

N.C. industries eyeing the economic climate

BY JAKE RATLIFF
STAFF WRITER

North Carolina is ahead of the economic curve. Despite slow growth on the national level, the state's largest industries are still growing, albeit more slowly than in the past.

And the industries might be getting an extra boost with the Federal Reserve Board's Jan. 30 interest rate cut of half of a percent, the second radical rate cut in recent weeks.

John Akin, chairman of the UNC Department of Economics, said that the significant cuts will most likely help boost the national economy and that North Carolina would be no exception.

"The three-quarter of a percent cut is very big," Akin said, referring to the first of the rate drops. "I expect the Fed's cuts will help the whole country."

For North Carolina, the Fed's interest rate cuts will foster growth in the state's already-healthy industries such as health services and technically skilled jobs, Akin said.

"We have a lot of people working in parts of the economy that haven't slowed down," he said.

Akin also cited university-generated jobs as a key to North

Carolina's growth and the state's resistance to the slump in the national economy.

Some say the Triangle area will fare well because of its concentration of three large universities.

"Knowledge works are less impacted than services and manufacturing in an economic downturn," said UNC economics professor Buck Goldstein.

North Carolina's economic growth has led to a population boom, which Akin said has led to gains in the housing sector, as well.

In 2007 the average price of real estate in North Carolina increased by 4 percent, said Julie Woodson, director of public affairs for the N.C. Association of Realtors.

"Homes in the state are worth more now than they were a few years ago," Woodson said.

She added that the housing market will see even more gains as the state's population continues to increase — projections call for a population increase of about 400,000 by 2010. "Those people will need a place to live," Woodson said.

However, the state still has room for improvement.

Although most sectors of the

state's economy have seen job growth in the past year, the manufacturing sector has lost jobs, said Larry Parker, spokesman for the N.C. Employment Security Commission.

While the state's economy is growing, Parker added, it is not growing as much as it has in the past four to five years.

Economic growth is unequally distributed throughout the state. According to the 2007 report from Appalachian State University's Western North Carolina Economic Index, western North Carolina experienced economic declines throughout September and October.

And while the country as a whole might be going through a period of slow growth, some scholars hesitate to call it a recession.

"I don't think (a recession) is a foregone conclusion," Goldstein said. "It's still up in the air."

It could be some time before the Fed's rate cuts filter down to the consumer, he said, adding that homeowners with an adjustable-rate mortgage will see the benefits of the interest rates decrease sooner.

Contact the State & National Editor at stntdesk@unc.edu.

Grant to help Triangle's alternative energy aims

N.C. State, Utah to partner on project

BY ERIK RUST
STAFF WRITER

Triangle researchers hope to enter the competitive arena for alternative-energy production officially after winning a grant of \$2 million from the U.S. Department of Energy.

The Research Triangle Institute International will partner with N.C. State University and the University of Utah to pursue a \$3.2 million project focusing on converting wood biomass into liquid transportation fuel.

The project, which will run for the next three years, has the possibility to expand to a large-scale operation.

"It has quite a potential to have an impact because if I want to compare it to corn and ethanol, you are fairly limited to the kinds of products you can make and much of the corn is wasted," said professor Kevin Whitty of the Institute for Clean and Secure Energy at the University of Utah.

"This (process) can take any type of biomass and turn it into fuel." The group was one of four applicants competitively selected for \$7.7 million worth of federal funding for researching new bio-fuels development — more than \$1 billion in DOE funding has been dedicated to projects in the same

field within the last year.

UNC professor Douglas Crawford-Brown, the UNC representative to the Research Triangle Energy Consortium, said he thinks the initiative is promising.

"Washington, D.C., did not consider the Triangle area to be a key player in this area, and Berkeley just received a very large grant in the ways of alternative energy," Crawford-Brown said.

"This grant will move this geographic area into new areas for biofuel technology."

The grant project will work with pilot facilities in order to establish a proof of concept, which can then be put into mass production.

The first step is to take wood-based biomass, collected and processed by N.C. State from timber harvesting, and transfer it to the University of Utah where it will be decomposed into synthetic gas.

"The government grant said they would not pay for a \$3 (million) to 5 million gasifier facility, which the University of Utah has," said professor Steve Kelley of N.C. State's Department of Wood and Paper Sciences.

The University of Utah is where the majority of experimental work will be conducted, Whitty said.

After the wood biomass is bro-

"This (process) can take any type of biomass and turn it into fuel."

KEVIN WHITTY, PROFESSOR AT INSTITUTE FOR CLEAN AND SECURE ENERGY AT THE UNIVERSITY OF UTAH

ken down into gas in Utah, impurities preventing efficient biofuel production will be removed with technology developed by RTI and the purified gas will be converted into liquid fuel.

Crawford-Brown said he hopes the project will bring recognition to the newly formed RTEC, which held its first symposium in November.

RTEC, which consists of UNC, Duke and N.C. State, as well as RTI, evaluates the interplay between energy, environment and society in order to make public policy.

Each institution involved in the project hopes to move the experiment to a larger scale if successful after the three-year period.

"There are lots of projects in the start-up phase," said RTI Senior Research Engineer Dave Dayton.

"Hopefully we can set up a platform for a new fuel technology industry."

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National and World News

FROM THE CAMPAIGN TRAIL

Both sides prep for Super Tuesday

WASHINGTON, D.C. (AP) — Buoyed by cheering crowds and bolstered by more than \$1.3 million a day in TV ads, Democrats Barack Obama and Hillary Rodham Clinton raced through the final hours of an unpredictable Super Tuesday campaign across 22 states.

Unwilling to leave anything to chance, both Republican hopefuls John McCain and Mitt Romney hastily rearranged their schedules to make one more late stop in California, the largest state, with 170 delegates.

Huckabee says he is in for long haul

WASHINGTON, D.C. (AP) — Mike Huckabee hasn't won a Republican presidential contest in a month. The result: Money is tighter, his staff is smaller and he can't seem to get the attention he once did.

Still, he says he's sticking around for the long haul — well past Tuesday's coast-to-coast primaries and caucuses if need be.

Huckabee's presence could be a major factor in what essentially has become a race between Republican front-runner John McCain and Mitt Romney.

Government troops battle rebels in the Chadian capital for third day

N'DJAMENA, Chad (AP) — Thousands of people fled Chad's capital Monday as government troops and rebels battled for a third day. Gunfire and explosions were heard throughout the city, a U.N. official said.

The U.N. Security Council condemned the rebel offensive and authorized France and other nations to send troops to help defend President Idriss Deby's government.

Casualties were believed to be high, and the violence threatened peacekeeping and aid operations intended to stabilize the border

of the Darfur region of Sudan.

The rebels arrived on the city's outskirts Friday after a three-day push across the desert from Chad's eastern border with Sudan.

Since the outset of the fighting, Chadian officials have repeatedly accused Sudan of backing the rebels. An aide to French President Nicolas Sarkozy said Sunday that Sudan wanted to crush Deby's regime to keep the European Union from the imminent deployment of a peacekeeping force that is to operate along Chad's volatile border with Darfur.

Israel fears more suicide bombings

DIMONA, Israel (AP) — A Palestinian bomber blew himself up Monday in this desert town near Israel's nuclear reactor, killing an Israeli woman and wounding 11 people in the first suicide attack inside Israel in a year.

The attack fueled Israel's fears that Gaza militants would exploit a border breach with Egypt to sneak into Israel. Militants claimed the bombers entered Israel through the porous Egyptian border.

An offshoot of Palestinian President Mahmoud Abbas' Fatah movement claimed responsibility, threatening to complicate recently revived peace talks.

Budget proposal will yield deficit

WASHINGTON, D.C. (AP) — The record \$3.1 trillion budget proposed by President Bush on Monday would produce federal deficits, despite his attempts to impose curbs on Medicare and eliminate scores of popular domestic programs.

Slumping revenues and the cost of an economic rescue package will combine to produce a huge jump in the deficit to \$410 billion this year and \$407 billion in 2009, the White House says.

But even those figures are optimistic since they depend on rosy economic forecasts and leave out the full costs of the war in Iraq.

Web PAC ups participation

MoveOn members endorse Obama

BY ARIEL ZIRULNICK
STAFF WRITER

In an election flush with groundbreaking campaign techniques, even political action committees are changing the way they do business.

MoveOn.org, an online political action committee, endorsed a presidential candidate for the first time, choosing Sen. Barack Obama.

What makes this endorsement unique is that the candidate was chosen based solely on a popular vote from the PAC's members.

MoveOn's members join the PAC by signing up online. The members of traditional PACs, long in the business of endorsements, typically share geographical, professional or other specific characteristics, but the only common characteristic among MoveOn members is their belief in progressive leadership.

"MoveOn is unlike any union or any other PAC that's focused on a single issue," said Students for Barack Obama Director Vivek Chilukuri.

"It's very democratic. I think MoveOn.org is one of the best examples of how democracy is evolving in the information age," he said.

Online PACs are relatively new, so people are unsure of just how influential they will be.

"What is unclear is whether an

Internet-based organization can actually turn out voters on Election Day the same way more traditional member groups might," said UNC political science professor Tom Carsey.

The same is true for MoveOn, which is often seen as exceptionally liberal, most recently known for its "General Petraeus or General Betray us" ad condemning Gen. David Petraeus' leadership in Iraq.

"(MoveOn is) one of the most visible of these groups, particularly on the liberal side of the spectrum," Carsey said.

Despite uncertainty about how much Sen. Hillary Clinton has in common with MoveOn, Heels for Hillary urged its members to vote last week to have MoveOn endorse their candidate.

However, when the PAC voted to endorse Obama instead, Heels for Hillary member Mike Radionchenko said he didn't think the result would make a difference.

"Endorsements tend to portray the organization's support, and I think it's pretty clear from the vote totals that Obama represents the base of MoveOn better," he said, citing a recent National Journal ranking that named Obama the most liberal senator of 2007.

"MoveOn.org is one of the best examples of how democracy is evolving in the information age."

VIVEK CHILUKURI, STUDENTS FOR OBAMA DIRECTOR

Chilukuri said he doesn't see the endorsement having much relevance beyond the primaries.

"When you're in a primary, the policy and ideological differences between candidates is very small, so things like this can help make up people's mind," he said.

"(A PAC's) biggest benefit is in mobilizing supporters, not necessarily converting supporters."

Despite ambivalence about their impact, online PACs are likely to continue growing, said Massie Ritsch, communications director for the nonpartisan Center for Responsive Politics in Washington, D.C.

"Every ideological PAC is becoming an online PAC because online fundraising is the area where there is the greatest potential for growth," he said. "(They) can draw from really anyone. The potential for fundraising is much larger."

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The Human Knowledge Project (part 1)

Siva Vaidhyathan, author of *Copyrights and Copywrongs*, will present the School of Information and Library Science Henderson Lecture on "The Human Knowledge Project (Part 1): Four Conceptual Errors concerning Massive Digital Library Projects."

The talk will outline the grand mistakes that we are making in the rush to digitize everything and offer a vision of a better way to link the greater population of the world with the greatest sources of knowledge.

Siva Vaidhyathan is a cultural historian and media scholar who is well known for opposing Google's book scanning project. *The Chronicle of Higher Education* has called him "one of academe's best-known scholars of intellectual property and its role in contemporary culture."

Join us on
Wednesday, Feb. 6, 2008 at 3 p.m.
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