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'Smart Growth' fears, P. 16

CAROLINA JOURNAL

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Statewide Edition

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Time for Randy Parton Theatre to Deliver

Stakes are high for state officials who OK'd project

By **DON CARRINGTON**

Executive Editor

RALEIGH

Entertainer Randy Parton, brother of country superstar Dolly Parton, says he will give his first performance at the new Randy Parton Theatre at Roanoke Rapids on July 26.



Randy Parton

City and state officials have a lot on the line: They provided 100 percent financing for the startup business venture and signed off on



Randy Parton's first performance in the theater named after him is July 26 and many public officials' judgment is intertwined in its future. (CJ photo by Don Carrington)

an annual \$1.5 million "artist fee" for Parton, 53. Carolina Journal has found no evidence that Parton invested any money in the project.

Officials are betting on Parton's ability to competently manage the theater, located just off Interstate 95 south of Roanoke Rapids, and attract enough customers to pay expenses.

Parton's two-hour music variety

show is scheduled to run every week Wednesday through Saturday. Parton needs customers from outside Halifax County if the theater is going to succeed. With a total population of 55,000, it would take only nine weeks for every county resident to see the show.

Parton took possession of the completed 35,000-square-foot, 1,500-seat theater in March. In May, theater officials

said they were scheduling auditions for local musicians and singers. Since the theater was announced in 2005, supporters have promised it would offer "world-class" entertainment and become "the premier entertainment destination on the East Coast." In addition to his own show, Parton will occasionally schedule other performers.

The theater is planned to be the anchor of the 1,000-acre Carolina Crossroads entertainment and retail development. Carolina Crossroads has staged outdoor concerts at a nearby field being developed into an amphitheater. More outdoor concerts and events are scheduled for this year, but those events are separate from the Parton Theatre.

An economic development agreement first obtained by CJ showed that Parton is to receive an annual \$1.5 million artist fee, plus a free home and vehicle for three years. The home and car were provided by private entities. According to the terms of the agreement, at

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Would Rural Areas Benefit from ECU Dental School?

By **JANE S. SHAW**

Contributing Editor

RALEIGH

Many North Carolinians, especially in rural areas, suffer from lack of dental care. Would a new \$100 million dental school at East Carolina University provide it? The General Assembly is pondering that question.

Although the proposed ECU dental school has significant political

support, its future is uncertain. In 2006, the legislature gave ECU \$3 million to plan the school. But the governor has proposed that funds for building it go into a bond issue to be presented to the voters in November.

The House and Senate still are developing their budgets. The House proposed only \$1 million for the dental school's professional staff and \$2.5 million for capital planning, but the Senate budget includes full funding through

certificates of participation, which are paid by lease revenues and don't require bonded indebtedness.

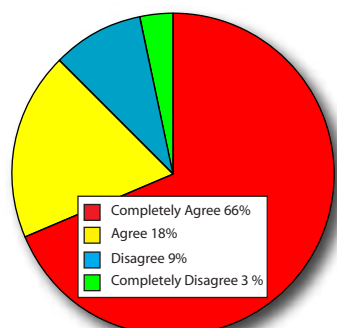
The school's proponents stress that the school would be unique, designed from the ground up as a school that would reach out to rural, underserved populations. It would include 10 rural clinics partly staffed by fourth-year dental students. It would recruit students eager and willing to work in underserved areas.

A dental school at ECU would be "a step in the right direction," said Burlington, N.C., dentist Steven D. Slott, because it would educate more dentists while also providing care for patients in the rural and underserved parts of the state. Slott's practice serves primarily rural and Medicaid patients.

Not so fast, critics say. Many fac-

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Do you agree or disagree that illegal immigrants convicted of drunk driving should be deported?



John William Pope Civitas Institute Poll, May 2007

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Time for Parton Theatre to Deliver

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least \$750,000 of Parton's fee will come initially from money borrowed by the city.

The agreement was signed in June 2005 and involved four parties: Parton's new company, Moonlight Bandit Productions; Roanoke Rapids; B & C Roanoke, a company affiliated with Georgia-based Blanchard & Calhoun Commercial; and Roanoke Rapids Entertainment One, a company controlled by Roanoke Rapids developer Michael Dunlow.

More than \$5 million in other public funds have been appropriated for the project, including \$500,000 by the General Assembly for marketing; \$399,000 by the Golden LEAF Foundation for water and sewer; a \$1 million Community Development Block Grant for water and sewer; a \$500,000 Rural Economic Development Center grant for water and sewer; and \$2.5 million in road improvements by the Department of Transportation.

Project history

Former Northeast Partnership CEO Rick Watson developed the concept for the theater and recruited Randy Parton to participate. The Partnership is a state-funded economic development agency that seeks to recruit businesses to a 16-county region that stretches from Halifax County to Dare County.

Watson met Parton in 2004 and by the summer of 2005 Parton had agreed to participate in the project. But also in 2005, Parton, his wife Deb, Watson, Brenda Womble of Garner, Frank Harper of Snow Hill, and Raleigh lawyer Ernest Pearson formed five limited liability corporations to manage Parton's North Carolina business interests.

The LLCs were Moonlight Bandit Productions, Moonlight Bandit Merchandising, Moonlight Bandit Properties, Moonlight Bandit Concessions, and Friends of Moonlight Bandit. According to the articles of incorporation available from the N.C. Secretary of State's Office, all six members would manage the companies.

Watson ran into trouble last year for working for Parton while still performing his state-funded economic development job. The Partnership's board of directors fired Watson in the spring of 2006 after State Auditor Les Merritt



Roanoke Rapids officials agreed to an annual \$1.5 million "artist fee," plus a car and home, to entice Randy Parton to leave his Sevierville, Tenn., home pictured above. (CJ photo by Don Carrington)

issued a scathing report on the activities of the organization.

On Feb. 16, 2007, Randy Parton filed amended documents that left him as the sole manager of all five companies. Watson, Womble, Pearson, and Harper no longer have connections with the theater, city officials said.

Cathy Scott and her husband, Mike Scott, former contract employees for Watson at the Partnership and Roanoke Rapids, remain involved in the Parton project. Parton recently hired Cathy Scott as the theater manager and Mike Scott as his business manager. CJ can find no evidence that Parton or the Scotts have any experience managing a theater. Attempts to contact the Scotts and Parton were unsuccessful.

Randy Parton background

Parton is from Sevierville, in Sevier County, Tenn. Pigeon Forge and the Dollywood theme park — owned partially by Dolly Parton — also are situated in Sevier County. While the Internet is filled with information about Dolly, little is publicly available about Randy. His old Web sites and his new one, rptheatre.com, say information about Randy is "coming soon."

Dollywood spokesman Pete Owens told CJ that Randy Parton played there for several years. "He played in a 1,000-seat theater and primarily did the big closing show before he left for North Carolina," Owens said. "It was a very successful show, based on our surveys of our guests."

Sevier County public records show that the primary home for Parton and his wife is a 1,200-square-foot house on a small lot. They initially acquired the home with the help of Dolly. The 2006 market value was \$60,000. Randy Parton and his wife paid off the mortgage in 2005 after they received a \$500,000 advance

to come to Roanoke Rapids. The Partons also own three vacant lots acquired from other relatives. Sevier County election officials told CJ that they have no record of Randy or Deb Parton ever registering to vote there.

Treasurer approves package

State Treasurer Richard Moore and other members of the Local Government Commission gave final approval to Roanoke Rapids to borrow \$21.5 million to finance the Randy Parton Theatre even though a feasibility study found that other attractions must first be in place for the theater to be viable. The final approval came at the commission's meeting Feb. 6.

The commission is required by law to determine whether the project is feasible. Included in the Parton file was a copy of a feasibility study prepared for the city by Economic Research Associates.

The study found that the theater could be a "market-viable concept" provided that "key elements of the larger proposed development, including two hotels, at least 200,000 square feet of retail, and additional entertainment/amusement opportunities are operational by the time the theater is opened."

While construction of one hotel is under way, work on none of the retail space has been started. When CJ asked about the development prerequisite cited in the feasibility study, Roanoke Rapids Mayor Drewery Beale said the other facilities would not be in place when the theater opens. He said the development company "assured us the development is coming."

CJ has been unable to determine whether Moore was aware of the condi-

Continued as "Time" on Page 3

Correction

A photo caption on Page 1 of April's CJ incorrectly identified State Sen. Robert Pittenger as a member of the state's Climate Action Plan Advisory Group. Pittenger is a member of the Legislative Commission on Global Climate Change.

Dental School Proponents Say Rural Areas Would Benefit

Continued from Page 1

tors, from poor education to low Medicaid reimbursement, prevent people from getting dental care. Ten clinics scattered around the state would not make much of a dent, and whether graduates would actually serve those communities is an open question, the critics say.

"It will not address the problem," said Ernest Goodson, an orthodontist in Fayetteville who has worked as a public health dentist. "The real issue is the maldistribution of dentists." It's impossible, he said, to keep a dental practice going in an underserved area, and a new school won't change that. "A new school would be wasting a whole lot of money."

Deciding who is right is difficult because there are few impartial observers.

Lining up in favor of the dental school are the persuasive vice chancellor of oral health at ECU, D. Gregory Chadwick, who would head the school; the UNC general administration, which is also seeking state funds to expand the UNC-Chapel Hill dental school; and powerful eastern N.C. legislators. The most outspoken opponents are dentists.

Both groups reflect relatively narrow interests rather than an objective assessment of the pros and cons for N.C. taxpayers, who would shoulder a big economic burden. The university system has asked the legislature for \$87 million over the next two years to build the ECU school. Operating costs are expected to be an additional \$15.6 million each year, although not all those funds would come from state appropriations. The univer-



Lining up in favor of the proposed East Carolina University dental school are the persuasive vice chancellor of oral health at ECU, D. Gregory Chadwick (left), the UNC general administration; and powerful eastern N.C. legislators.

sity also wants \$96 million to expand the dental school at Chapel Hill.

Regional support for the school reflects hopes that it will improve the economy of eastern North Carolina, as well as the health of the population. In contrast, many dentists are skeptical about the school, citing the high costs and uncertainty about its effectiveness. These dentists could have a lot to lose if ECU graduates set up private practice in the big cities, rather than go to rural areas. This would increase competition among dentists, who already report that their incomes are static.

So far, taxpayers' and free-market groups have been largely silent. At a meeting in March of the House appropriations subcommittee on capital, however, several legislators raised ques-

tions about the ambitious plans of UNC. The system wants hundreds of millions of dollars from the legislature for capital investments over the next decade, including the dental school expansions and a \$244 million research campus in Chapel Hill known as Carolina North.

Background

The history of the idea of building a new school of dentistry is short. As recently as 2002, a study commission reported to the UNC general administration that a school at ECU was not warranted. The reasons cited were the high cost, a pending national shortage of dental faculty, the lag time before the first class would graduate, concern that there weren't enough qualified N.C.

students for two schools, and, most important, the report said, doubt that a new school would increase dental care to populations in rural and underserved areas.

Nor did a series of reports on access to dental care beginning in 1999 recommend a new dental school; it wasn't until the 2005 update that a report even mentioned that a new school was under consideration. The reports, issued by the N.C. Institute of Medicine, made recommendations for increasing access to dental care ranging from raising the Medicaid reimbursement rates for dental services to requiring dental-student recipients of state financial aid to serve low-income patients. Medicaid pays private dentists 60 percent or less of market prices. The reports did not recommend a new dental school.

Even in late 2005, an article by the former dean of the UNC-Chapel Hill School of Dentistry, John W. Stamm, discussing an emerging shortage of dentists in the state, did not recommend a new dental school. He noted that the American Dental Association says that schools with fewer than 800 students tend to be inefficient. Chapel Hill has about 320 students, and ECU would have 200.

The picture changed suddenly in March 2006. An advisory committee at ECU, appointed by ECU Vice Chancellor Michael Lewis, resoundingly endorsed a new dental school at ECU. The committee of outside experts "unanimously and enthusiastically" supported such a school.

Before the month ended, the

Continued as "ECU" on Page 4

Time for Randy Parton Theatre in Rocky Mount to Deliver

Continued from Page 2

tions of the feasibility study or of Parton's annual \$1.5 million fee. Moore's communication director Sara Lang and senior advisor Julie White ignored repeated requests from *CJ* to comment about the commission's approval process.

The commission staff is housed in the Debt Management Section of the treasurer's office. According to the treasurer's Web site, that section "counsels and assists local governments in determining the feasibility of a project, the size of the financing, and the most expedient form of financing."

The Parton Theatre was built with what is called tax increment financing. Roanoke Rapids was the first N.C. municipality to use the newly approved economic development financing tool. In November 2005 North Carolina voters approved Amendment One to the state constitution, which permits local governments to issue bonds without a referendum for a variety of improve-

ments.

The Roanoke Rapids project is the only development plan to use the new economic development tool. The commission is required to approve each project.

With a TIF project, a public economic development investment is supposed to improve surrounding property values, with the incremental increase in property tax collections being used to repay the borrowed money. With the Parton Theatre project, city officials expect the increased property tax revenue to be only a reserve. They expect Parton to make the payments to cover the debt service over a 20-year period. Parton can own the theater for \$1 when the debt is fully paid, which can be sooner than the 20-year period.

UNC-Charlotte finance professor Tony Plath, a critic of tax increment financing, told *CJ* using bond money to guarantee Parton's artist fee is an inappropriate use of capital for operating expenses. In this situation "you

are giving away public money, and the people evaluating the projects don't have the financial skills to evaluate the money they are giving away," he said. Plath said that citizens should have a right to vote on deals such as the Parton Theatre funding.

Director of Debt Management Tim Romocki and Assistant Director Jim Baker provided *CJ* access to their files on the project. Baker acknowledged that he was aware of Parton's \$1.5 million annual fee and that a copy of the Parton agreement was in the file, but he declined to make any additional comments.

In addition to Moore, the other commission members voting to approve the project were Revenue Secretary Norris Tolson, Deputy Secretary of State Michael Peeler, State Auditor Les Merritt, Winston-Salem Mayor Allen Joines, N.C. Central law professor Irving Joyner, and Linville businessman David Huskins. Two other members, Patrick Smathers and Marcus King, did not attend the meeting.

Joines told *CJ* he was not aware of the conditions in the feasibility study. "I think it is a fair request to ask staff to review the matter. I will ask the staff to review the issue and report back to the commission," he said. State auditor spokesman Chris Mears said Merritt had seen the stories about Parton's salary but preferred not to comment. Peeler acknowledged voting for the project, but he said he had no other comment.

Huskins told *CJ* he had served on the commission for six years, but resigned in March because of a potential conflict of interest with some of his lobbying clients. He said he was active in the campaign to have Amendment One approved by voters.

"The staff does the research. We rely on their recommendations. We have to assume they are giving us the information. I don't recall the information on Parton's payment being presented. I was elated that we had a project. I had gone out and campaigned for the financing tool," he said. *CJ*

ECU Dental School Proponents Say Rural Areas Would Benefit

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UNC system itself was on board, with a cooperative plan that included a new oral sciences building at Chapel Hill. The Board of Governors approved the plan April 11, 2006, just in time to request and obtain from the legislature \$7 million in planning funds to get the process going.

The issues

The chief argument for the ECU dental school is that this one will be "different." Unlike the dental school at Chapel Hill, which emphasizes specialized research, the ECU school will focus on "the education of general dentists to provide dental care and health policy leadership to North Carolina communities that have limited health resources and few other dentists, particularly specialists." (The quote comes from the official plan presented to the UNC gen-

eral administration Sept. 29, 2006.)

Fourth-year students will experience an "extended immersion in a dental clinic located in a rural community away from the ECU campus." The 10 community-based clinics around the state are part of the school's capital investment. Student recruitment will "target residents from rural and underserved areas who demonstrate a strong personal commitment to serving rural North Carolina as health care providers."

The goals are ambitious, but major questions remain. Would fourth-year students' immersion in the new clinics have a big impact on both dental care and the students' "real-life" education? More critically, would graduates end up reaching "rural" and "underserved" populations?

Supporters point to the Brody School of Medicine at ECU. Founded in 1974, it emphasizes primary care, especially in underserved areas of North Carolina. According to the Sept.

29, 2006, plan, "More than 28 percent of BSOM graduates practice in rural North Carolina, which is over 50 percent more than the other publicly-funded medical school in the state." Since the medical school at Chapel Hill graduates four times as many students, the actual number of BSOM graduates in rural North Carolina is smaller than the number of graduates of Chapel Hill.

Even if this percentage held true for dental students from ECU, an obvious question is whether a 28 percent "success" rate would justify the costs of the school. It suggests that some anxious dentists' fears might be right — most graduates would end up in cities. This might be good for consumers, but not for those in rural areas.

The ratio of dentists to population in North Carolina is lower than the national average — 4.4 dentists per 10,000 people, compared with the national average of 6 per 10,000, according to the Cecil G. Sheps Center for Health

Services Research.

The number of dentists in North Carolina has been growing, however. One reason appears to be a 2003 law that allows out-of-state dentists to obtain a license based on "credentials," not on the state licensure exam. Thus, changes outside education, such as easier licensing rules and higher Medicaid reimbursement, might have a bigger impact on access to dental care than graduating more dentists.

But such changes might never come about without a new dental school, say the proposed school's supporters.

Slott, who supports the school at ECU, said he is tired of unkept promises to do something about underserved populations. *CJ*

Jane S. Shaw is executive vice president of the John William Pope Center for Higher Education Policy (shaw@popecenter.org).

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Carolina Journal Reader Survey

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The *Carolina Journal* staff would like your help in evaluating some of our programs and services. Your responses to this brief survey will help *CJ* editors and reporters improve the newspaper's design, organization, and coverage of state and local issues in North Carolina. Please help us by filling out the questionnaire and mailing the completed survey to the address below. We look forward to hearing from you.

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Former NCDOT Head: Transportation System Broken

By MITCH KOKAI
Associate Editor

RALEIGH
North Carolina's transportation system is broken, and the current crop of elected leaders is doing nothing to fix it, a former N.C. transportation secretary who helped create the Highway Trust Fund says.

"It's broken," James Harrington told participants in a transportation forum May 1 in Raleigh. "Because of this, my children and my grandchildren are being deprived of economic opportunity, and their quality of life is being diminished, and I resent that."

Harrington led the state transportation department from 1985 to 1989 under Republican Gov. James Martin. As transportation secretary, Harrington helped develop a trust fund designed to shield highway money from other state government spending. The system worked "more or less effectively for six years," once it took effect in 1989, he said.

"Since that time, the legislature and the DOT administration have 'reorganized' the DOT and the Board of Transportation in a way that the systems set up to expedite construction projects have become systems designed to delay those projects," Harrington said. "The constitutional protection written into the Highway Trust Fund legislation has been violated repeatedly by the governor and the General Assembly. I really resent that."

Harrington is a plaintiff in a lawsuit challenging diversions of more than \$200 million in Highway Trust Fund money to the state's General Fund. A trial court dismissed the November 2002 suit, but the N.C. Supreme Court ruled in December 2006 that Harrington and former state Sen. Bill Goldston have "standing," or eligibility, to pursue their case.

"It's broken. Because of this, my children and my grandchildren are being deprived of economic opportunity, and their quality of life is being diminished, and I resent that."

James Harrington
Former NCDOT Secretary

"The staff of the attorney general's office, those who advised us initially that the Trust Fund was constitutionally protected, have spent four years obstructing our efforts to bring this issue before the court," Harrington said. "This has been a long, tiring, and expensive effort."

The Highway Trust Fund will never be safe as long as the state ignores problems with its general budget, Harrington said. "Recognize that as long as the legislature ignores the structural deficiencies in the General Fund, they will resort to highway robbery to cover their butts."

North Carolina should move toward a "utility-type method" of financing highway maintenance, Harrington said, and some elected officials need to push for changes. "You have to make this a priority political issue in the next election," Harrington's comments led into a panel discussion for the N.C. SPIN syndicated television program. N.C. SPIN and the Regional Transportation Alliance coordinated the forum.

North Carolina's population growth has overwhelmed its transportation system, said panelist David Hartgen, professor of transportation studies at the University of North Carolina at Charlotte. "What was an adequate — in fact, visionary — mechanism for funding the system in the late '80s has now proven to be inadequate and a significant

drain on the future economic potential of the state."

Hartgen says his annual review of the 50 state highway systems has detailed North Carolina's fall from the eighth-best system in the late 1980s to the No. 28 system today. "We have let our system go, and we are in danger of losing the central arteries that we depend upon for our economic viability."

Transportation planners also focus too much attention on transit projects that fail to address the state's needs, Hartgen said. "Basically the priorities are not where they need to be," he said. "In Charlotte, 60 percent of the [transportation] funding is going to 2 percent of the commuters. In Durham, 50 percent of the budget is going to 3 percent of the commuters."

Some panelists tried to deflect at least some of the criticism leveled at the General Assembly and transportation department. "I think it's unfair to say this is all DOT's problem," said Chris Fitzsimon of N.C. Policy Watch. "When we created the Highway Trust Fund, no one expected the rate of growth we've had in North Carolina. Certainly, no one expected the rising cost of highway construction and the price of oil."

"We need to be the 'Good Roads State,' but we also have to have schools that work, and we have to protect the water and air and all the other things

that state governments do," Fitzsimon said.

Transportation Board member Nina Szlosberg questioned the need for an increased focus on new roads alone. "With four million people coming into our state in 25 years, if we think we can build our way out of it, I think we've got our heads in the sand."

Hartgen rejected that argument. "Actually, that's how we've done it for the past 200 years," he said. "We have, in fact, built our way out of it by spending money wisely on projects that are needed."

Szlosberg and Hartgen disagreed again when the panel discussion returned to mass transit. Support for transit will grow as the population shifts more toward the younger "creative class," Szlosberg said. "When we invest in transit, the private sector comes behind us," she said. "The development community understands there is a huge market for this."

"Really, I find her statement contains so many things I disagree with," Hartgen said. "First of all, the density is not there [for transit service]. Second, 95 percent of the people are driving private cars. Third, the transit share is declining in this state. Fourth, costs of service have been going up at a rate three or four times faster than inflation. Fifth, transit fares are now 10 or 20 percent of the budget in most cities."

The state should take different steps to improve its transportation system, Hartgen said. "Fix the funding formula to include congestion conditions somehow," he said. "Select projects on the basis of merit. And abolish the transportation board."

Harrington offered an even simpler list of recommendations. "Leadership, leadership, and leadership," he said. CJ

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NC Delegation Watch**McHenry aide indicted**

CBS News reported May 11 that Michael Aaron Lay, a former field coordinator for the 2004 campaign of 10th District Rep. Patrick McHenry, a Republican, was indicted for voter fraud. According to the network, the indictment charges that Lay, 26, "illegally cast his ballot in two 2004 congressional primary run-offs in which McHenry was a candidate. The charges indicate that Lay voted in a district where it was not legal for him to vote.

"At the time Lay was listed as a resident in a home owned by 32-year-old McHenry," CBS reported, "but campaign records indicate Lay's paychecks were sent to an address in Tennessee. McHenry won the primary by only 86 votes. According to Gaston County, N.C. District Attorney Locke Bell, Lay was indicted May 7 by a local grand jury."

Shuler opposes amnesty

Rep. Heath Shuler, D-11th, joined with other members of Congress to urge the Senate to resist attempts to grant amnesty to illegal immigrants.

"This is an issue that Democrats and Republicans should stand together on," Shuler said. "We should stand for the rule of law and what is right. We cannot, we must not, and we should not reward those who have broken the law. It is unfair to those who have gone through and are continuing to go through the process of legal immigration to grant amnesty and citizenship to those who have entered our country illegally."

Leaders of the Senate later compromised on an immigration bill that contains what some call amnesty for the 12 million to 20 million illegal immigrants in the United States. Several of the members of the House at the press conference May 8 sent an open letter to senators urging them to reject any such legislation.

Rep. Lamar Smith, R-Texas, ranking member of the Judiciary Committee and main author of the letter, said, "We are here today to send a signal to the Senate that if they put forward this plan - we will call it what it is, 'amnesty.'" Members present pointed to the amnesty offered to illegal immigrants in 1986 as evidence that amnesty only encourages more illegal immigration. CJ

Conservative bias?**Media Ownership Battle Heats Up in Congress**

By KAREN McMAHAN

Contributing Editor

RALEIGH

Recent media mergers and acquisitions have sparked debate in Congress over media ownership and fairness in broadcasting. Most notably, since Rupert Murdoch's \$5 billion unsolicited offer in May to purchase Dow Jones & Co., including The Wall Street Journal, pundits have begun speculating about what such a buyout would mean for the American public, politics, and the economy.

Since the announcement by Murdoch's NewsCorp, the media have questioned dozens of executives, politicians, and pundits about the proposed merger. On May 2, 2007, CNBC's Carl Quintanilla interviewed Rep. Lynn Woolsey, D-Calif., and Vito Fosella, R-N.Y. Woolsey said the merger "is about one person having too much control of so much of the media, not only in our country but worldwide," and, as a result, "a great majority of the American people" would hear just "one viewpoint."

Fosella said he thought a merger would not be unhealthy for Americans because so much has changed in the way consumers get their information. Fosella said that he was against more legislation and that existing rules already address concerns over "whether there's too much media in some people's hands."

In that same interview, Woolsey, cochairman of the Congressional Progressive Caucus, said she and fellow Democrats were willing to "stand up to fight" and that they "would work hard to bring the FCC regulations back to at least 2003" in order to prevent any changes in the Wall Street Journal that might move markets, commerce, and stocks in ways that favor Murdoch's views.

Woolsey's office could not be reached to provide further comment, but she is listed as a cosponsor on the Media Ownership Reform Act introduced in 2005 by U.S. Rep. Maurice Hinchey, D-N.Y. Jeff Liberson, Hinchey's press secretary, said Hinchey has been working with U.S. Sen. Bernie Sanders, I-Vt., to reintroduce that bill, which will be "largely like the one from 2005." Liberson denied that the legislation is in response to the proposed NewsCorp merger.

Why such intense media coverage of this merger? It pales in size to the \$17.2 billion offer from Thompson Corporation for Reuters. That merger would give the new company 34 percent of the global financial services information market. Yet, few critics have speculated how this merger might change markets or provide a single perspective for a "majority of Americans" as they have insinuated in the case of the Murdoch deal.

Pundits and politicians point to what they call the conservative slant



of the Fox News Channel and other Murdoch-owned media as a reason to worry about journalistic integrity. CNBC's chief commentator, Bill Seidman, in an interview May 3 with the channel's Michelle Cabruso-Cabrera, said he hoped the merger would not be successful. The Bancroft family, which controls 60 percent of Dow Jones, the publisher of The Wall Street Journal, "is now more interested in 'taking money' than in 'taking prestige,'" Seidman said. Addressing Democratic pundits' concern over "stewardship of The Wall Street Journal," Seiden intimated that Murdoch was too smart to "very overtly" interfere, but that Murdoch "could wreck that franchise" and "destroy its value" should he go "poking around the newsroom."

Yet, there is no evidence to support Murdoch would make a dramatic change, other observers say. Recently, The Wall Street Journal stated that Murdoch's personal views coincide with the paper's "conservative slant," indicating the editors do not expect a significant change, and New York Times reporter Ross Sorkin, in a CNBC interview on May 4 said he does not think Murdoch will take a "divide-and-conquer" approach, despite the Bancroft family's opposition. Murdoch owns tabloids, which critics concede are not conservative. Barry Ritholtz, chief strategist for Ritholtz Research, wrote in a May 8 RealMoney column that Yahoo! should buy Dow Jones, saying "it makes much

more sense."

Since the Democrats regained control of Congress, they have increased their efforts to regulate business, attempting to regulate executive pay and eliminate oil company incentives, among other initiatives.

In an attempt to, as they would say, protect Americans' access to objective news analysis, Hinchey, Woolsey, and others apparently are trying to amend the 1934 Communications Act and roll back FCC regulations to the 2003 version or earlier. Part of this legislation is aimed at limiting media ownership, but it also includes a provision to guarantee fairness in broadcasting, which proponents claim was severely hurt by suspension of the Fairness Doctrine in 1987 and by changes to the Telecommunications Act of 1996.

In a March 13, 2007, press release, Hinchey, Woolsey, and Kaptur announced they are "addressing findings from a new Media Matters for America study that shows Republican and conservative voices" are "dominating the influential Sunday-morning talk shows." Sanders, speaking to a town forum in February in Vermont on media issues, contended that the media was "complicit in our going to war in Iraq by serving as a loudspeaker for the White House." He said the media did not report the majority of Democrats voted against the war, an indication, he said, that legislation is needed to ensure Americans get a balanced view on important issues. CJ

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Lewis: Al Gore's Movie Not Science, Just 'Gloom and Doom'

Marlo Lewis, senior fellow at the Competitive Enterprise Institute, recently addressed a John Locke Foundation Headliner luncheon in Asheville. He also discussed his "Skeptical Tour of Al Gore's *An Inconvenient Truth*" with Mitch Kokai for Carolina Journal Radio. (Go to <http://www.carolinajournal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.) You can watch Lewis' Asheville presentation at <http://jlf.streamhammer.com/speakers/marloweewis.mp4>. Please contact Mitch Kokai at mkokai@johnlocke.org for more information about DVD copies of the presentation.

Kokai: It's won praise from environmentalists, new attention for former Vice President Al Gore, even an Academy Award — but just how true is *An Inconvenient Truth*? What's wrong with this movie?

Lewis: This movie is a one-sided presentation of global warming science, climate economics, and climate policy. It's — as far as the science part — it's all gloom and doom. "We're all going to die." And there's really no scientific basis for that kind of alarmism. Global warming is happening. Human beings are contributing to it, but the rate of warming is constant. It's modest. You can reasonably expect only a warming in the 21st century at the low end of the range projected by the United Nations panel. The alleged impacts of global warming are just blown way out of proportion in the movie.

For example, Al Gore tries to blame Hurricane Katrina on global warming, which is sheer demagoguery. At most, global warming might be increasing

the average wind speed of hurricanes by a few percent, but Hurricane Katrina was not even a Category Five storm when it hit New Orleans. It wasn't because of any extra "oomph" that global warming might have given Katrina that so many people died and so many billions of dollars in property was destroyed. It was because the federal government basically failed, over several decades, to build adequate flood defenses for New Orleans — and also, because of various federal policies, people are now living in areas where they wouldn't live otherwise if they only had private insurance to set them right if natural disasters occur.

And the worst exaggeration was the prediction of 20 feet of sea level rise. Al Gore is very careful how he puts this, so he doesn't quite exactly say that it's going to happen in our lifetimes. But he says, "These millions of people would be forced out of their homes. These would be evacuated. These would be displaced," which all suggests something that's going to happen over a fairly short period of time, whereas the real science says we're going to see maybe 1 1/3 inches of sea level rise from the Greenland ice sheet in the 21st century. You can't get 10 feet, which is what he says might happen.



Marlo Lewis critiqued Al Gore's *An Inconvenient Truth* at a John Locke Foundation Headliner event in Asheville on April 11.

And similarly, with the west Antarctic ice sheet, where he foresees another 10 feet happening in the 21st century, there's just no indication of that. I mean, the west Antarctic ice sheet has contracted over the last 8,000 years and very likely will continue to do so over the next 5, 6, 7,000 years.

Kokai: You made a recent presentation to a John Locke Foundation headliner event in Asheville, and in that presentation,

you called *An Inconvenient Truth* — here's a quote — "a computer-enhanced lawyer's brief for climate alarmism and energy rationing." So why is it a problem that Al Gore would decide to choose one side and not just create an objective film?

Lewis: Al Gore does not present himself as an advocate for a single viewpoint. He presents himself as Mr. Science, okay, and also as Mr. Morality — and when you do that, when you present yourself as a spokesman for science and morality, then you have an obligation to be balanced. But, so, what he's doing is ... it's a standard political trick: You present yourself as though you're above politics, as though you're really not speaking as a politician, in order, then, to give your political advocacy more weight than it deserves based on the merits of your science or your morals. And so that's the trick that he pulls off in *An Inconvenient Truth*. It's really not that difficult to see through it, and yet so many people in the media have been hoodwinked by it.

Kokai: For those in the audience who have seen the film, what should they keep in mind about its accuracy?

Lewis: One of the things that they should keep in mind is that there is no strong emerging consensus that global warming is making hurricanes stronger or more frequent. This is a debate that's been going on, but the World Meteorological Organization recently met, in November 2006, 120 of these experts, and their consensus statement is there is no consensus at this time. Another thing that people should keep in mind is that the picture, the photograph, and the diagram of moulins that Al Gore shows in the film — these are the vertical water tunnels that form at the surface of the Greenland ice sheet and burrow down to the bedrock — look a lot scarier than

they really are. Al Gore makes it appear that these tunnels, these water tunnels, are disintegrating the ice sheet even as we speak, and putting it in danger of breaking apart and falling into the sea in our lifetimes or in the lifetimes of our children. And the very science study that he takes the photograph from, and the diagram from, talks about an acceleration of glacial flow, annual glacial flow — because glaciers are rivers of ice, they're not static objects — from let's say, 100 meters a year all the way up to 105 meters a year, so we're talking about a structure that is thousands of kilometers long, and there is no way that you get from an extra five meters to something that's 500 kilometers across sliding into the sea. It's just, that's just pure science fiction. So that's another thing.

There are also just complete misstatements of fact that he makes. One that I didn't even talk about today is a wonderful example. There was a hurricane that hit Brazil in the year 2004 called Hurricane Catarina, not to be confused with Katrina. He blames that on global warming, but if you just go to the NASA Web site, you will find articles about Catarina. What you find is that the sea temperature was cooler than normal when the hurricane formed, and that the air was the coldest it had been in 25 years, and that was the reason this hurricane formed. The air was so cold that, even though the sea was cooler than normal, the difference between the sea temperature and the air temperature was enough to cause a heat flux from the sea to the air, which is what starts hurricanes going. So unless Al Gore wants us to believe that global warming chilled the sea and made the air even colder, there's no way you can blame this hurricane on global warming.

Kokai: It's not just *An Inconvenient Truth*. The newspapers, television, and major news magazines also have many stories about problems linked to global warming. Where could people find good information, if they're looking for it, about this topic?

Lewis: There are several sources that I would encourage people to look at. One is World Climate Report, and you can find it at www.worldclimaterreport.com. Another is the Center for the Study of Carbon Dioxide and Global Change, and the Web site is www.co2science.org. I would also highly recommend Bjorn Lomborg's recent testimony before Congress. Go to www.house.gov, look up Committees, then the Energy & Commerce Committee, and he testified the same day that Al Gore did, and I think it's a very valuable corrective to Al Gore. And then, if I may be so modest, people can look at my own commentary on Al Gore's film. It's called "Al Gore's Science," and it's available at www.cei.org.

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State School Briefs

Group to enter bond debate

Sitting out a Charlotte-Mecklenburg Schools bond campaign isn't an option for a citizens' group planning to play a leadership role in public education, the group's chairman says.

Jim Woodward, of the newly created Mecklenburg Citizens for Public Education, had said that his group wouldn't be ready to take a stand on the bond proposal, which is expected to be on the November ballot.

But at a weekend planning retreat, the board, made up of business leaders and education advocates from across the county, decided otherwise, Woodward told the *Charlotte Observer*.

Many civic and political leaders view a November bond vote, coming after a crushing 2005 defeat, as a crucial test of Superintendent Peter Gorman's leadership and community support for public education.

Woodward's group, launched last August, merges the efforts of the Charlotte Chamber of Commerce, a private task force on CMS reform, and other advocacy efforts. At that time, organizers said the new coalition could lead a 2007 bond campaign.

The school board voted in March to ask county commissioners for \$620.7 million to buy land, build new schools and renovate old ones.

Longer days in schools

School days will grow a little longer for many Johnston County students this fall.

The Johnston Board of Education voted May 17 to add from five to 15 minutes to the school day at about half of the county's elementary schools, most middle schools and all high schools.

The main impetus: State lawmakers this year began requiring middle schools to provide at least 30 minutes of physical activity each day.

"This is hurting them academically because they have to shave off time from other classes," said Keith Beamon, an associate superintendent.

Schools found that their students became energized by more walking and warm-up exercises, Beamon said. But with the unrelenting pressure to perform well on end-of-grade tests, many middle-school principals and teachers began clamoring for more class time with students. CJ

Public-Employee Collective Bargaining Gets Airing

By JIM STEGALL
Contributing Editor

RALEIGH

A bill that would have overturned North Carolina's decades-old ban on collective bargaining by state employees died a quite death in a House committee as members of the General Assembly scrambled to meet the legislative crossover deadline in May.

House bill 1583, introduced by Dan Blue, D-Wake, never stood much chance of becoming law this year, but its appearance and handling during this session signaled what might be the opening salvo in a looming battle over teachers unions in N.C. schools.

The recent mini-drama is fallout from an ongoing trend in organized labor. Private-sector union membership has been declining in the United States for more than 40 years, and currently stands at around 9 percent. Only public-sector unions, those made up of government employees, are growing.

With well over 200,000 public employees, North Carolina is a tempting target for union organizers. But a 1947 law (GS 95-98) prevents public employees from bargaining collectively with their government employers. Without collective bargaining rights, unions have found recruitment to be a major challenge.

The State Employees Association of North Carolina would like to change that.

In 2004 SE-ANC entered into a partnership with the Service Employees International Union, the nation's second largest public-sector union. Under this partnership SEIU pumped hundreds of thousands of dollars into campaigns to organize workers and elect union-sympathetic state officials. SEIU hoped this would trigger a repeal of the state's ban on collective bargaining by public employees, as well as its right-to-work law.

During the 2004 and 2006 election cycles, SEIU money helped elect a number of pro-union House members. The state's largest teachers union, the North Carolina Association of Educators, also came through with major contributions. Partly as a result of this money, Democrats heavily outspent Republicans in both elections and increased their majorities in each chamber.

With an expanded 68-52 majority in the House, and a more labor-friendly Speaker in Rep. Joe Hackney, Democrats have been pursuing a more pro-union

Collective bargaining would bring major changes for teachers as well. Individual teachers would lose what voice they now have via site-based management teams and professional advisory committees once a union was recognized as the exclusive bargaining agent.

agenda this session. It was in this context that Blue introduced his bill, titled "Restore Contract Rights to State/Local Employees."

In the weeks leading up to crossover, the date by which a bill must have

passed at least one chamber of the legislature to remain viable, the bill was twice scheduled to be heard in the House Judiciary II Committee, which is chaired by Blue himself. On the first occasion Blue called the bill up for discussion toward the end of the meeting, then used the remaining time to lay out his arguments in favor of the proposed law.

Explaining that many states allow public employees to bargain collectively through unions, he seemed to acknowledge that the practice imposed some difficulties for local governments but that these were, in his view, manageable. No vote was taken at that hearing.

Then, two days before the crossover deadline May 25, the Judiciary II Committee held two meetings. H1583 was on the agenda for the morning meeting and representatives from labor organizations and the NAACP, which also backs the bill, were on hand to observe. But of the 15 members of the committee, several pro-union members were absent because of the heavy schedule of committee meetings that day.

Realizing that he did not have enough supporters in the room to en-

sure the bill would pass, Blue declined to call it up. The second meeting later that afternoon went the same way, effectively killing any chance the bill had of being referred favorably to the full House for the required two votes before crossover.

Opponents of the measure breathed a sigh of relief, but they seem to realize that the struggle to keep North Carolina's schools free from collective bargaining is entering a new phase. No one expects that Blue's bill will be revived this session, but union supporters are energized by the experience of finally having a pro-union bill discussed in a legislative committee. Speculation among education lobbyists is that the real motivation behind Blue's decision to run the bill now was to show SEIU that their campaign investments in North Carolina do pay off, thus encouraging a continuing flow of campaign money.

Still, education professionals are worried about the future. If collective bargaining were to become a reality in N.C. schools the impact would be substantial. The School Boards Association points out that while local districts employ teachers, the state sets the salary schedule and provides money for salaries. Since school boards don't have the legal authority to raise revenue on their own, it is unclear how they could negotiate things such as salaries and benefits with the unions representing their employees.

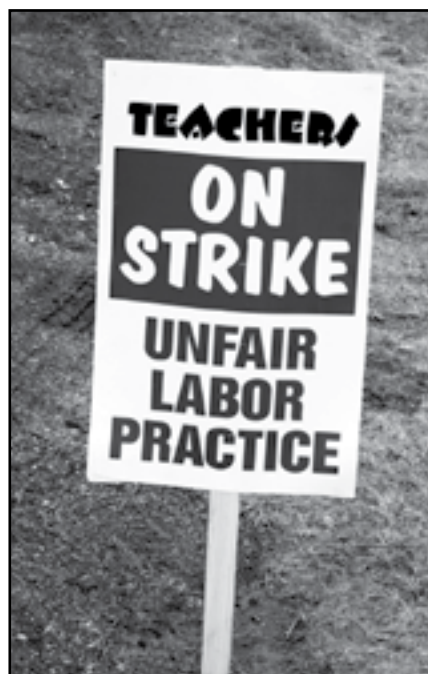
Collective bargaining would bring major changes for teachers as well. Individual teachers would lose what voice they now have via site-based management teams and professional advisory committees once a union was recognized as the exclusive bargaining agent.

Teachers could also be forced to pay agency fees for representational services, whether they wanted them or not. Although the law allows teachers to opt out of paying for union political activities, experience in unionized states has shown that is nearly impossible to enforce. Teachers who do try to assert their rights are often harassed and threatened by their unions.

The National Labor Relations Act allows public sector unions to keep much of their financial and membership data secret, so teachers don't really know how much of their dues are actually being spent on legitimate representational services and how much is going to fund political activities with which they might disagree. This secrecy has contributed to some cases of corruption in teachers unions in other states.

As the state's largest teachers union, the NCAE stands to benefit mightily by a move to collective bargaining. However, the organization has been silent about the issue so far, at least in public.

NCAE said it was neutral on Blue's bill, and declined comment on this story. CJ



Minority Achievement Feted, But is Gap Actually Narrowing?

By KAREN McMAHAN
Contributing Editor

RALEIGH

The Alamance-Burlington School System conducted its sixth annual Celebration of Minority Academic Achievement on May 19. The premise behind the event, according to the district's Web site, is that a public celebration for minority students motivates them to achieve higher grades and test scores and "could help minority students see academic achievement as a worthwhile goal, a goal that is considered 'cool.'"

The adequate yearly progress report for Alamance-Burlington, however, shows that fewer than half the schools, 16 schools out of 33, or 48.5 percent, made adequate yearly progress in 2006, prompting questions as to whether the achievement gap is truly narrowing.

Only 29 percent of middle schools and 57 percent of high schools in Alamance-Burlington made adequate yearly progress. These figures are higher than for the state overall — 16 percent and 48 percent, respectively.

Racial gaps persist

Data from the ABCs end-of-grade tests for Alamance-Burlington schools show a gap of 27.5 percent between white students and black students, 24.9 percent between white students and Hispanic students, and 10.8 percent between white students and multiracial students, about the same gaps as for the state overall. The highest-performing students in the district were Asian-Pacific Islander students at 84 percent versus 71.6 percent of white students.

Festival cochairman Eddie Gant, Jr., said the event is "one of only two in the country that recognizes minority students in this way." Started in 2002, the festival was modeled after a similar program in Rockville, Md. Gant says a cross-section of local volunteers, including business leaders, parents, ministers, ad-hoc school members, and others, were charged with finding ways to close the achievement gap.

When asked whether the Burlington festival was part of the Department of Public Instruction's statewide Raising Achievement and Closing Gaps initiative, Gant said his district "was ahead of the curve" because the locality's program started sooner than the state's. But, he said, his committee's structure meets the state's task force guidelines.

More than 3,300 middle school and high school students will be recognized at the festival. The committee examines ABCs' data from the third quarter of the prior academic school year to the third quarter of the current school year to determine who receives an award, Gant said. The criteria for recognition fall into

Only 29 percent of middle schools and 57 percent of high schools in Alamance-Burlington made adequate yearly progress.

two categories: "academic excellence" for minority students who achieved and maintained an overall grade-point average of 3.0 or better, and "academic achievement" for those who improved their overall GPA by two-thirds of a percentage point.

Gant points to what he believes is evidence of the program's success in improving minority achievement. He cites trends from 2002 to 2007 on overall ABCs' end-of-grade test scores for the district, showing all students improved by 16 percent and minority students improved by 24 percent. Gant said that this was significant because the gap was achieved against a "moving target."

Debra Sydnor, section chief for the state's Raising Achievement and Closing Gaps initiative, said the achievement gap is narrowing. However, DPI's Web site has only one report and that was from 2001.

Critics have doubts

Given the state's low high-school graduation rates and problems in the state's testing program, critics wonder whether the achievement gap is truly narrowing. In April 2006, North Carolina submitted its proposed No Child Left Behind Growth Model Pilot to the U.S. Department of Education for approval. The peer review cited serious flaws in the model, leading the panel not to recommend its acceptance unless the state rectified the flaws.

The report noted two serious concerns. First was "that averaging trajectories to determine AYP directly violated the Core Principal [of NCLB] that prohibited use of averages to allow the performance of highly proficient students to mask non-proficient student results." The second concern was that "the proposal called for resetting growth targets for students moving from one LEA to another."

The reviewers said "averaging will mask low performance." One reviewer commented on the tests' lack of rigor and said the growth component would only "compound the current problem." The state's No Child Left Behind proposal was faulted for not providing transparency to teachers and the public and "did not propose to report growth of individual students to parents." CJ

Commentary

The Lateral-Entry Boondoggle

When it comes to public education, government claims immunity from its own laws. Antitrust laws protect consumers' rights and prohibit monopoly control over services and commodities, and for good reason. Yet this basic legal protection has eluded millions of American parents and public school children, leaving them captive to a monopolistic government education system that stomps out freedom or competition.

But the monopoly extends far beyond decisions about student assignment; in fact, its control pervades all aspects of education policy.

Consider entry into the teaching profession. Certification should be a simple, straightforward procedure, particularly given frequent hand-wringing from State Board of Education members over teacher shortages. Yet in spite of the board's unceasing lament, public schoolteachers must still jump through a series of rigid (and often nonsensical) hoops to get into classrooms. Our certification system is so fraught with bureaucratic red tape that a chemist with a doctorate cannot teach high school chemistry without first taking "education courses."

Given the scope of their power, are state bureaucrats intent on easing classroom entry for qualified professionals? Not exactly. The state education monopoly has gone out of its way to protect its own special interests (and those of its allies) at the expense of public school students. Certification policies for professionals who want to change careers and become teachers are proof positive of this.

Currently, would-be teachers with at least a four-year college degree in a subject other than education must embark on a process called lateral entry before they can be certified to enter the classroom. Lateral-entry candidates, while trained in subjects such as English, math, or science, have not taken the 30 or more hours of required education courses. In order to become certified, the prospective teachers must take classes through the N.C. University System and other private schools of education (approved by the bureaucrats at the state Department of Public Instruction). But lateral-entry classes at a university

can cost more than \$600 each. Many professionals consider this too high a price to pay for mindless method classes.

In 2002, local education systems desperate to stave off teacher shortages suggested that community colleges join universities in providing courses for lateral-entry certification. This made good sense — after all, community colleges already offered classes for teacher renewal. In the summer of 2002, DPI granted them the necessary approval.

Central Piedmont Community College and Sandhills Community College quickly jumped on board, luring competent professionals

with an effective public campaign. Classes taught online by credentialed professors were offered at less than \$150 per class. The program was a success, with enrollment at CPCC booming from 147 students in the fall of 2002 to more than 950 students in May 2003.

Allowing community colleges to compete with universities for lateral-entry students was both practical and cost-effective; yet this policy quickly lost the support of the K-12 government monopoly. DPI pulled the plug, citing the need for the university system's "higher standards." In reality, DPI (an agency packed with university allies) was acting to protect the interests of university systems displeased with the loss of their lateral-entry cash cow.

Where do we go from here? We must continue to fight for an education system that puts students first. Already, some states are taking steps to do just that: According to the National Association of Community College Teacher Education Programs, eight states offer full certification programs through community colleges, and many others offer complete lateral-entry certification programs. Will the pendulum swing back in our own state? Some legislators have introduced a bill to break up the certification monopoly.

In the end, though, one thing remains clear: Government education monopoly has ignored the needs of students for far too long. It's time we did something about it.

CJ

Lindalyn Kakadelis is director of the North Carolina Education Alliance.



Lindalyn
Kakadelis

School Reform Notes

Ruling frees parents

Diversity is a nice concept to Donna Sorrell, but keeping her son out of a year-round calendar and at a school she hopes will be closer to home is more important, *The News & Observer* of Raleigh reports.

That's why Sorrell is thrilled by a judge's ruling that the Wake County school system needs parental consent to send students to year-round and modified-calendar schools.

She'll use that right to keep her son out of Leesville Road Elementary School in North Raleigh, one of 22 schools converting to a year-round calendar this summer. She wants a traditional-calendar school closer to her home in East Raleigh.

"I just want him to be closer to home," said Sorrell, who lives in the Washington Terrace housing complex about 13 miles from Leesville. "Why does he have to go to school so far away?"

Wake has tried to limit the number of low-income students in schools, usually by busing poorer families around the county. But the court ruling might lead families such as Sorrell's that live in lower-income neighborhoods to leave affluent schools. It might also encourage affluent families to leave schools in lower-income communities.

Report supports charters

A new report analyzed charter schools and said smaller class size, innovative curricula, and better discipline are causing more parents to want their children to attend charter schools.

The report by the John Locke Foundation, which tracked the 10-year history of charter schools, looked beyond academic performance and also looked at the other reasons parents choose to send their children to charter schools. According to surveys, parents who choose charter schools compare the generally smaller class size of charter schools with those of schools in the regular school district. Of the state's 100 charter schools, the typical one will have 243 fewer students than others in the district. While class sizes are usually comparable in grades one through three, the classes sizes are lower in grades four through eight and kindergarten.

Parents in the survey also said curriculum was an important factor in their decision. The concept behind the charter-school development was to allow more flexibility in programs and teaching techniques. CJ

Tar Heel Junior Historian Association

Program Teaches Students Work of Historians

By HAL YOUNG
Contributing Editor

RALEIGH
A truism of management is that what gets measured gets done. An unintended consequence of North Carolina's high-stakes testing, with its focus on reading and math skills, has been an emphasis on two subjects, while others such as science and the arts might be pushed to the side.

The N.C. Museum of History, though, has a 54-year-old program that is generating excitement about history in new generations of elementary and high school students. Now in its sixth decade, the Tar Heel Junior Historian Association has outlived many of its counterparts in other states, showing no signs of slowing now. While a state program, much of its activity is driven by private donors, volunteer leadership, and teachers who work on their own time.

Suzanne Mewborn is the museum's program coordinator for the association, a role she's filled for three years. Local advisors praise her energy and enthusiasm, but she is quick to turn the kudos back.

"They make me look good," she said. "It's all up to the advisors, and I can't take any credit. They, the teachers and parents, are the one who make it happen."

Legislative approval in 1953

The association was developed in the early 1950s by William Cartwright and J. C. McLendon, the chairman and a professor at the Department of Education at Duke, she said. After studying similar programs in other states, the program they designed was approved by the legislature in 1953 and began with three local chapters.

Many states eventually saw interest in these programs dwindle away. In North Carolina, though, the association has grown to 151 local chapters, 48 counties, and nearly 5,500 students this year. More than 890 students and adults attended the annual convention in April, Mewborn said.

While the museum's budget pays for the convention (held at the museum), a student magazine, and minimal staff time, that is about it for tax funding. The rest of the association's activities and competitions, "all the fun stuff," Mewborn said, is underwritten by individuals and by organizations such as the Daughters of the American Revolution and the Military Order of the Stars and Bars. Nearly a third of the chapters are sponsored by private schools, home-school associations, or other community groups ranging from local museums and charitable foundations to two chapters run by Girl Scout troops. The programs rules say any interested adult or organization may sponsor a local chapter.



Suzanne Mewborn, program coordinator for Tar Heel Junior Historian Association, and Ken Howard, director of the N.C. Museum of History, welcome students to the 2007 THJHA Convention in April. (Photo by Eric Blevins, NC Museum of History)

"We were recently contacted by a Presbyterian church about starting a chapter," Mewborn said. "Their church was built in the 1770s and they thought it was a natural complement to their own preservation work."

Much of the appeal of the program comes from students doing actual historical work like that, said Dr. Annette Ayres, director of education and programs for the Mt. Airy Museum of Regional History, and a retired history teacher with 30 years in the Surry County schools. She is the advisor for the Jesse Franklin Pioneers, an association chapter sponsored by the Mt. Airy museum. Her students have adopted a local cemetery as their preservation project; it was the kids' idea, she said.

Ayres was surprised that the children took an interest in the Old Methodist Cemetery, but she said this is another major part of the program. "We listen to their interests and then expand the program to accommodate them," she said. "The most important thing is they see something they want to pursue."

National recognition

They're pursuing a wide range of historical work. Local chapters assist with archeology and restoration projects, document oral history and local genealogies, and research artifacts found in attics and old barns. Projects taking top honors at the annual convention are exhibited in a dedicated gallery of the state museum; visitors see everything from documentary films to museum-quality exhibits constructed wholly by students. Some have garnered national recognition.

The Pioneers have four advisors, including Ayres, a former assistant school superintendent for the county, and two other retired teachers. The four educators started the chapter to supplement, not replace, the history instruction in the local schools, she said.

There's a need.

"I don't want to sound negative," Ayres said. "I had a wonderful career ... but the focus now is whatever is mandated from Raleigh, decided by non-educators." When she and her colleagues were teaching history, she said, they all had graduate and doctoral degrees in history. The next generation of history teachers had language arts degrees. Ayres said there is much less emphasis on teaching and studying history now because the state's end-of-grade testing does not include the subject.

History gets left behind

Mewborn has heard similar complaints from other advisors. "The EOG tests are really a thorn in the teachers' sides, and there isn't one for social studies," Mewborn said. "It gets left behind, not considered as important as the other subjects. There's a lot of pressure."

Thankfully, Ayres said, local schools are promoting the club, which boasts members from the fourth and fifth grades in both the county and city school systems as well as a local charter school. The Pioneers were named association "chapter of the year" after only two years in existence. This year the Pioneers helped restore the landscaping around a historic Surry County home, learned quilting from local residents, and documented building details around the county.

"They love the historical architectural photography," Ayres said. "I think people in town must think we do nothing but take pictures." One group member was awarded first place in that division of the THJHA photography competition.

Ayres says the study of history is critical for developing civic awareness and concern both in children and adults. She is confident her Junior Historians will have a different perspective on their community because they understand how it came about. CJ

Confusion Reigns Over Eastern High School Financing

By SAM A HIEB
Contributing Editor

GREENSBORO

There's considerable confusion in Guilford County about funding for the new Eastern Guilford High School and neither county commissioners nor the school board has done much to clarify things.

Eastern burned down Nov. 1, and students have been at different temporary sites since. Guilford County Schools is constructing a pod village next to the site for the new school so students can be under one roof for the 2007-2008 school year. How long they will remain there is contingent upon when financing issues for the new school are resolved.

CCS' credibility with construction dollars is under intense scrutiny. The system has \$31 million left from a \$300 million bond passed in 2003. But one of the projects used to sell that bond, a new Jamestown Middle School, is still awaiting construction and is now part of a proposed \$450 million bond.

GCS has estimated the cost of the new Eastern school to be \$61 million. The *News & Record* of Greensboro reported that the system will receive a \$14.2 million preliminary settlement from the N.C. Department of Insurance. That settlement included basically the cost of the building, while a settlement for its contents still is being worked out. Jill Wilson, lawyer for the Guilford County Board of Education, told the *News & Record* that a final settlement of \$18 million "would be a good day's work."

The school board earlier proposed issuing \$51 million in certificates of participation to add to the \$8 million fronted by the state. The board also passed a motion stating that any incoming insurance money would be used to help retire the



Estimated cost of replacing burned-down Eastern High School in Guilford County is \$61 million but an insurance settlement is still being negotiated. (CJ photo by Sam Hieb)

debt on the certificates.

But the Guilford County Board of Commissioners isn't sold on the idea of issuing certificates. Commissioners originally scheduled the issue for a meeting in April, but Chairman Paul Gibson, who said he thought commissioners were "playing some games with Eastern Guilford," pulled it from the agenda because, as some commissioners claimed, he didn't have enough votes to pass the certificates.

It was rescheduled for the meeting May 3, which gave Commissioner Skip Alston enough time to lobby GCS to use the \$31 million left over from the 2003 bond.

Alston reasoned that the \$31 million in bond money, combined with the \$8 million in insurance money (with more to come), and an expected \$16 million in lottery money, provides more than adequate funding to get the project under way. Alston also criticized the

school system for seeking certificates to expand Eastern Guilford "far and beyond" what it was.

"The funding is already in place," Alston said. "You're sticking money through the back door in order to expand that school without going to a bond referendum like all the other schools in the county had to do."

School Superintendent Terry Grier, speaking before commissioners, said that other projects slated for the 2003 bond, including Jamestown Middle School, would be in danger if the school system used that money for Eastern.

Commissioners had warned of making a hasty decision to pass certificates when no one at the time knew the amount of the insurance settlement. Then Commissioner Linda Shaw made a surprise announcement.

Shaw said she overheard a conversation between her husband, former state Sen. Bob Shaw, and Insurance

Commissioner Jim Long during which Long said Eastern would be insured for \$42 million.

Grier and Wilson reacted with surprise, saying they were still waiting word on a settlement.

"That's the best news I've heard in a long time," Grier said.

"I don't know where you're coming up with that number, but we would absolutely be delighted to talk with them about that," Wilson said.

"I hope you do, because I'm not supporting COPs, I'm not supporting bonds, I'm not supporting anything until I know exactly what the state's going to do, and I would hope other county commissioners wouldn't either," Shaw said.

After much debate, during which Shaw said she felt like she was "in the Twilight Zone," Commissioner Kirk Perkins made a substitute motion instructing county staff to study funding options pending the insurance settlement. Alston supported the motion, which didn't specifically encumber the bond money but did not specifically take it off the table, either.

"I support that motion because it does the same thing I said I was going to do," Alston said.

After speaking with Long, Grier clarified Shaw's comments during the next week's school board meeting, saying that Long was using the \$42 million figure as an example, not as the amount of the settlement.

At the meeting, Grier presented the board with the option of placing Eastern on the proposed school bond, a move favored by Chairman Alan Duncan. But the board took no action since Duncan was absent, along with fellow members Deena Hayes and Walter Childs. CJ

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Campus Briefs

Each month Carolina Journal highlights campus events around the state.

- Schools across the state expressed solidarity with students at Virginia Tech. Students at UNC-Chapel Hill, N.C. State, and other N.C. schools sponsored candlelight vigils to mourn the deaths of 33 students, including the shooter, at Virginia Tech. At N.C. State, students sponsored a fund-raising event to support the Hokies' United Memorial Fund. Students at UNC-Greensboro attended a memorial service for the VT students. A nationwide moment of silence was observed at 2 p.m. April 24 on campuses across the country, including many in North Carolina, in remembrance of those who were slain.

- College Republican groups at UNC-Chapel Hill and UNC-Charlotte watched special screenings of the movie "Obsession: Radical Islam's War Against the West," a film made by Wayne Kopping and Raphael Shore. Using footage from Arab television, "Obsession" reveals an "insider's view" of the hatred radicals are teaching, their incitement of global jihad, and their goal of world domination.

- *The Carolina Review*, a conservative student publication at UNC-Chapel Hill, hosted a screening of "The Great Global Warming Swindle" at UNC-Chapel Hill on April 25. In the film, documentary-maker Martin Durkin brings together a group of climatologists and other experts who argue that human activity is not the cause of global warming. According to the scientists, if Earth is heating, it isn't humanity's fault and there's nothing individuals or governments can do to stop it.

- The Society for Politics, Economics and the Law at N.C. State University conducted its third annual banquet. Ohio University Professor Richard Vedder spoke about his new book, *The Wal-Mart Revolution: How Big Box Stores Benefit Consumers, Workers, and the Economy*. The society is a student organization formed as part of a multidisciplinary program led by faculty in the College of Management and the College of Humanities and Social Sciences.

- Duke's Center for Academic Integrity has decided to move to Clemson University. The center has worked with the university's Kenan Institute for Ethics for the past 10 years. The decision to move was a mutual one, stemming from differences over how to position the two organizations. CJ

Issue likely to return

UNC-CH Faculty Defeat Achievement Index

By JENNA ASHLEY ROBINSON
Contributing Editor

CHAPEL HILL

At the end of the spring semester, the Faculty Council at UNC-Chapel Hill considered — and narrowly defeated — a policy that would have changed the way the grading system works. The proposed Achievement Index is a number similar to the typical grade-point average, but it would be used to determine class rank and degrees with distinction.

The index, designed to combat grade inflation, originated with the Educational Policy Committee of the Faculty Council. "There has been a longstanding faculty discussion on grade inflation and an exploration of possible solutions," said Educational Policy Committee member Beverly Foster. "The committee's intent was to get an issue of concern to many — and one possible approach — on the table and out for discussion."

In 2000, a report documented the rise in grades over time. An update in 2004, according to *The News & Observer* of Raleigh, showed that about 41 percent of all undergraduate grades were A's, compared with 39 percent B's.

The proposed index is more complex than grade-point average, starting with a student's average grade and modifying it in light of classmates' grades in classes taken mutually and classmates' grades in their other classes. The aim, say proponents of the index, is to come up with a figure that reflects the difficulty of the courses each student takes.

The campus-wide average index for every semester is equal to the campus-wide average grade-point average for that semester. The AI sorts students differently, however, than grade-point average because each student's index depends on the competitiveness of the classes he or she takes. For every gain in index one student makes, some other student must suffer a proportional loss in his or her index.

Student leaders are hailing the Faculty Council defeat of the index as a victory for the student body. In order to combat the index, a group of concerned students calling themselves the AI Task Force contacted voting members of the Faculty Council, held a teach-in to educate students, and headed up publicity efforts around campus. The group was co-chaired by sophomores Danny Randolph and Mike Radionchenko.

In anticipation of the Faculty Council vote, the Student Congress heard a resolution against the index that passed unanimously; 12 representatives were

listed on the resolution as cosponsors. Student Body President Eve Carson met with faculty and administrators in the week before the Faculty Council's meeting and presented student concerns to the assembled council before the vote was held.

A group of UNC students also petitioned the Faculty Council to vote against the resolution to adopt the index. They did so on the grounds that the index is less transparent than grade-point average and creates unneeded competitiveness between students. A number of faculty members joined with students in advocating against the index, including 2003-2006 Faculty Council Chairwoman Judith Wegner.

Proponents of implementing an achievement index argue that it is a more valid measure of achievement. The index neutralizes grade inflation because grades under the achievement index are a relative measure between students, not a measure of mastery of material by individual students — the goal, but apparently not the result, of the grade-point average. The index measures relative performance more accurately than the grade-point average.

To score high on the index, students must seek out challenging classes and majors with high-performing students rather than easy classes that guarantee an "A." In addition, using the index discourages students from giving help to others that would constitute a violation of the Honor Code (e.g., copying assignments). UNC-CH would have been the first campus in the country to use the system, supporters of the plan said.

Opponents of the index, including many current UNC students, said the index has more costs than benefits.

They said that use of the index would have created undue competition among students and would discourage group work. Using the index also would have changed how students choose classes by encouraging them to take harder classes or a class in which they already know the material. They also point out that the index has never been tested, and was rejected by Duke University when Duke's Arts and Sciences [Faculty] Council considered it in 1997.

Valen Johnson, who developed the index, was an associate professor of statistics at Duke during Duke's Achievement Index debate. Johnson said most social-science and humanities professors voted against the index, he said, and most of those in the "hard" sciences voted for it. Johnson is now a professor and deputy chairman of the department of biostatistics at the University of Texas M.D. Anderson Cancer Center.

In an online forum, Richard Weinberg, a member of the UNC Faculty Council and professor of cell and development biology, said, "I've been startled by the intensity of the controversy . . . I'm puzzled by the notion that there is something wrong with ranking and competition."

Issues surrounding the index decision are likely to return next semester, when faculty will seek another way to combat grade inflation on campus. Student body President Eve Carson is hopeful about an alternative to the index. "I believe that there are more appropriate and truly more fair measures out there." CJ

Jenna Ashley Robinson is the campus outreach coordinator for the John William Pope Center for Higher Education Policy.



Valen Johnson,
developer of the
index

Duke Improves Freshman Experience

as reported in

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Report: UNC Salaries Fare Well Compared to Other Universities

By CJ STAFF

UNC faculty compensation compares favorably with pay at peer institutions around the country, a recent report from the John William Pope Center for Higher Education Policy says.

Using data from the American Association of University Professors, report author Jon Sanders of the John Locke Foundation compared average faculty compensation (salaries plus benefits), adjusted for living costs, with compensation at peer universities around the country. He compared University of North Carolina campuses with institutions in the same Carnegie classification, a widely used way of grouping higher education institutions.

"The situation is not as dire as many commentators suggest," the report says. "It's not dire at all. When compared to compensation at peer institutions as identified by the widely-used Carnegie classifications of higher education institutions, overall, faculty compensation levels in the UNC system compare favorably or very favorably to those at peer institutions."

There are a few exceptions, however. One school, UNC-Asheville, is below the mean in all three faculty levels (professor, associate professor, and assistant professor). Three other schools have at least one faculty level that is below average.

Some of the report's findings are:

- UNC compensation compares well with peers
- Average compensation at most schools is above the median of peers
- Full professors at Chapel Hill are near the 80th percentile; NC State full professors are below the median
- Eight campuses have reached 80th percentile for at least one faculty level
- Four campuses — NC Central, UNC-Charlotte, UNC-Pembroke, and Winston-Salem State — are at the 80th percentile for all faculty levels
- UNC-Asheville is below the mean in all three faculty levels.

The General Assembly allocates funds for faculty compensation. For the 2007-2009 biennium, Erskine Bowles,

UNC president, is seeking \$87.8 million to boost faculty salaries, with the goal of having the average faculty salary be at the 80th percentile of peer institutions.

Eight UNC schools are already at the 80th percentile in at least one of their three faculty levels. The report indicates that schools having one or more faculty levels at the 80th percentile are:

- Appalachian State (associate professors and assistant professors)
- East Carolina (full and assistant professors)
- Fayetteville State (associate and assistant professors)
- NC Central (all three faculty levels)
- UNC-Charlotte (all three faculty levels)

- UNC-Pembroke (all three faculty levels)

- Western Carolina (assistant professors)

- Winston-Salem State (all three faculty levels)

At four schools, however, average compensation of one or more faculty levels was below the mean and median levels of peer institutions. Those were:

- Elizabeth City State (full professors)
- NC

A&T State (full and associate professors)

- NC State (full professors)
- UNC-Asheville (all three faculty levels).

Sanders also compared the faculty compensation with the peer institutions selected by a consultant to the university system, Dennis Jones. The consultant identified 14 to 16 peer institutions for each campus. Under this comparison, the UNC campuses did not do as well. Twenty-three of the 45 faculty levels examined at a total of 11 schools were below the peer mean or peer median.

Sanders considers the Carnegie comparisons more relevant for deciding whether compensation is competitive with other schools. He said faculty members are open to offers from many schools, not just from designated peer institutions. "UNC-Chapel Hill is not competing against only a dozen or so institutions for faculty," Sanders said.

The paper is available online at www.popecenter.org. CJ

"When compared to compensation at peer institutions as identified by the widely-used Carnegie classifications of higher education institutions, overall, faculty compensation levels in the UNC system compare favorably or very favorably to those at peer institutions."

Pope Center report

Commentary

Should You Invest in Education?

A recent column by James Altucher in the *Financial Times* touched off a debate between two of America's most prominent intellectuals on the benefits of a college education.

"As far as I am concerned, college is a waste of time," Altucher wrote. He wishes he had worked instead. In his mind, "it is unclear whether costs of \$200,000 — plus opportunity costs by the time all is said and done — are ever made back from your future cash flows."

Gary Becker, professor of economics at the University of Chicago and 1992 Nobel Prize winner, disagrees with Altucher. Professor Becker has a blog (<http://www.becker-posner-blog.com/>) with another University of Chicago luminary, Richard Posner, and on April 22, Becker posted a comment sharply critical of Altucher's view of college education.

Becker presented some well-worn statistics on the earnings premium that the average college graduate enjoys over someone who doesn't get a college degree. On top of that, those with college educations are better off in many other respects — they're healthier, have stronger marriages, smoke less, commit fewer crimes, and are more financially savvy.

The benefits are so evident that Becker wondered why many Americans pass it by. "Should not such high returns have induced most persons who finish high school to go on for a college education, and encourage additional boys and girls to finish high school?" Becker asked.

Becker's blogging partner is another leading intellectual, Richard Posner, a professor at Chicago's law school as well as an appellate court judge. Posner noted that the evidence of the correlation between higher education and numerous personal gains is not necessarily proof of causation. "Suppose what are increasing are not the returns to education but the returns to intelligence," he said.

Although highly intelligent people, such as Bill Gates, could bypass college and go directly to work, colleges, and graduate and professional schools, provide a

screening and certifying function. Having earned a college degree signals to prospective employers that you are probably more trainable than is someone who hasn't. Furthermore, it isn't legally possible to get into many lucrative fields, such as law and medicine, without the required educational credentials.

Another benefit of going to college is that it enables people to get into important social networks, but Posner notes that this benefit

might not have anything to do with the educational program. Again, the college experience correlates with higher earnings and employability, but the actual causation might have little to do with all the courses completed, books read, and material studied.

Unlike some who worry that not enough students are attending college, Posner writes: "I am skeptical that it should be a national priority, or perhaps any concern at all, to increase the number of people who attend or graduate from college. Presumably, the college drop-outs, and the kids who don't go to college at all, do not expect further education to create benefits commensurate with the cost," he writes.

Posner realizes that students are not fungible; nearly all the really bright ones go to college and beyond — the ones who are left are academically marginal. Although Posner does not say this, perhaps some of those kids who don't go to college have learned from friends or family members that just getting a degree does not guarantee good employment.

So is a college education a good investment? In the sense of the personal payoff from education, Posner has the better of the argument. American higher education has been greatly oversold. CJ



George C. Leef

George C. Leef is vice president for research at the John William Pope Center for Higher Education Policy and author of "The Overselling of Higher Education," a paper available at www.popecenter.org.

Bats in the Belltower

N.C. State Faculty Rejects Partnership With Dubious Group

Recently, Chinese government officials asked NCSU leaders about establishing a base at a major U.S. research institution that would bring Chinese professors to teach Chinese culture and language and offer accelerated master's degree programs and study-abroad opportunities.

But North Carolina State University faculty would not hear of such an alliance. In faculty discussions over the proposal, the prevailing sentiment was decidedly against the idea. One professor vehemently objected, saying what was being offered was "dirty money." Another called it a "very dangerous step to take, to even accept a penny of this money."

Many said that it would be unacceptable for the university to take money from a government that has "profoundly anti-democratic values." One diversity administrator said it would be like taking money from the KKK or the Nation of Islam.

One department head and AAUP representative wrote an op-ed in *The News & Observer* of Raleigh saying the university was "getting poached," likening N.C. State to a frog in a pot of water with China turning up the heat slowly to bring the water to a boil. N.C. State should howl down this alliance with China, the op-ed said, because of the faculty's aversion to the communist government's "mission and ideology," which "is directly inimical to the values of our public universities."

They're right. The human-rights record of the Chinese government is abysmal. Freedom House ranks China near the bottom in the world in terms of political rights and individual liberties. The Heritage Foundation rates China "mostly unfree" in its Index of Economic Liberty.

As for its ideology in the context of the academic values, China allows little academic freedom. Neither does it allow religious freedom, freedom of speech and assembly, or even reproductive freedom. In China, women and girls, people with HIV/AIDS, minorities, religious believers, and political dissidents are frequently subject to all manner of critical human-rights

violations.

In short, it's no wonder that outspoken faculty at N.C. State want their university to have little to do with such a donor. Who can blame them?

There's one problem with the above scenario — it's not true. This spring N.C. State officials announced its new Confucius Institute and partnership with Nanjing Normal University and the Office of Chinese Language Council International under the Chinese Ministry of Education. But make no mistake, the faculty recently uttered all of the objections above about an organization seeking

to bring new academic programs to N.C. State. It wasn't communist China that they found objectionable. It was a *conservative philanthropy* from North Carolina — the John William Pope Foundation.

The following is a short, albeit incomplete, list of Pope Foundation grant recipients provided by David Riggs, vice president of operations and programs:

The Pope Foundation's humanitarian grants include the YMCA, YWCA, Urban Ministries of Wake County, Shepherd's Table, Salvation Army, Raleigh Rescue Mission, Food Bank, Inter-Faith Food Shuttle, Methodist Home for Children, Hospice of Wake County and Habitat for Humanity. Religious grants include White Memorial Presbyterian Church, Godwin Presbyterian Church, and the Full Gospel Tabernacle. Cultural grants include the Dr. M.T. Pope House; North Carolina Symphony; N.C. Opera Company; Carolina Ballet, Raleigh Fine Arts Society; Performance Edge; Campbell University Friends of the Fine Arts; and the H. Leslie Perry Memorial Library, situated in Henderson, N.C. Educational grants include Raleigh Charter High School, Faith Lutheran School, Ravenscroft, and the Asheville School.

If those grants reflect "a mission inimical to the values of higher education," one has to ask: *Since when have the values of higher education strayed so far afield?* CJ

Jon Sanders is research editor for the John Locke Foundation.



Jon Sanders

'Western 2 Step' Program Aims To Smooth College Transfers

By SHANNON BLOSSER
Contributing Editor

RALEIGH

A new partnership between Western Carolina University and the N.C. Community College System could help students transfer more seamlessly between the systems and reduce the amount of time needed to obtain a bachelor's degree. The so-called "Western 2 Step" places Western Carolina in the forefront of UNC-community college cooperation.

The need for such cooperation became evident at the Board of Governors meeting in May. Harold Martin, senior vice president of academic affairs for the UNC system, proposed a university-wide minimum-admission standard. Raising the admission standard would channel more students to community colleges, prompting UNC President Erskine Bowles to say UNC might need to "lobby hard" for additional resources for community colleges.

The Western 2 Step partnership helps connect Western Carolina with community colleges by informing potential Western students about which community-college courses will apply toward a bachelor's degree at Western. The plan was announced during a presentation conducted at the General Assembly.

Western Carolina Chancellor John Bardo explained that, until now, community-college advisors have not known which courses at their college would be accepted for specific majors at UNC schools. For instance, current agreements for a bachelor of science degree in history list what a student needs to transfer into a UNC-system school, but they do not specify the courses at a community college that will meet the requirements for a bachelor of science degree in that field.

Without that information, Bardo said, some students must guess which courses to take in their two years at community college. Students who lack proper preparation, said Martin Lancaster, president of the N.C. Community College System, might have to add an extra semester or even a year as they make up for prerequisites in order to progress in their baccalaureate program.

The Western 2 Step program spells out which courses a student can take at a community college in order to complete a bachelor's degree in a specific field at Western. For example, a student who

wants to major in electrical and computer engineering tech at Western can find out what courses to take at a community college. Western issues a list of courses that are considered equivalent to Western courses required for this major. Physics 151 is equivalent to Physics I at Western; Math 271 is equivalent to Calculus I at Western; and so forth. The student may choose the specific courses needed in preparation for the major.

Thus, Bardo said, it will help students progress toward both the associate degree and the bachelor's degree. The

partnership will apply to all 58 community colleges. The partnership builds on a 1997 agreement between the community colleges and the UNC system, as well as other articulation pacts.

All 78 undergraduate programs at Western Carolina are included in the agreement, Bardo said. "It allows these students to minimize the time it takes to get a degree. It minimizes the cost of the degree."

While the partnership eases the information gap for students, it also sets some ground rules. Students will have to get an associate's degree at a community college in order to transfer into Western Carolina from a community college. Bardo said that students with an associate's degree who transfer into the UNC system have shown that they are prepared for the rigors of higher education.

The success of the program will depend in part on whether the specified community college courses, taught throughout a highly varied system of 58 colleges, are actually equivalent to the courses taught at Western. Teachers at community colleges are typically paid less than at UNC campuses, and students are typically less prepared than UNC students. Yet, as Bardo indicated, in general, community-college transfers do well at UNC campuses.

Between 2000 and 2005, transfers from community colleges into the UNC system have increased by 34 percent. Lancaster said that the partnership could increase enrollment at Western Carolina by increasing transfers from community colleges. "This is an exciting opportunity for all community college students." CJ

Shannon Blosser is manager of the Chapel Hill office of the J.W. Pope Center for Higher Education Policy.



Opinion

What If the *U.S. News*' University Rankings Went Bye-Bye?

By **GEORGE C. LEEF**
Contributing Editor

Ask Americans how they know which colleges are good and which ones aren't so good, and they will probably say, "the *U.S. News* college rankings."

For several decades, the annual issue of *U.S. News & World Report* that focuses on the rankings of colleges, universities, and graduate schools has been treated with respect by the public. It purports to identify the best university, best liberal arts college, best law and medical schools, and so on, according to a complicated formula. Rarely do people analyze the formula and ask whether it's a reliable means of identifying schools where students are most likely to receive an excellent education.

Some schools are now pushing back against the *U.S. News* system. The president of Sarah Lawrence College, for example, declined to give the *U.S. News* people the school's data on student SAT scores. The president of St. John's College in Annapolis, Md., had the temerity to say that the attempt to measure and quantify educational excellence is "a bad way of talking about an education. [Students] aren't shopping for a product."

Boycott threatened

Opposition has even reached the point of a threatened boycott. A letter is circulating among college presidents calling for college and university leaders to refuse to send *U.S. News* any information and also refrain from using its rankings to promote their schools.

Whether the boycott gains traction, and it might since many educa-

tional leaders have decried the "beauty pageant" of the *U.S. News* rankings, it's time to ask whether it would be any loss if the rankings went bye-bye.

The first and most important point to keep in mind is that the *U.S. News* ranking system has nothing whatsoever to do with measuring educational value added. If you think that the No. 1 school (Harvard, Yale, and Princeton tend to rotate there) is No. 1 because it's known that students there improve the most in their academic knowledge and skills, think again.

Inputs, not learning

The *U.S. News* system is overwhelmingly based on measurable inputs including financial resources, faculty attributes, and student selectivity. None of those, however, necessarily tells us anything about educational quality. Merely because a college enrolls a lot of students with high SAT scores, for instance, does not ensure that the students will learn much.

Proof of that came last year when the Intercollegiate Studies Institute released a study, "The Coming Crisis in Citizenship." ISI commissioned a survey of 60 questions covering basic knowledge about American history, governmental institutions, and economics. The test was administered to more than 14,000 freshmen and seniors at 50 colleges and universities, ranging from the most prestigious to the least, if you believe the *U.S. News* rankings.

But which schools did the best at



elevating their students' knowledge in these important areas? The top four schools were Rhodes College, Colorado State, Calvin College, and Grove City College. The bottom four — all with seniors actually doing

worse than the freshmen — were Brown University, Cornell, California-Berkeley, and Johns Hopkins.

A large part of the *U.S. News* rankings (25 percent) is based on academic reputation as perceived by leaders of comparable colleges and universities. I wonder how many of the people whose completely subjective opinions go into making up that part of the rankings would think that Rhodes College is better than Johns Hopkins or that Colorado State is better than Berkeley? Probably almost no one would, but if you think it is important for students to increase their knowledge of American history, political institutions, and our economy, then the higher-ranked, prestige schools are definitely worse.

Another 25 percent of the score is based on student retention and graduation rates. The *U.S. News* system assigns high points to schools that have high graduation and retention rates. On the other hand, schools that "lose" more students get low points and therefore look bad.

The trouble is that high retention and graduation rates may reflect low standards and an easy curriculum. Schools that want to improve their ranking are tempted to crack down on professors who are "too tough" and

grade honestly.

Not informative

Students and parents don't really learn anything from the *U.S. News* rankings. It's entirely possible for a student to get a much better education — a sounder curriculum, more rigorous standards, and instruction by dedicated professors rather than teaching assistants — at a school that looks mediocre to *U.S. News* than at a much more prestigious (and costly) one.

About all the *U.S. News* system is good for is bragging rights among parents.

Unfortunately, these rankings aren't just a silly diversion. They do real harm because educational officials try to manufacture prestige and good publicity by doing whatever it takes to "improve" their position. Some schools flood high school students with fliers and e-mails encouraging them to apply, even though they don't fit the school's academic profile. By rejecting a high percentage of applicants, a college improves its student selectivity. Others constantly push for across-the-board faculty pay increases because higher pay boosts your ranking.

The tail is wagging the dog here. If the boycott succeeds, causing *U.S. News* either to change dramatically or completely abandon its college rankings, that would be good. *CJ*

George C. Leef is the vice president of research for the John William Pope Center for Higher Education Policy. He is the author of "The Overselling of Higher Education," a paper available at www.popecenter.org.

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Town and County

Lewisville park referendum

The General Assembly has passed a bill that would allow voters in the Forsyth County town of Lewisville to vote on whether to build a park to be paid for by increased property taxes, the *Winston-Salem Journal* reports. The referendum will occur in November.

The town is seeking to buy an 80-acre tract of land and turn it into a park. Specifics of the proposal are still unclear, including the location of the land, the cost of acquiring it and turning it into a park, and the effect it would have on the town's property tax rates. Town officials promise to release the information before the referendum. They and the property owner are getting an appraisal on the land.

"There's not many large tracts left in town. We're trying to be proactive," Town Manager Cecil Wood said.

Lewisville's property-tax rate is 17.7 cents per \$100 of assessed value. The town, which has a population of less than 13,000, has two parks. The second was established in 2005 on 15 acres of donated land. Lewisville is spending \$1.9 million on that park.

Cornelius development rules

Officials of Cornelius, a fast-growing suburb of Charlotte in northern Mecklenburg County, are considering changes to the town's land development code. The review comes as part of a moratorium on new multi-family development and subdivisions that is to be in effect until July 18.

"We have a five-month moratorium, and our clock is ticking," Cornelius Planning Director Karen Floyd said to the *Charlotte Observer*.

Among the proposed changes is a requirement that all apartment and condominium buildings with at least two stories that would be built in certain zoning districts have an elevator. A minimum square-footage requirement has also been proposed.

However, not all town officials are enamored with the idea.

"It's all designed to eliminate what I consider affordable housing," said Cornelius planning board member Fred Berta.

Cornelius officials also are considering establishing a minimum lot size of about 0.7 acres in its rural preservation zoning district.

A series of additional meetings and a public hearing are planned before the final regulations are adopted. CJ

'Smart Growth' Seen as Threat by Some Residents

By RICHARD WAGNER

Editor

CAMDEN

With rapid growth projected for Camden County, long-time farmer J. C. Rountree and other residents of the rural area bordering burgeoning Virginia Beach and Chesapeake, Va., wonder whether development or the "smart growth" zoning that officials have prescribed poses the greater threat to their traditional way of life.

"I know growth is coming," Rountree said. "But I don't want high-density development," as proposed by county Planning Department Director Dan Porter and his staff. "I think he's got a lot of city ideas" that won't work in rural Camden County.

Porter has advocated that county commissioners enact smart-growth zoning to manage an expected surge of development in the county after a three-year building moratorium expired April 2. Recently, the commissioners had approved several restrictions — some of them the most stringent in North Carolina — before the moratorium expired.

Smart growth is an urban planning and transportation approach that advocates concentrating growth in the center of a city to avoid urban sprawl. It also advocates compact, transit-oriented land use conducive to walking and bicycling

Some of it 'off the wall'

In earlier votes, the commissioners had voted to increase residential development from one unit per one-half acre to one unit per five acres. Later they raised the regulation to 10 acres. Finally, the board reduced the requirement to one unit per five acres.

"Some of it [smart growth] I agree with. Some of it is off the wall," said Rountree, who himself was a county commissioner for 24 years. County officials "need to look out for farmers. There needs to be a happy medium."

Rountree expressed concern that smart growth would prevent young adults from staying in the county. "How are you going to keep home folks here? I wanted to give some land to my son. I had to burn down a barn and a house on two acres to get the land for him." Rountree's farm encompasses 2,000 acres.

Gauging from a discussion between county commissioners and Porter at a meeting May 7, commissioners themselves are having second thoughts about smart growth. They voted 5-0 to invite experts from the John Locke Foundation in Raleigh and the N.C. Farm Bureau to offer alternative plans to those recommended by the Planning Department.

The county's final stage of its land-use plan calls for centralizing development in three "core villages" in South



Camden County Commissioners (from left) Riggs, Jeralds, Jennings, Faison, and Andrews meet May 7 at the Old Courthouse.

"All I'm being told is, 'You can't stop growth.' But people have a right to use their land the way they want. Something about this smart growth doesn't feel right. ... I was opposed to it right away."

Carolyn Riggs
Camden County
Commissioner

Mills to the north, Camden in the middle, and Shiloh to the south. The high-density villages would include mixed use of commercial, residential, educational, and recreational facilities and radically transform lifestyles in the county.

Open space and greenways

Regulations inside the villages, whose boundaries are to extend one mile from a center point, would allow the building of five residential units per acre, Porter said. The units could be individual houses or clusters of condominiums and apartments. Massive tracts of open land would surround the villages, and greenways would be woven through the communities to encourage residents to walk or bicycle to their destinations instead of driving their vehicles.

"People in farming communities would like to see their farm land preserved," Porter told *CJ*. "We have already had three public hearings." About 75 residents attended the three hearings and few of them opposed the plans, Porter said.

In an interview a few days after the meeting, Commissioner Carolyn Riggs explained why she voted to seek advice

from outside experts. "I've listened to the plan, and in a theoretical way it sounds wonderful, all the little theaters and cornfields and pea fields."

"All I'm being told is, 'You can't stop growth.' But people have a right to use their land the way they want," she said.

"Something about this smart growth doesn't feel right," she said.

"I'm listening to the 'experts' feed me ideas about encroaching growth. This smart growth was the first I had heard," she said. "I was opposed to it right away. Some people said, 'You need to do something. Well, this is what we have to do.'"

During the commissioners' meeting on May 7, Chairman Jeffrey Jennings told Porter he wanted to hear other opinions on how the county should grow.

"There's a representative here from the John Locke Foundation this morning. And I've spoken with them half-a-dozen times...and members of the Farm Bureau," Jennings said. "And they're willing to bring as many people as it takes to meet with the Board of Commissioners and the Planning Board to get their views on 'smart growth' and how they believe that everything is not in the best interest of rural America."

Porter told the commissioners he agrees that they should solicit different opinions and "decide how you want the county to grow. We as a staff can provide you options, that's what you hired us for."

Crunch time

But Porter complained that the commissioners haven't been helpful. "We've been working on this plan for three years and we haven't really gotten any guidance from the board. We've gotten it from individuals. But you, as a board, need to let us know how you want your county to grow. Let us know how you want your county developed. If you let us know how you want your

Continued as "Smart Growth" on Page 19

Bellamy-Small is target

Greensboro Council Sets Date For Recall Petition Discussion

By SAM A. HIEB
Contributing Editor

The Greensboro City Council has scheduled Aug. 21 for a District 1 election to determine whether Councilwoman Dianne Bellamy-Small, who has ruffled feathers among colleagues and cultivated a testy relationship with the media, should be recalled.

The council set the date after the Guilford County Board of Elections certified a petition with more than 770 signatures requesting the recall of the council member, who has been characterized as "rogue" and "spinning out of control" by one fellow city council member.

Bellamy-Small smiled as four speakers from the floor expressed

their support for her service as a councilwoman. She also smiled briefly as Jonathan Wagstaff, spokesman for Recall Small, the group that circulated the petition, also spoke.

"With all due respect to the people supporting Ms. Small tonight, their support falls short compared to the nearly 800 signatures on the petition," Wagstaff said.

City Attorney Linda Miles reminded the council that its only charge was to set a date for the recall, so no discussion of Bellamy-Small's performance took place.

Bellamy-Small, who has a testy relationship with the local media, did not return calls seeking comment. She later issued a statement to the Greensboro *News & Record*, saying she intended to serve the rest of her term and will "run again if the people of District 1 want me to continue to serve them."

Bellamy-Small has not filed for re-election. The timing of the recall is crucial because the city is in an election year, with a primary scheduled for Oct. 9 and a general election scheduled for Nov. 6. Since a recall cannot be scheduled 30 days before or after a scheduled election, the number of dates for the recall is limited.

Miles also reminded the city council that the recall was subject to review from the U.S. Department of Justice, which would take at least 60 days. The Justice Department often requests extra time, as many as 120 more days, to complete the review, Miles said.

Bellamy-Small has been the center of controversy in Greensboro politics for

quite some time. Many think Bellamy-Small leaked a confidential city report investigating former Police Chief David Wray after a forensics expert identified the leaked copy as "consistent" with Bellamy-Small's copy.

In January, she ruffled the feathers of fellow council members when she demanded the corner city council office, refusing to draw lots. In February, the Greensboro *News & Record* reported that Bellamy-Small allegedly intimidated a police officer who pulled her over for speeding by threatening to take the matter up with Police Chief Tim Bellamy.

Fellow council members have been relatively silent on Bellamy-Small's behavior. The exception has been at-large representative Florence Gatten, who called for Bellamy-Small's resignation at a press conference in February.

"Why do we have this rogue city council member? Why do we have someone that is obviously spinning out of control?" Gatten asked.

Bellamy-Small's alleged transgressions certainly are reason enough for a recall, Wagstaff said in a phone interview. But for him, the main reason is Bellamy-Small's lack of constituent service. Wagstaff does not live in Bellamy-Small's district, but he owns a business there. He said that he talks to her constituents every day and that Bellamy-Small's unresponsiveness is the major issue.

"I deal with hundreds of her constituents on a daily basis. I have a unique opportunity to talk with them about what's good in their lives and bad in their lives, and when the subject comes up, you find that she is very unresponsive to their needs. She's not doing anything for them," Wagstaff said.

So why not just campaign against her for the upcoming election?

"It's a statement from people in her district," Wagstaff said. "We realize the timing is not practical. However, the people of the district have the right to speak out throughout the whole term."

Should the recall effort fail, Wagstaff said, an aggressive campaign will be mounted against Bellamy-Small in the upcoming election. CJ

Sam A. Hieb is a contributing editor of Carolina Journal.

"Why do we have this rogue city council member?"

Florence Gatten
At-Large Representative

Commentary

Sales Tax Consistency

Local government is often designed to be proximately adversarial. That is to say, those areas of local government in close proximity have enmity. I'm not referring to the relationship between taxpayers and local officials, but actually between government entities themselves.

School boards and county commissions are a good example.

By design, they are meant to bicker and feud. Such feuds sometimes escalate into courtroom antics over the funding of local school systems. Truly a silly display considering school boards should probably be appointed, ridding us of such frivolity. But cities and counties can also have contentious relationships. Many of those stem from the way in which counties can choose to share sales tax revenue.

Most folks don't realize that counties may choose how to distribute sales-tax revenue to their respective cities. But what's good for some cities is not good to all. Lest you be confused, counties can choose to dole out the sales tax revenue on a per-capita or ad-valorem (based on property values) basis. Such leeway can be a blessing or a curse.

In coastal counties, it is an obvious benefit to cities to have their taxes done on an ad-valorem basis, as their tax base is high, while their actual number of citizens is low. Inland cities in these same counties might well be hurt, as they would benefit from per-capita distribution because their tax base isn't nearly as high as that of the beachfront cities.

Counties usually don't want to tinker with an arrangement once it's set up because the change could escalate quickly into threats, real and implied. Cities, once accustomed to the distribution, might be pleased with a new arrangement, only to find their neighboring city has suffered a serious financial blow.

There are even some instances where counties have considered changing their funding formula and sought to create special "grants" to assist some of their municipalities that might be hurt by the change.

Why the complexity? Why the debate?

Rather than address the historical reasons for this oddity, I might suggest that state leaders consider the funding mechanism that they designed for Pender County, where the difference is split, the result of the disparity created by the beach communities versus the inland communities. Under

this rule, calculations are done for both methodologies and the average is calculated. In this way, towns are treated equally by looking at population and values.

Critics might say I'm advocating taking a choice away from counties, but I'm truly applying simplicity. Sales taxes would forever be counted on, and counties

wouldn't be taking money away or adding money to a city based on who might be in elected office at the time and what tax they might have to grind against a city once they are in office.

In Pender's case, it was a good move allowing the cities to move ahead with their budgets independent of what the commission might have done. My suspicion is that such a move would bring condemnation from many areas of the state, but over time it would be the right move to make. None of these options will necessarily assist cities that have little or no growth in population or tax base, but they would moderate the damage because the cities would still receive money like they did in the past.

Counties can make a profound difference on cities' budgets with the current formula. Cities penalized by counties could attempt to retaliate by adjusting water services, sewer and inter-local agreements and by using other childish maneuvers. Removing the mystery is a good way to foster better relations over time and mitigate the already contentious possibilities that exist by design. CJ



Chad Adams

Chad Adams is director of the Center for Local Innovation, vice president for development of the John Locke Foundation, and former vice chairman of the Lee County Board of Commissioners.

Local Innovation Bulletin Board

'Smart Growth' Abuses

The Federal Reserve's effort to deter inflation by raising interest rates has had the expected effect of slowing the economy slightly and the homebuilding market substantially.

While falling home prices will make housing more affordable to some, restrictive federal macroeconomic policies are a clumsy and counterproductive way to promote homeownership, says Wendell Cox, a visiting fellow at the Heritage Foundation.

A better solution is to attack restrictive land-use regulations and increase the supply of building lots. Currently, housing affordability problems are concentrated in regions where antigrowth land-use regulations have limited the supply of building lots. Of the 22 least affordable markets, 20 are in California, where restrictive land-use practices have been common since the 1970s.

High-cost housing encourages businesses and households to move elsewhere and undermines the regional economy. The solution is to attack the root cause of the affordability problem—restrictive land-use regulations—and increase the supply of building lots. Efforts to turn back such regulations are under way in a number of communities.

If restrictive land-use regulations were reformed, home prices in now-unaffordable regions such as Los Angeles, Washington, New York City, and Miami would begin to return to affordable levels, Cox said.

The overly regulated metropolitan areas seem likely to experience considerably less population and economic growth in the future than they would if their land-use policies had not broken the historic relationship between house values and household incomes.

Taxes on travelers go up

For all the complaints travelers have been voicing about delayed flights, declining service, crowded planes, and invasive security procedures, there has been comparatively little outcry about another trend: escalating taxes on flights, car rentals, and hotel stays, *The New York Times* reports.

But travel companies and trade associations are beginning to reach for the megaphone on their customers' behalf, protesting the growing cost of taxes, many of them financing initiatives that have nothing to do

with travel. In partnership with major car rental companies, the association has focused on fighting high taxes on car rentals and has tried to raise awareness by lobbying state and local officials.

Taxes and other charges passed along by car rental companies, such as vehicle licensing fees, raise the average rental bill 28 percent at airport locations, according to Travelocity, the online travel agency. The taxes and fees can exceed 50 percent at airports in Kansas City, Dallas, Atlanta, and Seattle.

As of October, there were "something like 86" special taxes and surcharges around the country levied on car rentals, and an additional 48 were being considered, said Neil Abrams, president of the Abrams Consulting Group, which follows the car rental industry.

"Congestion fee" for NY?

New Yorkers are accustomed to paying when they hop in a car — if it's bright yellow and has a meter on the dashboard. Now the mayor wants to charge people who drive their own cars in Manhattan, *USA Today* reports.

Under Mayor Michael Bloomberg's plan, an \$8 "congestion fee" would apply to the nearly one million cars that enter Manhattan every day, whether driven by a tourist or a Bronx plumber headed to a job on Fifth Avenue; trucks would pay \$21, and drivers who live in the affected area would pay \$4.

The charge, which Bloomberg wants to start in 2009, would be levied by E-ZPass, a toll collection system using electronic sensors on vehicles, or by a bill sent after a camera at a traffic light captures a license number.

The revenue, which could be \$400 million yearly, would pay for transportation improvements, including transit.

The fee could cut traffic by 6 percent, as one of a raft of proposals to keep the city growing, Bloomberg said. But opponents of the proposal say it's not fair to charge residents to drive in their own city on roads they already paid for with taxes. Similar opposition has kept most bridges that connect Manhattan with other boroughs toll-free.

"We know (traffic) is bad. We just don't think that charging people an exorbitant amount of money to drive into Manhattan is the way to solve the problem," said Robert Sinclair Jr. of AAA of New York. *CJ*

From Cherokee to Currituck

Raleigh to Sell Reclaimed Water

By MICHAEL LOWREY
Contributing Editor

RALEIGH

Raleigh plans to offer a new water service. By 2010, city officials hope to sell water intended for lawn irrigation, industrial cooling, and similar applications. The idea is to take water that would otherwise be discharged from wastewater treatment plants into rivers and creeks and sell it at half the cost of potable water.

Offering so-called "reuse" or "reclaimed" water for sale requires the city to construct a separate water distribution network. Raleigh plans to build a 10-mile pipeline by 2010 and to expand the system to 145 miles.

"It's a very excellent source of water for us to use for irrigation," Michael Shoun, director of agronomy for Mc-

Connell Golf LLC, which owns the Raleigh Country Club, said to *The News & Observer* of Raleigh. The club waters its golf course

and other property with water treated for drinking.

The reclaimed water system will offer another significant advantage besides lower cost to users: It will not be affected by water-use restrictions during droughts.

W-S handicapped parking

Winston-Salem officials are reconsidering downtown parking policies for handicapped drivers. The move comes in response to a committee recommendation that the city assure parking-space access for the disabled by eliminating free handicapped parking downtown, the *Winston-Salem Journal* reports.

The city studied downtown parking patterns in February, when it monitored 660 coin-metered parking spaces.

As many as 30 percent of the spaces were filled by cars with handicapped placard, which currently can park for free for an unlimited period of time. By comparison, in 2003 only 18 percent of parking spaces were filled by cars with handicapped placards.

To make matters worse, the new study found a majority of cars with handicapped placards sitting in a parking space for free all day, thus tying up 150 parking spaces.

City officials also observed a number of cars with handicapped placards being operated by individuals without an apparent disability.

"You'll be punishing the truly disabled people if you do not take action against the people who are abusing

the privilege," said Darla Sykes Bates, executive director of The Adaptable center for independent living.

"To be handicapped does not mean that you are poor and that you could not afford parking downtown," said Jack Fleer, who chairs the Citizens Advisory Budget Council. The council recommended the city eliminate free downtown parking for the disabled.

"People are sensitive to the need to have handicapped spaces downtown. If in fact there is significant abuse of the privilege, then you run the risk that even a handicapped person can't use the space. If that is the case, then the policy isn't fulfilling what I think was its intention."

Asheville slope regulations

Building a house on steeply sloping land in Asheville will now be allowed only with an assessment of landslide potential, the *Asheville Citizen-Times* reports.

The move by the Asheville City Council comes after a lengthy debate over what sorts of restrictions should be enacted and at what degree of slope and elevation they should apply.

Under the regulations adopted May 10, a geotechnical analysis will be required on properties with an average slope of 36 percent or greater. A 36-percent slope is equal to a 20-degree angle.

The cost of a survey is estimated to range from \$500 to several thousand dollars depending upon the size of the property and how detailed the analysis would be.

"I think we should err on the side of public safety," said Councilman Brownie Newman, referring to N.C. Geological Survey data. "The information I have seen on this shows that the risk of land movements and slides start at 36 percent."

City staff had originally recommended requiring the survey of residentially zoned areas with a 25 percent slope or greater.

At elevations above 2,220 feet, the review would have been required at slopes of 15 percent and above. The proposal would have affected 9,618 acres.

The city's zoning commission recommended requiring surveys on properties above 2,500 feet with a slope of 25 percent or greater, which would have affected 2,002 acres.

The council delayed action on additional slope regulations to allow for more study. *CJ*



'Smart Growth' Seen as Threat By Some Residents

Continued from Page 16

county developed, we can bring you a plan forward."

Riggs asked Porter whether the land-use plan could be rewritten to allow the building of one house per acre.

"We're in a crunch time situation here," Porter said. Developers have been asking the planning staff when and where they can start, but "we don't know what to tell them." The developers need to know something by June 4, Porter said.

"These developers, what are they asking that you can't answer?" Riggs asked. The general guidelines have been on the books since the commissioners approved initial smart-growth zoning in past votes, she said.

Terrie Griffin, an appointed member of the county Planning Board, said that if Camden County's old development policies continue, growth would fill out all the land within 25 years. "We still won't have the resources to support those people," she said.

High-density development, or "clustering" of county infrastructure would be cheaper and more efficient, she said, when businesses and people come into the county. Clustering also would allow the county to generate the revenue it needed to sustain growth, she said.

"One of the things that's frustrating us [the Planning Board] a little bit is we really don't have a plan, or direction, on what the county wants as a whole, when we talk about growth," Griffin said.

"I feel a little bit panicked when I start hearing about going backwards, because a lot of plans have been put in place," she said.

Riggs told *CJ* that she didn't agree with Porter's and Griffin's complaints. "I was concerned about 10 acres. I didn't



The battle between planners who support 'smart growth' and elected officials and residents who are suspicious of it is taking place in Camden County's Old Courthouse. (CJ photo by Richard Wagner)

like the concentration being in a one-mile radius. When I heard that we [the commissioners] hadn't given any direction, I said, 'Golly, I should have stayed at work that day instead of going to the meeting.'"

Her biggest concern, she said, is that around Shiloh, where growth would be concentrated by the planning staff, is a "little two-lane road and when you have tractors and other farm equipment with cars on the road it's like a raceway. I can't see putting businesses on these little roads."

"Planners like smart growth because cities are too complex to plan and they follow the fad."

Randal O'Toole
Thoreau Institute
Bandon, Oregon

Commissioner Mike Andrews said after the meeting that he had mixed feelings about how the county should be developed. "To me, I wouldn't mind requiring one-acre lots, but we should give the builders options."

As far as property owners are concerned, he said, "Everybody should be able to do what they want with their property." But they also should consider how their use of the property would affect their neighbors, he said.

"Some people would like to have 'Main Street' again. I'd like to see South Mills become like Hertford [with its downtown redevelopment]. "But I don't want to see rubber-stamp zoning."

"I don't have a problem with asking developers to kick in with some improvements," he said.

Andrews, who lives on 10 acres of land that he owns, opposes government interference with his property rights. "I've had the same concern [as farmers] telling me what to do with my land." When it comes to how he votes on zoning, he said, "I don't want to take money off anybody's table."

Randal O'Toole, an expert with the Thoreau Institute in Bandon, Ore., said smart-growth zoning is unnecessary and violates personal property rights.

"North Carolina isn't exactly lacking in open space," he said. "Ninety percent of the state's land is rural open space."

"You don't need zoning to protect livability. But you do need something to protect your investment," he said. To do that, he said, county officials should encourage developers to form homeowners' associations that would enact covenants.

The idea that government officials have to protect open space is absurd, O'Toole said. "Planners use it to get what they want," he said. "Planners like smart growth because cities are too complex to plan and they follow the fad." Other fads in the past, such as urban renewal and master-plan communities, proved to be failures, he said.

"Smart growth has proven to be a huge disaster on the West Coast. Businesses have moved away, and so have people," he said. "Smart growth has shut down growth. Portland [Ore.] and San Jose [Calif.] have vied to have the highest unemployment." *CJ*

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• In 2003, David Horowitz began a campaign to promote intellectual diversity and a return to academic standards in American universities. To achieve these goals, he devised an "academic bill of rights" and created a national student movement with chapters on 160 college campuses. In dramatic commentary, *Indoctrination U.: The Left's War Against Academic Freedom* unveils the intellectual corruption of American universities by faculty activists who have turned America's classrooms into indoctrination centers for their political causes. It describes how academic radicals have created an ideological curriculum that is at odds with the traditional purposes of a democratic education. Also from Encounter Books.

• Ana Montes appeared to be a model employee of the Defense Intelligence Agency. She was an overachiever who advanced quickly through the ranks of Latin American specialists to become the intelligence community's top analyst on Cuban affairs. But throughout her 16-year career at DIA, Montes sent Castro some of America's most closely guarded secrets. When she was arrested in September 2001, she became the most senior American intelligence official ever accused of operating as a Cuban spy from within the U.S. government. *True Believer* is an inside account of the investigation that led to her arrest, written by Scott Carmichael, the DIA's senior counterintelligence investigator who persuaded the FBI to launch an investigation. At www.usni.org. CJ

Book review

Gratzer Sees Freedom as Cure for Health Care

• Dr. David Gratzer: *The Cure – How Capitalism Can Save American Health Care*; Encounter Books; 2006; \$16.35 hardcover

By GEORGE C. LEEF
Contributing Editor

RALEIGH
Political conversions of the "Saul on the road to Damascus" type are rare, but they do happen. Dr. David Gratzer describes an incident in his life that fits that description well. He had grown up in Canada believing, as most Canadians do, that their system of universal health care at government expense was superior to the health-care systems of other nations, especially the United States. Gratzer describes his eye-opening event as follows:

On a cold Canadian morning about a decade ago, late for a class, I cut through a hospital emergency room and came upon dozens of people on stretchers — waiting, moaning, begging for treatment. Some elderly patients had waited for up to five days in corridors before being admitted to beds. They smelled of urine and sweat. As I navigated past the bodies, I began to question everything I thought I knew about health care. ... Though I didn't know it then, I had begun a journey into the heart of one of the great policy disasters of modern times.

And thus did the future doctor learn that the appealing rhetoric about equality comes at a very steep price — a shortage of care.

Disastrous for the sick

Gratzer came to understand that Canada's health-care egalitarianism is disastrous for sick and injured people and we are fortunate that he has now turned his attention to the chaotic system we have in the United States. The root of our problems can be traced with unusual precision. Rarely can we say to the exact day when a socioeconomic problem began, but in this case we can — Oct. 26, 1943. That was the date of an IRS tax ruling that seemed simple and unimportant at the time — that employees would not have to pay income tax on the value of health insurance benefits provided by their employers.

During World War II, the federal government imposed price controls that covered employee wages, but, as good economists know, it's impossible to suppress competition for long. Employers who wanted to attract more and better workers figured out that they could evade the wage controls by offering workers "free" benefits. When the IRS ruled that such benefits would not be taxed, the inevitable result was continuing growth of this new kind of income. Because of wartime controls on wages, employers became, by accident, the main providers of health insurance in the United States.



Previously, nearly all Americans had paid for medical services the same way they paid for other services: in cash. After the war, however, third-party payments would become the norm. This has to be one of the most enlightening examples of the phenomenon that one governmental intervention in the free market starts a chain of unanticipated and undesired consequences.

The switch from direct consumer payments to third-party payments largely took consumers out of the equation, thereby eliminating the most potent check on rising costs. Gratzer cites data compiled by Milton Friedman (who contributed the foreword to the book) showing that in 1946, Americans spent seven times as much on food, beverages, and tobacco as they did on medical care; 50 years later, Americans spent more on medical care than on food, beverages, and tobacco. In 1962, 46 percent of medical care spending was still out-of-pocket, but by 2002, just 14 percent was.

Wasted expenditures

This huge increase in health-care spending has led to some improvements in treatments and human longevity, but much of the expenditure, Gratzer argues, is wasted. That is because our heavy reliance on third-party payments leads to bureaucratization of health care. Bureaucratization is undesirable for two reasons. First, it undermines both patient and doctor satisfaction because to a greater and greater extent, decisions are made by distant insurance and government officials. Second, it leads to what Gratzer calls "bureaucratic displacement," meaning that resources that could have gone into actual care of patients are instead sucked into the administrative cost of the system.

Gratzer takes the reader through the history of governmental responses that have been touted as salvation for our health-care woes. Richard Nixon pushed Health Maintenance Organiza-

tions as a means of containing costs. Although politicians in search of populist votes have demonized HMOs, Gratzer doesn't believe that they were a bad development.

With HMOs fizzling out, policy analysts and politicians hunted for a new approach. The idea of Medical Savings Accounts was advanced by a coalition of free-market economists and conservative Republicans. MSAs were designed to overcome the problem of paternalism by encouraging Americans to put pretax dollars into accounts that could be used at their discretion. Congressional liberals, however, evidently fearing that this approach would be popular and deprive them of a big campaign issue, succeeded in placing stringent limits on MSAs.

HSAs a step in right direction

Congress next tried a variation called Health Savings Accounts. HSAs combine insurance against high and unpredictable medical expenses — which is what insurance should really be for — with a savings account funded with pretax dollars that can be used for routine medical expenses and can be "rolled over" from year to year if more is put in than is taken out. Gratzer thinks that HSAs are a big step in the right direction and registers his impatience with the partisan attacks that have been leveled against them by liberal Democrats who want to move to something like the Canadian system.

Another boost friendly politicians could give HSAs would be for governors who tend to favor market approaches rather than statist ones to give their state employees the HSA option.

Furthermore, Congress should repeal a number of laws that impose needless regulatory costs. For example, the Medicare Modernization Act of 2003 included an 18-month moratorium on reimbursements to new specialty hospitals. The moratorium was later extended to three years. Gratzer also takes aim at the Food and Drug Administration, arguing that its regulatory regime, requiring pharmaceutical companies to prove that new drugs are both safe and effective, is harmful. The FDA's overly cautious approach, he says, denies thousands of Americans access to medications that could benefit them.

In a nutshell, Gratzer's prescription for what ails American health care is simple. We need freedom. If we could scrap the many state and federal laws and regulations that impede competition and innovation, we would get much more value for our health-care dollars. CJ

George C. Leef is vice president for research at the John William Pope Center for Higher Education Policy and is also book review editor of *The Freeman*.

Food Lion's Ketner Sets Example of Hard Work and Risk Taking

We'd rather make five fast pennies than one slow nickel," Ralph W. Ketner said when I interviewed him a few months ago. This year marks the 50th anniversary of Food Lion, and Ralph W. Ketner, one of three cofounders of Food Town (later renamed Food Lion), is a North Carolina example displaying how entrepreneurial creativity combined with hard work and a willingness to take risks can produce financial success and public benefit.

Now 86 years old, Ketner still exhibits an innovative spirit that reveals how he managed to take a one-store operation in Salisbury in 1957 and turn it by retirement into a leading supermarket chain with about 800 stores. Ketner relinquished control of the reins in 1991 — the company is now owned by the DelHaize Group. Sometimes I wonder how big the company might be today and how it might



Dr. Troy Kickler

have kept prices even lower if Ketner, a pioneer in the grocery business, had led the chain into the 21st century.

With his friend, Wilson Smith, and brother, Brown Ketner, Ralph Ketner in 1957 opened a grocery store in Salisbury. It was possible because, in addition to their \$62,500, the three had telephoned 250 Rowan countians to buy shares and persuaded 122 of them to buy. During the next 10 years the three embarked on an entrepreneurial adventure in which they saw only the moderate growth of seven stores by 1967. Even so, Ketner worked hard and generated pioneering ideas: prescriptions at cost; buy one, get-one-free; and selling gasoline to Food Town customers at absolute cost. Some not bad, but not so good ideas: like the purchase of \$100,000 of Bi-Lo stock. If invested in Food Town, the amount would have earned \$40 million.

In 1967, however, he risked everything and implemented a cutting-cost theory — lowering prices on all items to cut costs and to sell more items. To make a profit, Food Town needed to increase sales by 50 percent by the end of 1968. To Ketner's surprise, sales increased by 80 percent.

Ketner named the concept LFPINC (Lowest Food Prices in North Carolina), and the food price rebellion of the 1960s was born. Lower prices produced happy and repeating customers. That meant a happy Ketner, who considered customers first, employees second, and shareholders third; if all three were satisfied in descending order, Ketner believed that he, too, would benefit.

During the 1970s and 1980s, Food Town (named Food Lion in 1983) experienced almost exponential growth — 35 percent a year until Ketner retired. Ketner's innovative leadership prompted him to be the first to name competition in advertisements and to introduce forward buying and delayed dating.

Not only did Food Town/Lion benefit customers, it made stockholders millionaires. More than any other North Carolinian, many contend, Ketner helped create millionaires. Someone who bought \$1,000 worth of stock in 1957, and held on to it, for instance, would have been worth \$16 million in 1989. In fact, 31 original stockholders were millionaires by 1982.

In retirement, Ketner continues to be innovative. He tried to increase

homeownership among underprivileged families, but federal regulations prevented him from buying and selling homes at cost and offering low-interest loans that made low monthly payments possible.

In 1991, Ketner established the Ralph W. Ketner Employee Productivity Award to reward state and county government employees who found ways to cut the costs of running government. Ketner abandoned the state program because it prevented management from participating. The North Carolina County Association Award Programs has been a success, however. Each year 10 county employees who display innovation in making county governments work more efficiently receive \$1,000 each. According to Ketner, his \$150,000 from 1991 to 2006 has saved North Carolina and its counties about \$38 million.

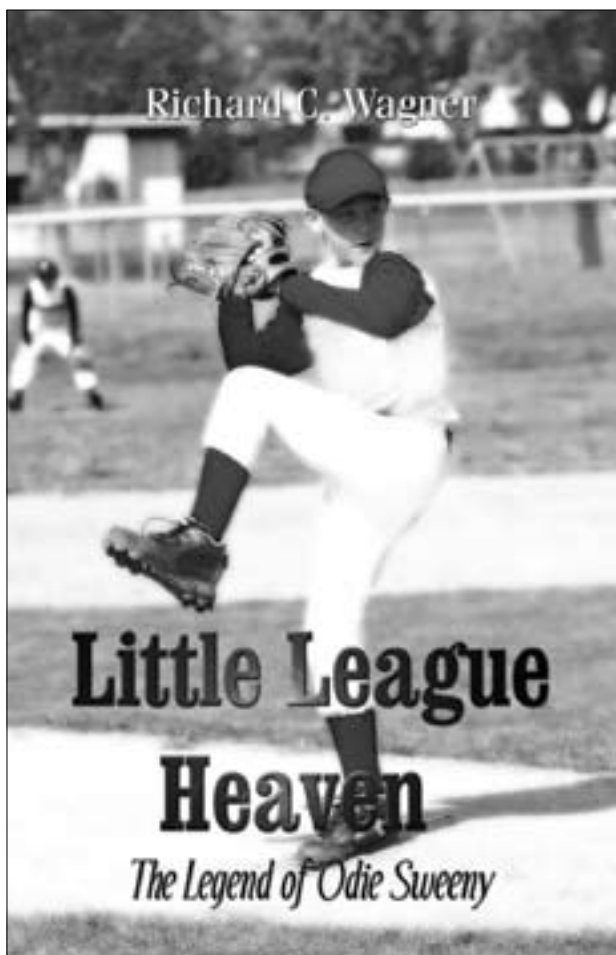
As evidenced by Ketner's life, success stems from more than good ideas. More than hard work. More than risks. It takes all three.

For more, visit www.northcarolinahistory.org. CJ

Troy Kickler is director of the North Carolina History Project (<http://www.northcarolinahistory.org/>).

Little League Heaven

By Carolina Journal Editor Richard C. Wagner



When Lillie Jo Sweeney threw out the first pitch of the game at Houston's Astrodome in 1989, she joined the Astros and thousands of boys and girls in celebrating the 50th anniversary of Little League baseball. The event also saluted her deceased husband, Odie Sweeney, a Little League legend who managed a never-say-die team for 38 years — a record in Texas and one of the longest streaks in the nation. *Little League Heaven: The Legend of Odie Sweeney*, an inspirational biography, serves a generous slice of Americana and traditional values.

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Short Takes on Culture

'Spiderman' Goes Dark

• "Spiderman 3"
Sony Pictures Entertainment
Directed by Sam Raimi

Spiderman 3" was a highly anticipated summer blockbuster, but like with many popular movie trilogies ("The Matrix" and "X-Men," for example), the third chapter disappointingly falls short of expectations. I expected adventure, passion, plausible explanations, and an obvious struggle between good and evil — but those aspects were missing.

Spiderman (Tobey Maguire) attempts to balance his newfound fame in New York City and his relationship with Mary Jane (Kirsten Dunst). The attack of a mysterious black entity, an unexplained element responsible for Peter Parker's change in character, is a source of one of the film's big problems.

It appears that director Sam Raimi wants to portray Spiderman and Peter as evil, but the result is different. Peter begins to wear black clothing and Spiderman shows up in a sleek, black suit. Contrary to his normal behavior, he begins to strut, not walk, down city sidewalks. Suddenly Peter's dark brown hair changes to black with thin blonde streaks. It seems that Peter becomes more of a depressed indy-rock hipster than a good hero gone evil. A laughable dance scene only proves what we all know, but don't need to: Spiderman never was and never will be a dancer.

The dialogue between Mary Jane and Peter Parker is like that of two cartoon characters. The vocabulary is limited, and words are spoken overly dramatically to come across as a real adult relationship. The two actors have lost their chemistry on screen together to the point that their relationship is no longer believable.

— JANA DUNKLEY

• "300"
Warner Bros. Pictures
Directed by Zack Snyder

"Freedom is not free, it requires great sacrifice. The price is paid in blood."

The movie, "300," documents ancient Sparta's cost to remain free under the imminent threat of Persian invasion, complete with all the components of a classic Greek tragedy: a reckoning with the gods, fate and society, and, of course, plenty of blood.

A film adaptation of the graphic novel of the same name by Frank

Miller, "300" is a fictional account of the Battle of Thermopylae in 480 B.C., one of history's most famous last stands. In the film, Spartan King Leonidas (Gerard Butler) and 300 Spartans fight to the last man against Persian King Xerxes I (Rodrigo Santoro) and his army of over one million soldiers.

The message of "300" is simple. Freedom and honor are worth the cost. The film's principal character explains that freedom is worth defending, and that even if faced with defeat, "the world will know that free men stood against a tyrant." Like many other accounts of the Battle of Thermopylae, it is a symbol of courage against overwhelming odds.

Despite its excellent message and fantastic visual effects, "300" is not for the faint of heart. The film deserves its "R" rating for graphic battle sequences throughout, and gratuitous sexuality and nudity.

— JENNA ASHLEY
ROBINSON

• "The Sopranos"
A&E Network
9 p.m. Wednesdays

If you're a fan of "The Sopranos," the real action right now is on HBO, where Tony Soprano and his two families are finishing up their incredibly successful eight-year run on the subscription cable network.

My cable package doesn't have HBO, so I'll know Tony's fate only after the last season is released on DVD. But I can still get my Mafia fix by watching "Sopranos" reruns on A&E.

We're talking basic cable here, so many of the things that make the show such a guilty pleasure — foul language, nudity, and graphic violence — have been edited. But those elements weren't what made "The Sopranos" such a great show even on expanded cable. The brilliant writing, solid acting, and intense plot lines are still there even if the other stuff isn't.

My major problem with A&E's editing isn't cutting out the dirty stuff. The network cuts the scenes too frequently for advertising breaks, constantly interrupting intense strategy sessions between Tony and Uncle Junior (Dominic Chianese) or face-offs with other disagreeable family members.

But no matter which channel you're watching, "The Sopranos" shows once again it ain't easy being the boss.

— SAM HIEB CJ

Book review

Obama's Audacity of Hope
Sings Same Old Liberal Song

• Barack Obama: *The Audacity of Hope: Thoughts on Reclaiming the American Dream*; Crown Publishers; 2006; 375 pp.; \$25 hardcover

By DAVID N. BASS
Contributing Editor

RALEIGH

Follow the world of politics for any significant period of time, and you're likely to run across one or two surprises. Barack Obama is a big one. Just two years after delivering a "rock star" performance at the 2004 Democratic National Convention and 10 years after initiating his first bid for elected office, Obama is vying for the most powerful political position in the world.

Unfortunately, Obama's jump from obscurity to presidential contender says less about the blessings of opportunity in America and more about the fact that a good chunk of our citizenry lets the media do their thinking for them. Granted, Obama is a smart guy, but only a media obsession can fully account for his rags-to-riches political story.

Lacking originality

To coincide with the media buzz surrounding his bid for the White House, Obama has released a book offering an overview of his beliefs on a variety of issues. *The Audacity of Hope* is well written and presents some fascinating insights into Obama's beliefs and character. Sadly, it lacks originality.

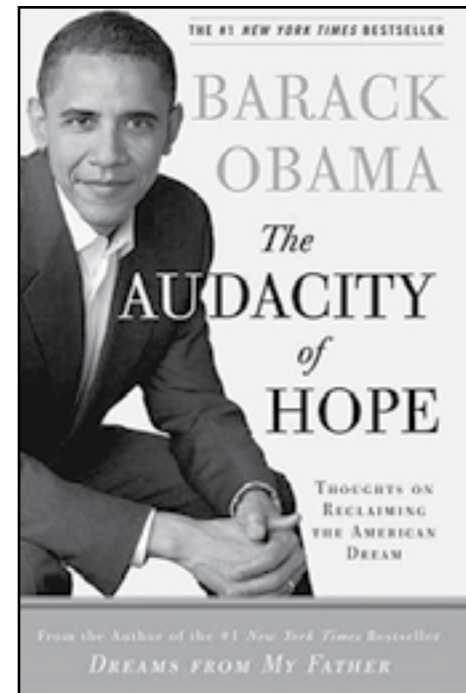
For a candidate who reportedly brings much-needed freshness to the political debate, Obama tows the liberal line closely. His rhetoric is softer and more reasonable than many of his fellow Democrats, but he inevitably gives the pat answer on just about every issue.

Take social policy. In *The Audacity of Hope*, Obama tends to couch his leftist views between marginally reasonable sentences, but when all is said and done, his positions differ little from Liberalism 101.

He waxes eloquent about the virtues of the '60s generation that supposedly made America "a far better place for all its citizens," but he conveniently ignores the myriad social consequences ignited during that decade.

Before the 1960s, violence and drug use were essentially non-existent in public schools, most children benefited from the stability of a two-parent home, and a doctor could count the number of sexually transmitted diseases on one hand. If Democrats are scratching their heads over why values voters avoid their candidates like the plague, look no further than Obama's rhetoric.

In addition to celebrating the



Flower Power revolution of the '60s, Obama continually quotes former President Franklin D. Roosevelt and harps on the benefits brought about by the New Dealers' overhaul of the U.S. economy. Obama writes that during the Depression, Roosevelt saved "capitalism from itself" by expanding the size and scope of the federal government. Yet where has that led?

Despite Social Security and the subsequent Great Society initiatives of former President Lyndon Johnson, countless families continue to languish in a broken government-sponsored welfare state that all but ensures a permanent underclass in American society.

Obama's central failing

That brings up Obama's central failing — on a number of issues, it's hard to take him seriously. For instance, Obama opines that Americans consume too many poisons such as tobacco, yet he's no stranger to nicotine addiction himself. Similarly, he's disturbed by the media's pervasive influence on American children, but he has no qualms accepting millions from Hollywood "upperlings" who produce the smut in the first place.

Obama appears to be a likable guy. He's got charisma. But after wading through the feel-good catch phrases and cozy rhetoric, the truth smacks you upside the head: With few exceptions, Obama is just as liberal as the next Democrat.

The Audacity of Hope is a worthwhile read, if only to get better acquainted with the political rock star that Obama has morphed into. But, judging by his book, he's also a dangerous candidate, so getting to know him better can't hurt. CJ

Kleiner: Occupational Licensing is an Attack on Liberty

• Morris M. Kleiner: *Licensing Occupations: Ensuring Quality or Restricting Competition?*; W. E. Upjohn Institute for Employment Research; 2006; 181 pp.; \$18

By **GEORGE C. LEEF**
Contributing Editor

RALEIGH

Cases of ridiculous occupational licensing regulations are a dime a dozen. One that I came across recently is illustrative. Because the diet of horses today contains more less-abrasive material than in the past, their teeth need to be filed down periodically. Without the service, called "floating," it becomes painful for a horse to chew or hold a bit.

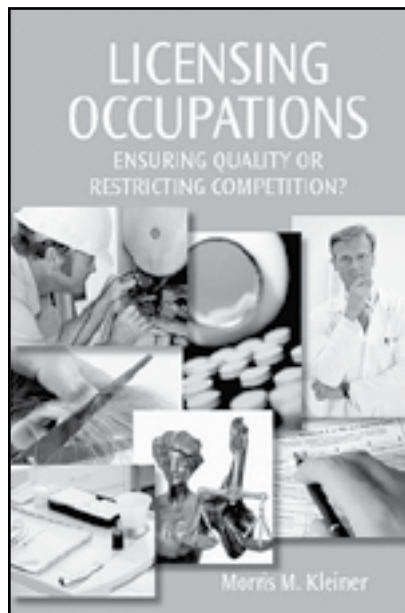
A veteran horse teeth "floater" in Minnesota has run into trouble with the State Board of Veterinarians, which informed him that he was doing work that fell within the legal purview of veterinarians and, because he was not a licensed veterinarian, he would have to stop. No customer of his had complained about his work, so what was the problem? The problem was that he charged only half as much as veterinarians for the same work. That was intolerable. The licensed veterinarians of Minnesota saw an easy way to eliminate competition from this outsider by enforcing the law.

Is there any justification for occupational licensing statutes? The many professional organizations that promote such laws invariably claim that there are laudable public purposes behind them, primarily that they are needed to protect the public against incompetent practitioners. "All we care about is guaranteeing that those in the field have at least achieved the basic level of competence so consumers won't be cheated," they claim.

Should we accept that claim? Morris Kleiner, an economist who teaches at the University of Minnesota and is a visiting scholar in the economics department of the Minneapolis Federal Reserve Bank, takes a careful look at the issue in *Licensing Occupations* and comes to the conclusion that occupational licensing statutes do little or nothing to protect consumers, but do tend to raise the price of services.

Kleiner writes, "from the evidence I was able to gather, there is no overall quality benefit [measured in a number of different ways] of licensing to consumers. Consequently, the cost of regulation to society is higher prices or longer waits for a service. An additional societal cost is the reallocation of income from consumers to practitioners of the licensed occupation as well as lost output."

So once again we find that coercive interference with market processes creates benefits for a few that are outweighed by costs to the many. Kleiner's analysis involves comparing states that license certain occupations with others that don't license them. For example, while most states require that practi-



cal and vocational nurses be licensed, several do not. If licensing actually raises practitioner quality, Kleiner reasons, then insurance rates for nurses in non-licensing states should be higher than in states with licensing to reflect their supposedly higher likelihood of making mistakes. Too bad for licensing advocates, Kleiner finds that insurance rates are no higher in states that don't require licensure.

Kleiner also makes excellent analytical use of data from the neighboring states of Minnesota and Wisconsin.

Wisconsin requires licensing for many occupations that Minnesota doesn't. Many of the licensed occupations in Wisconsin are subject to certification only in Minnesota. From the data on complaints filed by

consumers, Kleiner concludes, "At a minimum, licensed occupations showed no greater ability to reduce constituents' complaints to licensing boards about the service provided compared to complaints filed in a regime where the same occupations were certified..."

That is an important finding. Free-market advocates have long maintained

that certification, which allows practitioners to demonstrate competency by passing an examination, but does not prohibit non-certified individuals from offering their services (as long as they don't falsely claim to be certified), is preferable to licensing because it allows consumers to choose. If they think a certified practitioner best suits their needs, that option is available; if they don't want to pay more for a certified professional or believe that a non-certified practitioner can do the work competently, they can make that choice. Certification is consistent with liberty whereas licensing statutes are authoritarian attacks on liberty.

Kleiner makes it clear that the impetus behind occupational licensing is overwhelmingly the desire by professionals to control entry into their field, not a dispassionate analysis by public officials that citizens would be best served if they were forced to choose between doing business with a licensed, state-approved practitioner and either getting no service or attempting a do-it-yourself job. *Occupational Licensing* pounds another nail into the coffin of the belief that labor market regulations are wise policy choices.

Oh, yes, the Minnesota case. It is before a state court, and the Institute for Justice attorney who represented the defendant said the Veterinary Board is pulling out all the stops in its effort to show that the licensing statute is necessary and reasonable. I wish that someone would send the judge a copy of Kleiner's book. CJ

George C. Leef is vice president for research at the John William Pope Center for Higher Education Policy and is also book review editor of *The Freeman*.

Kleiner makes it clear that the impetus behind occupational licensing is overwhelmingly the desire by professionals to control entry into their field.

BOOKS AUTHORED BY JLF STAFFERS



By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business



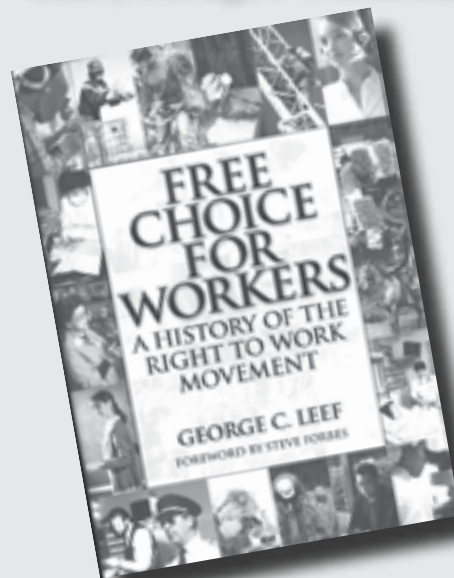
"[Selling the Dream] provides a fascinating look into the world of advertising and beyond ... Highly recommended."

Choice
April 2006

www.praeger.com

BOOKS AUTHORED BY JLF STAFFERS

Free Choice for Workers: A History of the Right to Work Movement



By George C. Leef
Vice President for Research at the
John William Pope Center for Higher
Education Policy

"He writes like a buccaneer... recording episodes of bravery, treachery, commitment and vacillation."

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Commentary

Seeking Justice

There's been a lot of discussion in North Carolina about the criminal justice system after the Duke lacrosse case and the uncertain status of the state's death penalty. Unfortunately, the debate is often incoherent, fails to treat the criminal justice system as a whole, and misses critical issues.

Consider the death penalty debate. Like the good lawyers some of them are, anti-death penalty advocates will raise virtually any argument to achieve their goal of having the death penalty abolished. That includes portraying North Carolina's criminal justice system as inherently flawed, with the death penalty handed out for racial reasons that are so subtle that statistical analysis is needed to detect it.

Yet if the criminal justice system is so unjust that the state can't possibly execute *any* inmate — even those against whom there is no doubt of their guilt of especially heinous multiple murders — logically, how can we rely upon this same system to try and punish criminals in general? The risk of substantial injustice in non-capital cases would seem to be greater, as death penalty defendants are entitled to two defense lawyers at trial and enjoy far greater rights to appeal than non-capital defendants.

Want to argue that the Duke lacrosse case shows the inherent biases of the justice system? It does certainly show an overreaching prosecutor can bring charges based upon shaky evidence (hardly news) and then withhold evidence to keep the charges alive for a while. But accusation is not conviction, and the basic problems in Durham District Attorney Michael Nifong's case should have been exposed at trial had the charges not been dismissed before then.

One could argue that the death penalty is somehow different. Such a view, though, is morally suspect. Either a jury and the courts, acting as an extension of the people, are sure enough to impose serious punishment or they aren't.

That's not to say North Carolina's criminal justice system is perfect. It isn't. There are things that can be done to strengthen it.

It most certainly is underfunded, with too few judges, assistant

district attorneys, and support staff. As a result, too many poor defendants who can't make bail sit in jail for longer than they should until their case is finally heard.

The system also isn't getting enough money to acquire the technology it needs to function more efficiently. Of the \$23 million in tech needs identified this year, Gov. Mike Easley's budget provides only \$3.7 million.

As Mecklenburg District Attorney Peter Gilchrist has warned, "If we cannot utilize technology to improve what we are doing in the Judicial Branch, the State will never be able to afford to hire enough people necessary to run even the inadequate court system we have today."



Michael
Lowrey

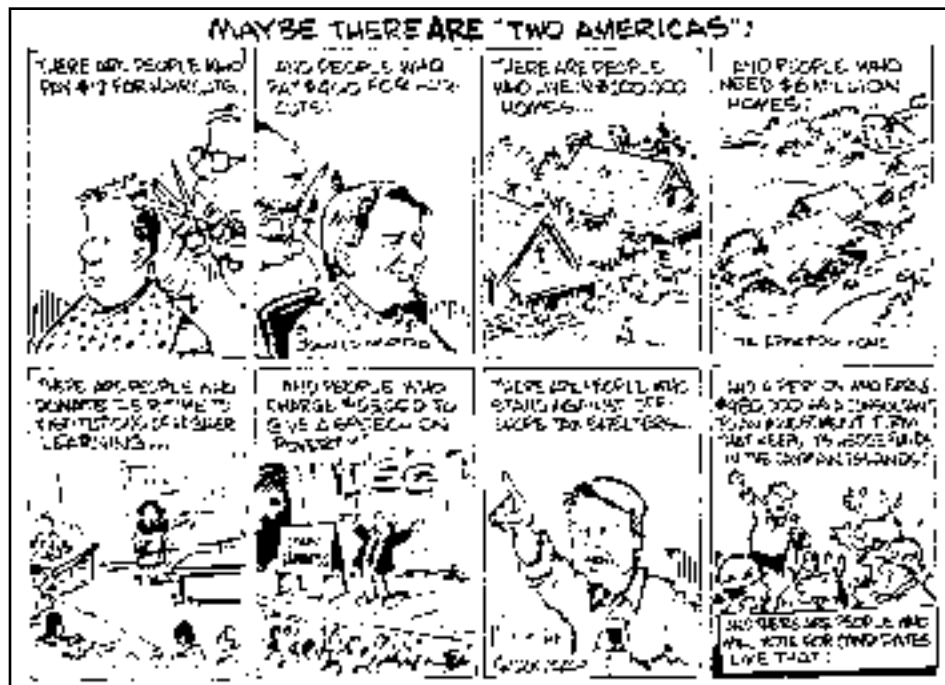
As it is in other areas of government, openness is a good thing in the judicial system. A proposal by district attorneys, for example, to restrict the scope of the state's open-discovery law — the very requirement that was critical in allowing defense attorneys to find the exculpatory evidence in the lacrosse case — is a bad idea. Politically, its timing is also horrible, and this alone is probably enough to kill the proposed restrictions.

At least one large law enforcement agency in the state still has a problem with openness: the Charlotte-Mecklenburg Police Department. Generally, after an officer is involved in a shooting, an outside agency such as the State Bureau of Investigation conducts a review of the incident. The idea is to eliminate the possibility of a conflict of interest.

Not so with the CMPD, which reviews its own officers' actions when they are involved in such an incident. Undoubtedly *most* CMPD shootings were perfectly justified. But it would be far easier to have complete confidence that *all* were justified if the CMPD weren't investigating itself.

So there are issues with North Carolina's criminal justice system. They just aren't the kind that have been getting the most media attention. CJ

Michael Lowrey is an associate editor of Carolina Journal.



Editorial

The Death of Voting in N.C.

Some members of the General Assembly would like to ignore the will of North Carolinians when it comes to presidential elections. If a plan introduced in the legislature gets passed — and it might — North Carolina would make a compact with other states to support the presidential candidate that receives the most votes in the nation.

This plan, referred to as national popular voting, is a response to the rare situation when the president wins an election despite receiving fewer popular votes than the losing candidate.

The biggest problem with the plan is that it ignores the will of North Carolinians. If every single citizen of North Carolina voted for one candidate, the state would still have to support the opposing candidate if that individual received more national popular votes. This plan should be called the anti-North Carolina popular-voting plan.

This whole approach to voting also ignores the fact that the existing Electoral College voting system was set up, in part, to protect the specific interests of states. New York, for example, might have different interests than does North Carolina.

If a candidate were pushing policies that would hurt North Carolina, and the majority of voters opposed that candidate, it wouldn't make a difference in this new voting system.

North Carolina not only would have to ignore the majority of voters but also support a candidate that would hurt the state.

The citizens of other states, along with those states' interests, should never take priority over the right of North Carolinians to have a voice in presidential elections.

If this new plan were passed, the system would have permanent flaws that would disenfranchise voters. In a national popular voting system, smaller

states would be ignored. The system also is biased against rural and small-town voters. In the current system, candidates have to battle throughout a state if they hope to gain the necessary number of voters to win the electoral votes. In the national popular-voting system, they are better off simply going to the major population centers of the state.

A national popular-voting system also would create the possibility that a candidate could win an election even though the individual has won far fewer states than the opposing candidate. In the current system, a candidate has to gain the wide approval of many interests and the support of many states.

There also is an incredible level of arrogance in trying to change a system that has worked so well throughout the nation's history, simply by passing some hastily considered legislation. Some legislators apparently think they know better than our Founding Fathers how to develop elections for president.

There are serious constitutional issues as well, such as whether the proposed compact between the states violates the Compact Clause of the U.S. Constitution. Regardless, this clearly is an end run around the Constitution. If the idea of a national popular vote is such a great idea, then proponents of the system should go through the amendment process just like anyone else that is trying to change the most important governing document in history.

If such a plan were passed, North Carolina would be letting out-of-state citizens decide the candidate that the state would support in presidential elections.

The legislature will be saying that the voices of North Carolinians don't matter. It will be a sad day when North Carolinians have to defend their right to have a voice in presidential elections.

Unfortunately, that day has arrived. CJ

Smoking Bans and Property

Before seeking social change, try choosing a non-smoking bar

When Rep. Hugh Holliman's smoking-ban bill failed embarrassingly in the House in April, its advocates were enraged. Some blamed the House leadership's flawed arithmetic and parliamentary fecklessness. Others blamed Big Tobacco. And some blamed conservative and free-market groups, such as the John Locke Foundation, for helping to frame the issue as one of liberty and property rights rather than as one of public health.

House leaders and tobacco companies can speak for themselves. But as to the matter of framing the debate as one of liberty and property rights, that was absolutely correct.

Private property rights are fundamental to any free society. It is incoherent to say that one enjoys freedom in a state without protection of private property rights. The freedom to speak, for example, is understandable only within the context of property ownership.

A standard way to explain the interaction of individual rights is to say that one's right to swing his fist stops at your face, which is absolutely true but perhaps a bit limiting. It isn't just your face that can stop a fist, but your property line. Property rights in land and objects, indeed, are simply extensions of your property right in your own body and what you choose to do with it. If you mix your labor with unclaimed natural resources, you establish a property right

in the result. That's vintage John Locke. It's written directly into the state constitution in the Declaration of Rights that North Carolinians are endowed by their Creator (not by government, property rights preexist formal government) with "certain inalienable rights" that include "life, liberty, the enjoyment of the fruits of their own labor, and the pursuit of happiness."

Advocates of the smoking ban make a sort of "in for a penny, in for a pound" argument about regulating private businesses. They insist that the state has every right to impose smoking policies on private landowners because the state has previously imposed other regulations on those landowners, such as building codes and sanitation laws. This is a non sequitur. For one thing, there is an obvious difference in intent and effect between laws that attempt to protect consumers from largely unseen risks — shoddy building construction or unsanitary practices in the kitchen — and easily perceived risks such as allowing smoking in the establishment. More importantly, to say that the state has encroached on private property rights in the past is not to prove that the latest encroachment is warranted.

In a free society, those who seek to engineer social change are hardly powerless. They just can't resort to force or fisticuffs. They can, however, choose where to eat, drink, or work. *CJ*

Sunshine and Hospitals

Rand's hospital shield law reverses a wise court decision

Public hospitals want to maximize the benefits of government ownership and minimize its costs. That may be rational from their perspective, but it would be irrational for the General Assembly, elected to represent the citizens and taxpayers of the state, to comply. So far, irrationality reigns.

Last month, the N.C. Senate voted unanimously to change state law regarding public disclosure of employee compensation at government-owned hospitals. That was well worth doing.

It was a response to a court ruling in a lawsuit by *The Charlotte Observer* that had challenged the unwillingness of Mecklenburg County's Carolinas Healthcare System to provide a full accounting of the compensation of its executives. The court ruled that only the salary, not bonuses or other forms of compensation, was required to be disclosed under current law. The Senate wisely agreed to change the law to require disclosure of the total compensation package.

However, a significant majority of senators then decided to endorse a bill from Majority Leader Tony Rand (D-

Cumberland) to shield another critical piece of information about government hospitals from public view: the amount of money such hospitals spend acquiring medical practices.

This matter also involves a lawsuit, a successful one by the *Wilkes Journal Patriot* against a local hospital, Wilkes Regional Medical Center, that withheld the price tag of a physician practice it purchased.

The trial court ruled that Wilkes did, in fact, have to release the information, and earlier this year the N.C. Supreme Court agreed. Rand's bill essentially reversed the court decision, taking information private that ought to be public — because it involves a government-owned enterprise — on the grounds that disclosure would create a competitive disadvantage for the public hospital.

We were glad to see that Sen. Steve Goss, the Democrat elected last year to a district that includes Wilkes County, had opposed Rand's bill on basic public-accountability grounds. We just wish he hadn't been so lonely over there in the "no" camp. *CJ*

Commentary

Bare Facts on Wright's Wrongs

Thomas Wright is a longtime Democratic state representative from Wilmington. He was a close ally of disgraced former Speaker Jim Black, once of the State House, soon to be of the Big House. While the symbol of Black's corruption has come to be the image of him offering a bribe at the IHOP for a Republican lawmaker to flip-flop, Wright's impending fall from grace might well come to be symbolized by the allegation, revealed May 15 during a state board of elections hearing, that Wright used campaign funds to pay about \$550 in bills from Victoria's Secret.



John Hood

I hereby swear not to make any cracks about undercover investigations, strange political bedfellows, sagging political fortunes, or airing dirty linens in public. I will not speculate about what still remains under wraps. I will not urge legislative panels or prosecutors to get to the bottom of this. Just not going to do it.

Rep. Wright's behavior revealed his firm support — okay, now, self, you stop that! — for the concept that "campaign spending" encompasses a wide variety of things. In total, said elections-board investigator Kim Strach, Wright spent as much as \$220,000 of campaign funds for his personal use during the past six years. While state law allowed such conversions of campaign donations into personal expenditures until October 2006, the expenditures were always required to be disclosed. All funds flowing through campaign coffers had to be. According to Strach, Wright didn't disclose them.

Furthermore, he took in roughly the same amount of campaign cash — \$220,000 — without reporting it on his campaign-finance forms, the investigator testified. That would be a crime. And Wright appears to have carried out a scheme to use false statements and documents to obtain a bank loan to purchase a building for a state-funded foundation he ran in Wilmington.

Perhaps wisely, Wright took the Fifth at the elections-board hearing. Speaking of wisdom, new House Speaker Joe Hackney, D-Orange, didn't simply emit the usual smokescreen of phrases about "presumption of innocence" and "letting the process play out." While not going as far as I would

have liked, Hackney indicated that Wright's ability to serve as a House member in good standing was in great peril. "Unless Representative Wright has some satisfactory explanation, which he certainly did not do today," the speaker told reporters, "he can certainly no longer be effective here."

Some are already calling for Wright to resign, or for the House to begin the process of removing him from his legislative seat. You don't have to be criminally liable to be guilty of gross malfeasance, dishonesty, and abuse of the public trust — which are ample reasons not to remain in office. Perhaps Wright may at some point offer an explanation for his campaign reporting and behavior that is not attached to a felony plea-bargain, but it is unlikely to lift up — err, sorry — either his ethics or his competence.

Politically, the details of Wright's wrongs couldn't have come at a worse time. Hackney and his allies in the House are in the midst of trying to distance themselves from years of misrule by Jim Black's corrupt political machine. They've made some progress so far this session, but the Wright affair seems to be worse in its particulars than anyone thought. And the bad news isn't over yet, with the upcoming sentencing of Jim Black and expected elections-board hearings on allegations of campaign-finance irregularities by Rep. Mary McAllister, D-Cumberland.

Will Wright resign to spare his fellow Democrats further embarrassment? So far, he's denying that possibility emphatically. But I expect Democrats in his district and beyond to get real vocal real quick about his inability to represent his constituents effectively in Raleigh, and the damage he'll continue to do to his party and the institution of the General Assembly.

This latest scandal in state government certainly has legs. I hope that in describing the story in brief, I haven't let too many details slip by. If so, I apologize for the sheer oversight. I'll make every effort to keep readers abreast of the latest developments. *CJ*

John Hood is president of the John Locke Foundation and publisher of *CarolinaJournal.com*.

Editorial Briefs

An inconvenient tree

Govindasamy Bala of Lawrence Livermore National Laboratory and colleagues at the Carnegie Institution's Department of Global Ecology have reached some unexpected results from modeling the effects of planting and clearing forests at latitudes high and low, physicist Russell Seitz says in *The Wall Street Journal*.

According to the researchers, planting trees where none exist in northern areas may actually hasten global warming; northern tree plantations can trap heat — they both absorb solar energy and shade sun reflecting snow. This, the scientists say, can apparently overpower the cooling effects of trees soaking up carbon dioxide and storing carbon in growing biomass.

Take away the trees in the long-running climate model, and high-latitude areas become 0.8 degrees Celsius cooler by the year 2100, when compared to a standard model of North Woods forest density.

On the other hand, Bala said, tropical reforestation efforts could slow global warming: Low-latitude regions that the model left treeless until 2100 increased in average temperature by 0.7 degrees. That's a warming trend as large as the Earth experienced in the 20th century.

But overall, the inconvenient truth that ill-placed "carbon offset" reforestation schemes can backfire could give rise to a legal climate of fear, Seitz said. Will environmental lawyers chasing tree surgeons' ambulances become the next big thing in torts?

Dash for green fuel raises meat price

The price of meat is set to rise in the United States as the nation's helter-skelter dash to convert corn into fuel begins to take its toll on the supply of food, says Carl Mortished, international business editor at the *Times* of London.

Pressure from American ethanol producers manufacturing fuel from corn has sent the price of maize soaring to \$4 a bushel. The U.S. Department of Agriculture predicts that the 2006 corn crop will sell for an average of \$3.10 a bushel at the farm gate, the highest price in a decade.

Faced with high feed costs, cattle and poultry farmers are raising fewer animals and slaughtering them early; overall, output of beef, pork, and chicken is expected to decline by one billion pounds as farmers react to soaring costs.

All this will raise meat prices, Mortished said. USDA officials predict that food prices will rise by up to 3.5 percent this year as farmers rein in output in response to feedstock costs.

Food prices rose by 10 percent worldwide in 2006, according to the International Monetary Fund, owing in large part to a surge in corn prices. Pressure on prices is expected to increase. But in the mounting political panic over carbon emissions, U.S. politicians have largely ignored the problem, Mortished said.

Instead, they continue to provide lavish government subsidies for the production of ethanol, which has encouraged the expansion of more ethanol distilleries. CJ



Can Economics Solve Pollution Problems?

With the growth of greenhouse gases and the debate over global warming, analyzing pollutants has achieved a new prominence today.

Let me state one fact up front. I am not an environmental scientist, so I have no expertise in evaluating the debates about the environment. My approach is to say, *if*, for example, global warming is happening and we want to reduce it (and, again, I'll leave it to others to make these judgments), then can economics be useful in finding an approach?

Most, probably even all, pollution occurs *not* because people or businesses purposefully want to harm the environment. Instead, pollution happens as a byproduct of doing something that helps us. Drivers of cars and trucks pollute, but they do so only because the driving gets them to work, school, shopping, or vacation spots — all destinations that are beneficial and productive to our lives.

A coal-fired electric generating plant emits pollutants not because the managers and owners of the company want dirtier air, but because the pollution happens when the electricity is formed, and electricity is desirable because it powers our appliances, lets us watch TV and listen to music, and keeps us warm in the winter and cool in the summer.

To reduce pollution, we have to reduce the good things that cause it.

Can economics help? Short of some brilliant inventors creating pollution-free automobiles and completely clean power plants, economists don't have a magic silver bullet that will reduce pollution without added costs. But what economists can do is recommend some procedures and processes that may make the changes less costly and give us more "reduction for our buck" in moderating pollution.

One approach is a "pollution fee." This is a charge attached to any product that, when used, creates pollution. For example, if every time you drove and used a gallon of gas, you created 40 cents worth of pollution, 40 cents would be added to the price of

gas as a pollution fee.

There are several problems with this approach. One, it's difficult to calculate pollution fees. Two, the fees have no assurance of reducing pollution to acceptable levels. Last, for pollution created by our vehicles, there's the practical reality that drivers are sensitive to gasoline prices and resistant to anything that increases those prices.

Economists do have another pollution-reducing idea up their sleeve that is receiving considerable attention. It has three steps. First, a standard, or limit, for total pollution is set. In the case of air pollution, the limit would relate to carbon dioxide.

Next, "pollution permits" would be sold, where the sum of the permits equals the pollution limit. Third, and perhaps most important, government would leave it to the private sector (companies, individuals) to figure out how to keep pollution within the limits allowed by the permits.

Economists see several advantages with this plan. Government stays out of micro-managing pollution behavior, leaving it to the give and take of economic markets to meet the standards. Companies and individuals who have the toughest time reducing pollution would presumably purchase more of the permits, while those who could more easily reduce pollution wouldn't. So pollution reduction would be achieved most efficiently. Finally, the plan would stimulate tremendous innovation in ways to reduce pollution cost-effectively.

The creation of pollution is a physical process, but the motivation for pollution is economic, since pollution happens in order to give us the products and services we want. It makes sense, then, that economics must be part of the pollution solution. CJ



Michael
Walden

Michael L. Walden is a William Neal Reynolds distinguished professor at North Carolina State University and an adjunct scholar of the John Locke Foundation.

Citizens Pay Dearly for General Assembly's Dallying

The taxpayers of North Carolina pay \$250,000 each week to keep the General Assembly in session, according to the Fiscal Research Division of the legislature.

The cost includes all the salaries and benefits for the legislators and staff and everything to keep the lights turned on and the water running around the legislative complex on Jones Street. Since they work four days a week (starting Monday at 7 p.m. and leaving mid-day Thursday), the cost works out to \$62,500 per day, or \$1,953 per hour.

Before a bill becomes a law, a legislator spends time with interested parties to develop an idea into possible legislation. The bill goes through the research division's lawyers, bill-drafting staff, and, often, fiscal research.

It spends time in at least one committee of each chamber, is debated on the floor of each body, and voted on. It then goes to the governor for his review and consideration. All of this takes time — and time is money, your money.



Becki Gray

The 2007-2008 Assembly convened Jan. 24 and as of May 17 had met 67 times. Legislators had passed 76 bills into law, at a cost of \$55,098 per bill. If they were passing bills and making new laws that shrunk government, lowered taxes, and deregulated interferences in our business and personal lives, the argument could be made that they were spending their time and the taxpayers' money well. However, that's not the case.

Only 39 of the 76 new laws address substantive issues in government. The rest could best be described as fluff and a waste of money and time.

The Assembly spent a lot of time passing laws honoring sports teams: the ASU football team (HB37 & SB33), UNC women's soccer team (SB235 & SB279), Wake Forest football team (SB499), Independence High School football team (SB253 & HB317), the South View High School girls' basketball team (HB1318), the Elizabeth City State's basketball team (HB1380), and Jimmy Johnson, NASCAR driver (SB1564).

There were laws passed honoring former legislators Bernard Allen (HB5), Ruth Easterling (HB523), Robert Holloman (SB931), and Howard Hunter (HB491); former county commissioner of Rowan County; Franklin Tadlock (HB828), former professor at

UNC-CH and contributor to autism research and treatment; Eric Schopler (HB321), founder of Peace College; William Peace (SB674), civil rights leader, writer, lawyer; and feminist, Pauli Murray (SB157).

Anniversaries were the subject of still more of the 76 new laws. Legislators spent time on bills that honor the 100th anniversary of Zebulon (HB151 & SB378), Indian Trail (HB435), East Carolina University (HB460), and Denton (HB434 & SB460). There are additional new laws honoring Albemarle's 150th (HB190) and Halifax's 250th (SB1562) anniversaries.

April was proclaimed Landscape Architect Month (SB1035), the Ayden Collard Festival was adopted as the official collard festival of North Carolina (HB406), and the following pledge was adopted as the official salute to the N.C. flag: "I salute the flag of North Carolina and pledge to the Old North State love, loyalty, and faith." (SB258 and HB351)

There were two new laws in the 76 for which legislators should be commended. They repealed the State Property Commission, which was created three years ago to sell surplus property owned by the state (HB1012). There had never been a single sale, and the commission was rife with other problems. Shutting down the commission saved taxpayer-

ers more than \$160,000 a year. Legislators also repealed the chiropractic special provision that former Speaker Jim Black had inserted in the budget at the last minute in the 2005 technical corrections bill to benefit chiropractors (HB502). It was later discovered that illegal campaign contributions changed hands in a pay-to-play scheme for which Black is awaiting federal criminal charges.

There are many days left in this session (some estimate an early fall adjournment) and almost 4,000 bills to be considered.

Pending bills include a state budget of more than \$20 billion; imposing various new taxes on real estate transfers, new homes, and alcohol; restructuring the tax system; imposing regulations and penalties to promote environmental agendas; reforming the delivery of mental health services; expanding socialized medicine; fixing the abhorrent high-school dropout rate, and many other serious and substantive issues that drive and define the role of government in North Carolina.

At \$62,500 a day, let's hope the Assembly gets down to business soon.

CJ

Becki Gray is director of the State Policy Resource Center.

Tax Credits Could Help Save the Carolina Heelsplitter

To the editor,

The Carolina heelsplitter seems to have caused a lot of confusion and problems.

This endangered mussel should be protected like all other endangered species. There has been a lot of money spent for experts to perform studies and come up with suggestions.

Many governmental committees have spent many hours discussing the best alternatives to protect this little mussel. The Sierra Club and other environmental groups have filed lawsuits and held many meetings to enforce certain regulations or restrictions on property to protect this mussel. Fish and Wildlife has been very active in this process.

The areas of most concern are in Goose Creek and Duck Creek Basins near Mint Hill, N.C. Recently, a few mussels were found near Lancaster, S.C., in Twelve Mile Creek. Most likely a few more mussels will be found somewhere

else in the near future.

The government has been creative in attracting industry in certain areas — using taxpayers' money very generously.

Recently, Google received city and county tax breaks of \$165 million over 30 years — along with state tax breaks and incentives totaling \$94 million to build a climate-controlled warehouse that will be full of computers. Google had announced it would build a \$600 million data center and create as many as 210 jobs with average salaries of \$48,000 near Lenoir, N.C. This incentive package would amount to \$1.24 million per job for Google.

Another use of taxpayers' money was in 2005. Dell got between \$242 million and \$267 million to build a plant in Winston-Salem, N.C. Many people question the use of tax dollars to lure certain companies to an area.

I believe a very wise use of tax money would solve this problem that everyone has struggled with for at least the last five years: How do we protect the Carolina heelsplitter? Give a property owner a tax credit when he sells land to a developer.

Here's an example: A property

owner has farmed his land and paid taxes for years. One day a developer offers to buy this land for \$30,000 an acre. This landowner has a creek running through his property.

Fish and Wildlife has suggested the developer leave a 200-foot buffer on each side of the creek. The Sierra Club would probably be happy with 200 feet of undisturbed area on each side of all creeks and 100-foot buffer on each side of ditches that holds water in rainy season. The landowner has a total of 100 acres land.

The amount of land that would need to be set aside in this Conservatory for Clean Water (protect the mussel) along this creek and one ditch that is on the property is a total of seven acres.

Remember, the developer is willing to pay \$30,000 an acre for this land. Seven acres at \$30,000 an acre equals \$210,000. The state would send this property owner a tax credit for \$210,000. The landowner could deduct this \$210,000 from any capital gains tax and/or any state income tax that he might owe in the future.

The landowner was not penalized for this creek being on his property. The developer was not penalized for buying

land that has a creek on it.

The developer did not pay for the seven acres along the creek. The endangered mussel is very happy. Fish and Wildlife are happy. The Sierra Club is happy.

Someone may suggest a large pond be built for water runoff on any new development. Give the developer a tax credit for the amount of building this holding pond.

The landowner and the developer should not have the responsibility of protecting this endangered mussel. Everyone who lives in North Carolina and enjoys the freedom of paying taxes should all get to share in this opportunity of protecting this little mussel.

Property owners' rights must be protected — just like this little mussel. Please give this suggestion some serious consideration. Get support for it. And let's get Raleigh to make a quick, smart decision.

I grew up on a farm that has two creeks running through it, and I am thankful for my experience and opportunity of living on a farm.

Jim Flowers
Charlotte, N.C.

Letters
to the
Editor

Group Pushes New Ethics-Sensitive Legislative Pay (a CJ parody)

By JONATHAN PAYCHECK
Compensation Correspondent

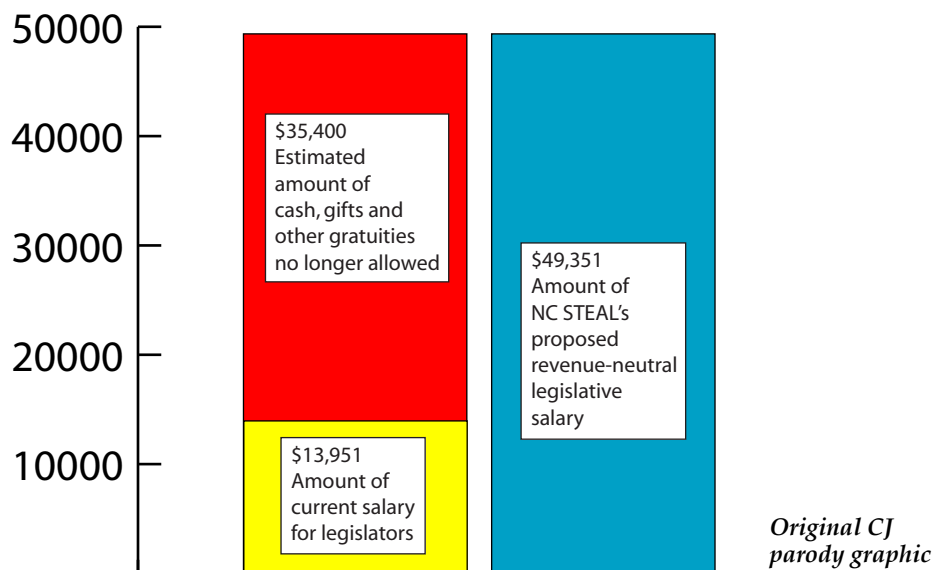
The N.C. Society to Ensure Adequate Lifestyles is calling for a substantial increase in state legislators' pay. The organization says the current \$13,951 annual salary, plus the \$104 daily living allowance while the General Assembly is in session is no longer enough money to attract qualified people to public service.

NC STEAL proposes raising the annual salary to \$49,351 and the daily living allowance to \$206.

NC STEAL Executive Director Mary Beth Walker admitted that the increases were substantial, but she said her group was launching a campaign to educate the public on the erosion of pay. "Compensation is broader than just pay. Benefits are a very important part of the package and legislators have lost significant benefits in the past year," she said.

In response to scandals involving former House Speaker Jim Black and other legislators, the Assembly passed significant new ethics laws last year.

Walker made her remarks at a press conference in the legislative building May 24. While there were several legisla-



Original CJ parody graphic

tors present in the back of the room, there was none standing by her side. Records obtained by *Carolina Journal* showed that Rep. Thomas Wright and Rep. Mary McAllister reserved the room. They both told *CJ* they were not members of NC STEAL, but offered no explanation for their roles in reserving the room.

Walker said her organization is made up of former and current members of the Assembly, but she would not disclose her membership list.

"The public might consider our

organization a little too self-serving, so our membership list is confidential. Do you really think legislators would want their membership revealed?" she asked. *CJ* also unable to find out much about Walker. While she looked similar to a former legislative employee, Walker insists she is from South Dakota.

Walker cited three major causes of the erosion of compensation. First was that expensive meals and gifts from lobbyists have been banned. Second, she said that legislators can no longer


use campaign funds for personal expenses. Third, there is significantly more scrutiny of nonprofits tied to individual legislators.

"Having your own state-funded nonprofit was a great benefit and an excellent way to pick up a few extra bucks," she said. But people got wise to the nonprofit scheme when former U.S. Rep. Frank Ballance got careless and failed to file any federal tax forms on his nonprofit. Ballance was eventually caught and has a few more years left in a federal prison.

One major benefit remains — the opportunity to receive tax-free cash gifts from individuals. She said that this seldom-discussed benefit is really popular among NC STEAL members.

Each year a legislator can receive up to \$12,000 from an individual donor. If a legislator is married, he and his spouse can jointly receive up to \$24,000 per year per donor without having to report the gift to the Internal Revenue Service. The gifts are still legal unless the donor is a lobbyist.

"It might be the last benefit keeping people interested in public service," she said. "Sure, it's a lot of money, but if a legislator is receiving gifts from several individuals, he is less likely to be influenced by any one gift." *CJ*



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**WHY AL GORE IS WRONG:
A NORTH CAROLINA CITIZENS' GUIDE
TO GLOBAL WARMING**

AMERICAN ENTERPRISE INSTITUTE SCIENTIST
JOEL SCHWARTZ

North Carolina is on the verge of adopting costly new taxes and regulations in an effort to fight man-made global warming. Many of these proposals are based on the "questionable" science presented in former Vice President Al Gore's movie "An Inconvenient Truth."

Join us as the highly respected American Enterprise Institute scientist and environmental consultant Joel Schwartz presents *A North Carolina Citizens' Guide to Global Warming* and provides an entertaining and informative tour through the "convenient" myths in Gore's movie.

Seating is limited. Make your plans now to join us at one of our tour stops—Charlotte, Hickory, Greensboro, Raleigh, or Wilmington.

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