

EDITORIALS

Daily Herald

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IN OUR VIEW

Engineering success at UVU

We urge the State Board of Regents to recognize Utah Valley University engineering programs for what they are — engineering programs.

The regents have put some unrealistic constraints on the Orem school, which currently turns out people with a wide variety of engineering skills. But, astonishingly, UVU is not allowed to use the word “engineering” in naming most programs and degrees.

If you go through the computer engineering program, for example, you’ll end up with “computer science” on your degree instead of “computer engineering.” It makes a big difference when you’re job hunting. It’s an unfair slight, given the quality of UVU’s undergraduate engineering program, comparable to undergrad training at the University of Utah or Utah State.

While it’s true that UVU offers no graduate-level engineering — at least not yet — its basic program measures up. Nobody is asking to substitute “master’s degree” for “bachelor’s.”

The naming of a degree is no trivial point. Titles do matter. A “computer engineer” can make more money and has access to more jobs than a “computer scientist.” And that’s just one way Utah’s higher education bureaucracy holds back UVU from fully developing its engineering capabilities. A great many more students would enter the program at UVU if the degree more accurately reflected the training received.

How could such a short-sighted view develop?

Actions speak louder than words: The state’s top educators seem to think engineering education in Utah should be limited to the U and USU. One rationalization is that Utah Valley students could attend those campuses. But many prospective engineers already have jobs in Utah Valley, and many of them already support families. They want to live here; they can’t just uproot themselves and move to Salt Lake or Logan.

It’s also suggested that they could commute. But the trek up north is no simple journey. It is unreasonable to expect that people who have jobs and families also be required to fight traffic, find a place to park, attend class, drive home, do homework, perform family chores, then go to work the next day.

The geographical reality is accompanied by another problem: an apparent bias against the kind of practical programs UVU offers. The U and USU provide excellent engineering programs. But theirs are highly academic, designed to train the professors and engineers who will dream up breakthrough technologies. That’s great, but there’s also a crying need for engineers who will actually build and run things.

That’s where UVU comes in: From its beginnings as a technical school, it has strived to produce people equipped with skills to come in the door and help companies succeed right away. That’s what its College of Technology and Computing does right now, in programs that are engineering in everything but name.

Giving UVU’s programs the formal moniker of “engineering” would not undercut the other state universities — it would complement them.

Yet for some reason, state education officials have refused to let UVU hang the word engineering on anything at all, and for the moment, attempts to expand engineering programs on campus have stalled.

For perspective, look at the many other states that offer a plethora of programs at a wide array of campuses. Some UVU officials point to California’s higher education system as an example. That state’s 11 well-known research universities are supported by 23 regional universities that focus on applied education and research. Together they supply Silicon Valley and other high-tech hotbeds with the engineers they need.

UVU already plays a similar role, but with more state support it could do much more. This is vital, because Utah Valley companies need top-flight technicians and engineers who can turn entrepreneurial visions into reality.

Part of the obstacle in the state education bureaucracy may be a prejudice that UVU engineering programs would not cut the mustard. But that’s a decision best left to those who accredit the programs, not made by the regents.

Looking at UVU’s impressive record of growth over the years, there are abundant reasons to believe that it will be able to successfully build respected programs that benefit not only students but businesses throughout the region.

The Utah higher education bureaucracy should help, not hinder, the process.



GUEST OPINION

Too much belt-tightening could hurt economy

Robert J. Samuelson

The stock market is nothing if not a psychological barometer. The present signal is unmistakable: fear. It’s not just that the market has dropped by more than half; that decline parallels some previous post-World War II bear markets (48 percent in 1973-74 and 49 percent in 2000-02). More revealing are the day-to-day movements. From mid-September to Nov. 21, there were 50 trading days; on 25, the market moved 4 percent or more (16 down, nine up), reports Wilshire Associates. In the previous 25 years, there were just 25 daily moves of 4 percent or more. We’ve gone from one a year to one every other day.

The wild stock swings confirm the palpable fear and uncertainty. On average, households expect to spend only \$418 on holiday gifts this year, down 11 percent from last year’s \$471, reports the Conference Board. Unemployment remains well below the average peak of post-World War II recessions (7.6 percent). What terrifies Americans is the prospect that the slump will become much worse than average — and that the government has lost control of events.

This last occurred in 1979 and 1980, when inflation reached 13 percent and the government seemed incapable of suppressing it. No one knew what might happen. By 1980, interest rates on 30-year mortgages neared 13 percent. Would inflation go to 15 or 20 percent? (The brutal 1981-82 recession ended the high inflation.) There is a comparable foreboding today. Perhaps Barack Obama will change that, but so far, government officials, business leaders and economists seem overwhelmed. They’re constantly playing catch-up and losing. Americans feel unprotected against accumulating misfortune.

The hyper-anxiety is not irrational pessimism, though it may prove unfounded. Every major episode of this crisis — from Bear Stearns’s failure to General Motors’ possible bankruptcy — has come as a surprise. Similarly, the crisis’s three main causes have repeatedly been underestimated: the burst housing “bubble,” fragile financial institutions and a reversal of the “wealth effect.” Of these, the last is least recognized.

The “wealth effect” refers to the tendency of people to adjust their spending as their wealth — concentrated heavily in housing and stocks — changes. When wealth rises, spending strengthens; when wealth falls, spending weakens. For the past quarter-century, higher stock prices and home values propelled the economy forward by inducing Americans to spend more of their incomes and to borrow more. In 1982, the personal saving rate was 11 percent of disposable income; by 2006, it was almost zero. The lowered saving rate added about \$1 trillion annually to consumer spending — more shoes, laptops, books — out of a total of about \$10 trillion.



But now the wealth effect is reversing. As stock and home values drop, Americans are scrambling to increase savings and curb spending. The plausible math is daunting. Since September 2007, Americans’ personal wealth has dropped by about \$9 trillion, says economist Nigel Gault of IHS Global Insight. A common estimate is that every dollar’s change in wealth causes people to change their spending by 5 cents. If so, the hit to consumer spending would be \$450 billion (\$9 trillion times .05). Gault thinks the effect would occur over several years.

Even this might be too optimistic. Everywhere, financial commentators urge “belt tightening” and more thrift. If the swing toward saving is too sharp, consumer spending wouldn’t just weaken; it would collapse. Vehicle sales have already plunged. In 2005, they totaled almost 17 million; Global Insight’s 2009 projection is 12.2 million. And these problems feed on each other. Lower consumer spending depresses profits and stock prices, which corrodes confidence, further dampens spending, raises unemployment and increases loan defaults. Credit card losses could be the next big blow to financial institutions.

The case for a sizable economic “stimulus” package is that it would temporarily compensate for the erosion of consumer spending. But if the positive “wealth effect” is now giving way to a lasting negative or neutral “wealth effect” — as people try to replenish savings and offset lost wealth — then even a recovery would be sluggish. A new source of demand is needed to sustain faster growth. An obvious solution is for high-saving Asian countries, led by China, to consume and spend more so that their imports increase. Whether they have the political capacity to reduce their dependence on export-led growth is unclear.

The scary words “depression” and “deflation” are bandied about because an economic free fall seems possible, even if it is unlikely. With time, economic slumps correct themselves as borrowers repay debts, surplus inventories are sold, industries consolidate and government policies promote recovery. They may now. But the mechanics of this cycle are sufficiently different from any since World War II as to raise doubts. Americans are less upset by hardships they’ve experienced than by those they imagine.

Robert J. Samuelson is a columnist for the Washington Post Writers Group.

MEDIA VOICES

Back Colombia pact

From the Dallas Morning News on Friday, Nov. 21:

Time is running out on a fast-tracked Colombia free-trade agreement, largely because of pre-election stalling by congressional opponents. The best argument they have mustered is that Colombia still needs to improve its human rights record, particularly regarding attacks on trade unionists.

That’s a fair argument in a free-trade debate, since the oppression of organized labor unfairly helps corporations keep production costs low and undercut their U.S. competitors. But in the case of Colombia, it’s an argument whose time has passed. Make no mistake; Colombia still has much room for improvement. But a sustained campaign of U.S. engagement has undeniably transformed that country. A free-trade accord is the surest way to keep Colombia moving in the right direction.

When the Clinton administration launched the multibillion-dollar Plan Colombia aid package a decade ago, the country was at the brink of civil war. Caught in the crosshairs were peasant farm-

ers, politicians, ranchers, oilfield workers and banana growers. Army troops and paramilitary thugs collaborated to kill hundreds of labor activists.

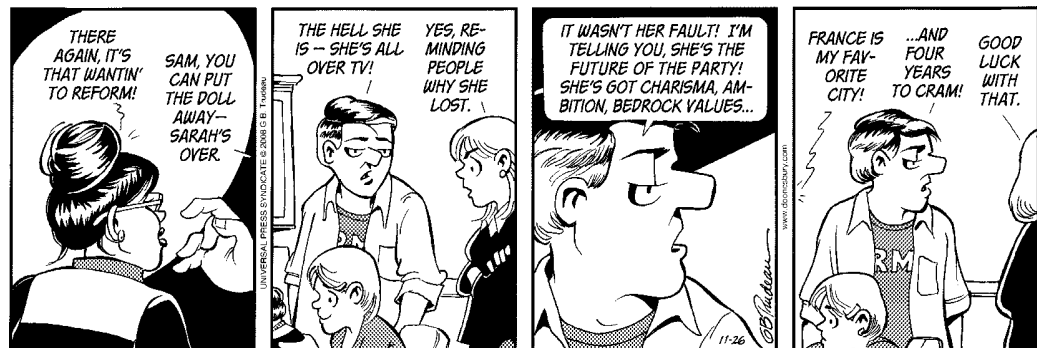
Presidents Clinton and Bush used military aid to force judicial reforms and a wholesale vetting of the Colombian military.

Unionists are still being killed, but the rate of about 40 a year is a far cry from previous decades. Colombian President Alvaro Uribe recently purged the army leadership including its staunchly pro-U.S. commander to prove his commitment to human rights.

House Speaker Nancy Pelosi says free trade must wait until Colombia demonstrates “concrete and sustained results” on human rights. But even its harshest critics acknowledge Colombia’s change has been dramatic.

Congress has a simple choice: Nurture a partnership that already is showing concrete and sustained results, or dump our most productive South American alliance into the deep freeze. The latter, really, is not an option. It’s time to pass the Colombia free trade agreement.

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