

# Off the Shelf

Recent books with Harvard connections

**Forgive Us Our Debts: The Intergenerational Dangers of Fiscal Irresponsibility**, by Andrew L. Yarrow, M.P.A. '94 (Yale, \$25). "[D]espite centuries of distaste for debt," the United States government will owe \$10 trillion by election day—and has promised another \$50 trillion or so of benefits. The unchecked debt spree threatens "night time in America," the author suggests, and "morning in China."

**The (Un)happy Lawyer**, by Monica Parker '92, J.D. '99 (Sourcebooks, \$14.95, paper). An erstwhile lawyer herself, Parker now plies her trade as a coach for those exiting the profession. Here is her written "roadmap to finding meaningful work outside of the law" (presumably while still complying with it).

**The Freedom Agenda: Why America Must Spread Democracy (Just Not the Way George Bush Did)**, by James Traub '76 (Farrar, Straus and Giroux, \$25). One reporter's take on promoting democracy and why it would be good for the nation to "get caught...behaving in conformity with our deepest principles."

**City between Worlds: My Hong Kong**, by Leo Ou-fan Lee, professor of Chinese literature emeritus (Harvard University Press, \$29.95). An attractively illustrated history, cultural guide, and sidewalk tour of the author's home city, where he now teaches at the Chinese University.

**High Performance with High Integrity**, by Ben W. Heineman Jr. '65 (Harvard Business Press, \$18). A brief, brisk book of guidelines for profitable, principled business operations, by GE's senior vice president-general counsel from 1987 to 2003. There, he writes, "We weren't going to repeal human nature, but we sought to reduce improprieties to a minimum."

**The Legacy of the Mastodon**, by Keith Thomson '61, Ph.D. '63 (Yale, \$35). The former director of the Oxford University Museum of Natural History traces "the

golden age of fossils in America" from Thomas Jefferson (fascinated by mastodon fossils) forward—150 years of pioneering and frontier paleontology.

**The Candy Bombers: The Untold Story of the Berlin Airlift and America's Finest Hour**, by Andrei Cherny '97 (Putnam, \$29.95). A huge narrative of the 1948-9 effort that brought 4.6 billion pounds of supplies into then-divided Berlin, at a time of maximum Cold War tensions. The author, an editor of the journal *Democracy*, tells especially about the exploits of Gail Halvorsen, the pilot who, on his own, dropped presents of candy tied to handkerchief parachutes.



Making a living in the narrow alleyways and streets of Wan Chai, in Hong Kong

**Decorated Book Papers, Fourth Edition**, by Rosamond B. Loring, edited by Hope Mayo, Hofer curator of printing and graphic arts, Houghton Library (Harvard College Library/Harvard University Press, \$50). With 80 lush samples, from when books were beautiful.

**How the Wise Decide**, by Bryn Zeckhauser '93, M.B.A. '01, and Aaron Sandoski, M.B.A. '04 (Crown, \$24.95). Among other advice, leaders suggest, "Fill a room with barbarians"—to air diverse views.

Skilling and Lay denied any wrongdoing or even knowledge of fraud. In July 2006, 10 days after his conviction in federal court in Houston, Lay died from a heart attack. Skilling was sentenced to 24 years in prison, though his appeals continue. All told, more than 20 people were convicted in Enron-related cases, and a company that once employed 31,000 vaporized.

IN PAINSTAKING ANALYSIS of the foregoing, Salter identifies three central lessons. The first is that a less drowsy board would have blown the whistle on Enron's shenanigans and prevented disaster. He points admiringly to the typically more vigilant directors he says are installed when buyout firms collaborate with management to take public companies private. (Salter averts his gaze from the fact that so-called leveraged buyouts often result in companies crippled with debt while the private-equity boys make out like bandits, but that's a topic for another book.) Lesson number two is that Enron executives, led by Lay and Skilling, were paid too lavishly. The reckless spewing of company stock and options—celebrated by some compensation gurus as a way to "align" management's interests with those of the company—created an incentive for Enron's leaders to prop up the share price at all costs. Finally, Salter calls for the institution of stringent ethical checks and balances to prevent executives from misbehaving when they operate "in the penumbra between clear rightdoing and clear wrongdoing."

Fair enough. But as Salter's careful exposition reveals, all the business-school theory in the world can't cure the corruption of a devious mind. Enron had codes of ethics, but they weren't worth the paper on which they were neatly published. (Lay, who saw himself as an academic of sorts, even contributed a chapter to a book on business ethics!) The company had a risk-analysis group stocked with quantitative geniuses who raised plenty of objections to questionable deals and dubious accounting. The objections were derided or ignored. As for what motivates the troops, Salter quotes Skilling as having this to say before everything unraveled: "I've thought about this a lot, and all that matters is money. You buy loyalty with money. This touchy-feely stuff isn't as important as cash."

Come to think of it, would even our most august schools of business adminis-

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