than it used to be, and it is…since 1950, world food production per acre has doubled and food prices have fallen by 50 percent. A falling price of any commodity means there is more of it relative to the demand. There is significantly more food available today for the world’s population than we had in 1950 or 1960.

Poverty:

The Economist magazine reported in a recent issue that 135 million people have emerged from destitution in the world in the last five years. It also noted that there are twice as many fast-growing countries in 2005 as there were in 1980. Two of the big success stories are China and India. In the 1990s alone, 200 million people emerged from poverty in just those two countries alone.
Why aren’t these facts better known – whether you are liberal or conservative or a Republican or a Democrat? Why don’t we know more or feel better about the real progress we are making in fighting disease and improving the environment?

We should be extremely proud of our progress and we ought to be talking more about it, because it’s a combination of the public and private sector actions that made these things occur.

I think there are two primary reasons why we seem so predisposed to the negative. The first is the press. Bad news does apparently sell – but apparently not enough to save many of our newspapers. I’ve seen time after time how good reporters, who are fighting to get their story into the newspaper or onto the front page, are encouraged to exaggerate the negative. Negative stories sell better to editors and to the public than does the good news that I have outlined here today. I know some of the reporters will disagree with me on this, but I have 30 years of experience in working with public policy and the press. I have dealt with many reporters, most of whom are good and honest people, but this is simply how I believe the system in actuality really works. Scandal and outrage sell. Competence and caring don’t.

We have all seen stories about John Thain, the former CEO of Merrill Lynch, who recently spent more than a million dollars remodeling his office. While this was certainly an example of bad taste and avarice, how many of you saw any stories from around that same time reporting that Bloomberg’s chairman, Michael Bloomberg, current Mayor of New York, last year gave $233,000,000 to charity? Shouldn’t there be at least similar coverage of how some of our good corporate executives operate? That’s my critique of my friends in the press. There isn’t any balance between these sorts of stories. Reporters are directly competing with each other to “make” a story, and it shows in the pervasive conflict, negativity and problems we constantly see on the front page and on television.

The second reason for the almost absolute triumph of the negative over the positive in our society is the role of interest groups and politicians who are – in a very symbiotic way – supported by and support these special interests:

For example:

- The American Association of Retired Persons (AARP) does not either attract new members or gain congressional votes for more money for the elderly by saying that the elderly are better off than ever before. They say that seniors are under attack, that they are being taken advantage of, and that they are being cheated. And the reporters all too often accept these assertions as fact, and banner the
negative on the front page. The AARP cannot get new members by saying that more seniors are doing relatively well, that many seniors have good healthcare, and that many seniors are living longer and more fulfilling lives than ever before.

- If you ask the Sierra Club, they are going to tell you that the environment is bad and getting worse. They don’t get members or publicity if they say the environment has been dramatically improving over the last 30 years and that air and water quality are the best in generations.

- If you ask unions, the workplace is worse than ever – a hostile environment.

- College professors will say that they are overworked and underappreciated, while college presidents will tell you their colleges are under-funded – and sometimes they are. But often they are not. Yet there is always the perception that funding is being cut.

Everyone has a complaint. And the complaints get repeated and exaggerated by the press. Each of these groups – and thousands more – are competing to get their bad news out to the public via generally willing reporters and editors – all enhanced, repeated and embellished by a 24-hour news cycle, cable news and talk radio.

As I told you earlier, I am an optimist. But I am very concerned that in a democracy – where we are literally governed by each other – what happens if most of us in this self-governing democracy don’t know the real facts? If the facts aren’t understood, then we will make the wrong policy choices. The fact is that there is, and has been, dramatic improvement in virtually every area of public concern, and most of our systems (private and public) work pretty well.

The challenge is that virtually nobody knows it or believes it because we have all become so skeptical, cynical and jaded. But since I am an optimist, I will end on an optimistic note by attempting to answer an obvious final question: If things are getting better, the question is why have we seen such dramatic improvement in living standards and the environment since the second half of the last century?

I think the answer is fundamental to our understanding of how to improve the world. I think the answer is the rise of markets which have been nurtured by the dramatic increase in freedom and democracy around the world. The Wall Street Journal put it best just last week in a long piece entitled, “Freedom is the Winning Formula.” For 15 years, the Wall Street Journal and the Heritage Foundation have published an index of economic freedom. They measure freedom in more than 150 countries and compare it to prosperity in those countries. According to the Wall Street Journal, there is strong evidence that those countries with the freest economies do the best job by providing
prosperity to their citizens. The freest countries have ten times the income of the least free countries. The freest top 20 percent of countries have twice the income of the next freest 20 percent. In the Journal’s words, “freedom and prosperity are highly connected.”

Yet today it is actually controversial in some quarters to suggest that a major tenet of U.S. foreign policy should be to promote freedom and democracy around the world. I think we should – in our own self-interest. But we are told that “nation-building” doesn’t work, that democracy is not appropriate for all, and that there are people who actually cannot be trusted to govern themselves. Some people say that entire continents cannot be trusted to govern themselves. I disagree with that. I think that all people are capable of governing themselves. And I think it is in our national interest to encourage democracy and freedom around the world.

I remember great Americans from the political left of center who would disagree with the assertion that we shouldn’t care about freedom and democracy. Men like Franklin Roosevelt and Woodrow Wilson and John Kennedy, who spoke eloquently on the need for the United States to promote liberty and democracy abroad. Yet today their words are largely forgotten in terms of the debate on why the United States should really care about freedom.

The reason we should care about freedom and democracy is that free and democratic nations are far more prosperous than those which are not free, and democracies do not wage war on each other. It is true that there has never been a case where two democracies have gone to war with one other. So, it is in our self-interest to encourage freedom around the world – both for the economic gains which will result, as well as to build a safer world.

The answer to a more peaceful and prosperous world is not very complicated – it is right before us, in concepts that have been critical to both the U.S. and the world’s success. If we really want peace, we do not need a Peace Institute. What we need are more democracies. I am an optimist because I think that markets, freedom and democracy have proven themselves and will continue to do so even in the challenging market conditions of today.

My political hero is a gentleman named Edmund Burke. Edmund Burke was a member of the British Parliament in the 1770s when the debate over American independence was taking place. Almost alone among those British members of Parliament, he stood up for our rights as Americans and argued on our behalf that Americans should be given the same rights as other British citizens. It was dangerous for him to do so – dangerous to his livelihood, dangerous to his political career, and dangerous even to his life. His friends asked him why he was doing it – why was he waging this lonely battle
on behalf of Americans who could not even vote for him or support him in any way? Critics told him to be quiet, that there was nothing in it for him. And Burke said something that it is as important to remember today as it was when he said it back in the 1770s. He said, “All that is necessary for the triumph of evil is that good men do nothing.”

I just want to thank all of you for being such great men and women and for being such a great audience.