

In the course of this life I have had a great many encounters with a great many people who have been concerned with matters of consequence. I have lived a great deal among grown-ups. I have seen them intimately, close at hand. And that hasn't much improved my opinion of them.

Antoine de Saint Exupéry, The Little Prince

THE ART OF SIFFING AMONG SEASONED ADULTS

CAN ECONOMISTS BE TRUSTED?

Americans love to tell jokes about accountants. Here's a popular one that is often told:

A business firm seeks to recruit a replacement for the firm's retiring chief accountant. A pivotal question in the interview with prospective candidates is this: "How much is 2 + 2?" The first 9 candidates all answered "4." They were shown the door. The tenth answered: "What would you like it to be?" That candidate got the job.

Curiously, while there are many jokes of this sort about accountants – and even worse ones about lawyers – few people ever joke like that about economists. True, President Harry S. Truman was known to yearn for one-armed economists who would not preface any statement with "On the one hand this, on the other hand that ..." -- meaning that economists always timidly hedge their answer *ex ante* so that, *ex post*, they cannot easily be proven wrong. But I wonder how many people assume that, like accountants, economists can produce analyses that deliver to their clients the answer the clients want.

Alas, that sort of behavior has become par for the course when economists leave the Ivory Tower and enter the political fray on one side or the other. The only difference between economists and accountants in this regard is then that economists use far more sophisticated forms of analyses, which in fact makes it easier to bias theory or empirical results according to the client's wishes. Compared to us – economists -- accountants are simpletons whose legerdemain is more easily discovered.

So here's the deal in this course: If after the end of this course you ask me: "What time is it?" and you blindly trust my answer, I have failed to teach you properly. Keep that forever in mind, and never hesitate to challenge me. I should not be trusted to keep my ideological or other predilections out of my seemingly scientific analyses in this course or elsewhere.

In fact, let me be honest about it: while economists use the scientific methods routinely used by statisticians and natural scientists, you are better off assuming that economics is not really a science at all and, if practiced within the political arena, often is just ideology marketed in the guise of science.

A. The Art of Siffing Among Seasoned Adults

After a long life studying human behavior, I have come to the sad conclusion that people with a dubious alliance to the truth tend to have a comparative advantage in the world of seasoned adults. You should be aware of it.

There is, however, a difference between lying elegantly and inelegantly. Inelegant liars make up facts that are at variance with the truth. While I would not know about graduates from certain schools further north of here, I do know that Princetonians would never stoop so low as to lie inelegantly. Our code of conduct does not permit it.

On the other hand, like all seasoned adults, we are allowed to *sif*, that is, to **Structure** factual **Information** **F**elicity. People who *sif* accurately present judiciously selected facts that are auditable and valid, but they then structure these basic facts in a way that conjures up false inferences in the beholder's mind. It is what media people mean when they say that someone is "spinning the facts."

Here's a good example of *sif*ing, practiced by a Princeton professor who shall remain nameless:

Some years ago, a certain professor of Princeton's Department of Economics fancied transfat-laden French fries, much to the consternation of his health-conscious wife. Twice a week after lectures, without her knowledge, he would steal himself to the Student Center after his Econ 100 lectures, there to partake of that delicious, forbidden food, reserved by Princeton strictly for its students.

Letting it slip out by accident one day that he had eaten lunch at the Student Center, his alarmed wife queried suspiciously why he did not eat at the Faculty Club, as all good professors should. Without batting an eyelash, the professor replied: "They have a great salad bar at the Student Center." Reassured by the (erroneous) thought that her husband went there merely to eat healthy salads, the professor's wife dropped the subject.

A fundamental question now is this: Did the professor lie to his wife? After all, there really is a wonderful salad bar in the Student Center. The professor merely had remarked on it quite accurately to his wife in response to his wife's query, and she failed to probe further. Was it the professor's fault that his wife used this completely accurate but carefully structured information to conjure up in her mind a completely faulty image of her husband's dietary conduct?

That is what I mean by lying elegantly. I shall teach you in this course how it is done, to put you on guard against it or, if you practice it to get wealthy, to remember us during annual giving.

B. Do Economists *sif*?

Economists are scientists, right? Do scientists lie? Some don't. Some do in spades. But when they do, most do it elegantly: they *sif*.

For example, when economists want to market their own or their client's predilections in the guise of science, they may start their analyses with raw data that are in the public domain and are generally accepted as an accurate reflection of the truth.

But then economists can, if they are so inclined, cleverly restructure these data in a way that projects a particular, albeit erroneous, image they wish to evoke in the beholder's mind. Economists in the hire of politicians are true artists at this game.

The statistical regression analysis economists call "econometrics" is a most useful tool for this style of *sif*ing. That analysis seeks to infer from observed, factual raw data the economic behavior of the decision makers that helped create the facts that are reflected in the raw data. The decision makers' behavior is thought to be measurable by the so-called "regression coefficients" of the statistical equation that is used to obtain these inferences, that is, by the numerical values of the equation's regression coefficients that are extracted from the raw data via statistical regression analysis.

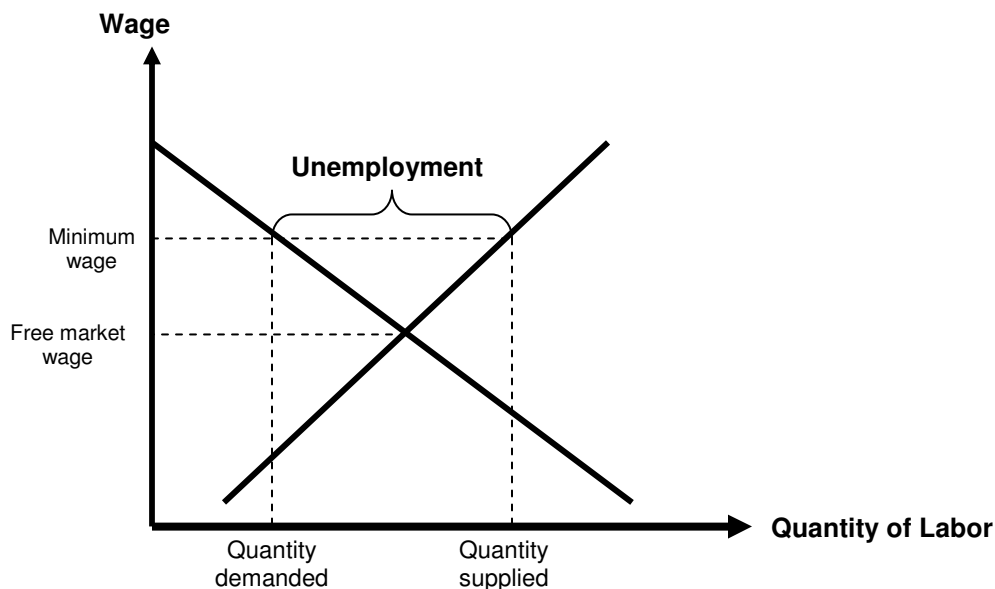
Now, to perform such an estimate, one must specify precisely, ahead of time, the general mathematical form of the regression equation whose coefficients are to be estimated. That mathematical specification alone can strongly influence the numerical values of the coefficient

estimates one gets. But to interpret the results, one must also make a whole host of assumptions about the economic setting that generated the raw data, and those assumptions, too, can strongly influence the results of the analysis.

In short, with the ever more sophisticated econometric analysis and computer routines now available to economists, a given body of raw data can lead to widely different “truths” extracted from the data. In this sense, regression models tend to be subject to the famous GIGO problem – which stands for “Garbage In, Garbage Out.”

The author of your text and I also will suffer in this course. An illustration, to come later in the semester, is the economist’s standard analysis of the minimum wage. Every introductory textbook on economics features somewhere in its pages a graph illustrating the hypothesized effect of minimum wage laws on employment. Almost always the graph will appear something like the graph below. This graphical display plants in the minds of students two powerful ideas. First, the minimum wage is likely to be set far above what would be the free-market wage, which almost never happens. Therefore, second, the minimum wage is predicted to create a large increase in unemployment which, in this country, is defined as the number of people who have looked for work in the two weeks prior to being surveyed and who did not find work.

In fact, however, the proposed minimum wage typically is just a shade above the prevailing free-market wage, or proposed increases are quite small relative to prevailing wage levels. In fact, they typically are so small as to have no perceptible effect on employment at all.¹ Yet thousands of legislators, when confronted with minimum wage legislation, will automatically think back to their college economics courses and conjure up in their minds the dramatic illustration shown below. This distorted imagery has been planted there not by devious economists seeking to play politics in the guise of science, but more probably by sloppy writers of textbooks who were too lazy to help their readers understand fully the relevance of particular graphical displays to the real world, and by sloppy teachers who fail to alert their students to the misleading message of this image. It is a common failing among economists, your present instructor included. The point is to be on guard against even such innocent but sloppy creatures.



To sum up at this point: When faced with an economist’s analysis, always be guided by that old Roman adage: *Caveat Emptor!* (Let the buyer beware). You will meet many economists

¹ See Alan B. Krueger, “The Economics of New Jersey’s Last Minimum Wage Increase.” Testimony before the Labor Committee of the New Jersey Senate, January 24, 2005. (On Blackboard under COURSE MATERIALS).

who do not *sif*, of course, but just as many who do. Unfortunately the latter won't wear badges. Therefore, to be safe, distrust all economists.

C. The Art of Siffing among Politicians

When I was young and naïve, I always wondered why we must address legislators with “The Honorable ...”. Why do they need to hear or read that about themselves time and again?

The answer is that politicians are very insecure about their honor—hence they force you to pretend to them that you deem them particularly honorable. It is so because politicians are the world's *siffers par excellence*. To make it in American political life – and probably in any democracy – politicians have to *sif* because we, the people, demand it. As Jack Nicholson put it in “A few Good Men,” we cannot take the truth. We, the people, would never vote for a politician who tells the unvarnished truth. It is why I respect politicians in spite of the endless *siffing* in which they are engaged.

Here, for example, is how President George W. Bush pitched one of two parts of his proposed health reform in his State of the Union address of January 23rd, 2007:

. . . And so tonight, I propose two new initiatives to help more Americans afford their own insurance. First, I propose a standard tax deduction for health insurance that will be like the standard tax deduction for dependents. Families with health insurance will pay no income or payroll tax -- or payroll taxes on \$15,000 of their income. Single Americans with health insurance will pay no income or payroll taxes on \$7,500 of their income. With this reform, more than 100 million men, women, and children who are now covered by employer-provided insurance will benefit from lower tax bills. At the same time, this reform will level the playing field for those who do not get health insurance through their job. For Americans who now purchase health insurance on their own, this proposal would mean a substantial tax savings -- \$4,500 for a family of four making \$60,000 a year. And for the millions of other Americans who have no health insurance at all, this deduction would help put a basic private health insurance plan within their reach. Changing the tax code is a vital and necessary step to making health care affordable for more Americans. (Applause.)² . . .

This statement suggests that the President is talking about a tax-cut for Americans, period. What's not to like about a tax cut? There is no hint here of the companion of his idea, namely, that health insurance premiums paid by employers on behalf of employees, which have never been considered taxable income to the employees, will henceforth be added to the employees' taxable income.³ Employees with health insurance for which an employer paid premiums higher than \$7,500 for individual coverage or \$15,000 for family coverage actually would experience a net tax increase.⁴ That is the dark cloud around the silver lining in the President's proposal. For some reason, he omitted it from his televised speech.

On the White House website's the full facts hang out. In [Fact Sheet: Affordable, Accessible, and Flexible Health Coverage](#)⁵ you will find the statement:

² <http://www.whitehouse.gov/stateoftheunion/2007/index.html>

³ The second “initiative” mentioned by the President had nothing to do with this change in the tax code.

⁴ For example, an autoworker for whom an employer had procured family coverage at an employer-paid premium of \$18,000 would now have to pay income taxes on \$3,000.

⁵ <http://www.whitehouse.gov/news/releases/2007/01/20070122-3.html>

Under The President's Proposal, Families With Health Insurance Will Not Pay Income Or Payroll Taxes On The First \$15,000 In Compensation And Singles Will Not Pay Income Or Payroll Taxes On The First \$7,500.

- *At the same time, health insurance would be considered taxable income. This is a change for those who now have health insurance through their jobs.*
- *The President's proposal will result in lower taxes for about 80 percent of employer-provided policies.*
- *Those with more generous policies (20 percent) will have the option to adjust their compensation to have lower premiums and higher wages to offset the tax change.*

One certainly cannot assert that the President lied in his State of the Union Address, because he would indeed grant the tax deductions he mentions. But he did leave out an important other truth that is revealed on the White House website, namely, that *"At the same time, health insurance would be considered taxable income. This is a change for those who now have health insurance through their jobs."*

It is hard to imagine that the representative American voter listening to the State of the Union Address could have come away with a full picture of the President's proposed policy. One could forgive a listener to the speech to come away with the idea that the President merely had proposed a tax cut. That listener might have wondered why so many pundits Monday-morning-quarterbacking the President's speech had second thoughts about the President's proposal.

It is possible, of course, that the President simply and innocently forgot in his State of the Union speech that he meant to tax employer-paid health insurance premiums. On the other hand, he may have been trying to *sif*. He would surely not be alone in having done so. Virtually all politicians *sif*, routinely. It seems to come with the turf.

By the way, we may have occasion in this course to explore the economics of employer - paid health insurance. They are fairly complicated, but very intriguing. It turns out that, in competitive labor markets, fringe benefits for which employers write checks actually come, for the most part, out of the take-home pay of employees – they are "backward shifted."

We shall also have occasion to observe that not taxing employer-paid health insurance premiums actually benefits high-income employees in high marginal tax brackets more than it does low-income people in low marginal-tax brackets. It is estimated that as a result of this tax preference, the Internal Revenue Service collects between \$200 billion to \$220 billion less in taxes than it would if employer-paid premiums were counted as taxable income to employees. It has also been estimated that, in dollar terms, the bulk of this \$200 billion or so "tax expenditure," as it is called, accrues to high-income employees in high tax brackets. It is why many economists, yours truly included, are favorably inclined toward this part of the President's health-reform proposal which could, however, be improved. For example, instead of allowing everyone, rich or poor, to deduct \$7,500 per individual or \$15,000 for a family from taxable income, the President might have offered refundable tax credits and limited those to individuals and families with incomes below a certain threshold. Rich people really do not need public subsidies of any sort to buy their health insurance or health care.

D. Are Business Executives More Trustworthy than Accountants, Politicians and Economists?

Shown below is an article from The New York Times (August 10, 2003) The article describes how a clever Board of Directors of an American business firm has structured facts so as to rationalize with the Board gave the firm's executive a huge increase in compensation in a year in which the firm's common stock lost 20 percent of its value.

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The New York Times, BUSINESS Section, August 10, 2003; p. 4

At Heinz, a Novel Way to Say the Boss Is Worth It

By PATRICK MCGEEHAN

To help investors compare executive pay to performance, companies are required to include stock price charts in their annual proxy statements. But what does a company do if its chief executive gained while its shareholders lost?

H. J. Heinz, the ketchup maker, has what seems to be a novel answer: It came up with a second chart that presents a much rosier picture of how shareholders fared — not during the last fiscal year but over a more recent eight-month period. By that measure, Heinz has outperformed its competitors, an interpretation that might make it easier for shareholders to stomach the big raise the company gave to William R. Johnson, its chairman and chief executive.

Mr. Johnson received a pay package valued at \$8.8 million in the fiscal year that ended on April 30, according to the proxy statement Heinz released last week. That amounted to a 47 percent raise over the \$6 million in cash, options and perquisites he received the year before.

On top of his salary of \$1.05 million, Mr. Johnson received a cash bonus of \$1.53 million, stock worth \$3.21 million and options worth \$2.68 million. The company also paid for a life insurance policy and about \$20,000 for his company car.

In addition, Heinz enhanced the terms of Mr. Johnson's executive retirement plan at the beginning of the fiscal year to make it more competitive with those of other chief executives, said Ted Smyth, a spokesman at the company's headquarters in Pittsburgh. The upshot is this: If Mr. Johnson, 54, stays at Heinz for nine more years and earns as much in any four of them as he did last year, the company will pay him as much as \$3.5 million a year after he retires.

More than half of Mr. Johnson's 2003 package — \$4.74 million in cash and restricted shares — was a bonus for last year. That reward did not reflect the performance of Heinz stock, whose price fell about 20 percent during the fiscal year, or about double the decline of its peer group of packaged-foods companies.

"The bonus for management is tied to operational performance, not to the total shareholder return number," Mr. Smyth said.

The compensation committee of the Heinz board said it had rewarded Mr. Johnson for other achievements, like increasing sales and cash flow and reducing debt, Mr. Smyth said. He added that the company's earnings had met analysts' expectations.

In the proxy, the committee said it had allocated stock options to Mr. Johnson and other senior executives for, among other accomplishments, having completed the spinoff in late December of several of its products lines to Del Monte Foods. The company considered that transaction, which relieved Heinz of its pet food, tuna, soup and gravy businesses, to be a transformative deal that would make it more profitable and attractive to investors.

To buttress their argument, Heinz executives devised a chart for the proxy to show investor enthusiasm for the spinoff. But even though the transaction was not completed until Dec. 20, they chose Oct. 31 as a starting point because, a Heinz spokesman said, that was when investors accepted that the deal would happen. And even though the fiscal year ended in April, they chose June 30 as an end point because, another spokesman said, they wanted to present as up-to-date a picture as possible.

During that eight-month stretch, Heinz stock rose 13.8 percent, to \$32.98 from \$28.97. Had they chosen instead the period from the close of the deal to the end of the fiscal year, the results would have been quite different: during that period, the stock fell 4.8 percent, to \$29.88 from \$31.40.

"It's a public-relations exercise pure and simple," said Paul Hodgson, who analyzes executive pay for the Corporate Library, a research firm in Portland, Me. He said a month-by-month chart of the stock's moves after the deal would have been fairer.

"Giving stockholders the full amount of data and allowing them to draw their own conclusions about the effects of strategic decisions rather than painting rosy pictures is always the best way," Mr. Hodgson said. "There are three rules of good stockholder relations: disclosure, disclosure and disclosure." It would be unfair, of course, to single out H.J. Heinz as the only or one of a few firms engaged in this sort of activity. A fairer statement is that this type of behavior is manifest in many American corporations, even after the numerous business scandals that have been reported in the media and explored by a seemingly concerned Congress.

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If you study accounting—as you should—you will discover that the rules of structuring information for financial reports to shareholders are sufficiently flexible to allow business firms wide room for *siffling*. Virtually your only protection against it is (a) understanding these rules of accounting, (b) understanding how seasoned adults can use these rules to *siffl*, and (c) assuming that the typical seasoned adult will always structure information so as to advance his or her own cause—that the unvarnished truth among seasoned adults in the business world may well be a random event, because only randomly will telling the unvarnished truth actually advance the cause of its teller.

E. Tricks Commonly Used to Structure Information Felicitously

Having introduced you to the fine art of *siffling* among seasoned adults, it would be cruel not to teach you some tricks of the trade, so that you can practice the craft as well amidst seasoned adults.

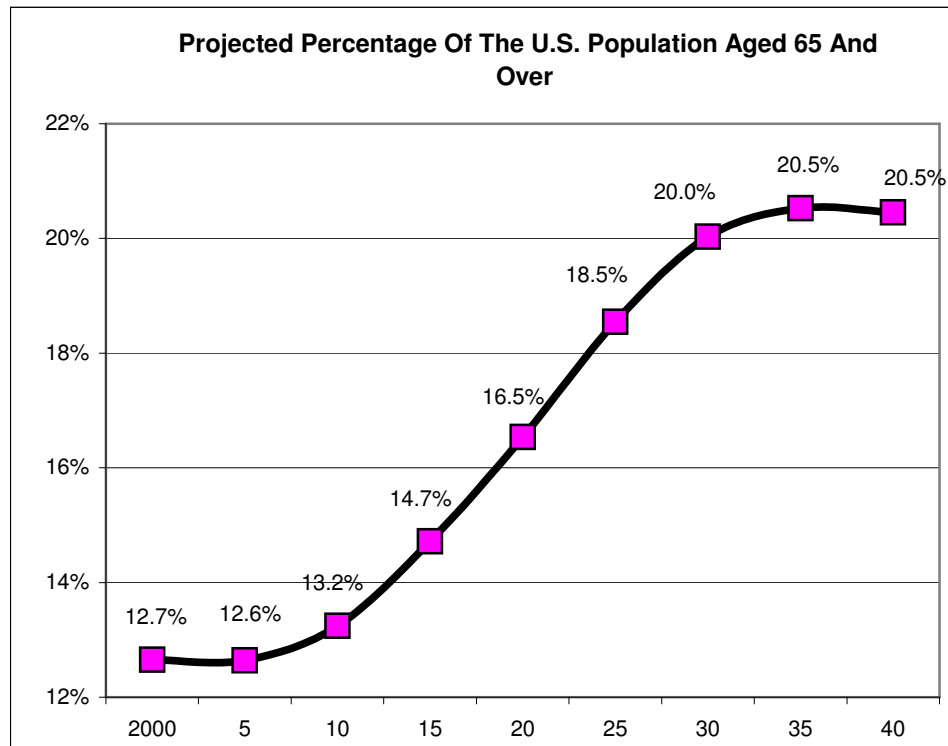
As noted, economists are superb at this business. They can do incredible things with sophisticated econometrics—that is, use of economic theory and advanced statistical methods to tease out the “truth” embedded in bodies of empirical data. Very few people understand econometrics, so most lay people are completely helpless in the face of being confronted with such studies.

But you can do wondrous things even with as humble a tool as a simple graph of the sort your textbook author discusses in Chapter 2.

Suppose, for example, I had been asked to address the Rotary Club or some other group on the issue of the retiring Baby Boom. The first question I would ask myself is this: What major impression about the topic do I want to implant in the minds of my audience? Do I want to alarm them, in the hope that they will support my proposal for a drastic overhaul the Social security and Medicare programs? Or do I want to calm them and say that, among the many problems faced by the United States, the aging of the Baby Boom is only a minor worry.

Playing with the Vertical Axis: Suppose I opt for the former, to alarm the audience, perhaps for of ideological reasons. As a seasoned adult, I would then present to my audience following graph on the next page.

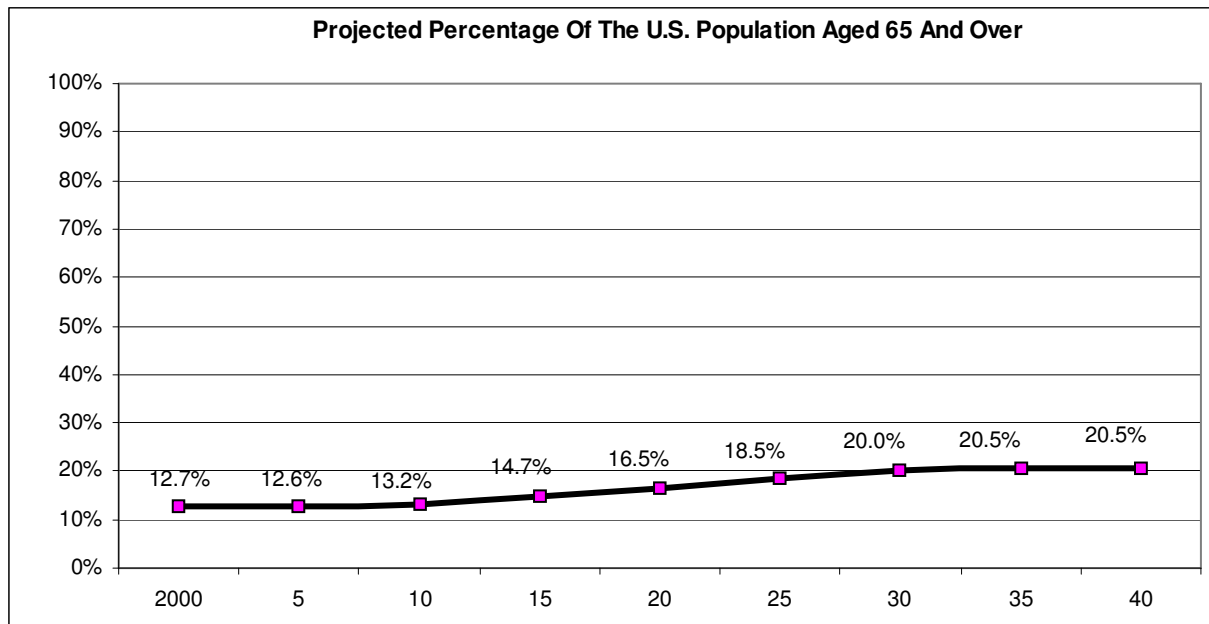
Can you see how that graph could frighten people? It makes the aging of the Baby Boom appear as a veritable Baby Boom tsunami. Note that none of the data in the graphs are lies. These data reflect the best projections currently available from the U.S. Bureau of the Census.



Now suppose I opted for the second strategy, to calm the nerves of the audience. Then I would let the vertical axis in the graph go from 0% to 100%, as it properly should, and I might furthermore extend it more widely across the page, to align it with the text. Note how much less alarming such a graph looks. Isn't that, like, totally cool? I made a *tsunami* into a mere ripple on which you could not even surf. It turns out that, as far as health care is concerned, this very gradual aging of the Baby Boom is so slow that it is only a minor driver of the annual increases in health spending.⁶

Stretching or squishing vertical axes is the easiest way to use accurate information to convey erroneous images in peoples' minds. It works wonderfully well, especially during lengthier talks in which you don't linger too long on a particular graph. It is a time-honored tool in the hands of seasoned adults.

⁶ If you are interested, I can e-mail you a paper on that. It will appear in the journal *Health Affairs* in November/December of this year.



Playing with the Horizontal Axis: Another trick widely used is to let tick-marks on the horizontal axis represents first, say, decades of years and then years. Thus, from left to right you might let the first four tick marks mark off decades and then the next three years. If, on the vertical axis, you represent some magnitude whose growth, you want to convey, has come under control, you will generally be able to do it. I won't show an example of it here, because I am sure you can imagine it. I have seen it used widely in practice.

Manipulating Growth Rates: If you deal with a time series of data, you can often take advantage of wiggles in the time trend to calculate annual compound growth (ACGR) rates that suit your purpose. This is illustrated with the graph on the next page. Shown in that graph is a time series on some economic data expressed in dollar figures. In real life, this could be earnings or expenses or profits or, in the public sector, any number of things.

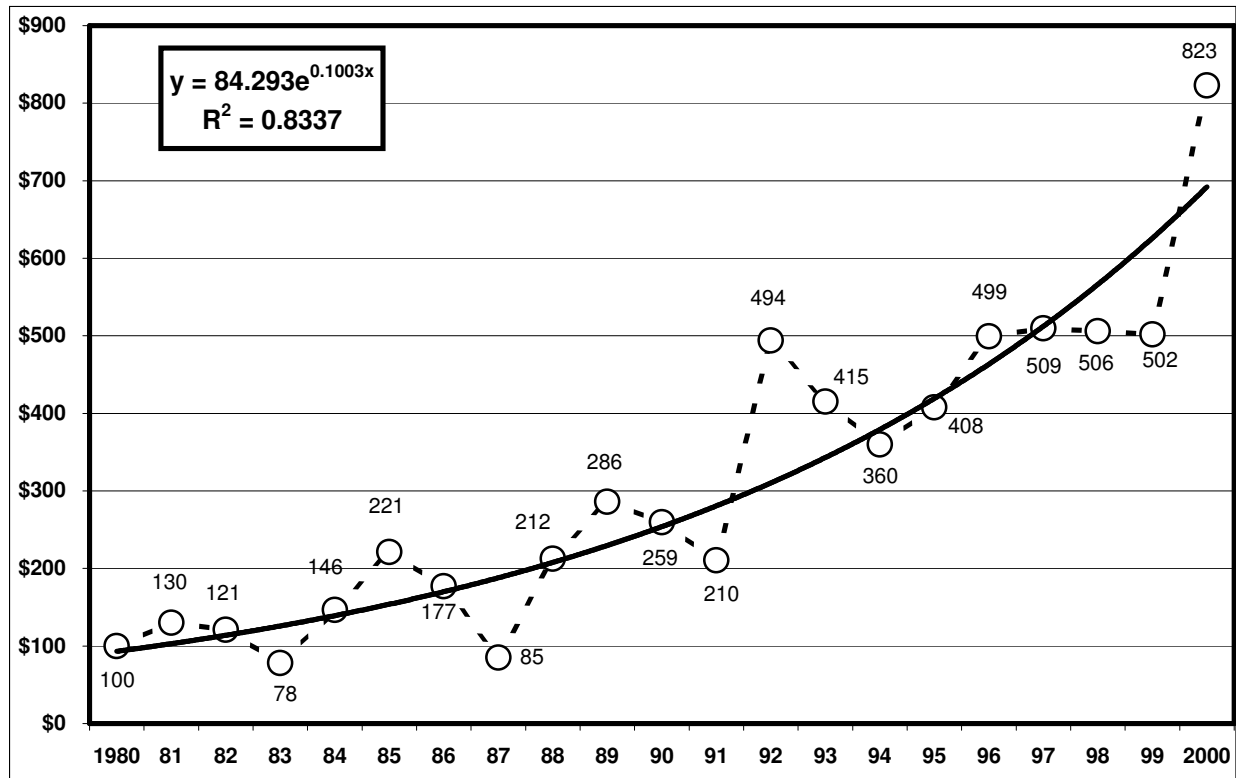
Ideally, if one wanted to calculate an average growth rate for this twenty-year data series, one should fit to it statistically a regression equation, such as the solid trend line in the chart. (You obtain these by clicking "Trendline" on your Excel program, if that is what you are using.). In the graph, the best fit was obtained with the convenient exponential equation shown in the upper left corner of the graph. It suggests that the average annual compound growth rate (continuously compounded) for this time series was about 10%. It is the exponent in front of the little "x". Better still, of course, would be to present the audience with the entire graph, which tells the whole unvarnished truth.

Suppose now that, whoever you imagine yourself to be among seasoned adults, you do not like to convey that the ACGR of 10% is either higher or lower than the growth rate you would like to implant in your audience's (or readers') minds. Are you helpless here?

Not at all. The variation of the time series around the trend line comes in handy. Suppose you want the growth rate to be higher. Simply say that, between 1983 and 2000 the thing in question grew by about 15% per year. You will have calculated that growth rate by solving for "g" in the point-to-point compound-growth equation

$$78(1 + g)^{17} = 823 ,$$

where you found $g = 0.14866$. Now, someone might be alert enough to ask why you start at 1983 rather than some other year, and you had better have some slick explanation up your sleeve. But, hey, you went to Princeton, which means that you can be quick on your feet, especially with a little advance notice. Make up a convincing story. There usually is one.



But why stop there? Why stop at 15%? You want the growth rate g to look bigger, don't you? Follow me! Instead of calculating average point-to-point *compound* growth rates, how about the average point-to-point *simple arithmetic*-average growth rate? You would calculate the total cumulative percentage increase in the data series over the period 1983-2000 as follows:

$$(823-78)/78 = 9.55128$$

which represents a 955% increase over the 17-year period. Now divide it by 17 years, to get the "average annual growth rate" of $955/17 = 56\%$. Depending on your audience, you might just make this stick: 56% per year! Bingo! You're a hero.

Would you have lied? No way. You used accurate data and accurate calculations to calculate the accurate growth rate you wanted to project. You can say with a perfectly straight face "I have done nothing wrong," as is the seasoned adult's wont. Of course, had you started your calculation with year 1981, the calculated growth rate would be lower. But that is why you did not start in 1981 or 1980. You chose 1983 judiciously.

Now if for some reason you wanted to project a low growth rate—e.g., if the data series were an expense—you would do the following:

1. Make your starting year one in which the data series hit a peak.
2. Make the end point one in which the data series hit a trough.

3. Use a compound growth rate, preferably a continuously compounded rate, because it will be the smallest rate one could calculate off the two data point.

For example, if I picked the 14-year period from 1985 to 1999 (once again, I'd have to give a slick explanation for those staring and end point, although many audiences do not even bother to ask) then, using an average point-to-point compound growth rate compounded once a year, I could say with a straight face that it was only 6%. Using continuous compounding, I could make that rate only 5.86%, which I might carelessly round off as 5.8%, which sounds better than 6%, just as a price of \$99.99 sounds better than \$100, which is why adults quote such ridiculous prices all the time.

Fiddling with starting and end points in growth-rate calculations is one of the most favorite *siffling* tricks practiced by seasoned adults. It is often used when comparing the economic performance of U.S. presidents, with each partisan side picking its favorite starting and end points (there is some leeway here). But it is also widely used in business. It's a truly cool tool in the real world of seasoned adults.

I will not bore you with more of this stuff, other than to tell you that, in any discourse over economics—especially when you, a trained economist, talks to lay people—the possibilities to *sif* are virtually endless. It is, in many ways, what makes economists so highly valuable in the real world of seasoned adults, especially in the court system. We can be honest, if we wish; but we can also be really fine servants of special interest groups, precisely because we are so good at it and are not easily caught at it.

F. Who Should Be Blamed For the *Siffling* Among Seasoned Adults?

The question arises who should be blamed for the widespread penchant to *sif* and, as I noted at the outset, whether or not you, too, should master and practice that dark craft.

The reason so many people *sif*, I suppose, is because it brings such handsome rewards and rarely social opprobrium.

During the 1990s, for example, *siffling* and often outright lying was rampant in the business and commercial world. For years it appeared that Wall Street had absolutely no interest in either receiving or disseminating truthful information. Millions of investors were hurt by the practice, and the worldwide image of American capitalism was sorely tarnished. Yet for their dubious practices at most of a handful of the practitioners will ever bear any personal consequences worth mentioning. Even the worst *sifflers* among them ended up and will remain millionaires, often earning with that craft in one or a few years what dozens of expert neurosurgeons could not hope to earn over a lifetime of hard and honorable work. Given the lack of meaningful social opprobrium for *siffling*, it is a safe bet that *siffling* will remain a staple of the business and financial world.

It is likewise in the political arena. There politicians *sif* with abandon, and only rarely with any social opprobrium. Absent a media that would vigilantly pursue and verbally torture politicians engaged in the craft, and with an otherwise busy, untrained and helpless electorate, is there any hope that *siffling* will disappear from political dialogue. One can seriously wonder whether any candidate who is a principled person and faithful ally of the truth could make it any more in our political system.

The only weapon against the socially corrosive practice of *siffling* is an audience competent enough to see through *siffling* and with enough integrity of their own to care about it and vehemently oppose it. Absent these virtues, any truly faithful allies to the truth are at a decided disadvantage in our society.

Which leads me to the overarching question:

Do you actually care about this? Is a *siffling* society one in which you want to make your career and, possibly, raise a family? Do you think a democracy can flourish when its leaders routinely are dubious

allies of the truth? Do you think business can flourish when every statement or report issued by business leaders is suspect and requires auditing?

If not, you had better wake up to the phenomenon of *siffing* and make it as unacceptable in elevated circles as is lying outright.

F. One Note of Caution

One other point warrants mention, before I leave this topic. There are, you should know, quite a few truly righteous adults who never *sif*, let alone lie outright, and who always are principled, faithful allies of the unvarnished truth. They are, in no particular order:

1. you, of course;
2. your parents and grandparents (not so sure about your siblings, especially if they go to those northern schools);
3. all Princeton students, including graduate students, and especially those who are preceptors in this course;
4. all Princeton alumni and alumnae;
5. the President of Princeton University;
6. the Dean of the Faculty;
7. the Dean of the College;
8. the Dean of the Woodrow Wilson School;
9. the Chair of the Department of Economics;
10. and any other person who can affect my paycheck or make my life hard at Princeton.

Take it from me, the seasoned adult: I *sif* you not.