FOCUS

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Unconventional thinking can change the world

Two more Tepper School faculty receive Nobel Prize for Economic Sciences

On Oct. 11, 2004, Finn Kydland and Edward Prescott were awarded the Nobel Prize in Economic Sciences. Kydland is a Tepper professor of economics and Ph.D. alumnus. Prescott is a Ph.D. alumnus and former Tepper faculty member.

The pair was recognized by the Royal Swedish Academy of Sciences in Stockholm for "their contributions to dynamic macroeconomics: the time consistency of economic policy and the driving forces behind business cycles." With this honor, Kydland and Prescott became the fifth and sixth business school faculty members to receive the Nobel Prize in Economic Sciences.

Prescott earned his Ph.D. from Carnegie Mellon in 1967, and returned in 1971 as an assistant professor. Kydland, who earned his bachelor of science degree from the Norwegian School of Economics and Business Administration in 1968, came to Carnegie Mellon in the early 1970s as a doctoral student in economics. It was the only Ph.D. program he applied to.

Kydland recalled, "I was incredibly lucky to be a student at Carnegie Mellon. I came from a business school environment; exposed to research as even an undergrad." At Carnegie Mellon, "the lack of boundaries between disciplines and focus on research training—and the focus on learning to write papers early on—really fit my background and interest."

Prescott, too, has good memories as a student at Carnegie Mellon. In addition to the multidisciplinary program, "when I was there as a student, there were many excellent minds." Among others, he points out Allen Newell and Herbert Simon, two academic luminaries who contributed to the formation of academic disciplines such as management science, computer science and artificial intelligence. (Simon received a Nobel Prize in Economic Sciences in 1978. "The freedom and lack of required courses was key," he said. "It was forward-looking. There was an enthusiasm in the teaching of MBAs."

Having high-caliber people was seen as an asset by Kydland, too. "It was important that the business school had such mavericks as Bob Lucas, John Ledyard, Mort Kamien, David Cass and Ed Prescott. [It was] just a great collection of people who, to some extent, did non-traditional stuff."

Of course, that Kydland and Prescott would meet was inevitable. Prescott became the chairman of Kydland's dissertation committee. Eventually, Kydland graduated and took a teaching position at the Norwegian School. Prescott remained at Carnegie Mellon. Nonetheless, the two would team up again, and again, resulting in the two collaborations lauded by the Nobel Prize committee.

Actually, the first of the collaborations had its roots in Kydland's dissertation. So, beginning in 1974 (a year after Kydland received his Ph.D.), Kydland and Prescott got together in Bergen, Norway, and they worked on the time consistency problem. Their paper, "Rules Rather Than Discretion: The Inconsistency of Optimal Plans," was completed in 1975 and published in 1977.

The collaboration examining the driving forces behind business cycles began in the late '70s. At the time, Prescott was still teaching at Carnegie Mellon and Kydland returned as an associate professor of economics. The resulting paper, "Time to Build and Aggregate Fluctuations," was published in 1982.

In both collaborations the researchers had awakenings of sorts; realizations that what was presumed wasn't necessarily so.

Prescott described it in his Nobel Banquet speech, Dec. 10, 2004: "One of the great joys of research — whether it be in economics, physics, chemistry or any other academic discipline — is the act of discovery, those moments when we are surprised by what we have found, when our original ideas are turned upside down and we suddenly have to rearrange how we view the world. This is precisely what happened to Finn and me when we were working on the two papers for which we have received this award."

> **"The freedom and lack of required courses was key," Edward Prescott said of Carnegie Mellon. "It was forward-looking. There was an enthusiasm in the teaching of MBAs."**

Both papers, as a result, provided insights into economics that contradicted the predominant views of the time.

From Kydland's perspective, "In some sense, the most important thing is we came up with research important enough to build on and is affecting future researchers. And, if it's the case that these ideas affect government policy, in the end it ought to benefit society as a whole."

Kydland is modest. The work he and Prescott accomplished has had significant ramifications. Among other things, their research helped establish macroeconomics as a scientific discipline.

Prescott explained, "Methodology Finn and I developed allowed you to use theory to answer questions." Because of this, "Economics has become a more unified science. Before, macro was separate; it's not anymore. Tools developed for macro are having implications in all fields."

Susan Brimo-Cox

—for the Tepper School of Business

Economists critique "Ownership Society"

This is the first part of an article by Espen Henriksen, Ph.D. candidate in economics in the Tepper School of Business and Stephen Spear, professor of economics in the Tepper School

Well before he received the Nobel prize in Economics, Finn Kydland was famous for asking students, co-authors and seminar speakers what he called the 'question question': what economic question are you trying to address in this work? We think the American people ought to be asking the current administration this question about their plans for the so-called "ownership society."

In the debate over simultaneously privatizing Social Security, cutting taxes and reducing intergenerational transfers we think the central question ought to be whether the administration's policies will make Americans better off. Even though this is the key question in the debate, very few commentators have even bothered to ask it. The few who have bothered to pose it have avoided answering it, generally on the grounds that the question is too complex.

We don't believe this. Economists have been working for almost 50 years with a class of models — known as overlapping generations models—to study issues like Social Security and to examine how different economic policies affect society's well being. So, in this article, and a follow-on article next month, we will try to explain how economists use these models, what the models entail, and what they say about the various policy proposals under consideration.

Overlapping generations models, as the name implies, look at the economic interactions between people who were born at different times, but who co-exist contemporaneously. As in the real world, new generations come into the market after childhood, while older generations, who have been living in retirement, eventually die out. At any point in time, then, there will be cohorts of different ages alive and interacting in the economy.

That people differ in their economic characteristics by age is apparent when you look at things like income and wealth of households at different stages of life. The data show that young households just starting economic life earn about a quarter of what they will eventually earn when they reach the peak-earnings years between 40 and 50. Thereafter, earnings typically decline some until retirement age, at which point households must survive on their retirement savings, or, if available, income from socially provided pension programs. You see a similar pattern with wealth, except that it tends to continue increasing after age 50 until well into the retirement years, when it starts to decline as assets are drawn down to fund retirement living expenses.

Predictably, very young households start out borrowing to finance things like education, or large durable purchases like houses, but very quickly start to save, primarily through pension accumulations on the job. By middle age, households are actively saving, and this saving is then used to fund consumption spending in retirement.

To understand the economics of how the different generations interact, we need to look at the transactions that take place as households save for retirement. Most of us think of saving as putting money in the bank, but the bulk of all saving actually takes place through pension plans at work, or via individual retirement accounts funded from individual payroll deductions. Most of this saving ends up invested in stocks or bonds through the mutual funds that manage the pension plans. These funds purchase securities from people who had money invested in them, but now need to cash this money out. The primary life-cycle motive for first investing in assets, and then cashing them out is the basic need to fund retirement spending. So, from an overlapping-generations perspective, the basic economic transaction is one in which younger, working households buy assets currently held by today's retirees, who need money to live on.

Private saving is only part of the picture. In addition to the transactions that support private saving, the U.S. also has an active Social Security system. Social Security levies taxes on individuals while they are working and uses the revenues to pay benefits for retirees. In exchange for these taxes, current workers are entitled to receive Social Security benefits when they retire. So, while Social Security does represent a redistribution of income away from workers to retirees, this redistribution is compensated later in life in the form of Social Security retirement benefits. Currently, the annual payout from Social Security is around $500 billion.

The Social Security income redistribution isn't the only one at work in the U.S. economy, however. We can identify another substantial set of income transfers at work that actually benefit younger households, which are paid for through taxes levied on older, wealthier households. These benefits for the young and middle-aged households include the deductibility of home mortgage interest, the deductibility of property taxes (which largely support public education), exclusion of employer contributions for health care and insurance, direct federal support of public education at both K-12 and post-secondary levels, together with various education-related tax deductions, standard deductions for child support and direct child care credits. In 2004, these expenditures amounted to about $315 billion. Add to this another $170 billion that the states spend to support their public university systems, and we get a total benefit of $485 billion that society provides to younger families as they get started.[1]

While it is difficult in the complex world of public finance to trace exactly which taxes are being used to pay which subsidies, we can invoke what economists call the

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The Drama senior class has assembled a vintage pin-up calendar. This full-color, 13- month calendar is printed on high-quality, glossy paper. Buy one for home, the office or even a gift. The calendar is currently on sale in the Purnell Center for the Arts box office and coat check. You may also purchase the calendar by e-mail. Please contact cmushowcase@yahoo.com to arrange a sale by mail. Sales from the calendar will support graduating student travel to both New York and Los Angeles to intersect with the theatre, film and TV worlds. Showcase programs give graduating students from all disciplines an opportunity to meet agents, casting directors, producers, directors, designers, playwrights and other established working professionals. For more on the Drama School's Fund Raising Program see: www.cmu.edu/cfa/drama/showcase/

Letters and Comments

Response to "Faculty Fence"

In the last issue of Focus, the first of our new "Faculty Fence" items appeared, in which "Backbencher" argued that he is not a policeman but a researcher and teacher. As such, he does not feel responsible for involving himself in issues of student cheating. We've received the following reaction:

Backbencher's idea is that it's "a lot of work" to deal with cheaters in his class. I say you are failing your students and those who will be harmed later by the cheater's actions. People really need to learn from the consequences of their actions. We have a society of litigation and non-acceptance of fault that allows people to say, "It's not my fault" too often, even as adults. Your actions are a reflection of yourself — if you decide to cheat now on a homework or test, what will happen down the road when you are designing a bridge, or buying construction material or negotiating for workers' salaries? The student who cheats now will believe they got away with it, and continue to do it until caught. The penalty now might be a failing grade in a class — a painful lesson, but not fatal. The penalty later could be much worse. Think about the things your students will be involved in post-college — isn't it possible that you could be causing more problems later, to save yourself some "work" now?

To the administration that has made it this much work to deal with cheating: I believe you are sending an unclear message. While I would never want a student unfairly accused of cheating to have no recourse, I also would not want the professor to feel like their hands are tied. Perhaps this should be reexamined to see if there is any way to streamline the process, while allowing all sides to have an avenue to appeal any decision?

Call me Obligated to Society.

MARYBETH GRIFFIN

Software engineer, ACIS

Dear Editor,

I was disturbed by the photo and caption on the back page of the last issue of FOCUS that "assumes" that the Carnegie Mellon campus community was embarrassed and saddened by the re-election of George W. Bush. That assumption must not include the opinions of many unspoken conservatives who do live and work on campus but do not feel a need to paint the side of a building to tell everyone so. I believe it is not a common sentiment as you have portrayed it.

MELISSA STOEBE

Communications Design Group

Dear Editor,

I used to really enjoy getting my issue of FOCUS, until today. I turned to the back page and saw what Brian Connelly wrote about the graffiti done to Wean Hall following Election Day and took offense to his article. This is an example of someone taking advantage of his editorial status to express his own political belief. It would have been enough just to say there were some unhappy voters on this extremely liberal campus following the election results, but he went too far. There were more Bush supporters on this campus than you'll know, but we kept a low profile for fear of retaliation from the left. I personally know quite a few people who were harassed for their political beliefs on this campus, me being one of them. I am tired of being the silent majority; let me say that again MAJORITY! President Bush won the election and he won pretty big, which speaks volumes to the people who live in this "God's Country." And I thank God every day for my freedoms and for proving to me that there were more than enough intelligent people in this country to make the right choice on Nov. 2. For those whose candidate lost the election, all I can say is that I sympathize with you and I know how you feel. I felt the same way eight years ago when Bill Clinton won his second term. I hope everyone who threatened to move to Canada does just that. Oh, and you may also want to pack more than your "Kerry lost his bid for president" T-shirt, it gets cold there! It doesn't matter who your God is, this is still One Nation under God!

TRACY FARBACHER

Administrative associate, CSD Education

P.S. I'm the same person who won for the most patriotic door during your contest (FOCUS, April 2004), although your photographer didn't read all of the statements on the door. My door is a tribute to our brave men and women in the military and President Bush.

Dear Editors,

Thanks for memorializing "Sorry World" in FOCUS. I'll probably frame it. I'm sorry I missed this in real-life.

MO DAWLEY

Senior librarian for art and drama

Dear Editor,

As a member of the Technical Staff at the SEI, based in our Washington Office, I consider myself a member of the CMU community. I enjoy getting my copies of FOCUS as I find it interesting and it gives me insights to what's going on back on campus.

While I understand that many of the articles in FOCUS express the opinions of individual members of the Carnegie Mellon community and are not necessarily representative of university policy, I was disappointed to see the half page article on the back of the December issue of FOCUS entitled "Blue State Special." Regardless of the outcome of the recent presidential election, I do not feel that either the United States or Carnegie Mellon owes the world an apology. We exercised our democratic electoral process in this election, a process of which all Americans, regardless of their political opinion, should be proud. I feel that the publication of this article and the accompanying photograph was a disservice to the integrity and impartiality of the university.

I just wanted the opportunity to express my opinion on this issue to you.

E. TERRENCE DAILEY

Technical staff, SEI

Managing editor's note

This is my last issue as managing editor of FOCUS. I've had a wonderful time doing this job since 1994 and I'm grateful to all the kind and interesting people who gave their time to answer questions or let me follow them around with a camera.

FOCUS at its best has a reputation as a solid read for anybody in, around or interested in Carnegie Mellon. I wish all the best to Lynn and the future of the paper.

BRIAN CONNELLY

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Links between university and family radio show include Fifth-Year Scholar Program

Saturday Light Brigade finds new home at WRCT

Around two years ago, Larry Berger began thinking about the future of the Saturday Light Brigade. Berger, the creator and longtime host of the popular Pittsburgh Saturday morning radio show, noticed a growing disconnect between his show and the format developing on WYEP community radio, the show's home since it began in 1978.

The Saturday Light Brigade (SLB), with its slogan of "acoustic music and family fun" didn't seem to fit with the "adult acoustic alternative" (AAA) marketing format, which had come to dominate WYEP's programming. Berger's show, with its homey feel, corny sound effects and word games, is just not alternative in any hipster sense. On the Saturday Light Brigade, Berger and his wife, Rikki Berger, play songs like "If I Were a Moose" and "You're My Little Potato," while taking calls from families at breakfast and little girls who want to play violin on the air. WYEP had cut Berger's show ending at 9 instead of 10 a.m. Berger felt the show was missing a large portion of its audience that tuned in after 9 a.m.

Berger began casting about for a new home. After considering several options, the SLB board hit on an unlikely host — Carnegie Mellon's student station WRCT. Best-known for ear-splitting punk, industrial and free jazz programming, WRCT has also over the years hosted a blend of news and talk shows.

For Berger, it was a bit of a homecoming — he graduated from CMU in 1983 with an engineering degree. "We fit right in," he says. "It's like I never left."

SLB's biggest problem now was reaching its audience. WYEP has a powerful antenna whose signal can easily reach Butler County. WRCT can sometimes be hard to pick up clearly a mile away in Squirrel Hill.

Trying to work around the problems, SLB got lucky twice. First, the Pittsburgh Children's Museum on the Northside was expanding into the old Buhl Planetarium building and, working with the museum and several Pittsburgh foundations, SLB was able to attract money to build a state-of-the-art station in the basement of the new Children's Museum.

And to make it happen, Berger was fortunate to find two CMU students with an interest in radio. Andrew Widdowson, an undergraduate in materials science, and Matthew Theis, an ECE student who manages WRCT.

Along with solving the problem of broadcasting the show from the Northside by piping the signal to WRCT's transmitter via digital phone lines, the two also attacked the problem of WRCT's limited broadcast range. Their unique solution was to broadcast WRCT's signal in mono during the SLB show, greatly expanding the range of the signal.

When the new studio opened this fall, the Light Brigade and Carnegie Mellon announced that they would be partners for a year-long Fifth-Year Scholars Program internship for Widdowson, in which he would provide technical assistance to SLB while exploring ways to expand the relationship, such as work-study positions and internships.

Berger has lots of ideas for the show in its new home — using the children's stage next door for music or creating a kind of "on-the-air' coffee house. But wherever the show goes now, Carnegie Mellon will go with it.

BRIAN CONNELLY

Listen to the Saturday Light Brigade Saturdays from 6 a.m. to noon on WRCT 88.3 FM. Check out all the news on the show and the new recording station at www.slbradio.com/.

Why not do away with tenure?

I'm scheduled this spring for a periodic review of activities and plans, an "opportunity for reflection and career planning" that is undertaken on a rotating basis for CIT senior faculty members. This is my 30th year at Carnegie Mellon, and my second such review. The process seems to me to be a pretty good idea — as described in an overview document, the review encourages reflection and long-term planning, and it fosters real communication between college administrators and senior faculty members.

My reflections on positive and negative aspects of my CMU career and thoughts about what I have and have not contributed to our university have reminded me of my changing perspective regarding the institution of tenure. Like some of my colleagues, for a long time I seriously questioned what, other than job security for the highly educated, is accomplished by tenure. I was skeptical of the merit of the standard answer that it protects free speech and, more broadly, "academic freedom." At least in a technical field like mine, is there really any danger that I will be kept from expressing my thoughts and pursuing my ideas? The "political correctness" of my research interests in electromechanics and microfluidics doesn't really seem like a divisive issue. So, at least in engineering, why not do away with tenure and base our employment upon reasonable criteria of job performance in research, teaching and service? Is it simply that, when other universities of our stature grant tenure, we can't hope to attract the best candidates if we don't do the same? I think not.

Through my largely negative perception of administrative styles that are widely viewed as "successful," I've decided that much would be lost, even in engineering, if we were to do away with tenure. The health of a university with a system more like the industrial model, where long-term job security is directly tied to positive performance assessments, would be strongly linked to the vision and wisdom of the administrators who render those assessments. What is "productive" in the short term can be corrosive in the long term, particularly in a place where vitality comes from breadth and depth of understanding across a wide range of pursuits.

An example of the sort of situation that motivates my concern with administrative good (or bad) judgment is a college wherein a high level "leader" refers to senior faculty members as "losers" when they do not share his visions. When a highly entrepreneurial style, coupled with a bullying mentality, leads to a narrow view of winning and losing, I believe the long-term health of our enterprise is endangered. We become like a country whose leaders see a preemptive war as an "easy" opportunity to reshape the world according to their own narrow visions, with only disdain and contempt for contrary opinions.

So I've decided that tenure has considerable merit, even in an engineering college — it provides a means for people with visions that differ from those of administrative bullies to occasionally say the truth out loud. I think that shelter from intimidation matters a lot in an organization that values things beyond big budgets and good publicity.

Relatively few tenured faculty members take advantage of the freedom I describe. Perhaps this is a good state of affairs — if we all simply complained all the time, our university certainly would not be healthy. But it seems to me that some occasional serious questioning, particularly from those who are deemed "losers," can be healthy and can affect the views and actions of even the winners. I find some inspiration in the words of journalist Bill Moyers, which I think apply to universities as well as to countries:

"Nations, like families, can die of too many lies. The founders of our republic knew this and gave us the First Amendment so America would be safe for second opinions that challenge official lies ... Because all of us are capable of deceiving ourselves, each of us needs a personal First Amendment operating within. It would protect the quiet, fragile voice that occasionally rises uninvited to say, 'That's just not so. That's not the truth.'"

JIM HOBURG

Professor of Electrical and Computer Engineering

Do the numbers add up for the Ownership Society?

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"benefit principle" to determine who should be paying which taxes and receiving which benefits. The benefit principle states that whenever possible, taxes for public expenditures should be levied on those individuals who most benefit from the expenditure. The simplest example of this principle at work is the way taxes on gasoline are used to pay (at least in part) for road construction and maintenance. For the issue at hand, the benefit principle would have us ask what compensation the relatively young beneficiaries of these subsidies ought to be paying, and when. And here the answer seems to be clearly that these subsidies and lost revenues from tax expenditures should be paid for by the same families who enjoyed the benefits, once they are in a position to do so, which is to say, when they reach their peak earnings years in mid- to late-middle age.

So, we see that the economic reality in the United States today is one in which the government is using its tax powers to move income around between various age cohorts in the economy, either through Social Security or through the subsidies to the young. This is obviously not the privatized ownership economy that the Bush administration envisions. What would it take to move the U.S. economy to the President's vision? Clearly, privatizing Social Security is one step. Another step has already been taken, in the form of the tax cuts of 2001-2, which the President now wants to make permanent'– and which will have to be matched by spending cuts to keep the federal budget deficit from becoming a serious threat to the economy.

These tax cuts have been widely criticized as benefiting people in upper income brackets, but the fact of the matter is that these are the people who pay the most taxes. If you look at the age composition of the families in these top income and wealth brackets, you find (not surprisingly) that they are older, either retired and living off their assets, or near retirement and at the peak of their lifetime earning ability. Cutting these taxes means that implicitly, the government is no longer taking in revenue to support the various programs benefiting younger families. It isn't surprising that when you look at the federal budget deficits over the past several years, they are in the same ballpark as the subsidies enjoyed by younger families. For 2004, we've seen that federal component of the subsidies was around $315 billion. The federal budget deficit for 2004 was $412 billion.

We'll come back to the question of how important a balanced federal budget is in a later article, but let's assume for now that fiscal responsibility requires that the budget be balanced, at least on average. The question then is how should this be done? Here, the benefit principle suggests strongly that the cuts will have to come from the programs that benefit relatively younger families, since we have already cut the taxes that should be supporting these programs. We might, of course, ask whether it's possible to make cuts elsewhere in order to keep these programs intact, but the numbers paint a bleak picture.

Seventy percent of the federal government's budget is essentially untouchable, accounting for the Social Security and Medicare/Medicaid programs, which the President has said will not be cut except at the margins. In addition there is the interest on the public debt, and funding for the Defense Department. This leaves 30 percent of the government's $2 trillion budget, or about $600 billion of discretionary spending from which to cut.

We might argue that cutting funds for defense would allow us to maintain the subsidies we provide for younger families. Aside from the fact that this probably isn't feasible in the post-9/11 political environment and that we are in the middle of a war, this proposal also violates the benefit principle, since the whole country benefits from the protection our defense apparatus provides. We can obviously propose cutting the $315 billion from the $600 billion discretionary portion of the federal budget, but this means cutting to the bone for everything from the National Park Service to NASA to the National Science Foundation and dozens of other valuable activities. And it violates the benefit principle, since these programs benefit society as a whole. The only thing that doesn't violate the benefit principle is to cut the subsidies for young families, compensating them by letting them keep the income they will earn during their later middle-age years and the wealth they accumulate along the way. This, of course, is the final step needed to move the U.S. economy away from its structure of taxes and subsidies, and toward the President's ownership economy vision.

So, with this description of the administration's vision and the current reality, we come to the central question: which form of economic organization will make Americans best off?

Economic theory unambiguously tells us that the clearer the link between current social security contributions and future claims, the less they will be perceived as taxes and rather as savings and therefore reduce any inefficiencies the tax might induce. Isolated from the totality of the current administration's proposals, this element might be laudable. To evaluate the full impact of the economic reforms, however, we need to make use of the appropriate analytical tools available to us in the overlapping generations models.

The version of the overlapping generations model, which has served as a workhorse for economists looking at these issues, is one in which households are economically active for two 20-year periods and then spend one 20-year period in retirement: youth, middle-age and retirement. The model is dynamic in the sense that in each period, a new generation of young households becomes economically active, while the previous retired generation dies. The assumption that households are active for three long periods simplifies calculations in the model, but is detailed enough to capture the fundamental economic differences between households of different ages.

Since the real world has productive assets, we need to include these in the model as well. Since asset prices and dividends and, to a lesser extent, interest rates and wages move randomly in the real world, we also need to take account of risk in the model, by including uncertainty in the movement of these economic parameters.

So, what does this model say about the central question?

Economists characterize economic outcomes in their models according to a criterion known as economic optimality or efficiency. An outcome is optimal if it isn't possible to find a different outcome that makes no one in the economy worse off and makes at least one person better off. With this definition, then, we can recast our basic question by asking which of the scenarios we've laid out here — the ownership economy or the economy with active government taxes and transfers — leads to optimal outcomes.

Our workhorse model actually captures both of these scenarios. If we define an economic equilibrium in the model as one where supply and demand forces are in balance, then we can show that the model has two such equilibrium outcomes.

One of the equilibria of the model is the *laissez-faire*, the equilibrium without any government. The other is an equilibrium in which government taxes and transfers redistributed income between cohorts. We believe the impact of the administration's policies will clearly move us in the direction from the latter toward the former. What we would like to know is whether one or the other of these equilibria is better. One difficulty in answering this question, though, is the fact that even as simple as the workhorse model is, actually calculating the equilibrium of the model is quite difficult.

We can simplify the calculation problem considerably by looking first at a version of the model without uncertainty. In this version, we can say which is the better equilibrium, but it depends on where you start. If we start at the tax-and-transfer equilibrium, moving to the ownership equilibrium will make the middle-aged generation at the time of the change better off. They will stop paying the taxes that support subsidies to the young households. Thereafter, though, all subsequent generations are worse off.

On the other hand, if we are initially at the ownership equilibrium, then moving to the tax-and-transfer equilibrium will make all subsequent generations better off, but only at the expense of the old at the time of the change. This is again because the tax-transfer equilibrium requires that the relatively better-off, old generation transfer income to the young.

So, we seem to have something of a standoff here: starting from either scenario and changing to the other benefits some generations, but hurts others. It would seem then, that for the model without uncertainty, both outcomes are efficient.

When we re-introduce uncertainty in the model, a couple of interesting things happen. First, calculating what happens in the ownership equilibrium becomes too complex for pencil-and-paper solution. Rather, we have to resort to numerical methods and work with simulations. When we do this, we find – at least for the examples we have studied this way – that the ownership equilibrium is no longer optimal, while the tax-transfer equilibrium is. The reason for this has to do with the risk that households face when prices, and dividends move randomly.

In the ownership equilibrium, retirees bear a lot of risk because the value of their savings and investments changes when prices do, and they have no way of insuring themselves against these market fluctuations. Young households, on the other hand, have low consumption spending because they need to put more of their resources into saving to compensate for the risk they will face later.

The tax-transfer equilibrium makes everyone strictly better off, by using the income redistribution to allow households to insure each other against fluctuations in prices and wages. This insurance isn't perfect, in the sense of eliminating all risk, but it does minimize it. And, because the old now bear less risk, they don't need to save as much to maintain living standards, and this makes resources available that can increase the consumption of both the young and middle-aged households.

So, we have an answer to the question. To the extent that we believe what our models are telling us, moving from where we are now to the President's vision of the ownership economy will, in the end, make everyone worse off. If we do indeed make this move, our models predict that economic life will become more difficult for young families, in terms of home ownership, financing education, maintaining health insurance and caring for young children. Economic life will get better for people in their peak earnings years, since they will be allowed to keep more of their wealth. Retirees will have more resources available on average, but will face higher risk of having the value of their pensions eroded if they happen to retire when the market is down.

[1] The estimates of the federal tax expenditures are from the "Estimates of Federal Tax Expenditures for FY 2001-2005" prepared by the Joint Congressional Committee on Taxation. Data on direct federal spending on education are from the Department of Education's Web site. Data on State expenditures on higher education are extrapolated from the Census Bureau's report, "State and Local Government Finances by Level and Type of Government: 2000-2001."

Mother's grief leads her to combat gangsta lifestyle

The last time Debra Germany Morrison saw her son he was lying on a hospital table, naked, riddled with bullets, and half-zipped into a body bag. It is a painful image for her to recall, but one that she wants others to see and learn from.

"It's a place that you don't ever want to be, that you don't ever want your mother or your father to be," Morrison tells a group of children and teens who have gathered for a peace rally in a mining town south of Pittsburgh. "That's what a life of selling drugs will get you. It will cost you your life."

Wearing an oversized, spray-painted T-shirt with a larger-than-life portrait of her son's face on the front of it, Morrison paces the stage of the Monessen Recreational Center. More than 30 students and parents have gathered on a recent Saturday afternoon to talk about the growing dangers of drugs and street crime in the area. She points to an easel holding a large color picture of her and her son in happier times.

"That's my Ray, my one and only," says Morrison, who by day works as an administrative assistant at the Software Engineering Institute. "It's not easy for me to get up here and tell my story but I do it, because it is necessary. I do this so that you can make better choices in your lives — ones that choose life and not death."

Since the night of her son's murder more than three years ago, Morrison has tried to reconcile a painful truth: that her son was a drug dealer and would not break free from the life of crime that started when he was a teenager. Despite her struggle to raise him as a single parent and to get him on the right path, Raymond Germany was murdered in an apartment building in the city's Hill District on July 9, 2001. Just 23, he was shot seven times during what police have described as "a drug deal gone bad." To date, no witnesses have come forward and the murder remains unsolved.

The loss of her son has changed Morrison's life irreconcilably; leaving a place of grief that she says can never again be filled. Still, through what she credits to a deep faith in God, she is able to transcend her pain by spending her time outside of work combating violence and crime in Pittsburgh neighborhoods.

In speeches to youth in schools, churches, and community events in the region, Morrison describes the series of events that eventually led to her receiving a call to come identify her son's body at the hospital. By telling her story, she says, she hopes to use her son's life as a lesson for inspiring others.

"I do not want my son's life to be in vain," she said. "These kids are getting mixed up, thinking the gangster lifestyle is glamorous. But it's not — it's a trick. It's a dead end."

More than three years ago, when attending a prayer vigil for a recent series of killings in the city, Morrison met another mother, Valerie Dixon, who had also recently lost her only son to violent homicide. Instantly bonding in their grief and in their frustration that no witnesses had come forward, the two decided to do something about it.

The answer came in the form of Divine Intervention Ministries, a non-profit organization the two mothers co-founded to end violence in Pittsburgh, support families

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Bob Kail assesses the first semester in Qatar

Freshman at Carnegie Mellon University in Qatar recently wrapped up their first semester, completing the first recorded grades for the university's first overseas undergraduate class. Bob Kail, associate dean for academic and student affairs at Carnegie Mellon University in Qatar, answered a few questions about this newest student body and life in Qatar.

Q: How does this class compare with incoming freshmen at Carnegie Mellon Pittsburgh?

A: As many of the students here have not taken SATs, we had to use a different set of measures and criteria and for most we implemented assessment tests in Math and English that were both developed in Pittsburgh.

We have three faculty here who are long-time Carnegie Mellon Pittsburgh faculty, so we have a pretty good idea: John Hooker, who has taught the Introduction to Business class several times in Pittsburgh, insists that the students here are comparable to the students in Pittsburgh, he taught the same program and the performance results were similar. Jacobo Carrasquel has taught the Introduction to Programming course for many years back in Pittsburgh and while he says that it takes longer for the students to absorb the material here, ultimately their understanding is the same. Darleen Everhart, like her colleagues, also taught the same course as she did in Pittsburgh and her class passed with probably the same distribution of grades as those achieved in Pittsburgh. So faculty maintain that standards are the same here; they teach the same classes with the same set of grading and exams.

I think there are certainly differences but the bottom line suggests that they are as up to the challenge as their fellow students in the US.

Q: How did students fare in the first semester at Carnegie Mellon University in Qatar?

A: On average their grade point was a quarter of a point, to half a point lower than their fellow students in Pittsburgh after the first semester. However, we only had two failures out of 203 grades (from a base of 41 students who take multiple courses), which comes in at a remarkable low of about 1 percent.

Q: How did the university go about accommodating the cultural needs of this class?

A: Students here come to us like students from the Pittsburgh campus with a mix of backgrounds, but the diversity is more profound here. We have had to adjust some of our courses accordingly such as our calculus course and our English course, but essentially all of our courses are regular, approved Pittsburgh courses. We are small and as such are able to react to need.

The religious aspect makes the biggest impact. We have prayer rooms available for students, and during Ramadan (the Islamic holy month of fasting), we condensed the class schedule. In Pittsburgh, you typically have a late afternoon break, but here the break is over lunch. We eliminated that break so students could go home earlier.

Q: What kinds of classes are you offering in the spring semester?

A: Basically we are running a total of 10 courses in the spring semester for 41 students.

In addition to their required courses, students have a choice of three electives, in history, English and economics/math, depending on their major. We have a wonderful distribution of our 41 students enrolled in these courses. In the history course, 18th Century European History, we have 13 students; in our English course, Effective Interpersonal Communication, we have 22, in our economics course, Principles of Economics, we have 20, while in our math course, Concepts of Mathematics, we have 23.

This time last year we thought we would be offering just five courses, so we have effectively doubled our anticipated course offering.

Q: What activities have the students undertaken?

A: Our student government is up and running – they held elections the second week of the fall semester. Since then the students have hosted several dinners for the campus community, there have been a number of charity fundraising events and movie night takes place every Thursday.

If we look at the percentage of students who are involved in these activities and compare it to the Pittsburgh campus, our students are really involved here. While some events might just get 20 or so students, this is in fact 50 percent of our student base and back in Pittsburgh we would be happy to get 2-5-10 percent participating in anything!

Q: What have been some rewarding moments for you while in Doha?

A: I think the fact that we ended our first semester with the same number of students as we had when we started the semester. I would be devastated if we lost any of our students — with such a small group we have a lot of personal involvement so I would take this pretty personally.

What should not be overlooked is the bravery of this first class of students. Over half of our students here are Qatari who have chosen a co-educational, western education. They are trendsetters and none of us knows how their journey will end.

by Lisa Kirchner, director of marketing and public relations for Carnegie Mellon University in Qatar.

From the Faculty Senate Chair

Faculty Senate hears president's State of the University

On Jan. 10, President Cohon presented the second of his 2004/05 academic year, State of the University addresses to the Faculty Senate. The following is a summary of his six main points with my occasional interspersed comments.

Undergraduates: Undergraduate applications are staying above 14K but the yield from admitted students remains lower than desired (24 percent). The president restated his ongoing concern about our inability to improve diversity on the campus. Matriculation of minorities has remained unchanged or widely variable over the past three years. The president also presented these numbers and concerns to the campus during the Martin Luther King Day celebration. Of additional concern is the downward trend in the number of women (40 percent to 37 percent) in the entering classes over the same period.

International Graduate students: While we continue to have good international representation in our graduate training, there has been a precipitous drop in international graduate applications over the past year. This is a national phenomenon and though we are doing better than the national average as reported in some areas (CIT dropped 21 percent compared to an engineering drop of 36 percent nationally), it remains a concern. Of greater concern are the reasons for the drop. The perception of a harassing environment for foreigners in the US and restrictions of free flow of information through Export Controls is not conducive to inviting foreigners to participate in our research enterprise. The president noted these and other possible reasons for the drop in applications and described his involvement in a number of national efforts to understand and possibly change the current environment.

International Programs: The president reported on the progress of the first class at the Qatar campus. Thus far, the benchmarks suggest that everything is going well both academically and socially in a culturally mixed environment. All of the indicators, from academics to student organization and student affairs, suggest we are making the experience for the students at Qatar as similar as possible to a "Carnegie Mellon experience" as possible.

The expansion of our efforts internationally is a concern not only of the faculty but also of the president and trustees. The president described the initiation of a plan to build an International Strategy. To examine the question of what we have as well as what we should be doing and where, the president has organized four committees to look at the globalization of Carnegie Mellon: Education (the impact on the needs of the students in Pittsburgh, co-chaired by Indira Nair and Dick Tucker), Research (chaired by Duane Adams), Regions of Special Interest (chaired by Paul Goodman) and Benchmarking Other Universities (chaired by Lisa Krieg). The timetable for this review is for the committees to report by the end of March, for a committee headed by the provost to integrate the input and seek comment from the campus community, for a position/strategy paper to be developed for campus review, and then discussion and approval by the trustees. These are timely efforts to address the concerns voiced by some about the effect that expanding off-campus research and educational activities might have on our ability to deliver the "Carnegie Mellon experience" to those on the Pittsburgh campus.

Sponsored Research and Space: The president reported on the impressive growth of research dollars from $188M in 2001 to $281M in 2004. The building of the Gates Building with the generous gift from the Bill and Melinda Gates Foundation and the as yet unnamed "Cliffside" building will allow some expansion to accommodate the expanding research efforts, but they will also put pressure on other sectors that must be relocated to allow for the expansion.

Capital Campaign: The president reported on the Capital Campaign in very optimistic ways. The "Silent Phase," which formally ended on Dec. 31, was well ahead of projections and set a very positive tone for the next phase. Even without the David Tepper and Bill and Melinda Gates Foundation gifts, donations grew at a rate that projected success in Phase I. Noteworthy was the tremendous generosity of the trustees in Phase I with a 346 percent increase in donations just in Phase I over their total commitment to the previous Centennial Campaign. A conservative projection of the completion date for the campaign is June 30, 2008.

Administrative Reorganization: Finally, the president reported that there would be announcements forthcoming describing some reorganizations of the upper administration of the university. There has been significant pressure on the administration since the departure of our previous CFO and many individuals have had to take on additional duties. With input from an outside consulting firm, the core management group of the university has developed a reorganization plan that will be implemented in a series of steps to be announced. As a note of follow-up, the first of the changes was announced on Jan. 13 with the appointment of Deborah Moon as CFO.

As a postscript, I encourage everyone to attend these opportunities to hear the president summarize the variety of issues of importance to the campus. As several people mentioned after President Cohon's presentation, it is refreshing that he is willing to put the issues out there and include both the positive and negative points. Many of these issues such as diversity, globalization of Carnegie Mellon, research and overhead rates, freedom of information and use of space are topics for discussion in the Senate. Join the discussions.

— Submitted by William Brown, chair, Faculty Senate

Corrections to Benefits Information

An article in the December 2004 issue detailing the Benefits Open Forum included some inaccurate information. Here are the corrected answers:

Q. If I do nothing at Open Enrollment, will my 2005 selections default to my 2004 selections?

A. Yes, but we encourage review of your 2005 elections as some pricing has changed.

Extended Leaves

Q: What are the long-term disability/family leave requirements?

A: These two leaves are related. Long-term disability is for those people who are out of work/disabled for six months or more (using their short-term disability first). The administration reviews each case, as they are usually very specific circumstances. Nancy Papernick handles these cases. Many situations are unique, except for maternity leave. FMLA allows 12 weeks on a 12-month rolling calendar basis (you must have 1,250 hours of work to qualify) and runs concurrent with short-term disability. You would use short-term if you are out up to six months.

Long-term disability must be approved; you cannot automatically slide from one into the other. FMLA is for health care issues for yourself or dependents. It is best to discuss your situation with Nancy.

Life Insurance

Q. If I want to obtain life insurance for more than two times my salary, am I required to see a physician?

A. Only life insurance elections over $200,000 require Evidence of Insurability (EOI), a short medical questionnaire. Our life insurance company, Minnesota Life, will send the EOI to you directly at your home. Once completed by you and returned to Minnesota Life, they, at that time, determine if further action by you (like seeing a physician) is required.

Identification Numbers

Q. Why do we need to use social security numbers? Is there another way to identify issues?

A. All of Carnegie Mellon's benefit plans have eliminated the use of social security numbers (SSN). If your ID card displays your SSN, contact that plan to request it be removed.

Costs for Modifying Coverage

Q: I would like to know the costs associated with modifying my health insurance options, such as changing individual to spousal joint coverage.

A: Employee contribution costs are all listed in the 2005 Benefits Workbook available on the Human Resources Web site at: http://hr.web.cmu.edu Click on the link to Open Enrollment. The Workbook can be found under the Open Enrollment Information Center.

Tuition Benefits

Q: Who should I contact about getting into a Carnegie Mellon academic program part time?

A: Contact the Admission Office to get the process started. Once you've been accepted into a program, complete the Tuition Remission Application, available on our Web site, http://hr.web.cmu.edu, and submit to the Benefits Office, Whitfield Hall.

Benefits Negotiations

Q: What is the lag time between finalizing the contracts and presenting benefits materials to staff? Especially in years where there are significant changes (e.g. UPMC's increase to a $250 deductible and $15 co-payments) it would be helpful to lower-paid staff to have a longer lead time in which to make household budget adjustments.

A: Due to the timing of when we get information back from our carriers, our rates and plan details are usually not finalized until mid to late September. The reason we get data so late is that we need to have rates that are based on our experience and we wait as far into the year as possible so that we can maximize the credibility of the current year's experience.

Unfortunately, this schedule doesn't leave much time to prepare and distribute communication pieces before Open Enrollment. We do consider it an issue and in the upcoming calendar year our plan is to get information on benefits out to employees on an on-going basis throughout the year using such vehicles as the quarterly Employee Perspectives and the monthly Benefits Bulletin, along with our HR Web site.

Reimbursement Accounts

Q. Could one spouse use their reimbursement account to pay for something for the other spouse?

A. Yes. An employee can enroll in the Health Care Reimbursement Account at Carnegie Mellon and use those monies for eligible expenses their spouse may incur.

Q: Who determines what is reimbursable through the reimbursement accounts?

A: The Internal Revenue Service. They have made some changes, opening up the purchase of some over-the-counter medications.

For information about what is reimbursable, go to the following Web site: myshps.net. You will be required to enter a password (which is your date of birth), and ID# (which is your social security number).

If you find you'll have a balance near the end of the calendar year, spending those extra dollars on eligible over-the-counter (OTC) medicines can help reduce or eliminate any remaining balance.

You may put aside up to $3,000 in your account for medical, vision, co-pays or deductibles. This money is not federally taxed.

Another Food Drive Success

Kris Hutchings (CSD Education), the Food Bank driver, Ed Pikula (ECE) and Ron Delfine (Heinz School/MISM Career Services) take a break from loading the non-perishable items collected in Carnegie Mellon's 11th Annual Food Drive sponsored by Staff Council.

THANK YOU to all who participated in Carnegie Mellon's 11th Annual Food Drive sponsored by Staff Council, which was held November 1-12. It was a great success! A total of 4,720 pounds of non-perishable items were collected and donated to the Greater Pittsburgh Community Food Bank, as well as $785 in cash, checks and Giant Eagle certificates.

In what has become an annual tradition here on campus, we all came together to help feed the hungry in our surrounding communities, ensuring those less fortunate than all of us will have an enjoyable holiday season. It's important for us to remember, though, that people in our communities are hungry *year round*, not just at this time of year. In fact, the Food Bank is open all year, and donations and volunteers are always needed. For more information, visit their Web site: www.pittsburghfoodbank.org/.

Special thanks goes out from this year's Food Drive Chairs, Gloria Dadowski, Tara Klim and Carole Panno, to all those who contributed food or participated in any other way, including building reps, business managers, raffle prize donors, campus vendors and the 2004 Food Drive Committee:

Kenya Dworkin, honorary faculty chair, Lori Bell, Kathleen Bossick, Jason Bugg, Barbara Bugosh, Jacqueline Cushion, Judy Cvejkus, Ronald Delfine, Lindie Droulia, Avis Johnson, Kristoffe M. Hutchings, Janice Kusmierek, Carol Lee, Jamie Lehneke, Ai-Chi Liu, Erin Lovas, Katya Malkin, Jay Marano, Edward McAfoose, Dawn Ordons, Nicole Pavetti, Amanda Perkins, Edward Pikula, Audrey Portis, Kim Provenza, Jean Smarto, Cassandra Stanley, David Reinoehl and Ginnie White.

Did you know?

Staff Council and Human Resources have partnered to offer staff and faculty free exercise classes. Employees can take Low-Impact Aerobics (Mondays), Pilates (Tuesdays), Total Body Workout (Wednesdays) or Tai Bo (Thursdays). All classes are held from 5:30 - 6:15 p.m. in Whitfield Hall.

Classes have already begun, but you may join at any time. See http://hr.web.cmu.edu for more information or to download the required Registration & Release form.

Facilities Open Forum March 10

Have a question about campus space issues? Campus construction projects? Then mark your calendar for Staff Council's Facilities Open Forum being held at noon Thursday, March 10, in the Peter, Wright and McKenna Rooms (University Center, 2nd floor).

Marty Altschul, university engineer, Chris Gabriel, vice provost and CTO, and Russ O'Lare, special projects planning analyst will be the guest speakers.

You may send questions in advance to jbugg@cmu.edu. Questions may also be asked at the Forum.

Mother combats gangsta lifestyle

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who have lost loved ones to homicide and encourage those who have witnessed crimes to come forward to police. Both Morrison and Dixon run the organization in their spare time, offering prayer vigils, holding press conferences about recent murders and helping families to get resources such as grief counseling. Since its inception in 2002, the organization has grown to include more than 70 families and has sponsored a variety of crime prevention initiatives.

The work of the organization has gained considerable attention among city officials, many of whom now partner with Divine Intervention Ministries to support its many services. The Pittsburgh Bureau of Police, District Attorney's office, Center for Victims of Violence and Crime, and CeaseFire PA (an anti-gun initiative which includes the Goods for Guns Program) are just some of the group's collaborators. In addition, the ministry recently joined forces with the City's Homicide Unit and Cold Case Detective Squad, a partnership that will help to bring more unsolved homicides to closure.

Because many homicides involve gang members or are committed as part of an illicit activity, many victims' families are unable to obtain the witnesses necessary to bring a murder suspect to trial. Although retaliation crime is a rare occurrence in Pittsburgh, a "code of silence" on the streets prevents Morrison and Dixon from bringing many homicide cases to closure.

The group's proactive response to this is its *Prevent A Crime Before It Happens* billboard campaign, which features the photos of unsolved murder victims and advertises a $5,000 cash reward for anonymous tips leading to the arrest of a murder suspect. The billboards have been featured on the *John Walsh Talk Show* (John Walsh is the host of *America's Most Wanted*) and have lead to similar campaigns in Youngstown, Ohio, and Philadelphia. The billboards are also available online through the organization's Web site (www.divineinterventionministries.org), which provides a feature for users to submit tips anonymously. To date, the billboard campaign has resulted in four homicide arrests and eight drug arrests, as well as taking several guns off the street.

The group's billboard campaign and several of its planned activities for 2005 require significant support from the community, Morrison said. Although they receive some money from the city and Allegheny County, more is needed to make a bigger impact.

Morrison said she hopes to raise significant funds for this year's activities at a fundraiser set for February 18, 2005. Called *Communities Helping and Healing*, the event will be an evening of dining, entertainment and presentations by Mrs. Mary Beth Buchanan, U.S. Attorney for the Western District of Pennsylvania; Dr. Stephen B. Thomas, director of the Center for Minority Health at the University of Pittsburgh; and Stephanie Walsh, director of the Center for Victims of Violence and Crime.

"We are hoping the community will turn out to help us support this important event," she said. "Violent crime is an issue that affects everyone. If everyone could do just a little, we could accomplish a lot"

LAUREN HEINZ

Team leader, marketing/communications, SEI

Stop the Violence – Heal the Hurting

A fundraiser dinner for the Divine Intervention Ministries was held on Feb. 18, at East Liberty Presbyterian Church, 116 South Highland Avenue.

This fundraiser will enable Divine Intervention Ministries to continue its work in the community to end violent crime and to help victims' families get the support they need to put their lives back together. For more information, contact **dtm@sei.cmu.edu** or see **www.divineinterventionministries.org**.

We find an exit strategy

(from weight loss programs)

Holidays sometimes bring two conflicting things: cookbooks and a host of urgings to lose weight. We thought we might use the former to help us avoid the latter. A quick search of Amazon.com's website for books with the word 'fat' in the title produces a list of the "most relevant" titles: 5,288 of them. The book industry is clearly over-indulging in fat books about fat. It just seems wrong for so many publishers to have plunged so thoroughly into fat without an exit strategy in mind. Of particular interest was the book about French women, who apparently don't get fat and therefore don't need to reduce—and the book promises to reveal the secret of pleasure. That had to be worth a look.

Mireille Guiliano's *French Women Don't Get Fat* is already a best seller everywhere. It turns out to be a somewhat odd book, or perhaps the author is just somewhat unusual. The book tries to be too many things at the same time, sort of an okapi of a book. Mireille's English teacher in school in France learned English from a fellow POW in WWII, she tells us. The author coyly notes: "I suspect they had long hours to practice." This is a positive view of the War one seldom encounters; all those snug afternoons perfecting irregular verbs without another care in the world. Mireille was sent as an exchange student to America at age 11 after the selection committee in her school rejected the likely candidate, the best student in the class, Mireille's friend Monique. Mireille defaulted into the exchange spot when the committee decided it couldn't send Monique because her parents were Communists. Our author, with what seems to be her characteristic political depth, notes that the committee "could not escape concluding that a daughter of Communists could never represent France!" Probably it is useless to try to figure out the point of such a sentence—whether it expresses an opinion positive or negative about either France or America.

Certainly Mireille is very positive about the style of living of French women, summarized in a lengthy list at the end of the book. We learn that French women eat more vegetables and a lot more fruit. French women love bread and intuitively balance "food, drink and movement on a week-by-week basis." French women train their kids from an early age to eat properly; they don't like hard liquor, preferring wine, especially champagne. And the author ought to know about how much champagne women drink since she is an executive with Veuve Cliquot, clearly somebody with an objective point of view. Most interestingly perhaps, "French women drink water all day long." Now that makes one wonder. Surely they pause for cigarettes, or sex (not TV we are told, French women don't watch much TV and never eat in front of it). If they follow Mireille's book they will find themselves drinking a mild concoction of leek broth, sometimes nothing else for whole weekends, her cure-all.

After only a few pages you could develop something of an attitude to French women, hearing the extravagant general claims made about them. French women have "a balanced and time-tested relation to food and life." The evidence for such claims is, well, apparently it is self-evident: "How do we account for all those middle-aged women with the figures of 25-year-olds strolling the boulevards of Paris?" The production of this kind of food philosophy is more of an art than a science it seems. A brief look around led us to a website of one Magali Corouge, a French woman with a different point of view: "Presently, a large majority of developed countries have populations who fall victim to obesity. France is also being affected by this crisis, due mainly to the poor eating habits and lack of active exercising of its population." It's worth checking out Magali's website at: www.documentography.com/issue/5/ph/magali_corouge/1.html.

Further, from a recent French government report: "France could match U.S. levels of obesity by 2020, a new parliamentary report has warned, urging the government to act before the nation's steady overweight gain becomes a 'social curse.'" Corouge notes that, until recently "Obese French women suffered from discrimination, isolation, and miscomprehension." But, we thought they just didn't exist? Have skinny French women suddenly become understanding of the fat ones? All one can safely conclude is that if fat French women were ostracized at any time, there much have been at least some fat French women somewhere. Maybe none of them were Communists and they all got sent to the U.S.? Courouge forces us to think that Mireille doesn't get it and the truth is probably something like: fat women don't get frenched.

Corouge extols the route taken by those previously ostracized fat French women, who now "want to be accepted in the fashion industry as well: they want to see fat women in adverts; they want to be able to buy the same gorgeous clothes." That's one way out of the fat book fad that threatens to swamp us. We could, as a culture, give up on giving up on fat.

Our friend Mireille wouldn't have us do that, but she does have some good advice. She tells us over and over that Americans obsess about food and just don't enjoy themselves enough. French women, drinking water all the while, nevertheless manage to enjoy themselves; they make eating and drinking sensual and fulfilling events. Going marketing, Mireille claims, is in itself a crucial pleasurable indulgence that adds to the likelihood that we will enjoy our food and life more and stay fitter. Sounds sound. Sound as a pound, or a franc, or euro. Her specialty, though, weak leek broth for days on end, doesn't look like the missing secret of pleasure.

Maybe the fat models have it figured out: the not so secret pleasure of feeling good, if fat, in gorgeous clothes. Hmmm. The comedian Lewis Black does a bit about bottled waters that list the nutritional values on the label. Bottled water contains exactly zero grams of fat, zero of carbohydrates—which, it turns out, comes to exactly zero percent of the recommended daily intake of fat, or whatever. As Black points out, what is interesting about this is the implication that somewhere out there water is available with big chunks of fat floating in it. That, he says, is going to be the tasty water.

And of course, the solution has always been ready to hand. All we have to do is ignore the crazy studies that seem to suggest we would be fine if we would just fidget more, for example. That study, properly considered, actually tells us that fat folks, like those wannabe French models, are excellent conservationists of energy, and surely that is a good thing. More pertinently, all we need to do is remind ourselves of that other unofficial French woman so dear to the hearts of Americans, Julia Child. Her mantra should be blazoned over every doorpost in the country. Julia used to say that if you didn't like cream and butter you didn't really like food. Julia taught this country how to enjoy food (in something of the same manner that Elizabeth David taught the English after WWII). And now we are inundated with more than 5,000 fat books and no way out. But, there may be hope.

Some folks will remember, or at least have heard of the two fat ladies who cook, the ones who had the show on BBC and the Food Network. They have been replaced by Hugh Fearnley-Whittingstall (seriously) on BBC4. Fearnley-Whittingstall's books already did the same kind of thing that Mireille tries to do, and did it much better. His book *The River Cottage Year* was described as a "passionate polemic" about shopping, cooking and eating in tune with the seasons, which is about all you get from Mireille. Her recipes are nondescript, and HF-W's are all interesting and good.

Sources:

***Why French Women Don't get Fat: The Secret of Eating for Pleasure*, by Mireille Guiliano**

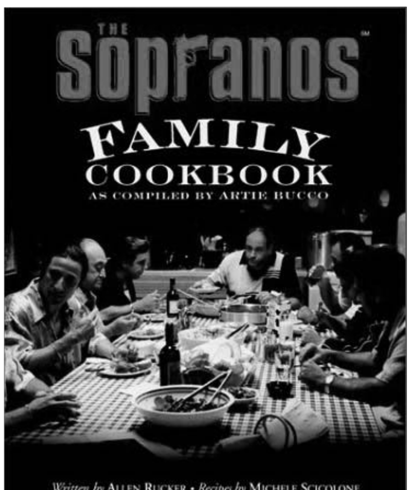
***The River Cottage Meat Book*, by Hugh Fearnley Whittingstall**

The Sopranos Family Cookbook: As Compiled by Artie Bucco

***The Bread Baker's Apprentice: Mastering the Art of Extraordinary Bread*, by Peter Reinhart**

***Raw Spirit: In Search of the Perfect Dram*, by Iain Banks**

He has now produced a hefty fat book that should not lose weight. It's called *The Meat Book*. HF-W raises and slaughters his own meat, and urges people "to think about the meat you eat. Is it good enough? Good enough to bring you pleasure every time you eat it? What about the animals it came from? Have they lived well? And what about the way you cook meat? Are you adventurous with it?" And so on. You have to take a little bit of the 'philosophical' stuff from cooks it seems, and HF-W doesn't really overdo it. He offers excellent techniques for roasting, braising, stewing and so on. He explains cuts of meat, recommending that one buy a whole pig some time in order to cut it up oneself so as to understand things better. He explains how slow and fast cooking differ—but could use some advice from Shirley Corriher (author of *Cookwise*) on brining, and from Christopher Kimball (of *Cook's Illustrated*) about slow cooking of beef (and Jacques Pepin about slow cooking lamb, come to think of it). Anyway, a great contribution to cooking, a book that might even have become a best seller if only it had been called *Why English Men Don't Get Fat*. Or not.



Again, on the possible escape route from warnings against fat and food, one really has to give due credit to Tony Soprano, who has already made a particular kind of golf shirt a fashion essential. Now *The Sopranos Family Cookbook* may also become a source of recipes you don't want to refuse. The book is amusing, and that's probably enough, but in fact the recipes therein are very good. We haven't tried a lot of them, but we did check out the 'Shcarole with Garlic—what we will always think of as fried lettuce, but is really escarole sautéed in garlic, a genuine treat. The recipe for Biscotti Regina is a must for biscotti lovers; it virtually brought tears of nostalgia to the eyes of regular Cultural Corner members, recalling a long-gone Italian grandmother who used to make them. A veritable Italian-American instance of Proustian madeleines. We've been making them again and again.

We have also to mention our escape from the straitjacketing confines of anti-carb diets and our release into the freedom of bread. Carbs are not the enemy. The enemy is deprivation, the absence of bread and wine. We owe a debt of gratitude to Bob Hoover of the *Post-Gazette* for bringing to our attention *The Bread-Baker's Apprentice* by Peter Reinhart, which must be the single best bread book ever. How could we have imagined we could do without bread, especially bread this good? Finally a recipe for completely whole wheat bread that is light moist and good for you.

And last, what else could one use but a good selection of malt whisky, of the kind described by Iain Banks in *Raw Spirit*, his description of his tour of the distilleries of Scotland. Reading his account of the distilleries of Islay, home of the famed Laphroaig and the even better Lagavulin, we just had to have something, in a scientific frame of mind perhaps, to see if Banks's ravings were accurate. They were, they are. Ardbeg strikes us as just about the best whisky we've had. And, what's more, we found it in the Centre Avenue store we like. Not expecting to find anything more than a couple of the usual malts, we went along anyway, and found much to our surprise, a collection of over 30 malt whiskies. Surely we couldn't still be in Pennsylvania? Surely some tornado had whisked us and our little dog somewhere over the rainbow, we thought. But no, there it was. On the other hand, it is impossible to find one particular brand of scotch here, the one that most impressed Banks. He describes the Glenfiddich 21-year-old Gran Reserva as "simply astounding," as "brilliantly different, complex, utterly assured whisky-making of the first order." He thinks of it as the Petrus of whiskies. So why can't we buy it? Is this an example of Scottish stinginess, keeping it all for themselves? Not exactly. What gives the Glenfiddich its character, apparently, is its being finished in Cuban rum casks. And of course, nothing Cuban, or Cuban-tainted can be allowed into our markets. Next time we visit Canada, though, we promise not to bring back anything but a description of how good the Gran Reserva really is. Stay tuned.

For the Food and Wine Collective, Cletus Anderson, Alan Kennedy, Otto Foghus

Would you like anything to read?

Hilary Masters: What I've Been Reading

*FOCUS presents the first in what we hope will be a regular feature in which members of the campus community report on what they have been reading that might be of interest to others. We take our title from the Welsh poet Dylan Thomas's famous little story **A Child's Christmas in Wales**. Our offerings have nothing to do with any religious holiday, of course, but the description of the firemen in the following brief excerpt seemed to catch something of the essence of academic life. The firemen might be an emblem for us all, standing amidst all the many clamoring activities of our daily lives, and still somehow finding time to read something.*

> from *A Child's Christmas in Wales*:
> "Call the fire brigade", cried Mrs. Prothero as she beat the gong.
> "They won't be there," said Mr. Prothero, "it's Christmas."
> There was no fire to be seen, only clouds of smoke and Mr. Prothero standing in the middle of them, waving his slipper as though he were conducting.
> "Do something," he said. And we threw all our snowballs into the smoke — I think we missed Mr. Prothero -— and ran out of the house to the telephone box.
> "Let's call the police as well," Jim said. "And the ambulance. And Ernie Jenkins, he likes fires."
> But we only called the fire brigade, and soon the fire engine came and three tall men in helmets brought a hose into the house and Mr. Prothero got out just in time before they turned it on. Nobody could have had a noisier Christmas Eve. And when the firemen turned off the hose and were standing in the wet, smoky room, Jim's Aunt, Miss Prothero, came downstairs and peered in at them. Jim and I waited, very quietly, to hear what she would say to them. She said the right thing, always. She looked at the three tall firemen in their shining helmets, standing among the smoke and cinders and dissolving snowballs, and she said, "Would you like anything to read?"

I have this reading habit—too late to break it now I suppose. So, I have been reading several books at once—a mix of fiction and non-fiction and some poetry.

Russell Banks's new novel *The Darling* dramatizes the very sad history of a woman caught up in the turmoil of the '60s and '70s who joins the Weatherman underground and then exiles herself (fleeing prosecution) to Africa where she marries and starts a family with a Liberian bureaucrat. Banks writes with a pitiless eye on the human waste caused by thoughtless or manipulated idealism (his protagonist also cares for chimpanzees), and as always in his work, the social commentary is first rate. He is a master of place; the prodigious research he must have done on this era and the African politics and personalities of that period infuse and enrich the narrative so gracefully that not a seam of his labor shows.

Philip Roth's new novel about the possibility of Charles Lindberg becoming president in the 1930s to institute a fascistic, anti-Semitic government reminded me that Sinclair Lewis had visited this same territory 70 years ago. So, I ordered *It Can't Happen Here,* which Lewis wrote in 1935 — wrote hurriedly I should add, because of his anxiety caused by what he saw happening in Italy and Germany at that time. The quality of the prose suggests his haste. Lewis was never much of a stylist, and the writing in this book is pretty clunky at times. But he tells a fascinating story of how Roosevelt is beaten in the 1936 primaries (Roth uses the same dynamic, by the way) by a good-fellow populist with the support of old-time religious leaders and certain industrial powers who regard Roosevelt and his social politics as being too liberal and even communistic.

The story is told from the point of view of the editor of a Vermont newspaper, his family and associates who become aware of the gradual diminishment of freedoms and rights imposed by the new regime under the flag of patriotism. The editor, almost against his instinct, becomes the focus of the opposition to the totalitarian government promoted cleverly by public relations techniques, and though Lewis turns up the melodrama a little high toward the novel's conclusion, some of the incidents and political situations he dreamed up 70 years ago have a currency that is a little disturbing.

The short story form is a favorite, particularly for the peripatetic reading I seem to practice, and a recent collection of short stories from the University of Pittsburgh Press has seasoned my reading nicely. Darrell Spencer won the prestigious Drue Heinz Literature Award for his *Bring Your Legs with You*. This collection is a series of linked stories concerning a professional boxer turned roofing contractor in Las Vegas, and some are told from his point of view while in others, the narrative is pulled back to view the man in the round — and in the ring too. Mr. Spencer writes with a unique flair for language and the idiosyncratic nature of his prose may not be to everyone's taste. He establishes character and situation quickly — all important in the short story — and the voices create their own authenticity though at times I become aware of the author's cleverness. But, a very satisfying assembly, and I think Mr. Spencer is a writer to keep an eye on.

For Christmas, my son gave me a book called *The Island in the Center of the World* by Russell Shorto. This is a very detailed account of the history, and the effect of that history, of the Dutch settlement of New Amsterdam and surrounding territory, following the trip made by Henry Hudson up that waterway which bears his name. Mr. Shorto handles an enormous list of references and historical accounts adeptly though his scholarship sometimes goes beyond my range of interest. But that's not his fault. I think this book would be of particular interest to anyone who has some relationship with that part of the country or who wants to learn of the different personalities and events that appear on its map.

Also for Christmas, a daughter gave me a history of the bicycle. This tome — richly illustrated — is okay for an idle perusal on a rainy afternoon but I found it disappointing in that nowhere in its pages is the Flyer described that I once rode full speed down the sharp descent of Roberts Street in Kansas City and then up the terrace of my grandparents' house to come to a dashing halt at the bottom of the porch stairs. It even had a horn.

Earlier, my wife had given me Bill Clinton's *My Life.* I never read books like this one — huge autobiographical efforts — from front to back, but by way of the index. I skim the appendix and come on a topic or a name that ticks my curiosity. Then I look it up in the text. Do enough of a book this way, and I gradually piece it out though the method does not favor any appreciation of the prose. In any event, it seems to me that Clinton was a better talker than writer. But, for an example of my technique, I came on an entry "McDonough Gym, 121" and this led me to Clinton's account of the aftermath of King's assassination in Washington, D.C., and how some National Guardsmen, called out by Johnson to keep order, camped out in the Georgetown University gym. Clinton was attending the law school there. But on the same page of this account, he also talks of Bobby Kennedy campaigning in Indiana for the nomination and the speech he made to a rally there about the assassination and how we should respond. Happily, Clinton quotes much of those remarks, mostly spontaneous, saying it was to be the great speech of RFK's career, made only two months before his own murder, and I would add, probably the best speech made by any Kennedy.

Finally, some poetry. A very engaging collection of poems about boxing featuring authors from Homer on up to Muhammad Ali and including one by my colleague Jim Daniels. This book was assembled by poets Robert Hedin and Michael Waters and is titled *Perfect in Their Art*. The entries made for perfect pauses between the heavier rounds of my other readings and since many of them are by Anonymous I was made to wonder if these authors could not remember their names after sparring with Apollo.

Hilary Masters is professor of English and teaches in the Creative Writing Program.

Eye on the Environment

Personal Spotlight

Trustee Lowell Steinbrenner and his wife, Jan, recognize both the fragility of the environment and the capabilities of Carnegie Mellon. Thanks to their contribution, the Carnegie Mellon community is well on its way to making a difference.

What can you do?

In the office: Computers and monitors consume about 10% of the total electricity on campus. Visit www.cmu.edu/greenpractices/sleepisgood to learn more on how to conserve power and to allow your computer to 'sleep'

In your home: Cancel 90% of junk mail by visiting www.newdream.org/junkmail

Enviro-factoid

On December 26, 2004, the Southeast Asia earthquake and subsequent tsunami destroyed many coastal regions. Scientists say that undeveloped natural coastlines protected by mangroves and coral reefs sustained little or no damage. Coastal areas where the coral reefs and mangroves have been eliminated due to development, sustained major destruction. Another reason to limit overdevelopment and pay more attention to land use planning.

What's Carnegie Mellon doing?

The Steinbrenner Institute for Environmental Education and Research (SEER) was established in April 2004 to promote and build upon Carnegie Mellon's research, education and outreach related to sustainability. SEER is a virtual 'one stop shop' for information on all things environmental at Carnegie Mellon.

Carnegie Mellon

Steinbrenner Institute for Environmental Education and Research

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