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# CAROLINA JOURNAL

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Analysis, and Opinion from  
the John Locke Foundation

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## Eminent Domain Concerns NC Lawmakers



Institute of Justice's anti-Kelo campaign produced this poster

By PAUL CHESSER  
Associate Editor

RALEIGH  
Officials in North Carolina hold differing opinions on the local implications of the U.S. Supreme Court ruling in the *Kelo v. New London* eminent-domain case in late June.

But nearly all of the elected leaders surveyed by *Carolina Journal* were concerned about the potential for infringement on individual property rights.

The 5-4 court decision, which allows government agencies to seize private property from one owner and to give it to another private owner for economic development purposes, led to a grass-roots backlash across the nation. *The Washington Times* reported July 11 that "several state legislatures are expected to act on some kind of statutory ban before year's end and more are

*"We ought to make it as difficult as possible to take people's property."*

— Rep. David Hoyle  
Gaston County

expected to take action next year."

North Carolina's General Assembly may be one of those bodies that acts, but it is not clear how important the Democratic House and Senate leadership believe the issue to be. At *CJ's* press time both chambers were deadlocked in their budget negotiations, and Senate President Pro Tempore Marc Basnight

forbade any committees to meet that weren't working on the budget.

That didn't stop other lawmakers from investigating the state's existing eminent-domain laws, and asking whether the court's decision could open the doors to similar property takings in North Carolina.

"We ought to make it as difficult as possible to take people's property," said Gaston County's David Hoyle, one of the state Senate's Democratic leaders. "That's just wrong."

The *Kelo* decision addressed a situation in Connecticut in which a local economic development agency, with powers of eminent domain, sought to condemn the properties of nine owners of 15 homes in the city of New London.

*Continued as "Lawmakers," Page 2*

## Piedmont Wants Help Paying for Subsidized Pipeline

By PAUL CHESSER  
Associate Editor

RALEIGH  
The N.C. Utilities Commission heard testimony in late June about Piedmont Natural Gas Co.'s desire to merge a money-losing gas operation into its overall rate base. The proposal turned into a discussion over who should pay for the unsustainable economic development project in the northeast part of the state.

Piedmont wants to buy full control of Eastern North Carolina Natural Gas from the Albemarle Pamlico Economic Development Corporation for \$1. Piedmont and APEC are business partners with equal stakes in ENCNG, which was

*ENCNG has been using the bond funds to construct more than 600 miles of gas pipeline in northeastern North Carolina.*

created by APEC and former co-owner Carolina Power & Light in 2000 to receive taxpayer-funded gas bond revenues.

APEC was originally formed as a gas district by a coalition of northeastern North Carolina local governments in 1998.

ENCNG has been using the bond funds to construct more than 600 miles of gas pipeline in northeastern North Carolina. However the company has

only about 1,000 customers, and has no operating capital to sustain it for long on its own. Dr. Mitch Renkow, a professor of agricultural economics at N.C. State University, said in prior written testimony on behalf of Piedmont, "there is a substantial probability that (ENCNG) will never become economically viable."

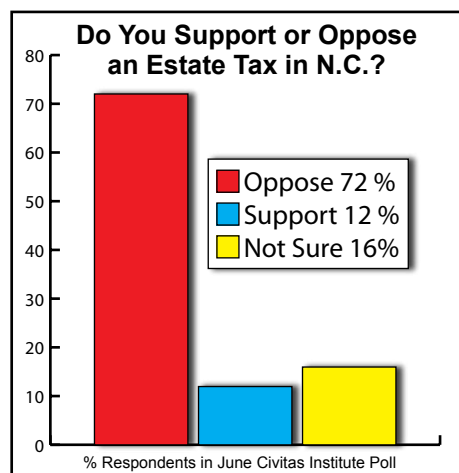
The bonds were promoted to North Carolina taxpayers as a way to encour-

age economic development in areas of the state that did not have natural-gas service. ENCNG received \$188 million of the \$200 million in bonds that voters approved in 1998.

According to Piedmont and the Utilities Commission Public Staff, a state agency that represents utility consumers, ENCNG is losing about \$8.3 million annually. In a separate but related case before the Utilities Commission, Piedmont is asking for permission to raise its rates to produce \$36.7 million more in revenue per year.

At the hearing June 23, a consul-

*Continued as "Piedmont," Page 3*



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# Lawmakers Want to Prevent Seizures in NC

Continued from page 1

The agency planned to obtain the land and turn it over to a private developer, who would build offices, a hotel, and a health club. The project was expected to provide as much as \$680,000 annually in tax revenues for New London's coffers.

While many homeowners in the waterfront area voluntarily sold their homes to the agency, the *Kelo* plaintiffs refused. That's when New London invoked eminent domain, and the hold-outs sought legal protection under the "takings clause" of the Fifth Amendment to the Constitution.

The Fifth Amendment reads that ... "(N)or shall private property be taken for public use without just compensation."

But the Supreme Court determined that the city's taking of the property was justified.

"Those who govern the City were not confronted with the need to remove blight..." wrote Justice John Paul Stevens for the majority opinion, "but their determination that the area was sufficiently distressed to justify a program of economic rejuvenation is entitled to our deference."

New London, like many north-eastern towns, has suffered population losses in recent years with the increasing unemployment and the closing of a Navy facility. The projected shutdown of the nearby Groton Naval Base is expected to exacerbate the problem.

Despite similar pushes for economic development by public officials in North Carolina, seizing private property appears to be overstepping proper boundaries, sources say.

"I'm as much for economic development in Forsyth County as anybody," said State Rep. Larry Brown, a Kernersville Republican, "but I would never support what they did in Connecticut for any reason."

"I have major concerns with [the decision]" said Gloria Whisenhunt, chairwoman of the Forsyth County Board of Commissioners and a Republican. "I think there are boards that could take advantage of it."

Some lawmakers asked legislative staff for the Assembly to examine the potential implications of the *Kelo* decision in North Carolina.

According to a memo issued by the legislative research team, the Supreme Court's decision "does not give the power of condemnation for economic development to local governments. That power may only be exercised if the laws of a state permit it to be used."

The memo cited several purposes in North Carolina law for which eminent domain is permitted. They include many of the commonly known reasons, such as for roads, parks, and utilities.

However, researchers also noted a section in the statutes that allows for



State Sen. Tom Apodaca, R-Henderson



State Rep. Bruce Goforth, D-Buncombe

eminent domain for "urban redevelopment," most often invoked in areas that are blighted.

"But it includes areas that substantially impair the economic growth of the community, have seriously adverse effects on surrounding development, and are detrimental to...the public health, safety, morals or welfare," the memo said. "Furthermore, it permits urban redevelopment by a city where there is a clear and present danger that these conditions will come to be in the reasonably foreseeable future."

Researchers said the statutes authorize working with private developers in such cases.

"That's what worries me," said State Sen. Tom Apodaca, a Hendersonville Republican. "Especially when you get into urban planning, because they change their planning every 20 years."

He said that he and a number of his colleagues are seeking to address the issue with a statutory fix "right off the bat." Then he hopes a study commission might be formed to consider whether a state constitutional amendment is necessary.

"Even if this isn't being done in North Carolina, it may give some municipality an idea, and we need to protect private property rights," Apodaca said.

Two state representatives, Republican Wilma Sherrill and Democrat Bruce Goforth, both of Buncombe County, were working on a bill that would exclude economic development as an excuse for private property takings.

State Sen. Jim Forrester, R-Gaston, said he and State Sen. Fred Smith, R-Johnston, hoped to propose a consti-

tutional amendment before the current session ends.

"I think you need a constitutional amendment to make sure that some liberal judges don't interpret the law the way they want, instead of the way it's written," Forrester said.

In recent years North Carolina legislators have shown a propensity for passing special laws that offer large financial incentives to corporations in exchange for bringing new jobs to the state.

The highest-profile example was legislation in November that created \$242 million in tax breaks for Dell Corp. to build an assembly plant in Winston-Salem. In addition, local government provided about \$37 million in land and tax breaks

for Dell.

Public officials interviewed for this article, who voted for the Dell incentives, said that if an eminent-domain taking was part of the deal, they would not have supported it.

"[Dell] would have to pay the price, or they'd have to find another site," Hoyle said.

"I wouldn't want the state to condemn land to give it to Dell," Forrester said.

Considering that the legislature has been willing to make exceptions in the tax code for private corporations, and to allow municipal governments to raise revenue through local tax changes, making exceptions for eminent domain might be possible also, some said.

"I don't think it's that far-fetched, and that's why we need to move toward a constitutional amendment," Apodaca said. "I think we need to approach it while it's a front-burner issue," he said. CJ

**"It may give some municipality an idea, and we need to protect private property rights."**

**— Sen. Tom Apodaca  
Henderson County**

*Company could drop out of Northeastern project altogether*

## Piedmont Says It May Not Merge If No Rate Hike Allowed

*Continued from page 1*

tant for the Carolina Utility Customers Association argued against the "roll-in" of ENCNG into Piedmont, because the burden of the money-losing project would fall disproportionately on manufacturers in the state.

"I believe that it is very important ... to understand that Piedmont is seeking a huge subsidy, the extent of which Piedmont will not even analyze, from industrial customers to pay for an entity that Piedmont will not purchase without asking manufacturers to subsidize its purchase," said Kevin O'Donnell, president of Nova Energy Consultants, who represented CUCA before the Utilities Commission.

CUCA, which represents large manufacturers in North Carolina, has questioned why the Public Staff and Piedmont have studied the proposed merger's impact only on residential customers. If implemented, the rate increase is expected to increase the average residential bill by about \$9 annually.

### *No rate hike equals no merger?*

Representatives of Piedmont have said if the commission would not allow a roll-in of ENCNG into its overall rate base, then it would not follow through with a merger.

Under cross-examination by CUCA lawyer James West, Piedmont Vice President for Business Development Kevin O'Hara said that continuing ENCNG losses would continue to be shared by APEC and Piedmont if a merger didn't happen. But O'Hara also suggested that if a roll-in failed, Piedmont might withdraw from the project altogether.

"You would pull out of your 50 percent ownership?" West asked O'Hara.

"Well, it is not a position we would take right now," O'Hara said. "But it is something we would certainly look at, yes."

Such an action by Piedmont would leave APEC unable to maintain the gas project on its own. The economic development nonprofit reported about \$156,000 in revenue on its last two tax returns on file with the IRS — for fiscal 2002 and 2003. That was exceeded by \$165,000 in total expenses for 2002 and \$164,000 expended in 2003. Included in APEC's reported revenue was \$100,000 in government contributions for each of the two years.

APEC's executive director, John Hughes, received almost \$88,000 in compensation and benefits for 2003, and was reimbursed for \$4,060 in expenses. He was paid \$85,000 in salary and benefits the prior year, with \$6,960 in expenses.

APEC's 18 directors also received compensation: \$10,200 in 2003 and



*Construction crews work on the ENCNG pipeline in Martin County (CJ photo)*

\$17,200 in 2002.

At the commission hearing, West asked O'Hara how APEC was funding its half of ENCNG's losses.

"It's not right now," O'Hara said. "...the operating cost[s] associated with that system are being funded by Piedmont with operating cost going into a deferred account...to be treated or addressed in the upcoming rate case."

The accumulating losses, in addition to the ongoing ones, would be recovered by ENCNG ratepayers or a larger group of ratepayers, O'Hara said.

"It's not believed [ENCNG] is going to be economically feasible in the near future," O'Hara said. "And long term is very questionable."

But O'Hara said merging ENCNG into Piedmont would produce some cost savings, because it would get rid of duplicative regulatory, tax, and financial reporting requirements.

"It will be a big fat benefit to eliminate that work," O'Hara said.

O'Hara also said Piedmont would realize \$10 million to \$20 million in savings in its system growth needs by integrating the ENCNG infrastructure. But West contended that Piedmont could inexpensively lease the portions of the ENCNG system that it needed for growth, without merging in the entire company.

### *Project's merits debated*

But the testimony turned into a debate about the economic development merits of sustaining ENCNG when Piedmont witness Renkow took the stand.

"I believe that maintaining [ENCNG] as a stand-alone entity would defeat the purpose for which the system was constructed..." Renkow said at the hearing. "...the promotion of economic development in the eastern part of North Carolina."

West, cross-examining Renkow, questioned his credentials and understanding of the natural-gas business. Renkow admitted that he didn't have any prior knowledge of the ENCNG or

Piedmont system, or even how much a dekatherm of natural gas costs.

West asked Renkow whether, as he had claimed in earlier written testimony, natural-gas service typically attracts new industry.

"Looking at the ENCNG system as it stands now," West asked more directly, "do you believe that that is a potent tool for attracting new firms to the area?"

"It hasn't proven to be a terribly effective tool as of yet," Renkow said. "Whether it will in the future, I cannot say."

West also challenged Renkow on

his view that he saw "no alternative to a roll-in" to ensure the economic viability of the northeast gas project. West suggested, and Renkow concurred, that Piedmont's shareholders — or perhaps taxpayers — could absorb the losses.

"But the taxpayers have already ponied up a fairly large chunk of money in that regard," Renkow said.

One commissioner, Robert V. Owens, implied how he might vote on the case as the hearing closed.

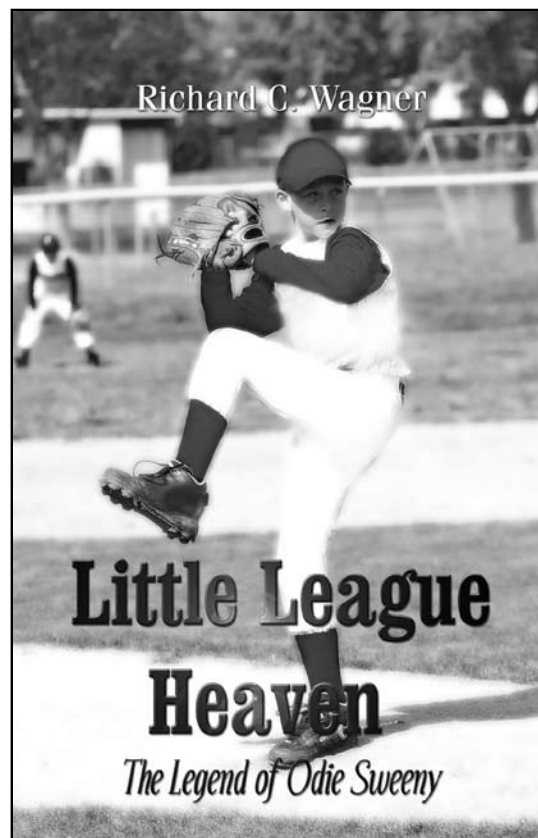
"I well know that it's going to be a long time before it's a viable situation," said Owens, a relative of State Senate President Pro Tem Marc Basnight, who helped get Owens on the commission during Gov. Jim Hunt's administration. Owens is from Dare County.

"How does eastern North Carolina get out of this dilemma?" Owens asked. "I mean, the only way it can be done is over a long range, a long period of infrastructure. We know that's gas, roads, education and all the other little amenities that go with helping the economic engine such as eastern North Carolina grow and develop."

"Let me remind you folks, Raleigh is not eastern North Carolina... Yes, we are poor, very poor. We have probably more outhouses in eastern North Carolina than any other area in the state of North Carolina." CJ

## Little League Heaven

*By Carolina Journal Editor Richard C. Wagner*



When Lillie Jo Sweeny 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 Sweeny, 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 Sweeny*, an inspirational biography, serves a generous slice of Americana and traditional values.

Available at [PublishAmerica.com](http://PublishAmerica.com), [Amazon.com](http://Amazon.com) and at major bookstores.

## Possible Conflict Surrounds Proposed Vehicle Research Center

By DON CARRINGTON

Executive Editor

RALEIGH

Rep. Michael Wray, a Northampton County Democrat, has been a strong supporter of state funding for an automotive research center to be located on land in close proximity to a tract he owns in Northampton County.

Access to the 610-acre tract under option by Northampton County for the proposed Advanced Vehicle Research Center would be via a road that goes through Wray's tract. Wray and a partner bought the property in 2001, just prior to Lowe's Home Improvement Company purchasing a nearby tract for a distribution center.

Wray and his partner granted the North Carolina Department of Transportation a right-of-way to build the access road, now named Lowe's Boulevard, through their property.

The proposed House budget released in mid-June contained \$7.5 million for the vehicle research center, which would be located off I-95 north of Roanoke Rapids. A feasibility study stated that the center would provide automotive testing services at a facility that would include a 2.5-mile closed-loop test track, laboratories, garages, and office space.

State taxpayers are to provide the start-up costs, and organizations that need testing services will be recruited to fund the operating costs.

"We are pleased to report that several projects in Northampton County and Roanoke Rapids have cleared the first hurdle in the budget process by being approved by the Natural Resources Subcommittee, and we're hopeful they will be funded in the final House budget bill," said a June 10 press release from Wray and Rep. Lucy Allen, also a Franklin County Democrat, both of whom



Rep. Michael Wray, D-Northampton



Rep. Lucy Allen, D-Franklin

serve on that committee. The vehicle center was one of the projects listed in the press release. Wray also sponsored a separate bill this year that called for \$15 million in tax credits and \$15 million in cash for the center over the next two years.

The 105-acre Wray tract is one of seven available industrial sites the North Carolina Department of Commerce lists in Northampton County.

State law requires a member of the General Assembly who has an economic interest in a matter to consider whether his judgment will be substantially influenced by that interest. If a member

determines that his economic interest may affect his judgment, "he shall not

**Wray and his partner granted the North Carolina Department of Transportation a right-of-way to build the access road, now named Lowe's Boulevard, through their property.**

take any action to further his economic interest, and shall ask that he be excused, by the presiding officer in accordance with the rules of the respective body."

Rep. Wray, in his first term in the General

Assembly, could not be reached for comment.

A non-profit organization was set up in March to manage the vehicle center project.

The members of the non-profit include representatives from Northampton County, the North Carolina North-

east Economic Development Partnership — a 16-county, state-funded regional economic development organization headquartered in Edenton — and Wake County resident Richard Dell, the man who originated the center concept.

According to Northampton County Economic Development Commission Director Gary Brown, Dell is a retired IBM employee who has experience with the automotive industry, and who has been an automotive enthusiast throughout his life.

Apparent conflicts of interest have arisen in the past with the Northeast Partnership. *The Daily Advance* of Elizabeth City, the *Washington Daily News*, and *Carolina Journal* have documented situations where the organization's president Rick Watson has tried to obtain, or has obtained, ownership interest in companies he was recruiting to come to his region.

The Northeast Partnership hired Dell to do a feasibility study on the vehicle research center. His feasibility study, completed in October 2002, concluded the project was feasible, that "the best location for an automotive proving ground and research center was on I-95 in Northampton County" (in the Northeast Partnership's region), and that the Northeast Partnership "should be an ongoing partner in the grant and funding process for the center."

A second expenditure approved for Wray's legislative district was \$750,000 towards an entertainment complex in Roanoke Rapids. The project would involve Randy Parton, brother of country music star Dolly Parton.

Both projects still have some hurdles. They will have to remain in the budget approved by the House, then must be included in a final budget approved by the Senate, and then must be in the budget signed by Gov. Mike Easley. CJ

## Former State Supreme Court Justice Announces Dell Lawsuit

By PAUL CHESSER

Associate Editor

RALEIGH

Former state Supreme Court Justice Robert Orr announced June 23 that the organization he leads filed a lawsuit against state and local governments over the constitutionality of targeted economic incentives offered to Dell Corp.

Orr, who last year left the high court to head the newly formed North Carolina Institute for Constitutional Law, is challenging special legislation that awarded Dell \$242 million in tax credits and other economic subsidies. He is also suing the City of Winston-Salem and Forsyth County over \$37 million they offered to persuade the company to build its East Coast assembly plant in their jurisdiction.

"We are delighted to have Dell in North Carolina," Orr said at a press conference. "We just want them to be a good corporate citizen and pay their fair share of taxes."

The complaint filed in Wake County Superior Court argues that the special incentives for Dell, passed in November by the General Assembly, violate the Commerce Clause of the U.S. Constitution.

It also claims that the state and local incentives run afoul of the N.C. Constitution.

"What we're primarily concerned about is taking tax revenue and handing it out to a few large companies," Orr said. "I think the constitution was set up to keep that from happening."

The lawsuit lists seven plaintiffs from across the state, and seeks a de-

claratory judgment against Dell, the state and local government agencies involved, and the nonprofit economic development agencies that provided the incentives.

It asks that any funds paid to Dell or its agents to be refunded or reimbursed to the state and local governments that issued them.

Orr's organization, NCICL, says that "the ultimate gain derived through the expenditure of public funds must be the public's, not that of an individual or private entity."

The complaint argues that corporate income and corporate franchise tax credits given to "major computer manufacturers" by the state violate the Commerce Clause of the U.S. Constitution, because they are offered for business activities in state "but not for identi-

cal activities that occur out of state." It also contends that North Carolina's tax credits under the Bill Lee Act, and other sales and use tax breaks, which are conditioned on machinery and equipment investment in North Carolina, violate the Commerce Clause.

The lawsuit also says plaintiffs are deprived of their equal protection rights under the U.S. and N.C. Constitutions because of the special tax laws created for Dell.

The state constitution also calls for "uniformity of taxation," in which "no class of property shall be taxed except by uniform rule...."

Orr said he expects vigorous opposition from the state Attorney General's Office and Dell's lawyers.

"This can go quickly, or it can go very, very slowly," he said. CJ

Merritt suggests AG consider constitutional issues

## State Auditor Reports on Slush Funds Controlled by Lawmakers

By PAUL CHESSER  
Associate Editor

RALEIGH

In a report released June 30, State Auditor Les Merritt explained the handling of special discretionary monies controlled by the leaders of the General Assembly, and suggested that Attorney General Roy Cooper examine legal and constitutional issues related to the special funds.

Merritt also raised questions about separation of powers between the legislative and executive branches, as it pertains to control of the reserve funds.

State Senate President Pro Tem Marc Basnight, D-Dare; House Speaker Jim Black, D-Mecklenburg; and former Cospeaker Richard Morgan, R-Moore, divided up to \$24 million in various state agencies overseen by Gov. Mike Easley, to be spent according to the three legislative leaders' wishes. The funds were allocated for fiscal 2004 and 2005.

Merritt examined \$6.5 million that was to be directed by Basnight through the Department of Cultural Resources, and \$7.5 million split between Black and Morgan and disbursed through the Department of Health and Human Services, the Office of State Budget and



Auditor Les Merritt



Sen. Marc Basnight



Speaker Jim Black



Rep. Richard Morgan

Management, and Cultural Resources.

In the report, the auditor did not address \$10 million in funds at the Department of Transportation that had been split among Basnight, Black, and Morgan.

Merritt also directed Cooper's attention to a North Carolina law that prohibits the General Assembly from funding new expenditures that it has previously considered and rejected. Merritt identified 11 projects that had been voted down in previous budget bills, excluded by name in the final version of the budget, yet funded through the special reserve funds.

The monies were used to fund various nonprofit organizations in the

state favored by the three legislative leaders and those who supported them in their posts.

"The General Assembly leadership approved these requests before forwarding them to the departments for processing," Merritt said in the audit report.

Merritt also provided a chronological account of one allocation directed by Black, in which he requested that the Cultural Resources Department hire former State Rep. Michael Decker. The Forsyth County Republican, who briefly joined the Democratic Party in 2003 and supported Black's co-speakership with Morgan, sought a state government job after losing a Republican primary race

last year.

Merritt said an assistant to Black notified the department that the speaker had a "desired employee" (Decker), and that the agency should create a position which "should be edited to include any specific qualifications of the desired employee." Language describing the position was later reworded "to tailor the position to Mr. Decker." The position paid \$45,000 per year, but is not funded in the budget that is currently being negotiated by the General Assembly.

Basnight, Black, and Morgan each were given an opportunity to respond to Merritt's report. Basnight expressed regret that "the budget process did not work the way it should have," but said every project that was funded and recommended by the Senate was "truly deserving."

Black expressed no regret, and said he did not "agree or disagree with" Merritt's findings. He also defended the worthiness of the projects. Morgan merely thanked Merritt for the opportunity to review the report. *CJ*

Associate publisher Don Carrington contributed to this report.

## FAA Disputes GTP Funding

By DON CARRINGTON  
Executive Editor

RALEIGH

A Federal Aviation Administration official disputed a recent *Triangle Business Journal* story about the Global TransPark that said the General Assembly must continue providing \$1.6 million in annual funding or pay back \$21.6 million in federal grants. The story attributed the legislature's position to comments made by Senate Majority Leader Tony Rand, D-Cumberland.

"Rand says lawmakers concluded they had little choice but to keep the operation going. Pulling the plug now, he says, would have required the state to pony up \$21.6 million to repay the Federal Aviation Administration for runway development grants awarded to the GTP," the news story said.

Scott Seritt, manager of the FAA Airports District Office in Atlanta, told *Carolina Journal* that was not the case. The FAA provided the GTP the money to extend the runway and make other airport improvements. "As long as the airport stays open to the public we really have no issue as to who the sponsor is," he said. "Originally it was the Lenoir County and the City of Kinston. Then it became the TransPark and that was fine. If it goes back to the city or it goes back to the county, or to the state, it really doesn't matter to us as long as one of those entities maintains the

airport and follows all the agreements that are there."

When asked about the nonaviation activities going on at the airport, Seritt said, "We consider that to be economic development issues and we don't get into that." Seritt also said he didn't recall any North Carolina legislators or legislative staff asking him about the issue.

"I am delighted you told me," Rand said to *CJ* when told about the FAA's position contradicting his statements to the *Business Journal*. He did not provide any names when asked who specifically told him that grants would have to be repaid.

Rep. Nelson Cole, D-Rockingham, chairman of the House appropriations subcommittee on transportation said, "We have been led to believe that concerning any monies given by the feds, if we shut down the GTP — we could be obligated. I have not researched it, but I will now be looking into it."

Sen. Clark Jenkins, D-Edgecombe, chairman of the Senate Appropriation Committee on the Department of Transportation, told *CJ*, "I have heard from DOT that you had to pay it back." When asked who told him, he did not offer any names.

He said he had not talked with the FAA and did not plan to. He said his support for the GTP is very strong. "As long as I am a state senator I am going to support the GTP," he said. *CJ*



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## NC Delegation Watch

## Coble gets funds for market

The plan to create a modern bus terminal system for downtown High Point to serve its furniture market moved a step closer to reality, U.S. Rep. Howard Coble (R-6th) announced at the end of June. Coble said that the U.S. Department of Transportation allocated \$2,044,570 for the project.

"As everyone knows, it is important to move the thousands of visitors in downtown High Point efficiently and smoothly during the furniture market," Coble said.

"This \$2 million DOT grant is an important component in creating a viable transportation system which will ensure that the International Home Furnishings Market remains in High Point for years to come."

The plan is to construct a covered terminal for the loading and unloading of bus passengers. The funds will be used for ground safety improvements and electronic signage, along with the design phase for the covering. Another level of funding will be used for the actual construction of the covering, Coble said.

If future funding can be obtained, a second phase is to construct a terminal and obtain a parking lot for the western expansion of the terminal system.

Coble had requested \$6 million for High Point in the current highway spending bill now in a conference between the House and Senate.

## Jones wants HUD change

Third District Congressman Walter Jones, R-3rd co-sponsored legislation introduced by Rep. Jim Ryun of Kansas to improve housing eligibility for the military.

The bill calls for a change to the existing Department of Housing and Urban Development Act to exclude amounts received as a military basic housing allowance from consideration as income for purposes of determining eligibility for federally assisted low-income housing programs.

"It's important that we look after the interests of our men and women in uniform, who are tireless in their efforts to safeguard the well-being of our nation," Jones said in a press release. "This legislation will alleviate housing shortages around many military bases and help more military personnel, specifically those ranked E-5 and below, in qualifying for low income housing." CJ

## The 'Wall of Separation'

## Country Reacts to Ten Commandments Rulings

By MAXIMILIAN LONGLEY  
Contributing Editor

**T**he U. S. Supreme Court finished its recent term with two landmark church-state decisions, both of which involved the display of the Ten Commandments on public property. In a case from Kentucky (*McCreary County v. ACLU*), the court ruled against several Kentucky counties, which wished to display the Commandments. The alleged religious motivation was enough to make such a display invalid. In a case from Texas (*Van Orden v. Perry*), the court approved the display of the Commandments on the state Capitol grounds, although the justices in the majority couldn't agree on a single rationale. Both cases prompted passionate dissents.

Members of North Carolina's congressional delegation had mixed reactions to the rulings. Scholars also offered their views of public display of the Commandments and the role of the Commandments in the development of American law.

U.S. Rep. Howard Coble, R-6th, said he is "not offended at all" by the display of the Commandments in public places. Such displays should be permitted, he said.

U.S. Rep. Walter Jones, R-3rd, said the court has sent a "mixed signal. He said, "The Constitution was written by men who acknowledged the existence of a God, but the extreme left wing of American politics is "trying to undermine the whole Judeo-Christian principles that I think are the foundation of America."

U.S. Rep. Virginia Foxx, R-5th, said she thinks the Supreme Court has been "issuing some really weird decisions recently," including the church-state decisions. Foxx said that the courts are "trying to rewrite the Constitution outside their constitutional authority," and that it may be necessary to "reign that in." Foxx said that it might be necessary for Congress to submit an amendment modifying the lifetime terms of federal judges.

U.S. Rep. David Price, D-4th, found merit in the ruling. "The Court opted for a pragmatic approach which both respects the historical importance of religious monuments and attempts to delineate when such displays violate the constitutional prohibition on government establishment of religion," he said in an email. "I believe the decision is defensible, but I do not expect it to prevent further debate and litigation."

Ken Willis, communications director for U.S. Rep. G. K. Butterfield, D-1st, refused to discuss the decision. Butterfield's office is "focused on what we [in Congress] do," not on issues which the Supreme Court is dealing with, Willis said. The Commandments decisions are in the latter category, he said.



Ten Commandments supporters gather at a rally in Raleigh in October 2003

Some members of the N.C. congressional delegation have endorsed proposals for challenging the Supreme Court's church-state jurisprudence. Coble; Jones; Foxx; Rep. Mike McIntyre, D-7th; and Rep. Robin Hayes, R-8th, are among cosponsors of a proposed "religious freedom" amendment to the U. S. Constitution. The proposal, House Joint Resolution 57, says that "[t]he people retain the right to pray and to recognize their religious beliefs, heritage, and traditions on public property, including schools." The preamble to the bill specifically refers to the Ten Commandments.

William Van Alstyne, a law professor at the College of William and Mary in Williamsburg, Va. (where he moved from Duke), has written a widely used textbook on the First Amendment. He says the Commandments "may be a reminder" of some sources of law, but the relation between the Commandments and American law is a "mixed bag." The American colonies didn't just enforce the Commandments against regular crimes such as murder and theft, but also the Commandments against violating the Sabbath and misusing God's name. These "sectarian" Commandments formed the basis of oppressive laws, which taxed the people to support religion, punished profanity and blasphemy, and generally discriminated against "those not favored within particular Christian denominations." The public posting of the Commandments could invoke "a 'history' which in significant measure was harsh, theocratic, and, indeed, even threatening."

Daniel Dreisbach, professor of Justice, Law and Society at American University in Washington, D. C., is the author of the 2002 book *Thomas Jefferson and the Wall of Separation Between Church and State*. Dreisbach said that Christianity, the Bible, and the Commandments have had "a significant impact on the development of American law."

During the Colonial era, Dreisbach said, there are "specific examples of each

and every one of the Ten Commandments being written into the laws of the various colonies." Dreisbach cites Dale's Laws, a code adopted for the early 17th-century Jamestown settlement in Virginia. The laws required officers commanding in Jamestown to attend religious services and to encourage other settlers to do so.

As another example of the influence of Christianity and the Commandments, Dreisbach mentions the common law, which America inherited from England. The Commandments were "at the very . . . source" of the written common law, Dreisbach said. Thomas Jefferson was among the first to deny that the common law had Christian origins, but his posthumously published arguments on that subject were "soundly and swiftly repudiated by the leading legal minds of his day."

James Hutson, head of the Manuscript Department at the Library of Congress and also a historian with a research interest in the 18th century, helped prepare a 1998 symposium at the Library of Congress on "Religion and the Founding of the American Republic." An anthology of papers mostly prepared for the symposium was published in 2000. Hutson said American colonial laws were "heavily influenced by the Bible," although it's disputable whether Christianity was the foundation of English common law. New England colonies incorporated the Old Testament in their early laws.

A metaphor employed by the Supreme Court, that the First Amendment's Establishment Clause erects a "wall of separation between church and state," comes from a letter written by President Jefferson in 1802. Hutson says that Jefferson's "wall" metaphor "wasn't accepted by the public at large," or by lawyers, at the time Jefferson used it.

Even while Jefferson was proclaiming the wall of separation, Hutson said, religious services were being conducted in the Treasury Department building and the House chamber in Washington. CJ

# Craig Shirley: Reagan's Revolution Started in North Carolina

By CAROLINA JOURNAL STAFF

RALEIGH

Ronald Reagan's two-term presidency during the 1980s is often called the Reagan Revolution. It is so named for the changes that he spearheaded domestically such as reforming the federal income tax code, and internationally such as victory over the Soviet Union in the Cold War.

But few Americans realize that the Reagan Revolution began years before he took office, in his 1976 campaign, and that North Carolina played a key role in getting that revolution off the ground. Craig Shirley, the author of *Reagan's Revolution: The Untold Story of the Campaign that Started it All*, recently visited Raleigh and was interviewed by John Locke Foundation president John Hood about his new book.

*Hood: In your title and subtitle, the untold story of the campaign that started it all, I take it that you are not referring to 1980.*

Shirley: No, it is about the 1976 campaign. Over the years there have been so many books written about Ronald Reagan, about his days in Hollywood, about his faith, about his governorship and about his presidency, and then various other permutations. But there was never a book devoted to what he and Nancy Reagan always said was the most important campaign, which was his try for the presidency in '76, which he ultimately failed at the convention to get against the incumbent Gerald Ford.

*Hood: Let's set the stage for that in a moment. We should establish right off the bat that you're not an entirely disinterested observer when it comes to looking at Reagan and the effect that he had on the Republican Party. You've been involved in politics for a couple of decades.*

Shirley: My whole life essentially. Even going back to 1964, I delivered brochures door to door for Barry Goldwater. It's been pretty much of a lifetime...

*Hood: Have you worked on any campaigns that were successful?*

Shirley: Yes. In 1980, 1984, 1988.

*Hood: Just kidding. So set the stage for us regarding the 1976 run by Ronald Reagan, recently the governor of California. Why did he enter this race against the incumbent president Gerald Ford, and what did he think his chances were?*

Shirley: As far as his chances, he probably thought that he had maybe a 50/50 chance of getting the nomination. He had a new person come into his politi-



"Reagan's Revolution" author Craig Shirley speaking at a Locke Headliner Luncheon

cal sphere by the name of John Sears. He had been recruited by the Californians to work with Reagan because he was from the East. He knew the national media, which were, as he called them, the new political powers and political bosses in politics. And he had worked in the Nixon campaign in '68 and was highly regarded inside the Republican Party as someone who knew how to craft a message and win a campaign. And he sat down with the Reagans and explained how they could take on Gerald Ford and win the nomination. That probably convinced Reagan more than anything else that he could win the race.

*Hood: Why did he want to run?*

Shirley: He was a conservative. He was evolving as a conservative and was thinking on beliefs in many areas, but he was always within the framework of freedom and conservatism. He was dismayed about Richard Nixon, but of course Richard Nixon had such a hold on the Republican Party that there was no way anybody could wrest the nomination from him in '72.

By '76, however, of course Nixon is gone from the scene, Gerald Ford is president, and Ford is not only continuing Nixon's liberal policies, he also, now as Reagan's name floats up as a potential candidate, aims a barrage of personal insults that come from the Oval Office and the Ford White House, aimed at Ronald Reagan.

*Hood: I should hasten to say though, in addition to that, your first point about Reagan's conservatism and his reaction to liberal policies of Nixon and Ford, a lot of people may not entirely compute that. What are we talking about when we say Richard Nixon and Gerald Ford were enacting liberal policies? Give us examples.*

Shirley: Everything. From the time he took office... You know conservatives were always nervous about Richard Nixon. He had established his bona fides as a member of the House Un-American Activities Committee when he was in the

House by going after Alger Hiss who was a Communist spy, by his aggressive pursuit of the Rosenbergs who had sold nuclear secrets to the Soviets. So he had earned his anti-Communist spurs. He had a relationship with the Right. But in fact, Richard Nixon was a political opportunist. He really didn't have any ideology or politics whatsoever. He was a Republican because in California at that time it was good to be a Republican. As soon as he became president he was always interested in currying the favor of the editorial writers at *The New York Times* and *The Washington Post*.

*Hood: In private he would rage against the media establishment—the liberal establishment. But in public he attempted to satiate it.*

Shirley: Absolutely. He basically surrenders in Southeast Asia to the Communists. He establishes a détente with the Soviets which was basically negotiating the American nuclear capability into an ever weaker and weaker position. Wage and price controls...

*Hood: Environmental Protection Agency.*

Shirley: The Environmental Protection Agency. Liberal justices, Harry Blackmon, who wrote *Roe v. Wade*, was a Nixon appointee to the Supreme Court. Liberals in his cabinet, liberals to the bench, it goes on and on and on and on.

*Hood: So Reagan, as a two term governor of California, has left office not too long before, is looking at this and saying, "I think I should run." How did he enter the race? Was he considered an underdog? Was he even with Ford? Was he a frontrunner? Give us a sense of the early tenor of the race.*

Shirley: It's interesting because it really depended on which day you were talking to the campaigns or talking to Ford or talking to the media because one day Reagan would be up, the next day Ford would be up. I think that when

he got in the race in November of '75, he was seen as a curiosity figure, but the national media didn't know what really to make of him, because quite frankly they didn't know much about him. They were all from the East Coast. He was from the West Coast. And this was at a time before fax machines, the internet, cable television, talk radio, specialty publications. And the only way to communicate between, say Washington and California, was either by mail or long distance phone call. So some of the political reporters knew Reagan and had covered his speeches. But even for them he was a bit of a curiosity figure, not somebody to be taken seriously.

*Hood: So Reagan comes into the race and Ford wins a series of primaries, taking us to the dramatic race in North Carolina. Give us a sense of what happened there.*

Shirley: Ford won the first five primaries. By the time, the North Carolina primary in 1976, Reagan's campaign is \$2 million in debt. His charter plane has been taken away, he is flying by commercial plane like the rest of us. Republican Party officials are calling on him to get out of the race.

His staffers were being let go or working for no pay. His campaign was in horrible condition. And lo and behold he wins this astonishing victory over Gerald Ford. It was an upset that just astonished the political...

*Hood: Here in North Carolina?*

Shirley: Here in North Carolina.

*Hood: And I gather that Jesse Helms and his organization was involved.*

Shirley: Jesse Helms and the Congressional Club and Tom Ellis and Terry Boyle and Carter Wrenn all played huge and crucial roles in helping Reagan win here in North Carolina in 1976. North Carolina is the lynchpin. If he doesn't win in North Carolina, then it is over. He would have had to fold his tent and would have made a gracious exit speech and gone back to the ranch in Santa Barbara and would have faded into political oblivion.

*Hood: The fact that he ran as strong as he did, powered by the surprise North Carolina in 1976, one could argue, quite clearly led to his presidential race succeeding in 1980 and the Reagan years that followed.*

Shirley: No doubt about it. Without North Carolina he doesn't go on to Kansas City to lose very narrowly. And if he doesn't go to Kansas City to lose very narrowly, he doesn't run in 1980. So the lynchpin is North Carolina. CJ

## State School Briefs

## Ohio expands vouchers

Ohio is more than tripling the size of its school voucher program, making it the nation's largest since the practice of using public money for private-school tuition was found constitutional three years ago, *The Washington Post* reports.

The tuition aid, which has been available only in Cleveland since 1996, will allow as many as 14,000 additional students statewide to leave schools that persistently fail academic tests and move to private schools, beginning in the fall of 2006.

The state's \$51 billion budget that Gov. Bob Taft signed in early July includes funding for 14,000 children. The state will pay \$4,250 for students in kindergarten through eighth grade and \$5,000 for high school students.

Supporters of school choice have worked to set up and expand voucher programs since 2002, when the U.S. Supreme Court ruled that Cleveland's program, which includes religious schools, does not violate the separation of church and state.

## Fines awarded to schools

A N.C. Supreme Court ruling July 15 potentially takes hundreds of millions of dollars worth of fines collected by the state in the past decade and gives that amount to the public schools.

The ruling could lead to a one-time windfall for the schools as well as an ongoing boost. About 28,000 new students are expected statewide this fall, but school districts face a slight cut in the state budget being negotiated by lawmakers.

"We're conceivably looking at \$500 million," said Ed Dunlap, executive director of the N.C. School Boards Association, one of the parties that sued on behalf of the schools. "We're very pleased."

The court ruled that the state constitution requires civil fines such as some parking tickets, late fees on taxes, and other penalties to be funneled into the public schools. Criminal fines of about \$40 million a year already go to the schools, but until now courts hadn't established whether the civil penalties must as well.

The decision could squeeze state agencies ranging from schools in the UNC system to the state's tax department to the Department of Transportation. Those agencies are among the ones that have been receiving money from the fines for years. CJ

## Educational issues from around N.C.

## Embezzlement Cases Prompt Push For Audit

By DONNA MARTINEZ

Associate Editor

RALEIGH

The job of the public school system is to teach children, but recent events around the state illustrate that parents, community groups, and school board members are the ones who get the real education when they challenge the power, policies, and conventional wisdom that surround an education monopoly.

Just ask Ron Margiotta. He thought his years as a small-business owner would be an asset when he was elected to the Wake County Board of Education in 2003. He had learned to respond to problems quickly, or go out of business. When a financial bombshell rocked the Wake County Public School System in August 2004, his no-nonsense approach pitted him against fellow board members.

Margiotta's concerns began when school system staff uncovered an alleged embezzlement scheme in its transportation department. Several employees allegedly collaborated with employees of a vendor to embezzle school money that had been earmarked to buy bus parts. The three-year ripoff is estimated to have netted the ring as much as \$2 million. Wake County District Attorney Colon Willoughby is investigating the scheme and has predicted that jail time will be served.

The transportation debacle was followed in June by revelations of a second possible embezzlement. This time, a Garner High School cafeteria manager reportedly confessed to stealing \$217,000 over four years. Margiotta became alarmed and proposed a full, independent audit of the school system's books and financial policies.

Board members rejected his proposal. Margiotta said he was "shocked" by their reaction. The other board members said that an audit need only look at new procedures implemented following the discovery of the embezzlement in the transportation department. One board member said a comprehensive audit would be too costly. Margiotta said other members thought that an internal audit, conducted each year, would be adequate.

"It's been audited every year and we've never found any of these problems, so how fine could it be?" he asked. "I feel we cannot afford not to do [a comprehensive audit]. We have a big cloud over our heads...with this fraud."

Because some of the alleged embezzlement took place on his watch, Margiotta pushed forward. He gave interviews and spoke with community groups, including the Wake County Taxpayers Association. In late June, Margiotta spoke to a standing-room-only meeting of the association. WCTA passed

*"I feel we cannot afford not to do [a comprehensive audit]."*

— Ron Margiotta  
Wake County Board

a resolution calling for a full audit, going back five years. "I think the taxpayers of Wake County are as angry over this as I've seen them over anything," said Truman Newberry, a WCTA vice president. "It's a further deterioration of confidence in the school system."

Margiotta said he thinks the scandals contributed to the Wake County commissioners' decision to fund only half of the board's request for a \$29.4 million budget increase. He fears more financial ramifications if the specter of fraud taints voters' willingness to approve an anticipated school bond in 2006.

On July 12, Margiotta's persistence appeared to have paid off. Board members agreed to develop a request for proposals from outside auditors to conduct a system review. Parameters of the review were not available.

## Bureaucratic patience-tester

Julie Guebert and Peter Braun didn't have a board member to champion their cause last fall when they challenged Charlotte-Mecklenburg Schools over the age appropriateness of *Maniac Magee*, a book assigned to some third-graders at the school their children attend. The award-winning novel touches on death and gangs, and contains racially tinged language. A dispute they believe should have been handled simply, quickly deteriorated into a bureaucratic patience-tester. After five months, the parents were granted 10 minutes to plead their case before three board members.

The parents were victorious, in part. The three-member panel agreed that the book was inappropriate for K-3 students, but that fourth- and fifth-grade teachers may assign *Maniac Magee* as long as parents are notified and able to opt out. Guebert recalled the frustration of dealing with bureaucrats whom she

said bristled at parents who expected to be included. Board members seemed to realize the process was flawed, Guebert said. "I believe board members were embarrassed and thought, 'Let's never do this kind of thing again.'"

The board's decision didn't end the disagreement. A few teachers characterized the decision as "a dangerous precedent," said Gloria Miller, director of media services for CMS. "They believe in the freedom to read, the right to read," she said of reaction to a memo that outlined the decision, and were concerned that parents were censoring material.

Braun scoffed at that accusation. "It's not an issue of censorship, but discretion," he said, noting that if CMS officials use that logic, they are engaging in censorship every time an employee excludes a book from a library. "Anybody who makes a choice at CMS is making a choice for everybody."

## Durham's voting scheme

It was the makeup of the Durham County School Board, not a decision or policy, that entangled Charlotte Woods in a bitter battle this year to change how the board is elected. Her group, Concerned Citizens for Accountable Government, spearheaded a petition drive to allow all Durham County voters to vote for all board members, replacing the current system, in which voters cast a ballot only for their district's member plus one at-large member.

That effort drew charges of racism, which Woods, who is white, vehemently denied. The goal, she said, was to elect representatives who want healthy disagreement, not continual name-calling. Durham's school board meetings are notorious for sharp, often ugly dissension between white members and black members. The meetings routinely make headlines for what some see as shenanigans, but others believe is the only way for all factions of a divided community to be heard.

Although the petition drive failed, Woods vows to continue speaking for residents, including blacks, who tell her the board's behavior is embarrassing and is hurting Durham. "Right now we are selling our children out," she said. "They are seeing this inappropriate behavior on the school board and I fear they will emulate it." CJ

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# Charter School Proposals Languishing in Legislature

By KAREN WELSH  
Contributing Editor

RALEIGH

**K**ey charter school legislation, designed to provide innovative learning opportunities for children at all academic levels, remains at a standstill in the General Assembly.

Senate Bill 490, the Charter Schools Managed Growth Act, authored by Sen. Larry Shaw, D-Cumberland and Sen. Edward Goodall, R-Mecklenburg, was proposed in hopes of removing the state's cap of 100 charter schools. However, the bill allowing 10 new charter schools to start up each year hasn't been brought to the Senate floor for a vote during the 2005 session.

On the contrary, Goodall said militant opposition to the measure has kept it from being reviewed by the appropriate committees. "Jeanne Lucas [D-Durham] said she did not have a release by the education committee to have more charter schools," he said. "It was not heard in committee."

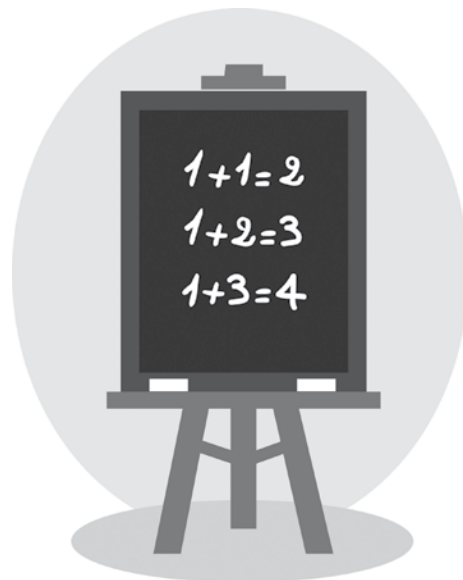
In an editorial on the pending bill, Lindalyn Kakadelis, director of the North Carolina Educational Alliance, labeled legislators "gatekeepers of mediocrity."

"This legislation, proposing to raise the current charter school cap of 100 schools by 10 schools a year, would infuse our state's charter school movement with some much-needed energy and growth," Kakadelis wrote. "This total lethargy toward charter schools is particularly surprising as circumstances this year warrant an increase in the cap."

The children aren't the only ones at risk. Goodall said North Carolina stands to lose almost \$19 million in federal education grants if the legislature doesn't raise the cap. He said he thinks the majority of political naysayers are standing idly by to see if the grant comes through before seriously considering the bill. "I think it would be embarrassing for the Democratic leadership," Goodall said, "if they turn down the bill on the cap and they get the grant."

Goodall said the handling of the bill is another case where the Democratic leadership offered lip service to education innovation and choice, but didn't deliver. "Democrats face pressure from education special-interest groups," he said. "Until there is pressure from the public about education I don't think things will change."

The lack of commitment by the hesitant senators could be a knee-jerk reaction to a recent study conducted by the North Carolina Center for Public Policy Research. The center recommended that the state maintain its original cap of 100 charter schools until five years of data could be accumulated on the newest educational experiment.



"Charter school supporters are advocating that the legislature increase the number of charter schools allowed from the current cap of 100, but the center's research indicates that such a move would be premature," said Mike McLaughlin, editor of the center's newspaper. "Too many of the schools are mediocre-to-poor academic performers, too many are in fiscal disarray, and too many are segregated by race. That's not what the legislature hoped for when it began the charter school experiment."

The report is not true and serves to protect the status quo of public schools, Goodall said. Charter schools were never meant to be cookie-cutter molds of the public school system and cannot be judged by the same standards, he said. Often, he said, charter schools are the only way out for at-risk students and they need to be judged on their own academic merits, not on a test.

"The essence of the charter school is they are all different," he said. "They can target a student or an educational plan. Some want every school to look alike, but that can't happen. Targeting at-risk children cannot be viewed as failure," he said.

There are others who agree.

During a media roundtable on the Black Issues Forum on UNC-TV, Cash Michaels, editor of the *Carolinian*, said the new schools are providing a sense of community to many black families who have struggled with the public school system.

"I would suggest to you that the charter school movement is something that is very, very strong in the African-American community because a lot of black parents want to take back their children's education," he said.

Liberal politicians lack the fortitude to make any real changes in the public school system, Goodall said. They are looking out for personal-interest groups, placating those in power, instead of serving for the needs of the taxpayers.

CJ

## Commentary

### NEA, Get Out of the Way!

**I**n 2004 Secretary of Education Rod Paige lobbed a hand grenade at the nation's largest union, calling the 2.7 million-member National Education Association "a terrorist organization." While Paige's word choice was certainly inflammatory (and indeed had many union supporters crying foul), it nevertheless focused attention on a powerful and undisciplined organization that is often out of step with American teachers and parents.

Bigger than the Teamsters, the NEA jealously guards its hold on American schools, squashing any reform linked to merit pay or school choice. Using millions of dollars collected through teacher dues, the NEA publishes and distributes copious amounts of misinformation to the public. In addition, the NEA flexes a powerful political muscle, lining the pockets of candidates who support its agenda, and pumping millions of dollars into defeating ballot initiatives that threaten its survival.

Those who doubt the scope and influence of the NEA ought to read journalist Peter Brimelow's 2003 book, *The Worm in the Apple: How the Teacher Unions Are Destroying American Education*. Brimelow, a well-informed critic since his much-read *Forbes* magazine expose of the NEA in 1993, details the NEA's history, dubious fund-raising tactics and heavy-handed political machinations, and proposes a "24-point wish list" to end the organization's stranglehold on American education.

Now, two years after the release of his book, Brimelow's critique is still on target. On July 6, the NEA concluded its 143rd annual convention in Los Angeles, raising \$1.3 million in just four days from 8,000 members through its Political Action Committee. NEA President Reg Weaver (re-elected for another three years), gave the keynote address, boasting about his organization's embrace of mediocrity: "If there are those who choose to call us the keepers of the status quo, so be it. The status quo is the public in public education, and we are the keepers!"

The NEA continues to promote an agenda that is at odds with the views of many American parents. According to a *Washington Times* article July 8, delegates blocked a proposal to put the NEA on record that its longstanding policy of

"compassion and respect for all living things" in an animal vivisection unit also related to humans in the family-planning section. An attempt to amend the union's sexual assault policy with the statement that "the association deplores the advocacy of

adult/minor sexual contact" was also blocked.

However, the NEA approved a proposal to develop a "comprehensive strategy" to deal with parents and others who do not want curricula, policies, and practices in public schools that embrace alternative sexual behavior — a big victory for the Gay, Lesbian, Bisexual and Transgender Caucus.

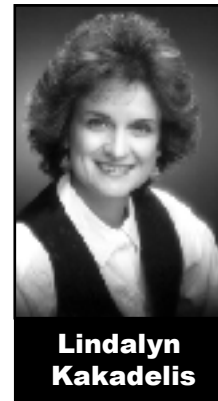
When it comes to money, the NEA just wants more, more, more. Some convention speakers lamented "devastating cuts" to their state's education funding, claiming they now had "third world budgets" — a laughable statement since total K-12 education expenditures approach almost \$500 billion. In fact, the U.S. public education system spends as much as the total combined economies of 37 African countries, according to the Education Intelligence Agency.

Are American teachers fed up yet? Only time will tell. Interestingly, the convention attracted only 7,945 delegates this year — its lowest attendance in eight years. The North Carolina Association of Educators, an NEA affiliate, sent only eight delegates — no surprise since the state's membership declined by 1.1 percent in 2003, and 3.1 percent in 2004. However, a more strategic, aggressive membership drive is likely soon, and not just for teachers. This is an organization that also vigorously pursues Education Support Professionals, including teacher aides, bus drivers, and cafeteria workers, a group that comprised about half the union's national growth last year.

Terrorist organization or not, one thing is clear: the NEA is single-handedly dismantling public education. It's time parents and taxpayers cut short the NEA's reign over schools by insisting on free-market principles such as competition and choice. American education will be the better for it.

CJ

Lindalyn Kakadelis is Director of the North Carolina Education Alliance.



Lindalyn  
Kakadelis

**School Reform Notes***Choices wanted in Durham*

Durham residents are clamoring for more magnet schools focusing on math, science and technology, accelerated learning, visual and performing arts, and gifted and talented programs, according to the results of a "choice schools" survey released July 6, *The Herald-Sun* of Durham reports.

Almost 3,000 Durham Public Schools parents and employees completed the survey, which asked them to indicate what types of special programs Durham schools should adopt. The input from the survey will help administrators create a new plan for school choice options across the district.

Officials are considering adding a variety of programs to the nine magnet schools and five year-round schools currently offered. Options include expanding current magnet programs, adding new magnets, linking elementary and secondary magnet programs, expanding year-round options and creating additional high schools that emphasize more personalized learning environments.

"Choice and reform are two key words in education right now," said Chris Bennett, the school system's executive director for choice programs. Bennett said administrators will present the Durham school board with final recommendations in September.

**Charter sues over funding**

Union Academy, Union County's only charter school, on July 15 filed a lawsuit against Union County Public Schools over concerns that the charter school might not be getting all the funding it should, the *Enquirer-Journal* of Union County reports.

The question over how much funding should be directed to the charter school came up with general statute 115C-238.29H, which states, "The amount transferred under this subsection that consists of revenue derived from supplemental taxes shall be transferred only to a charter school located in the tax district for which these taxes are levied and in which the student resides."

Because the school is located in Monroe's city limits, UCPS officials said Union Academy would receive the funding of the supplemental taxes only for students living in Monroe.

The total amount in question is over \$200,000 for the past two years, said Dan Karpinski, financial officer for UCPS. CJ

**Victory Junction Gang Camp****'The King' Discusses Life, Family, Helping Kids**

By PAIGE HOLLAND HAMP

Contributing Editor

RALEIGH  
Richard Petty truly is "the king." While his racing prowess earned him the title, his humble and generous nature ensures he keeps it. Recently, I was blessed to spend an hour with Petty to discuss his passions in life . . . family, racing, and Victory Junction Gang Camp.

Adorned in his signature hat and sunglasses, Richard greeted me as he would a friend without an ounce of the pretension you find in many sports celebrities today. Sitting in his office, adorned with racing trophies, elephants, and Civil War artwork, it quickly became clear that Petty loves North Carolina and is proud of his Southern heritage.

"I think people from the South understand the importance of family and community," Petty said. "We know that life is about giving back not just about what's in it for us." And giving back is as much a part of the Petty tradition as racing.

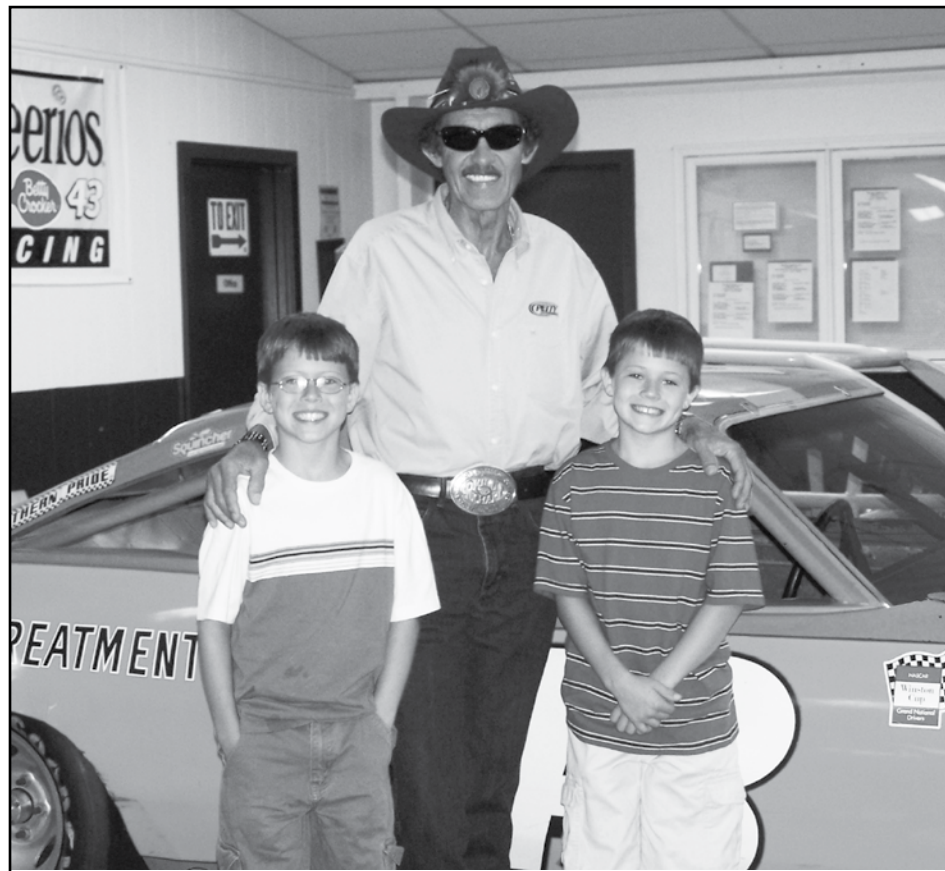
For decades, the Pettys have committed time and money to help children who are sick or disadvantaged. When asked where the commitment came from Richard said, "We have four children and 12 grandchildren who were healthy and had all the advantages in life. I am so grateful for that and want to reach out and help children and families who face struggles that I can't imagine."

In 2004, the Petty family opened the camp for critically ill children in honor of Adam Petty, Petty's grandson, who died in a car crash in May 2000 at the age of 19. Many who hear about the camp assume the Pettys created the concept after they lost Adam, but actually the idea of the camp and its design concept came from Adam. Adam had visited children in hospitals for years during his father's annual Kyle Petty Charity Ride. After a visit to the Camp Boggy Creek in Florida, Adam sold his family on the idea and began looking for land in North Carolina to build the camp.

"Adam just had a heart for kids," Richard said. "After he died everything went on hold for a couple years, but then we thought if Adam was still with us he would have this camp built by now."

That was all the incentive they needed. Richard and his wife Lynda donated 75 acres of land adjacent to his home in Randleman, N.C. Meanwhile, Adam's parents, Kyle and Pattie, led a \$23 million campaign to build the camp.

Richard credits the generosity of NASCAR teams, sponsors, partners, and fans for helping make Adam's dream a reality. "We are blessed with a huge network of companies and individuals who all worked with us to make this happen," Richard said. "We never would have been able to do this without their



NASCAR racing legend Richard Petty always has time for children (CJ photo)

support."

The mission of Victory Junction is to enrich the lives of children who suffer chronic or life-threatening illnesses by creating camping experiences that are memorable, exciting, fun, empowering, physically safe, and medically sound. The children who attend Victory Junction have such severe limitations, such as cancer, epilepsy, spina bifida, and sickle cell anemia, that they would never be able to attend a regular summer camp. Victory Junction provides them a place where they not only get to have fun but they don't have to feel different.

Camp is open year-round with full-week activities in the summer and weekend activities the remainder of the year. No child or family pays to attend camp. Camp weeks are scheduled based on the ailment to ensure the highest quality medical care can be provided. Each week a team of doctors and nurses specializing in the ailment volunteer their time to give the children a chance to have fun.

Thanks to the publicity the camp has received, recruiting volunteers has been easy. If anyone wants to volunteer camp leaders will find a job for you. "If you are a cook and we have filled those positions, will we line you up to help in the stables, the pool, or somewhere," Petty said. The Victory Junction Gang is a member of Paul Newman's Association for The Hole in the Wall Gang Camps. Each of the camps has a theme, and Adam's vision for Victory Junction was a "NASCAR meets the Jetsons" design. When touring the camp with me, my boys were awestruck.

A replica of Adam's No. 45 race car, 20 times the original size, is at the center of the camp, which has 32 buildings. Our first stop was Jesse's Horsepower Garage, a specially designed riding stable.

Then we went to the Catch, Kiss and Release Marina, where anglers are guaranteed to catch fish, followed by a quick stop at the Fab Shop, where campers can paint their hair "temporary" colors or get their nails done. Around every turn there was more fun . . . a waterpark, climbing tower, theater, and gym, among many other highlights. There are also special theme parties, such as NASCAR night, Olympics, and movie night. Also on campus to keep campers safe is the Body Shop, a full-service hospital, which has a "no white-coat policy" for doctors.

Many of the young campers have never been away from home and are in their parents' care continually because of their health needs. "When campers arrive on Sunday, often they are very hesitant and sit alone, not interacting much," Richard said, "but that only lasts about a day and when it is time to go home they are begging to stay longer."

The Pettys are thrilled with the success of the camp and the joy they see on the children's faces. Richard said that he knew having a fun week at camp would be good for the children and a respite for their parents, but that what he didn't expect was the long-term impact.

"Parents tell us their children leave camp with a new, more positive attitude about life," Richard said. "They don't feel so different and alone." CJ

# Superintendents Point Fingers After NCLB Results

By KAREN WELSH  
Contributing Editor

RALEIGH

Newspapers across North Carolina recently reported dismal results from schools and districts statewide failing to meet the educational goals set forth by the federal No Child Left Behind Act. The one word pointedly missing in the verbiage was "accountability."

Most school administrators gave excuses, not answers to the questions regarding their schools' failure to make the grade and, in most cases, declining in their overall academic performance during the 2004-05 school year.

At the forefront was Durham Public Schools, where only 23 percent of the schools in the system met the federal NCLB goals last school year. Carl Harris, Durham's associate superintendent for instructional services, told *The Herald-Sun* reporter Mindy B. Hagen he was proud of the 13 schools in the district because they came "close" to achieving their goals. "It's always disappointing when you don't meet every goal," he said in the article. "But we have to be mindful of the fact that 13 of our schools only missed by one or two goals. We don't want to blame those schools for doing something bad or wrong."

A plethora of interviews with other educators showed no one taking personal responsibility for their shortfalls. Instead, the NCLB results were only hours old when top-ranking school officials began to point fingers and sulk, claiming the NCLB benchmarks were too comprehensive for most people to understand.

In an interview with *Charlotte Observer* writer Ann Doss Helms, Charlotte-Mecklenburg Schools Superintendent

Susan Agruso called the rating system "complicated."

The same article quoted N.C. Department of Education official Lou Fabrizio as saying the NCLB act has caused a lot of confusion among the public. "Nothing can be explained simply," he said. "If you explain it simply, you've probably misled folks."

The educator's lines seem well-rehearsed, as if designed to leave parents scratching their heads and wondering whether it's the NCLB

Act, not their local schools that are in deep trouble when it comes to educating their children.

Agruso and Fabrizio are not alone. Education officials statewide are labeling the NCLB act as stringent, unattainable legislation. "While the NCLB legislation has many positive features, it is however, an all-or-nothing approach that leads to high-achieving schools being labeled in need of improvement," Kelly Rhoney, Catawba County Schools director of accountability services, told the *Hickory Daily Record*.

In a *News & Observer* article by T. Keung Hui, Principal Jamee Lynch of Hodge Road Elementary in Knightdale, a school currently not meeting the NCLB standards, reportedly discredited the NCLB Act. "You can't make a decision about a school based on flawed legisla-

tion," Lynch said in the article. "All we can do is work hard and take students as far as we can take them."

Other educators are maintaining full support for the schools that didn't make the grade. Debbie Smith, director

of testing and accounting for the Person County School District, told *Herald-Sun* writer Shaun Lockhart that students in their failing schools are fine. "I feel our students are getting a good education," Smith said. "Just because they don't score well on a test doesn't mean we aren't

meeting their needs."

Some school officials simply blamed the children. In a story written by Danielle Deaver in the *Winston-Salem Journal*, Winston-Salem/Forsyth County Schools Superintendent Don Martin said he was pleased with the system's performance, especially considering that the number of students who qualify for free and reduced lunch rates has increased as has the number of children who speak English as a second language.

"We have a population that has basically gotten poorer over time," Martin said.

In the same article, Deaver reported those in higher academia, including Gregory Cizek, a professor of educational measurement at the University of North Carolina at Chapel Hill, support the rhetoric, saying the NCLB guide-

lines are too convoluted and difficult to achieve at this present time.

Cizek told Deaver there are limitations to the Adequate Yearly Progress tests and ABC scores are obsolete when it comes to measuring a child's education. He said the end-of-grade tests should provide the needed educational measurements. "If people could look at a period of years and see that the scores have been increasing, that's really good," Cizek said.

While many mainstream schools are complaining after they failed to meet the needs of their students, there are others working diligently to meet the federal guidelines. *Asheville Citizen-Times* writer Amy Miller said the city's Randolph Learning Center, an alternative school for students with behavioral or academic problems, met all its goals for the first time.

Miller also reported four schools sanctioned by the federal government for not meeting the NCLB standards in previous years in western North Carolina reached their goals this year.

In the end, it's not difficult to understand why educators want to point the finger the other way. They have a lot to lose.

In reality, however, there are accountability measures in place for those children attending non-performing schools. The NCLB act allows children too long held captive in struggling institutions to receive special tutoring or transfer to higher performing schools.

Educators should be nervous. This could open the floodgates for more charter schools and potentially a voucher system for private education, enabling parents to make a real choice for their children's future education. There's nothing confusing about that. CJ

*"Nothing can be explained simply. If you explain it simply, you've probably misled folks."*

— Lou Fabrizio  
N.C. Department  
of Education



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**Course of the Month***Ask a silly question ...*

Last August, CM described the present approach to literature by teachers of literature thus: "texts are not limited to books, pamphlets, stories, works of literature — they include any 'story' that an author or authors wish to tell, including by film, television, music, style of dress, home décor, choice of soft drink, ad nauseam."

Take, for example, the following course offered this fall at Duke University by the Department of Literature:

LIT 124: Girls, Grrrls, Girliness: Gender, Generation and Futures in the 21st Century

The "Synopsis of course content" for this month's winner opens with a barrage of questions. Now, although in concert those questions have a hearty, Trail Mix quality, CM advises readers to feel free to savor the nutty goodness of each individual question:

"What is a girl? How do girls grow up? Do girls always have to become women? If girliness is a good thing, why are girlie men embarrassing? What happened to Riot Grrrl? If the body is sexed from the start, why does femininity have to be produced? Is the magazine makeover a prelude to plastic surgery? What sorts of futures do girls want? Can girls produce alternative futures? What would they look like?"

Then it explains: "These are only some of the questions this seminar will take up .... [W]e will look into the process by which childhood and adolescence were distinguished from adulthood and then at the complex social, cultural and economic pressures that combined to produce the figure of 'the American girl' as a subject of visual, literary and marketing interest. From there, we will proceed to examine the development of material and popular culture targeting girls, at Nancy Drew, the Bobbsey Twins, movie magazines, at Seventeen, Barbie, Judy Blume, Weetzie Bat, Buffy the Vampire Slayer, at Sassy, Jane, and Bust."

The synopsis mentions other "texts," too, including "diaries, decorated rooms, zines, websites, music, ... girls' friendship networks, their girlfriends," and other kind[s] of cultural production."

But here comes the best part: "In an effort to make sense of all this, we will read widely in a range of fields including feminist theory, queer theory, history, cultural studies, sexuality and gender studies, psychology and sociology, and anthropology." *CJ*

**College Groups Endorse Academic Freedom***Statement supporting intellectual diversity prompted by Academic Bill of Rights*

By SHANNON BLOSSER

Contributing Writer

CHAPEL HILL

**O**n June 23 the American Council on Education released a "Statement on Academic Rights and Responsibilities," endorsed by dozens of affiliated groups, including the American Association of University Professors, Council for Christian Colleges and Universities, the College Board, and others.

In the statement, ACE and other signatory organizations outline their support for intellectual diversity on college campuses. That was a key concern behind "Academic Bill of Rights" legislation, which essentially would codify the AAUP's own definitions of academic freedom.

ABOR legislation led to a "Memorandum of Understanding" between public colleges and the Colorado legislature, inspired a Senate resolution in Georgia, and has been proposed before a host of other state legislatures, including North Carolina. It has also been presented before the U.S. House by Rep. Walter B. Jones, R-N.C., and 39 others. Legislation in North Carolina, sponsored by Sen. Andrew Brock, did not make the June deadline to be considered for full passage in the General Assembly during the two-year session.

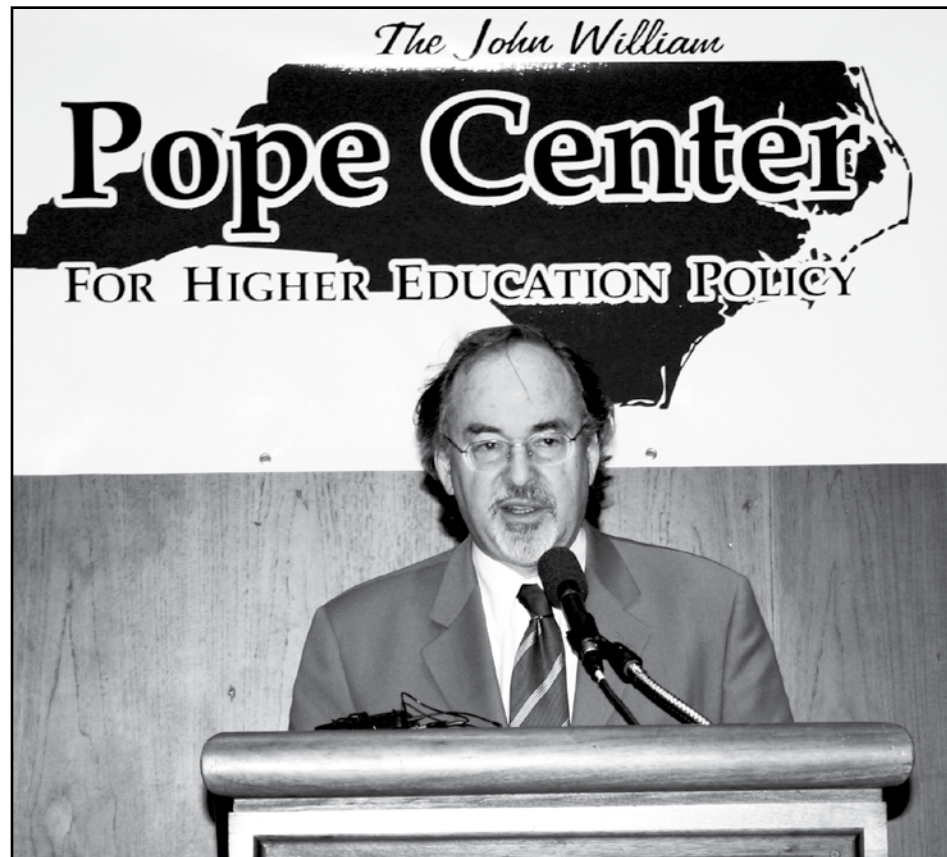
ABOR would have had the law require protection of academic freedom, rather than relying on the institutions to monitor themselves internally or the AAUP to monitor them externally. "Government's recognition and respect for the independence of colleges and universities is essential for academic and intellectual excellence," the statement reads. "Because colleges and universities have great discretion and autonomy over academic affairs, they have a particular obligation to ensure that academic freedom is protected for all members of the campus community and that academic decisions are based on intellectual standards consistent with the mission of each institution."

**A compromise on ABOR?**

The ACE statement appears to pave the way for a compromise between academic institutions and ABOR supporters — the former would keep their autonomy and identity, and the latter would see the principles of academic freedom applied more honestly and in a less-partisan fashion.

In the statement, the groups say a universal definition of academic freedom would not work because each institution is different. Instead, the groups say there are several principles that should be included as the basis of academic freedom discussions on campuses.

According to the statement, the



David Horowitz discusses the Academic Bill of Rights at the Pope Center's conference on academic freedom last fall. (CJ photo)

principles are:

- Diversity among institutions is what characterizes higher education in the United States. The statement calls the institutional diversity a "central figure and strength" that should be "valued and protected."

- Intellectual pluralism and the free exchange of ideas should be welcomed on college campuses. Discussions should be held in an environment that allows openness, tolerance, and civility.

- Grades should be based on considerations that are relevant to the subject matter. Students or faculty members should not be evaluated based on their political opinions. Also, a clear institutional process should be established to hear grievance if a student or faculty member believes they have been punished because of their political views.

- Intellectual standards should be used to measure the validity of academic ideas, theories, arguments, and views.

- Government should recognize and respect the independence of colleges and universities.

"Individual campuses must give meaning and definition to these concepts within the context of disciplinary and institutional mission," according to the statement.

The principles expressed in the statement generally support the goals of ABOR and were supported in Congress, including from Republicans who had sought to include portions of ABOR into the Higher Education Act, currently in the process of being reauthorized. According to a press statement, legislators will include portions of ABOR and the

American Council on Education statement into the renewal of the Higher Education Act.

"I applaud the higher education community for coming to the table and working with us to forge stronger protection for students on college campuses," said Rep. John Boehner, R-Ohio, who chairs the House Commission on Education and the Workforce. "I'm encouraged by the cooperation and the openness that led to this agreement, and I'm eager to move forward in that spirit with renewal of the federal higher education programs."

The Center for the Study of Popular Culture's David Horowitz, a chief advocate of ABOR, said the ACE statement is important because it helps people recognize "serious problems of political exclusion and political harassment" on college campuses. He said the statement would help create a nonpartisan solution to the situation.

The "statement by the academic community is in no small part a reaction to their principled calls for intellectual pluralism," Horowitz said.

Rep. Jack Kingston, R-Ga., a key sponsor in Congress of ABOR legislation, said the compromise will allow politics to be taken out of university curriculum.

Rep. Howard "Buck" McKeon, R-Calif., called the statement a victory for students, regardless of political affiliation or ideology.

"[W]e are sending out a clear signal that discrimination based on political beliefs will not be tolerated on college campuses," McKeon said. *CJ*

*Bills would promote instruction*

## Congress Mulls Western Civ

By SHANNON BLOSSER  
Contributing Writer

CHAPEL HILL

Congress is considering legislation that would provide grants to colleges to promote programs in Western civilization and American history education as a way to improve educational quality in those subject areas.

The Higher Education for Freedom Act was introduced in early June by Rep. Thomas E. Petri, R-Wis., and Sen. Judd Gregg, R-N.H., with the purpose to sustain postsecondary education programs that deal with traditional American history, the American founding, and Western civilization. The bills, H.R. 2858 and S.B. 1209, are currently in education committees in the House and the Senate.

The monetary grants permitted under the bills would allow colleges to create programs aimed at increasing the numbers of students and quality of instruction in Western civilization and American history.

The legislation would assist academic centers, institutions, and programs that offer courses, research, sponsor lectures, or develop teaching materials in Western civilization or U.S. history.

Specifically, the grants would assist colleges in teaching preparation programs in U.S. history and Western civilization. The grants could also be used to strengthen current programs through the design of new courses and programs, research, and graduate and postgraduate fellowships.

Grants ranging from \$400,000 to \$6 million could be awarded to qualifying colleges and universities. A total of \$140 million is being requested in the fiscal 2006 budget. The grants would be made and administered through the

Department of Education.

Neither bill has been brought up for consideration in its respective committees. However, the Senate Committee on Health, Education, Labor and Pensions had a hearing scheduled for June 30 on the quality of U.S. history education. At least four witnesses were scheduled to testify during the hearing to discuss the current condition of U.S. history education.

Gregg said the reason for the legislation is that few universities are focused on historical concepts, which has caused a lack of historical literacy among college students.

"Today, more than ever, we must focus on preserving our nation's history and ensuring that future generations of Americans understand the importance of free government on which this nation was founded," Gregg said.

National Association of Scholars President Steve Balch, in a letter to supporters encouraging the bill's passage, said that it has the potential to promote "a sea of change in the academic climate."

"It would encourage the development en masse of new postsecondary programming focused on such subjects as American political and constitutional history, the study of free institutions, and the study of Western civilization," Balch wrote.

Petri and Gregg's legislation comes at a time when debate has occurred within the University of North Carolina community on the development of a Western civilization program.

Throughout the school year, the UNC-Chapel Hill College of Arts and Sciences worked with the John W. Pope Foundation about possibly funding a program in Western civilization at the school. No final decision has been reached regarding that proposal. CJ

### Findings in the Higher Education for Freedom Act

(1) Given the increased threat to American ideals in the trying times in which we live, it is important to preserve and defend our common heritage of freedom and civilization and to ensure that future generations of Americans understand the importance of traditional American history and the principles of free government on which this Nation was founded in order to provide the basic knowledge that is essential to full and informed participation in civic life and to the larger vibrancy of the American experiment in self-government, binding together a diverse people into a single Nation with a common purpose.

(2) However, despite its importance, most of the Nation's colleges and universities no longer require United States history or systematic study of Western civilization and free institutions as a prerequisite to graduation.

(3) In addition, too many of our Nation's elementary school and secondary school history teachers lack the training necessary to effectively teach these subjects, due largely to the inadequacy of their teacher preparation.

(4) Distinguished historians and intellectuals fear that without a common civic memory and a common understanding of the remarkable individuals, events, and ideals that have shaped our Nation and its free institutions, the people in the United States risk losing much of what it means to be an American, as well as the ability to fulfill the fundamental responsibilities of citizens in a democracy.

Source: Texts of House Resolution 2858 and Senate Bill 1209.

### Commentary

## Annoy Diversicrats At Your Own Peril

Recently, a federal court in Kansas ruled that the administration at Kansas State University did not violate the First Amendment rights of a journalism professor who was fired from his position as adviser to the school's student newspaper. It's an amazing case that shows the extent to which school administrators will go in order to appease the campus diversity crowd once it decides to feel aggrieved.

Prof. Ron Johnson had for many years been the faculty adviser to the *Kansas State Collegian*, a student newspaper that had received an award in 2004 as the best daily college newspaper in a national competition. Alas, he and the students committed an unpardonable sin of omission. The paper failed to cover an event on campus. Of course, there are lots of events at a large university such as K-State, so what's the big deal about failing to write about one of them?

The BIG DEAL was that the event was the Big 12 Conference on Black Student Government. Apparently, the sponsoring campus group did not issue a press release about the conference, but no matter. Failing to go looking for "diversity" stories these days is a high crime.

Natalie Rolfe, president of the K-State Black Student Union, complained about the lack of coverage of the event to the university's "diversity coordinator," Associate Provost Myra Gordon. Gordon said she would back Rolfe "all the way."

That was no surprise. In a previous position at Virginia Tech, Gordon had overseen a diversity program built around the effusive writings of Cathy Trower, who contends that "merit is socially constructed by the dominant coalition" and that all white male (but only white male) job candidates should be compelled to prove their commitment to the crusade for diversity as a condition of employment. Gordon is one of those diversity zealots who take their business with a religious fervor.

With Gordon's support, Rolfe organized a protest March in which 50 students sported T-shirts emblazoned "W.W.R.G?" meaning "When Will Ron Go?" Rolfe also made public her demand that the university create "a system to make sure the paper is more friendly to the campus." It doesn't take much acumen

to see that the real meaning of that statement is "a paper that will take us diversity crusaders as seriously as we take ourselves."

The firestorm shocked the newspaper into spasms of Larry Summers-like groveling. The editors apologized for not having covered the black student government event, promised to institute a new system to guarantee that all campus events received attention, and said that they would undergo some "diversity training."

Not good enough. Rolfe and Gordon demanded that Johnson be fired from his advisory position with the *Collegian*.

If there is one certainty in America these days, it's that college administrators will never go against their "diversity" staff and thereby invite attacks on their motives, visits from Jesse Jackson, and a publicity nightmare. Kansas State officials caved in and removed Johnson, issuing a statement accusing him of having a "poor attitude" in dealing with students. Johnson does, however, get to remain on the faculty to teach journalism, but the message has been delivered loud and clear: DON'T DISS DIVERSITY.

Legal action was begun on behalf of Johnson and a federal district judge issued a temporary restraining order requiring K-State to reinstate him as faculty adviser. In early June, however, the court dismissed Johnson's suit, saying that no violation of his First Amendment rights had occurred and that the university was entitled to remove him if it saw fit to do so.

What's the lesson to be drawn here? Let's make this into a multiple-choice question:

a. The advocates of "diversity" talk nicely about the need for tolerance and respect, but tolerance and respect doesn't extend to people they're mad at, no matter how trivial the reason.

b. America enjoys a free press — except when diversity blowhards want to dictate newspaper content.

c. The campus diversity jihad is far more about getting and using power than it is about helping minority students succeed in college.

d. All of the above. CJ

George Leef is the Director of the John William Pope Center for Higher Education Policy.



George C. Leef

*Bats in the Belfry*

## The Ins and Outs of Pursuing the Correct Kind of Funding Here

**M**att Kregor, a rising senior at the University of North Carolina at Chapel Hill, recently won a scholarship worth up to \$20,000 to study Tajik and Russian languages in the Asian nation of Tajikistan.

Twenty grand to travel to a remote Asian country and study not one, but two foreign languages — such stuff is what multicultural dreams are made of, is it not?

Well, not so hasty. The award drew criticism within Kregor's own university, from Prof.

Charles Kurzman, associate director for the Carolina Center for the Study of the Middle East and Muslim Civilizations, and contact for UNC-CH's "Social and Economic Justice" program.

Kurzman fretted over Kregor's winning the David L. Boren Scholarship because it comes from the National Security Education Program and requires Kregor, upon graduation, to use his new skills to assist in national security. National security for ... America.

Thus in *The Chapel Hill Herald* Kurzman worried about the "cloak-and-dagger stuff" of having a student in the classroom who might be headed for a future in intelligence-gathering — especially if professors might wind up contributing to national security by, egads, teaching a student such as Kregor without knowing who's footing his school bill. As Kurzman put it, "if we are serving some government intelligence function by training them, I would like to know."

More to the point, Kurzman asked, "To what extent are we helping students go out and do all sorts of dirty deeds that we would be embarrassed to have a hand in?"

No, really — "dirty deeds."

Well, what do UNC-CH leftists do when they aren't complaining about students getting scholarship money to serve national security or protesting academic departments seeking money from conservative foundations to support course development? Chase money from leftist foundations to support course development, of course!

In April, the leftist listserv at UNC-CH was abuzz with the news

that the Ford Foundation "announced a new \$2.5 million grants initiative to support scholarship, teaching, and civil dialogue about difficult political, religious, racial, and cultural issues in undergraduate education in the United States." That would be Ford's "Difficult Dialogues initiative" set up "to help colleges and universities create a campus environment where sensitive subjects can be discussed in a spirit of open scholarly inquiry, intellectual rigor, and with respect

for different viewpoints. The initiative will support new and existing courses and academic programs that increase knowledge of the religious and cultural complexity of American society and engage students in constructive discussion of conflicting viewpoints."

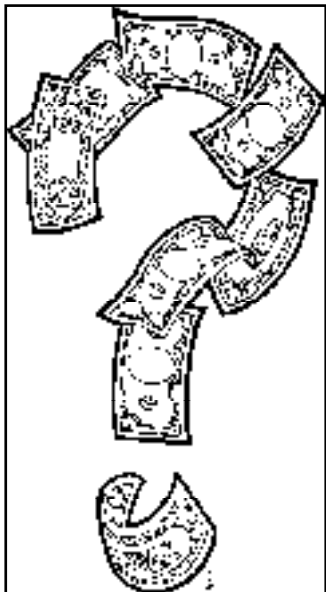
(Oddly enough, a "campus environment where sensitive subjects can be discussed in a spirit of open scholarly inquiry, intellectual

rigor, and with respect for different viewpoints" was once considered de rigueur for a university.)

Nevertheless, Prof. Donald Nonini responded, asking the listserv on April 18 whether other professors "would like to join together with me to put a proposal for funding on a project connected to this initiative which we could submit to Ford? Seems like we have rich and harrowing experience to draw on, as well as the possibilities of interdisciplinary collaboration, to draw on among us."

Nonini added, "Besides, it might actually provide us with resources, where our administration fails to do so." He is the same Nonini who vehemently opposed a grant from the Pope Foundation and was among those UNC-CH professors who signed an open letter to that effect.

Meanwhile, two days later, UNC-CH hosted a conference on the subject of "Selling the University: Funding, Academic Freedom, and Public Responsibility: How does dependence on corporate, foundation and research funding influence teaching, research and service?"



## Business Groups Fight Proposal to Amend State's Umstead Act

By SHANNON BLOSSER  
Contributing Writer

CHAPEL HILL

**B**usiness owners in many areas of North Carolina are mobilizing to oppose a bill under consideration in the state Senate that they think would make it easier for the University of North Carolina to compete unfairly with small businesses.

Mark Zimmerman, a Chapel Hill businessman and chairman of the Chapel Hill-Carrboro Chamber of Commerce's Board of Directors, said the bill, which would amend the Umstead Act, could hinder businesses in Chapel Hill and other university communities. He mentioned specifically businesses on Franklin Street that sell UNC-Chapel Hill-related merchandise. If UNC is allowed to sell merchandise to alumni it could damage those companies.

"We are very, very concerned," Zimmerman said. "There are real businesses and real people that will be affected by this."

House Bill 1539, which House members approved overwhelmingly June 1, would amend the Umstead Act, the 76-year-old provision that prohibits unfair state-supported competition with private companies.

The bill, listed as Senate Bill 758 in the state Senate, would allow UNC system schools to participate in business that would further the mission of the university, primarily serve the students or employees, provide a related university service to alumni, or enable the local community to use the university's facilities, equipment, or expertise.

It would also establish a panel, within the Board of Governors, to review any claims that a university is participating in unfair competition with businesses.

The bill was sponsored by Rep. Bill Daughtridge, Rep. Harold Brubaker, Rep. Phillip Haire, and Rep. Douglas Yongue. It has yet to be taken up for a vote in the state Senate and could come up for a vote this session.

Daughtridge said he thinks the bill would allow the universities to help small businesses develop prototypes and other items by using expertise within the system.

He said some of the provisions in the bill could have been implemented by the universities previously, but university officials where uneasy about doing them for fear of violating the Umstead Act.

"This is a clarification so [the universities] know where they stood," Daughtridge said.

Joni Worthington, a spokeswoman for UNC-General Administration, said the bill would not allow UNC institutions to participate in "unfair competition." Instead, she said it would open up

the universities to offer their expertise to the community in an effort to enhance economic development. She said that opinions from the state Attorney General's Office say that UNC has not violated the Umstead Act in the past.

### *Previous Umstead Act amendments*

This would not be the first time that the Umstead Act has been amended. Previous amendments have allowed UNC institutions to operate student health services, the Centennial Campus at North Carolina State University and dining services.

Zimmerman said that unlike those narrow changes, the ones proposed in the legislation are broad and would allow universities more authority to operate businesses in competition with small companies.

Daughtridge said he considers arguments against the bill's language as not being a substantive complaint. He said the bill's sponsors have work to do to make the bill more business friendly.

"It's a whole more tightened up than it was before," Daughtridge said.

However, that has not allayed concerns of some business owners and they have established an organization to fight the bill. Members of the Chapel Hill-Carrboro Chamber of Commerce organized the Coalition for Small Business and Fair Competition and drafted a resolution against the bill.

Other groups, such as the Orange County Economic Development Commission, the Chapel Hill Downtown Commission and the Hillsborough-Orange County Chamber of Commerce have joined the group.

Organizations in Raleigh, Asheville, Cary, and Durham are considering joining the group, according to information provided by the Chapel Hill-Carrboro Chamber of Commerce.

"It just dropped in our laps," said the Chapel Hill Chamber's Zimmerman. "We started with those we know the best. There are 16 chambers of commerce that ought to pay attention to this."

The group has also made its displeasure with the legislation known to members of the Senate, including Orange County's Sen. Ellie Kinnaird.

In a letter to Kinnaird, dated June 16, Zimmerman said, "While this legislation may have been well intended, we believe that it is loosely written, poorly conceived, extremely broad in scope and effectively eliminates the protection for small businesses the Umstead Act sought to establish."

Zimmerman said he hopes to work with legislators to alter the bill's amendments or to defeat it all together.

"We just want to put the brakes on it for awhile," Zimmerman said. CJ

*Hail the Disposition Police!*

## Diversity Movement is Biggest Threat to Academic Freedom

By JON SANDERS  
Assistant Editor

Imagine, just for fun, how the academic Left would react if dozens of colleges incorporated patriotism into their guiding principles and evaluated people according to their "patriotic dispositions."

Then think how they'd respond to a plan to "Develop Patriotism" among university faculty that would:

- "Revise 3rd year, tenure, and post-tenure evaluation criteria to assess ongoing skill building and demonstrable commitment to patriotism."

- "Tie evaluation of patriotism to raises, promotions, etc."

- "Provide patriotism development opportunities for faculty skill-building."

- "Recommend that all instructional faculties participate in ongoing patriotism professional development, including a module from the Patriotism Project."

- "Include meaningful emphasis on patriotism development in orientation programming."

The outcry would be of biblical proportions, right? Academics would wail about academic freedom and rail over the sanctity of the classroom, the intellectual responsibility to teach and endure challenging ideas, and so forth. And they'd be right.

Rest assured, there's no campus movement to reward or punish people according to demonstrable patriotism.

But there is a movement to do those things according to demonstrable fealty to diversity politics. There's been no outcry, however.

The first paragraph of this article—except for replacing "social justice" with "patriotism"—mimics a June 3 *New York Sun* article about Brooklyn College's School of Education, which "has begun to base evaluations of aspiring teachers in part on their commitment to social justice" using



"a new method of judging teacher candidates based on their 'dispositions.'" *The Sun* points out that evaluating prospective teachers according to their social-justice dispositions is "a vogue in teacher training across the

country that focuses on evaluating teachers' values, apart from their classroom performance."

Also, *The Sun* reported that Brooklyn "is among dozens of education schools across the country that incorporate the notion of 'social justice' in their guiding principles." Not surprisingly, several students have already filed allegations of discrimination against them because of their political beliefs. They had the "wrong disposition," you see.

The quotations in the bullet points

above are taken verbatim from a plan attempted at the University of Oregon—except for replacing that plan's diversity euphemism of "cultural competence" with "patriotism."

With their "Five Year Diversity Plan," Oregon's diversity planners wanted to base every conceivable aspect of the university on "cultural competency," a concept that they never define.

It wasn't just faculty hiring, promotion and tenure decisions, but also enrollment decisions, scholarship decisions, curriculum changes, course offerings, new minors and majors, executive hires and decisions, new campus offices, even new campus building projects.

Oregon's "Diversity Work Group" and "Diversity Advisory Council" produced its interestingly named "Five Year Plan." A total of 80 people collaborated on this scheme, and they thought it was so wonderful they all put their names on it on page one.

### *Rapport with a thief of freedom*

The bad news is that the Dispositions Police are already out in force at Brooklyn College and others. The good news is, Oregon's faculty voted down the plan. The dark cloud above that silver lining is that its defeat won't dissuade the diversityniks. The plan's authors state flat out, "This agenda is unswerving and our efforts must be

resolute." Even after the negative vote, UO President David B. Frohnmayer told *The Chronicle of Higher Education* of May 27, "We're wedded to the objectives of the plan."

That unswerving agenda is to base every conceivable aspect of the university on the undefined "cultural competency." Oregon's plan shows everyone where the diversity movement is headed—more thought control, more discrimination, more "unswerving" conformity, more subjugation of free inquiry. Hiring, promotions, raises, even tenure according to political behavior. Recruiting, scholarships, course content, minors, majors, even campus centers based on how they serve a political cause. Having to run all proposals and decisions by several newly created diversity offices.

In other words, the academic Left's worst, hallucinogen-induced nightmares about the Bush administration is exactly what the diversity movement openly sought to achieve in Oregon. Meanwhile, diversityniks lose sleep when conservatives—and Christians!—merely request that their place at the academic table be respected.

At least Oregon's proposal was defeated. And in such a climate, the American Council on Education's recent statement reasserting academic freedom is quite welcome. But despite the Oregon plan's defeat, it would be foolish to think it is the last such proposal we'll see.

That's because the watchdogs of academic freedom have developed a rapport with a thief. Yes, they strain at the chains at the mere mention of the Academic Bill of Rights. But when it came to Oregon's proposal or the ed schools' overtly political evaluations, they were the dogs who didn't bark. CJ

***Oregon's diversity planners wanted to base every conceivable aspect of the university on "cultural competency."***

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## Town and County

## City wins annexation ruling

The city of Winston-Salem won one round in mid-July in its legal fight to annex 22 square miles and 18,000 residents, but the annexation battle continues in another lawsuit, the *Winston-Salem Journal* reports.

The N.C. Court of Appeals upheld a lower-court ruling on two complaints in a suit filed by Citizens Against Forced Annexation. A judge in Forsyth Superior Court had dismissed the first two complaints.

The group had argued that annexation is unconstitutional and violates Winston-Salem's charter.

The appeals court said that a third complaint in the suit, that the city violated North Carolina's open-meetings law when it advertised three special meetings related to annexation in June 2003, should also have been dismissed when the judge dismissed the other two complaints.

Richard Brown, a lawyer representing the residents, said he plans to appeal to the N.C. Supreme Court. Members of the citizens group filed two lawsuits against the city in 2003.

The other lawsuit is aimed at the methods the city used to determine which areas it is trying to annex. The city won that argument in Forsyth Superior Court. But residents appealed, and the two sides are waiting for a date for a hearing before the appeals court, said Ron Seeber, the city attorney.

## 'Town Hall' session on meth

Billy Kenoi of the Hawaii County mayor's office told about 150 county officials from Florida to Washington state gathered in Honolulu on July 18 not to give up if their communities are besieged by methamphetamines.

The National Association of Counties' first-ever "town hall" session on methamphetamine offered no miracle solutions for defeating meth, blamed for boosting crime and child abuse across the nation. Instead authorities spoke of the need to attack the problem from all angles.

Eddie Wright, a commissioner in Vance County, N.C., said he was worried methamphetamine use would spread because of its low cost. Wright, whose largely rural county north of Raleigh and Durham has only just begun to see an influx of the drug, said he would take home what he learned in Hawaii. CJ

## Can Smart Growth Make a City Unaffordable?

By RANDAL O'TOOLE

The Thoreau Institute

BANDON, ORE.

In the March 2005 issue of *New Urban News* (<http://www.newurbannews.com/PortlandMar05.html>), New Urbanist Philip Langdon argues that the "urban growth boundary did not make Portland, Ore. unaffordable." Langdon's claim shows how important it is to get the best possible data before reaching conclusions.

Langdon is the author of "A Better Place to Live," which argues that suburbs should be redesigned to look like his home city of New Haven, Conn.: in other words, with the dense, mixed-use neighborhoods so beloved of the New Urbanists. In his latest article, he reveals that the National Association of Home Builders had used erroneous data in its housing affordability index. Since "smart-growth" skeptics such as Wendell Cox and me relied on that faulty index to conclude that Portland experienced the fastest decline in affordability of any U.S. housing market in the 1990s, Langdon triumphantly announces we must be wrong.

I always prefer data over personal experiences, which can be selective and biased. But, unlike Langdon, I lived in Portland through the 1990s, and it was obvious to almost anyone who lived there during that time that the region's housing affordability dramatically declined as housing prices increased far faster than personal incomes.

The data we had available said that, between 1988 and 1998, the region's real (i.e., inflation-adjusted) median family incomes remained flat or even declined slightly, while housing prices more than doubled (see <http://ti.org/pdxprices.jpg>). Using the National Association of Home Builders' Housing Opportunity Index, which estimates the percentage of homes affordable to a median-income family, Portland's affordability declined from about 67 percent to a low of 26 percent. No other region experienced such a decline in this time period.

To calculate its index, the National Association of Home Builders relied on median-income data published by the Department of Housing and Urban Development. HUD uses these data (downloadable from <http://www.huduser.org/datasets/il.html>) to determine which families in different metropolitan areas have incomes low enough to be eligible for federal housing assistance.

## An error in the data

Apparently, as Langdon discovered, HUD estimates of median-family income aren't particularly accurate. For the most accurate information, HUD relies on the decennial census, which gathers income data and calculates median-family incomes. In between the censuses, HUD bases its estimates on more limited sources of data.

In 2003, HUD "recalibrated" its in-

come estimates using information from the 2000 census. This revealed that Portland's median-family income was \$8,600 higher than HUD had thought. This shows, Langdon said, that Portland's affordability didn't decline as much as everyone thought. Of course, this doesn't prove that Portland's affordability didn't decline or that the decline wasn't due to the urban-growth boundary.

## Recalculating the change

Since the most reliable data come from the decennial census, and the census also estimates the value of owner-occupied homes, I downloaded 1990 and 2000 median-family incomes and median-home values for every urbanized area (the numbers actually apply to 1989 and 1999). An urbanized area is a city and its suburbs that together add up to 50,000 or more people.

The United States had about 400 urbanized areas in 1990, and about 50 more in 2000, partly because the Census Bureau split up a few urbanized areas.

It also merged a few other urbanized areas, notably Miami and Ft. Lauderdale. Without going to the trouble of merging and splitting data, which would not have significantly changed the rankings, I was able to find more than 350 urbanized areas in common between the two censuses.

For each urbanized area in each census I made a simple calculation of affordability: median-home value divided by median-family income. The most affordable regions have a home-price-to-income ratio of less than 2, meaning that a median family could buy a median home by devoting 100 percent of their income to the house cost for two or fewer years.

More realistically, 25 percent of their income could pay off a 6 percent mortgage in under 12 years. Nearly 200 regions met this affordability test in 2000, including Dallas-Ft. Worth, Houston, and San Antonio.

The table below shows these ratios for several representative urban areas. Ratios of 5.0 and 6.0 mean, essentially, that the house could not ever be paid off, so these are ranked "very" to "extremely unaffordable."

Since lenders are reluctant to give mortgages to people who would have to spend more than 30 percent of their incomes on the mortgage plus property taxes and insurance, regions with price-to-income ratios of 3 or more are considered marginal to unaffordable.

- Topeka, 1.5, extremely affordable
- Dallas, 1.75, very affordable
- Cincinnati, 2.0, affordable
- Portland, 3.0, marginally affordable
- San Diego, 4.0, unaffordable
- San Jose, 5.0, very unaffordable
- Santa Barbara, 6.0, extremely unaffordable

Fourteen regions have price-to-income ratios of less than 1.5 and 210

regions have ratios of between 2.0 and 3.0. The last category includes seven regions, five regions whose ratios are between 5.0 and 6.0 and two regions whose ratios are above 6.0. The table also lists regions typical of each ratio; for example, Portland is 2.96.

To calculate the change in affordability between 1990 and 2000, I simply divided the 2000 price-to-income ratios by the 1990 ratios.

Nationally, the ratios remained at almost exactly 2.23 between 1990 and 2000, indicating that incomes rose at the same rate as home prices. In just the urbanized areas, ratios declined — that is, affordability increased — from an average of 2.32 to 2.25.

Affordability improved in about half of all urbanized areas and decreased in the other half.

## And the winner is...

My complete spreadsheet can be downloaded from <http://ti.org/priceto-income.xls>. In a nutshell, the 15 regions with the greatest increases in price-to-income ratios — that is, the greatest declines in affordability — are:

- Portland, Vancouver, OR-WA 53%
- Salem, OR, 44%
- Longview, WA-OR, 44%
- Eugene, OR, 42%
- Salt Lake City, UT, 38%
- Boulder, CO, 38%
- Bay City, MI, 38%
- Yakima, WA, 37%
- Flint, MI, 36%
- Jackson, MI, 35%
- Medford, OR, 34%
- Missoula, MT, 33%
- Longmont, CO, 33%
- Ogden, UT, 33%
- Provo-Orem, UT, 33%

The actual price-to-income ratios for Portland, Salem, Eugene, and Medford grew from about 2 to nearly 3, meaning these communities went from very affordable to marginally affordable. While Portland is not as unaffordable as San Francisco, its affordability declined more than any other urbanized area in the nation.

Lots of things influence affordability, but the data show that on average the home-price-to-income ratio has been and remains about 2.2 to 2.3 throughout the nation.

This means that homebuilders are generally able to keep up with the demand for housing even in fast-growing communities. Housing shortages occur in growing regions mainly when government intervention such as growth boundaries, building limits, lengthy permitting processes, or other regulation prevents homebuilders with keeping up with demand. CJ

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*Would affect local governments*

## Loser-Pays Public Records Bill Spurs Spirited House Debate

By RICHARD WAGNER  
Editor

RALEIGH

A bill that would require courts to award attorney's fees to the press and citizens who win public-record lawsuits against local governments and the state aroused spirited debate during a House committee hearing recently.

John Bussian, legislative and First Amendment counsel for the North Carolina Press Association, told members of the House Judiciary 1 Committee that despite changes that government lawyers want, the legislation

"is a good bill the way it's presently worded" and that "no opposing words were given" in Senate committee hearings that had been conducted on the bill.

The first section of the measure, Senate Bill 856, would establish an exception in the state Public Records Law for trial preparation material. It would provide that a custodian of a public record that is also a trial preparation material may deny access to the record, whether or not a lawsuit has been filed. Any person denied access to a public record that is alleged to be a trial record may ask the court for a ruling. If the party seeking access is a party to the lawsuit, an action to determine access must be brought in the pending action. Otherwise, a person can bring a separate action for a judicial determination.

The custodian of trial preparation material that is also a public record must grant access to the material once the lawsuit is resolved, or when the applicable statute of limitations expires.

Section Two would amend the law establishing the process for gaining access to public records when access is denied, to require the court to award attorneys fees to the requesting party if the court determines that the governmental body unlawfully refused. This section also would require the court to assess reasonable attorneys fees against the party who initiates an action in bad faith or frivolously.

"This is a sea change in the North Carolina Public Records Law to keep government agencies from gaining an unfair advantage. If there is no consequence of withholding public records,

the law becomes a vehicle for abuse," Bussian said. "The press association urges the committee to support the bill in its present form."

The NCPA would reluctantly accept Section One of the bill if the public and the press were automatically awarded attorneys fees if the plaintiffs win lawsuits over public records, Bussian said.

*"If there is no consequence of withholding public records, the law becomes a vehicle for abuse."*

— John Bussian  
First Amendment Counsel  
NC Press Assoc.

But Andy Romanet, general counsel of the N.C. League of Municipalities, said Section Two of the bill "is troubling to us." He said the league represents 535 municipalities in North Carolina. "The people in these municipalities do the

best job they can with the law. To penalize them if they make a mistake, that goes too far." Romanet said the league would support a different version of the bill that allows judges to make decisions on the awarding of attorneys fees.

Jim Blackburn, a lawyer for the N.C. Association of County Commissioners, said the issue of trial material is not a question of "whether it becomes public, but of when it becomes public."

"There is not a vast conspiracy out there to keep information from the public or the press," he said.

The stronger bill is needed, Bussian said, because judges have shown in almost every case over the years that they will not award attorneys fees to the public or the media when they filed public records lawsuits against the government. "You can look all around the state at cases that have gone up on attorney fees, and judges will not award fees against the government," he said.

Rep. John Blust, R-Guilford, agreed. "Sometimes requested records haven't been turned over, or turned over until there's a whole long period of time, knowing that the person requesting them doesn't have the resources to take on the government," he said. "I'd like to see some guarantee that a government entity can't hold out and bleed the little guy who wants information. I have seen cases where it was almost ridiculous when attorneys fees weren't awarded," he said.

Rep. Joe Hackney, chairman of the committee, said the committee would defer a vote on the legislation and further study the measure. CJ

### Commentary

## Is Cutting Taxes Unpopular?

Well, the local budget cycle has once again run its course and we can now take a collective break from all the local news coverage. We can also step back and see what this budget cycle has wrought.

We'll step away from the municipality viewpoint, as most cities will have elections this year and so took their tax hit last year or will take one again next year. The story amongst the 100 counties is interesting enough.

The difference between the highest and lowest property tax rates in the state continues to show that the system has issues. Scotland County retains its sole position as the county with the highest rate, at \$1.10.

This is not an increase, but the result of micromanagement by the General Assembly that started in 1963 when the City of Laurinburg schools and the county school system merged. Since that time, the county has been forbidden from negotiating with the school board for current expense.

The second problem in Scotland County is the continued erosion of local control that the state of NC forces in the form of Medicaid. As of July 1, we are now the only state in the country that continues to force counties to pay for 15 percent of the state's share of the costs.

In a difficult move, the county appears to have absorbed that six-cent increase and hit the sheriff's department with personnel cuts. The situation with Medicaid must end.

Dare County is on the other end of the extreme with a 25-cent tax rate. This is primarily due to the fact that coastal property is expensive and many of the "owners" aren't residents. When your real estate is increasing 20 percent year over year tax rates tend to tumble. So the spread is now 85 cents.

Currituck County had one of the most interesting shifts statewide. Due to their revaluation, values had jumped by an average of 146 percent. The net result of this was that the tax rate fell from 62 cents to 32 cents.

Even more fascinating is that the new rate included a 4-cent tax increase. The revenue-neutral rate would have been 28 cents. Again, proximity to coastal property and/or resort areas nearly always

results in lower tax rates. Even Moore County dropped its rate this year. Focusing on retirees and golf courses seems to have a more dramatic effect on tax rates than does any economic developer statewide.

The two largest tax increases across the state occurred in Camden and Lee Counties. Camden increased taxes by 15 cents to 90 cents, a 20 percent increase.

Lee County increased their rate from 67 cents to 79 cents, an 18 percent increase. In both instances, the primary reason for the increase was the construction of — and new expenses related to opening — a school.

There was also a variety of interesting comments made by commissioners and county managers about the issue

of growth in newspapers statewide. Several commented that they needed an increase to pay for growth while others said they needed tax increases due to lack of growth.

One thing seems certain, whether you're growing or not, taxes will probably go up. All told, 45 counties increased taxes this year. That is up from the 32 that raised them last year and the 35 that raised the year prior.

Medicaid continues to be an easy target, and should be. According to the NC Association of Commissioners, Medicaid is eating up more than 10 percent in 15 counties across the state. Worse, Medicaid is eating up more money in 48 counties than they spend on school construction. The reality is that the General Assembly should act quickly and deal with this horrible situation.

As a state collectively, we seem to relish having tax increases. Our state continues to expand faster than the rate of inflation and population growth. Cities and counties seem to enjoy following in Big Brother's footsteps.

But there were some exceptions out there. Out of 100 counties, five had tax DECREASES this year. Don't get used to it. It's not popular these days to lower taxes. CJ

Adams is vice chairman of the Lee County Board of Commissioners and director of the Center for Local Innovation. Visit [www.LocalInnovation.com](http://www.LocalInnovation.com).



Chad Adams

## Local Innovation Bulletin Board

**Effects of Proposition 13**

Passed in 1978, Proposition 13 lowered the tax burden of California homeowners by preventing large tax increases until their houses were resold. A paper from the National Bureau of Economic Research finds that this delays people from reselling their homes and may delay new homebuyers from purchasing their first homes.

Proposition 13 requires that property assessments rise by no more than 2 percent per year until the next sale. Therefore, so long as property values increase by more than 2 percent per year, homeowners' taxes are lower than they would be on a new house of the same value. Consequently, there is a serious disincentive to sell the property, which leads people to stay in their homes longer than otherwise.

From 1970 to 2000, the average tenure of California homeowners was 1.04 years longer than that of homeowners in other states. During the same time, the average tenure of California renters averaged 0.79 years longer than comparable renters in other states. These figures represent increases in average tenure of 10 and 19 percent, respectively.

The effects varied by race, origin, and location. Average tenure length was less than one year longer in inland California cities, but more than two years longer in the Los Angeles area and three years longer in the San Francisco Bay area.

Black households' ownership tenure was 1.3 years longer than comparable white homeowners. The tenure length of immigrant homeowners and renters is 1.5 years and 0.6 years longer, respectively, relative to that of native-born homeowners and renters.

**"Hip", but still unlivable**

Cities are buying into the notion that building urban lofts, art centers, and arenas is the key to attracting successful newcomers. But becoming "hip" does not solve the real problems cities face, historian Joel Kotkin said in the *Dallas Morning News*.

Furthermore, the media has overestimated the rebirth of urban centers, claiming that they are gaining population, are home to successful

people, and are attracting the best jobs. The reality is quite the opposite, Kotkin said.

In the 1990s, about five people moved out of a city for every three people that moved in. Highly educated people may move to the city in their 20s, but they tend to return

to their hometowns or suburbs in their 30s; in fact, 16 of the top 20 counties with the highest percentage of college-educated people are suburbs.

Cities are also not necessarily where the great jobs are;

since 2000, most of the growth in the business and financial services sectors has been in the suburbs, where firms are attracted to open space, less crime and more-educated workers. Indeed, more suburban areas are providing performing arts centers, coffeehouses, and the like for the "hip" crowd so they have less need to live in city.

If cities want an economic edge, Kotkin said, they must gain the political will to focus on real urban problems: lost jobs, poor schools, and crumbling infrastructure.

**Congestion up nationally**

Traffic congestion has increased significantly over the past 20 years, costing travelers time and wasted gas, according to a recent report by the Texas Transportation Institute at Texas A&M University. Furthermore, cities are not doing enough to manage and prevent congestion.

According to coauthors Tim Loma and David Schrank, the number of cities where commuters were stuck in traffic jams for more than 20 hours a year increased from five in 1983 to 51 in 2003. In 2003, congestion accounted for 3.7 billion hours in traffic delay and consumed 2.3 billion gallons of gas.

Los Angeles tops the list of metro areas with the worst traffic congestion, where commuters experienced an average of 93 hours per year in delays during peak travel times.

Even more surprising is that the 2003 data reflect a period of relatively slow economic growth and more unemployment, which would normally be associated with less traffic congestion. But observers say that cities are simply not doing enough to keep up with traffic congestion. CJ

*From 1970 to 2000, the average tenure of California homeowners was 1.04 years longer than that of homeowners in other states.*

**From Cherokee to Currituck****Chapel Hill-Carrboro Officials Alarmed Over Wal-Mart Plans**

By MICHAEL LOWREY

Contributing Editor

RALEIGH

Chapel Hill and Carrboro officials are concerned about the effects of a possible new Wal-Mart store might have on their communities and are seeking a thorough review before planning approval is granted. The store, however, would not be built in Orange County, where the two towns are situated, but rather in neighboring Chatham County.

While nothing has been established, Wal-Mart officials have contacted Chatham County planning officials about appropriately zoned sites near the Orange County border. The mere suggestion that a Wal-Mart store might be coming has Chapel Hill and Carrboro officials alarmed.

Carrboro passed a resolution calling on Chatham County to examine the effects of the proposed store. Chapel Hill went further, and requested a courtesy review of Wal-Mart's permit applications, should they be submitted. The town is particularly worried about traffic the store might generate.

"This is the first I've heard about that," Chatham County Commission Chairman Bunkey Morgan said to *The News & Observer* of Raleigh about the courtesy review. "I didn't know they did that type of stuff."

The two Orange County towns' concerns are in part based upon local shopping patterns. Existing zoning regulations largely prohibit "big box" retailers within Orange County. As a result, a high percentage of county residents go elsewhere to shop. A 2002 market research study by the N&O showed that 72 percent of Orange County adults had shopped in Durham County, and 27 percent had shopped in Wake County in the previous 30 days.

**Wal-Mart yes, incentives no**

While Chapel Hill officials might object to Wal-Mart, Greensboro has no such qualms. In fact, a least one city councilman was pushing to use city tax dollars to make sure a Wal-Mart got built. Happily for the city, the project will proceed without city incentives.

Developer Don Linder was working to redevelop the abandoned Carolina Circle Mall. At the core of the project would be a Wal-Mart store and a large

home-improvement store. Things were going according to plan until several property owners near the mall unexpectedly asked for compensation for reduced road access brought on by the project. Linder, with the support of Councilman Robbie Perkins, asked city officials in May for incentive money to ensure the project proceeded.

*Chapel Hill and Carrboro officials prohibit "big box" development. As a result, many Orange County residents go elsewhere to shop.*

"Either the city comes to the table or this deal falls apart," Perkins said June 2.

Linder withdrew his request June 7 after it became apparent city council would not give him the money.

The deal didn't fall apart, though. *The News*

& *Record* of Greensboro found that less than three weeks later, Wal-Mart's development division bought the property.

At least one councilman wasn't surprised by the turn of events. "They make their decision about what they want to do and they see what they can get from us," Tom Phillips said to the newspaper.

**Charlotte cab age limits**

Charlotte is likely to alter its age limits on taxicabs. The move comes in response to taxicab operator concerns about the costs of the requirement.

In 2000, the city adopted a comprehensive ordinance regulating cabs. It included a seven-year age limit for cabs, which would take effect in July 2006. With the new regulation soon to take effect, taxicab operators asked city council this spring to reconsider the limit. A council committee in June voted to increase the age limit to 10 years.

"It gets the jalopies off the streets, assures customer satisfaction, and allows small businesses to continue to operate," Mayor Pro Tem Patrick Cannon said to *The Charlotte Observer*.

Even the higher age limit will force the retirement of more than half of the more than 500 cabs that operate in Charlotte. Cab operators are expected to buy used vehicles as replacements and run them for a few years until they hit the higher age limit.

As a tradeoff for the higher age limit, Charlotte would require more frequent and stricter taxicab inspections. The city mandates an inspection once a year; under the proposal inspections would be required every six months. Inspections cost \$40. CJ

# Higher Expense, Fund Raiding Slowing Road Projects

By MICHAEL LOWREY

Associate Editor

RALEIGH

The N.C. Department of Transportation has finalized its new seven-year road-building plan. And for many communities, the plan puts the brakes on anticipated new road projects.

Federal rules require state transportation departments to regularly compile master planning documents. North Carolina's master plan is called the Transportation Improvement Program (TIP) and is updated every two years, with the N.C. Board of Transportation approving the latest version in early July.

North Carolina law provides that most road funds are allocated by funding formulas to regions, with input from local officials helping to determine which specific projects are built using the limited funds available. Notable exceptions are urban loop funds, for which designated highway projects from across the state directly compete against each other for available funds.

In 1989, the General Assembly raised the gasoline taxes and various fees, with the extra revenue going to the newly created Highway Trust Fund. Exactly 25.05 percent of available Trust Fund revenue would go to build interstate highway-quality outer loops, or portions thereof, around seven cities: Asheville, Charlotte, Durham, Greensboro, Raleigh, Wilmington, and Winston-Salem. In 2003 and 2004, the legislature expanded the list of projects eligible for urban-loop funding, adding loops in Greenville, Fayetteville, and Gastonia while also increasing the scope of all of original projects except for Asheville.

The 2006 iteration of the TIP is the first to reflect these additional urban loop projects. Yet even before the new projects were added, the NCDOT faced a daunting list of to-dos with limited resources. To make matters worse, some projects have become much more expensive than when originally envisioned while the Trust Fund has been raided to help close the state budget deficit.

"We have \$2 in projects for every \$1 we have coming in," Calvin Leggett, the NCDOT's chief planner, said to *The Charlotte Observer*.

And that means some communities won't see their road projects built as fast as they'd hoped — or as was promised even as recently as two years ago.

Greensboro provides a good example. Under the previous state master plan, almost all of the 42-mile-long Greensboro outer loop would be completed or under construction by 2010. That's not so under the new TIP; work on the eastern third of the highway is not slated to begin until after 2012.

Winston-Salem fared little better between 2004 and 2006. Urban loop money is to be used to build the 27.4-



Construction vehicles on I-540, also called the Outer Loop (Photo courtesy of NCDOT)

mile Northern Loop between Interstate 40 in western Forsyth County and U.S. 311 in the eastern part of the county. The 2004 TIP projected starting work on the western portion of the road, between I-40 and U.S. 52 in 2006, and the eastern portion, between U.S. 52 and U.S. 311, in 2010. Work on the eastern portion will still begin in 2010; the western portion, however, has been delayed indefinitely with no money for construction budgeted for at least the next seven years.

The status of the other projects:

- **ASHEVILLE:** Though it was one of the original projects, the NCDOT has only spent \$4.1 million so far on the design and planning of the 3.5-mile, \$325 million project. The scope of the road, eight lanes, has proven to be controversial locally. The 2006 TIP would see land acquisition begin in 2008 and construction start in 2012, a four-year delay versus the 2003 TIP.

- **CHARLOTTE:** The longest and most expensive of the loops, the Charlotte Outer Belt (I-485) will be more than 90 percent complete by late 2007 — and still about eight years from completion. Work on the last five-mile stretch now isn't scheduled to begin until 2012, four years later than previously planned. The new TIP also includes funds to begin widening a badly congested portion of I-485 in southern Mecklenburg County in 2012 — the road was originally built in the early 1990s with too few lanes — a project that the Assembly approved for urban-loop funding only last year.

- **FAYETTEVILLE:** In 2003, the Assembly added the Fayetteville Western Outer Loop to the urban loop project list. The move will increase road building in Fayetteville area in the long road, as money for the expensive project will not come out the area's regular allot-

ment of funds. The highway was gotten substantially more expensive in the past two years, with \$340 million of land acquisition and construction to occur after 2012.

- **RALEIGH:** Another of the larger projects, Raleigh's outer loop is also known as I-540. Thirty-one miles of the highway will be complete by 2007, with no additional road building planned until 2012. The previous TIP had penciled in funds to begin work on a sector in western Wake County in 2008.

- **WILMINGTON:** The port city's "loop" was originally called the U.S. 17 Bypass and has since been designated I-140. The northern portion of the road,

from U.S. 17 to I-40 and then on to U.S. 421, should be finished by 2007. The next phase, extending the road south to meet up with U.S. 17 again, is an environmentally challenging project. As in the 2004 TIP, work is to begin in 2009 though the estimated cost of the project has increased by \$90 million in the last two years.


- **GREENVILLE:** Another recent addition to the loop-approved project list is the 7.8-mile Greenville Southwest Bypass. Though the road is currently being designed and land purchase is planned for 2009, no money is available through 2012 to build the bypass. The 2004 TIP had land purchases beginning in 2006 from non-trust fund sources.

- **DURHAM:** Local leaders rejected the idea of an outer belt per se, opting instead to upgrade a number of existing streets while adding a limited amount of new roads built to below-interstate standard. The project remains largely undefined, with no funds budgeted except for \$20 million for land purchase and mitigation for the 2.5-mile East End Connector project.

- **GASTONIA:** A 7.5-mile, \$100.9 million stretch of the Garden Parkway, between I-85 and U.S. 321 was included in this year's TIP. The project receives no funds, though, through 2012. An additional 21.5 miles of the parkway, though nominally eligible for urban-loop funding, would be built as a toll road without the use of loop money.

The TIP construction schedules presume that all needed funds and permits can be obtained in a timely manner, which has not always been the case in the past.



To download a full copy of the 2006 TIP, go online to [www.ncdot.org/planning/development/TIP/TIP/](http://www.ncdot.org/planning/development/TIP/TIP/). CJ



## Attention City & County Officials

*And others with an interest in local government issues*

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**From the Liberty Library**

• The first Republican elected to the Senate from North Carolina since Reconstruction, Jesse Helms was both a bane and a boon to Presidents for 30 years, championing such core conservative causes as low taxes, anticommunism, and school prayer, while working to become chairman of the crucial Senate Foreign Relations Committee, a post he attained in 1995. Now, in *Here's Where I Stand: A Memoir*, he chronicles the inside story of his rise to power and all those who defended or fought him, from Nixon and Reagan to Kennedy and Clinton. Learn more at [www.randomhouse.com](http://www.randomhouse.com).

• *The Competition Solution: The Bipartisan Secret Behind American Prosperity* contrasts the vibrant, competition-driven American economy of the 1990s with the oligopolistic, inflation-prone one of the 1970s. Economist Paul London, deputy under secretary of commerce for economics and statistics in the Clinton administration, uses anecdotes and examples to show how both Republicans and Democrats helped bring down the oligopolies and monopolies by backing open trade, supporting antitrust, and ending price fixing in key industries. He tells the story of how the courts and politicians helped competitors challenge the Big Three auto companies and the United Auto Workers; Big Steel and the steelworkers union; airlines and their unions; AT&T and the Communications Workers of America; the trucking companies and the Teamsters; the established eastern financial institutions; and even powerful local retailing interests. America's future prosperity, London argues, will require political leaders who are willing to take on these kinds of fights. See [www.aei.org/books](http://www.aei.org/books) for more details.

• Using his exclusive access to previously classified documents, Iranian defectors and officials, and high-level sources in the U.S. government and intelligence community, Kenneth Timmerman uncovers previously unreported threats and America's intelligence failures in *Countdown to Crisis: The Coming Nuclear Showdown with Iran*. To get the complete story on Iran's radical Islamic regime, Timmerman crisscrosses the globe, revealing details of secret terrorist gatherings in Tehran; tense meetings in the White House; debriefings at an obscure CIA outpost in Azerbaijan; diplomatic face-offs in the Kremlin; and many other spots along the way. More at [www.randomhouse.com/crown](http://www.randomhouse.com/crown). CJ

**Interesting book, despite condescensions****Changes Lead to Globalization of Individuals**

• Thomas L. Friedman: *The World Is Flat*; Farrar, Straus and Giroux; New York; 2005

By HAL YOUNG  
Contributing Editor

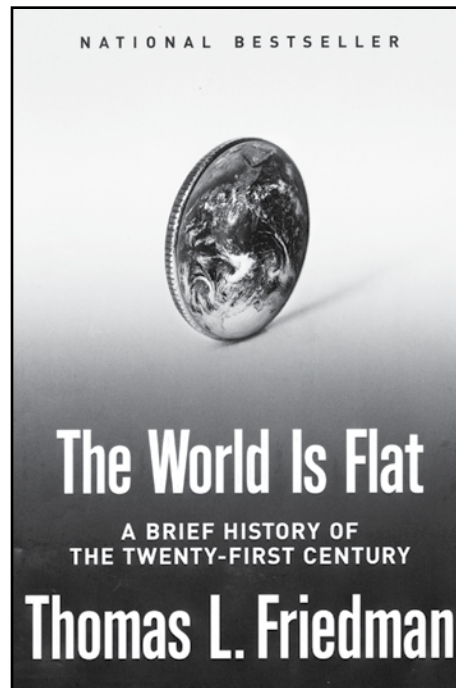
RALEIGH  
Many of us have spoken with call-center operators in Bangalore, India, and would be only slightly surprised that Wal-Mart is China's eighth largest trading partner — larger than most nations. I was surprised, though, to hear a Hispanic acquaintance worry over the impact that globalization was having on his friends' businesses in Mexico. Thomas Friedman says our NAFTA partner hears the "giant sucking sound" in stereo.

Welcome to Thomas Friedman's new book, *The World Is Flat*. In it, he posits three historic periods of global development — the age of discovery and colonization, followed by a period of business consolidation and growth across national boundaries, and now dawning on an age of information transfer and knowledge workers, spread out and settled in wherever an Internet connection can be made. As the traditional model of vertically integrated, heavily hierarchical corporations converts to a horizontal and collaborative network of contractors, partnerships, and offshore talent, Friedman says the world is flattening, and barriers to trade, culture, and thought are coming down. Not everyone likes it, though.

Friedman describes 10 "flatteners," recent developments in society and culture, business, and most of all, technology, which are "leveling the playing field" among portions of the developing world and the business giants of America, Japan, and Europe. These are the first link in a "triple convergence" of expanded infrastructure (hardware, software, and network), coupled with businesses adapting to this change, and finally the emergence of thousands of engineers and scientists, trained in China, India, or the former Soviet Union, who have the capability of working from their homes instead of coming to America.

"These new players are stepping onto the playing field legacy free, meaning that many of them were so far behind they can leap right into the new technologies without having to worry about all the sunken costs of old systems," Friedman says. One interview noted that once General Electric, IBM, and Texas Instruments realized that former colleague Vijay could do the same work from Mumbai after his work visa ran out here — and be not only happier and more productive, but much cheaper in India than the United States — it was only a matter of time.

One Indian entrepreneur told



Friedman, "There is no real end to what can be done by whom;" indeed, American CPAs now routinely farm out routine U.S. tax returns to accountants in India, MRIs are being read and interpreted by "nighthawk" doctors in Australia, and even the work of CEOs' personal assistants is being handled by contractors in Asia. Even inside our country, the same technology is showing up at McDonald's (drive-through orders in Missouri are relayed through a Colorado call center), Wal-Mart (which has linked its suppliers' factory schedules with Wal-Mart's checkout line).

If Friedman's first wave was the globalization of nations and the second, the globalization of companies, then the present is the globalization of the individual. One entrepreneur with a needed service and a good website can compete against a multinational corporation; conversely, a worldwide company can now offer information and access tailored to each separate customer. It invites all parties to cross every boundary to find the best services and suppliers regardless of the traditional business hierarchies and national borders.

Friedman is excited about the prospects for developing nations and the rest of the world, too, but he points out that the time is past when anything could be done to deflect their competition:

"It is too late for protectionism when it comes to China [for one example]. Its economy is totally interlinked with those of the developed world, and trying to delink it would cause economic and geopolitical chaos that could devastate the global economy. Americans and Europeans will have to develop new business models that will enable them to get the best out of China and cushion themselves against some of the worst."

Many countries are not ready for this. Choking layers of bureaucracy,

bribery, xenophobia, and oppression are quashing the hope of modernization in many Muslim and African nations; outsiders who want to do business will find willing partners elsewhere. He is concerned that collaboration can occur between crime families and terrorists as well as businesses and entrepreneurs, and "bin Ladinists" who decry the openness of Western nations are using their infrastructure to plot their downfall.

Friedman praises India's system of technical education — "one of the few things India did right" under Nehru — and criticizes a corresponding slide in American enthusiasm for engineering and science. He points the finger at ineffective preparation in our high schools, which is partly true; yet after saying American education is faulty, his suggestion is to make two more years of it mandatory or at least tax-funded. Change is necessary, but more money and longer duration are not adequate solutions to problems in our academic culture.

Friedman has three Pulitzer Prizes and now four best-sellers about globalization's impact. He brings together a terrific collection of interviews, some of them almost profound, with everyone from CEOs to call-center operators. Unfortunately, the book is marred by a number of where-did-the-editor-go moments, like his observation at the Bangalore campus of Infosys:

"Young Indian engineers, men and women, walk briskly from building to building, dangling ID badges. One looked like he could do my taxes. Another looked like she could take my computer apart. And a third looked like she designed it!"

Such condescension is simply inexplicable, especially for an author who obviously has great familiarity and appreciation for people of the developing, non-Western world.

Similarly, while stretching his theory to argue (jarringly) that it was predicted by Karl Marx, Friedman intones "In what is probably the key paragraph of *The Communist Manifesto*, Marx and Engels wrote ... " — and follows with two paragraphs. His business-writer neologisms are mostly benign, though I stumbled at "self-collaboration" — how does one co-labor with oneself?

Still, that clumsy term encloses the key principles of Friedman's "Globalization 3.0," and it provides the center for reflection on his theory. It is a world where technology allows corporations to collaborate without boundaries, and paradoxically elevates the power of the individual on a broad scale; where big businesses act small, small concerns look big, and the leverage of the single contributor or customer is multiplied. If Friedman's right, there are interesting times ahead. No, under way. CJ

# 'Patriot's History' an Antidote to Politically Correct Accounts

• Larry Schweikart and Michael Allen: *A Patriot's History of the United States*; Sentinel; 2004; 928 pages; \$29.95

By BURTON FOLSOM  
Guest Contributor

HILLSDALE, Mich. U.S. history textbooks are important because they are a benchmark of what we as a nation value in our past and what we envision for our future.

After thumbing through a recent batch of U.S. history texts, David McCullough, winner of the Pulitzer Prize, concluded that "most of them, it appears to me, have been published in order to kill any interest that anyone might have in history." What's more, he discovered that "they're often hilariously politically correct and they are not doing any good." Not surprisingly, students hate them and refuse to read them; used-book stores often refuse to buy them, or even to put one on their shelves.

Larry Schweikart and Michael Allen, authors of *A Patriots History of the United States*, observed this trend and tried to do better in writing their own text. The result is a magnificent achievement—a readable narrative that persua-

*[The authors] conclude that the Progressive Movement, the New Deal, and the Great Society were often harmful to most groups of Americans.*

sively explains the rise of America, and directly challenges the endemic political correctness in texts today.

Schweikart and Allen start by praising character, hard work, and political savvy. They were the building blocks of American success. Because Americans had a Christian culture, they took the right to life, liberty, and property very seriously. The Founders, Schweikart and Allen remind us, wanted limited government, and that limited government, born in the 1700s, gave free reign to the triumph of entrepreneurs in the 1800s, which helped build the United States into a superpower in the 1900s.

Most history texts are very weak in analyzing economics and economic development. Few historians understand how capitalism works and how government intervention often stifles growth and hinders, in an unintended way, the very groups targeted for benefits.

Schweikart and Allen, by contrast, have published widely on banking,

entrepreneurship, and economic development. Therefore, they regard it as important consequences of economic freedom that Andrew Carnegie and John D. Rockefeller were able to outproduce the world in steel and oil—which then drew millions of hard-working European immigrants to America's shores.

In writing on the 20th century, Schweikart and Allen are critical of the growth of government. Many U.S. history texts are 1,000 pages that can be condensed into 10 words: Businessmen created problems; government repeatedly moved in to solve them. Schweikart and Allen, however, conclude that the Progressive Movement, the New Deal, and the Great Society were often harmful to most groups of Americans, rich and poor alike.

The progressive income tax is described as "irrational antipathy toward wealthy Americans." Antitrust laws produced "a burden of regulations [that] fell on unintended groups." By contrast, the tax cuts under Presidents Calvin Coolidge, John F. Kennedy, and Ronald Reagan boosted economic development and sparked the creation of new industries. This is all shockingly "out of the mainstream" for most American historians and reading that government economic policies usually backfire will be a jolt to all but a few students.

In foreign policy, Schweikart and Allen are controversial, but always interesting. They call American actions in Mexico and Oregon in the 1840s "a pair of the most spectacular foreign policy

achievements in American history." (More than a few historians find U.S. foreign policy in the 1840s to have been needlessly bellicose.)

Communism, to Schweikart and Allen, is not "just another political system." The authors expose its inherent flaws, and praise Reagan for his Strategic Defense Initiative. They quote approvingly Vladimir Lukhim, former Soviet ambassador to the United States, who said, "It's clear SDI accelerated our catastrophe by at least five years."

Schweikart and Allen avoid the tendentiousness and simple-mindedness of most texts. People are complicated and the authors let us know that. Coolidge encouraged limited government, but at the same time supported high tariffs. Our Declaration of Independence enshrined natural rights, but we denied them for a century or more to most black Americans.

In explaining the success of the American experiment, Schweikart and Allen, unlike many others, point not to vast fertile land and abundant raw materials, but to "more important qualities: initiative, inventiveness, hope, optimism, and, above all, faith." Also, ever since the arrival of the Puritans, Americans have had the vision that they were to be a "city on a hill," or to a later generation that broke from England, the "last best hope for mankind." Such a vision, the authors argue, help make America greater than the sum of its parts, its resources and its people—"a beacon of liberty."

This book is an excellent antidote to the myths and misconceptions that litter the typical American history text. CJ

Burton Folsom, Jr. is Charles Kline professor of history and management at Hillsdale College.



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## Short Takes on Culture

## 'Ocean's Twelve' a sordid mess

• "Ocean's Twelve"  
Warner Home Video  
Directed by Stephen Soderbergh

I didn't exactly choose to see "Ocean's Twelve" — instead, I chose to be on Northwest Airlines Flight 26, which led to the opportunity.

The film is a sequel to the 2001 remake of "Ocean's Eleven," and reunites George Clooney as retired big-time thief Danny Ocean with a large cast of associates in crime, facing two big problems: boredom with the straight life, and a persuasive demand for restitution (\$19 million each) from the casino owner they ripped off in the last movie.

To try and extend their now-shortened life expectancy, the gang embarks on a series of daring burglaries. Their efforts are hampered by a competing criminal genius (Vincent Cassel) on the one hand and a romantically-disappointed detective (Catherine Zeta-Jones) on the other — the former lover of one of the gang, played by Brad Pitt.

Unfortunately in this case the bad guys win, because that's all there are. Theft is theft, and outsmarting another crook to steal the goods first is still larceny.

"Ocean's Twelve" places the audience in the position of cheering for the failure of law enforcement, rejoicing in the triumph of the smiling felon, and searching for honor among thieves.

It's philosophically unsupportable, and ultimately devolves into a sordid mess — even if the seat is reserved and the pretzels free.

— HAL YOUNG

## Family friendly 'Treasure'

• "National Treasure"  
Walt Disney Home Video  
Directed by Jon Turteltaub

Conspiracy theories about the Founding Fathers and the Freemasons might sound like documentary fodder, but "National Treasure" delivers entertainment along with historic facts and fables in a fun movie suited for the whole family.

When so many movies are unpatriotic or even blatantly anti-American, it's refreshing to watch one in which American ideals are praised, America's history is appreciated, and her Founders extolled as heroes — even if it is for guarding ancient Masonic treasure. Nicolas Cage, in his role as pseudo-historian Benjamin Franklin Gates, toasts the Founding

Fathers for being "men who did what was considered wrong, in order to do what they knew was right."

"National Treasure's" campy crew of treasure-seekers — besides Cage, a national archivist (Diane Kruger) and an ubiquitous techno-geek (Justin Bartha) — have a contagious enthusiasm for American history and Revolutionary trivia.

Cheesy dialogue and predictable plot-twists notwithstanding, "National Treasure" is easily a worthwhile rental for family movie night.

— JENNA ASHLEY ROBINSON

## Gordon: a compelling liberal

• "News & Notes"  
Hosted by Ed Gordon  
National Public Radio

No ideology has more impact on the national debate over policy and politics than the 1960s' social justice movement. The beliefs central to that thinking are served up weekdays on NPR's "News & Notes with Ed Gordon." The program bills itself as dedicated to the interests and concerns of African-Americans.

The first few times I tuned in, I fought the urge to switch stations after hearing the "more government help is the solution" mantra that runs through many discussions. That's also why I continue to listen. By understanding what's at the heart of the Left's beliefs, conservatives can effectively rebut the arguments.

Pacing makes or breaks a radio show, and "News & Notes" is brisk. Its most interesting segments feature guests debating an issue with Gordon, a journalist whose resume includes stops at BET, NBC and CBS. Civil rights, racism, and economic disparities regularly weave their way into the show. Usually sandwiched among the liberals is a conservative whose opinions are challenged, and sometimes dismissed.

In a recent appearance author and academic John McWhorter, a senior fellow at the Manhattan Institute, confounded fellow guests by arguing that mainstream television no longer negatively stereotypes black Americans any more than it does other groups. The exchange revealed the growing divide between minorities entrenched in the group-think of the '60s, and those who reject victimhood.

"News & Notes with Ed Gordon" is compelling radio. It airs on NPR stations around North Carolina.

— DONNA MARTINEZ CJ

## Myths fall by wayside

## '1776' Definitely Pulitzer-Worthy

• David McCullough: 1776; Simon & Schuster; 2005; 371 pp; \$32.

By CHARLES DAVENPORT JR.

Guest Contributor

GREENSBORO

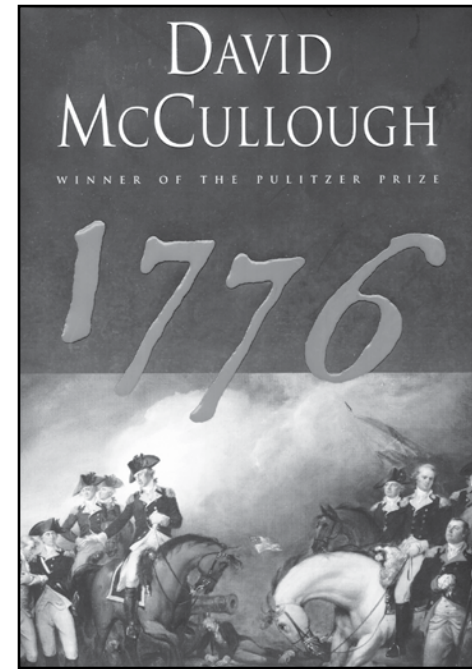
If David McCullough's books were required reading in high school and college, late-night television would be deprived of one of its most amusing (and appalling) features: the dumb-man-on-the-street interview. While it may entertain us to see our fellow citizens humiliate themselves by suggesting that Abraham Lincoln was our first president, or that the Civil War took place in 1972, the frivolity is short-lived. In truth, profound ignorance of our history is the norm rather than the exception, and this is no laughing matter.

McCullough's latest offering, 1776, is a nonfiction work of history that reads like a suspense novel. Even well-informed readers familiar with the story's fairy-tale ending will find themselves engrossed in and enlightened by these pages. New information abounds, and several myths fall by the wayside. (The Hessians at Trenton, for instance, were neither drunk nor hung-over.) McCullough has been awarded two Pulitzer Prizes for good reason: His style is congenial to the reader, and his exhaustive research is immediately apparent.

It is difficult to imagine a challenge more daunting than that faced by the Continental Army in 1776. George Washington's military force had virtually no money, a measly supply of gunpowder, no uniforms, and no naval capacity. His slovenly, undisciplined troops were ravaged by "camp fever," and even at the highest levels of command, the Continentals were inexperienced. Washington's second-in-command, Nathanael Greene, was an asthmatic bookworm hobbled by a childhood accident. Everything he knew of warfare, he learned from reading.

The British, on the other hand, were well-financed, disciplined professionals. For these neatly uniformed troops, arms and gunpowder were in abundant supply. The Redcoats were reinforced by thousands of Hessian warriors, ruthless mercenaries renowned for their valor. The British fleet was the most powerful naval force in the world.

King George and his forces dismissed the Americans as "peasantry," a "rabble in arms." As noted by Redcoat Frederick Mackenzie, "Their odd figures frequently excited the laughter of our soldiers." The Redcoats' low opinion of the rebels was perfectly rational. After all, on paper, the Revolutionary War appeared to be one of the most glaring mismatches in military history. To wager on the Americans, one would have to be a fool, a genius...or a fervent patriot. Washington was aware of the long



odds. During the lengthy stalemate at Boston in January 1776, he wrote the following: "If I shall be able to rise superior to these, and many other difficulties which might be enumerated, I shall most religiously believe that the finger of Providence is in it, to blind the eyes of our enemies; for surely if we get well through this month, it must be for want of their knowing the disadvantages we suffer."

The Revolution's darkest hour was early December, 1776. The Continentals had suffered multiple defeats — a couple of them disastrous and directly attributable to Washington's strategic blunders. Washington's battle-ready force had dwindled to 6,000 men, and Americans in droves were signing a British proclamation that renewed the signer's allegiance to the Crown. Writes McCullough, "Congress had fled [Philadelphia]. Two former members of Congress, Joseph Galloway and Andrew Allen, had gone over to the enemy. By all reasonable signs, the war was over and the Americans had lost."

Washington, desperate to swing the momentum, conceived a "brilliant stroke" that culminated in the shocking American rout of Hessian forces at Trenton. McCullough's exquisitely detailed account of the Delaware crossing and the savagery of Trenton is a fine tribute to what is arguably the most important episode in American history.

McCullough has penned a lively, suspenseful rendering of the Revolution — a volume that should generate another Pulitzer buzz for the author. Perhaps the finger of Providence will intervene once more, to ensure that 1776 falls into the hands of every American patriot. CJ

Charles Davenport Jr. is an op-ed columnist with the (Greensboro, NC) News & Record. His e-mail address is daisha99@msn.com.

# Lessons in Education From Danes, Dutch, and Aussies

• David Salisbury and James Tooley, editors, *What America Can Learn from School Choice in Other Countries*, Washington, D.C.: The Cato Institute, 2005, 236 pages.

By JOHN HOOD  
Contributing Editor

RALEIGH

Pardon me the somewhat-extraneous editorial comment, but I am overflowing with good feelings toward Denmark, the Netherlands, and Australia. For one thing, they have been stalwart supporters of the United States on issues of national security and terrorism, deploying troops and logistical support for the military coalition in Iraq. And for another, they offer American reformers important lessons in how to advance the cause of freedom in another context: education.

Defenders of the government-school monopoly like to suggest that parental choice of schools is a wacky, untested idea. This is entirely false from an international and historical perspective, as a new volume from the Cato Institute demonstrates. Editors David Salisbury and James Tooley have come up with a set of invaluable essays, all of which had their genesis in a conference that Cato conducted in Washington on the subject about a year ago.

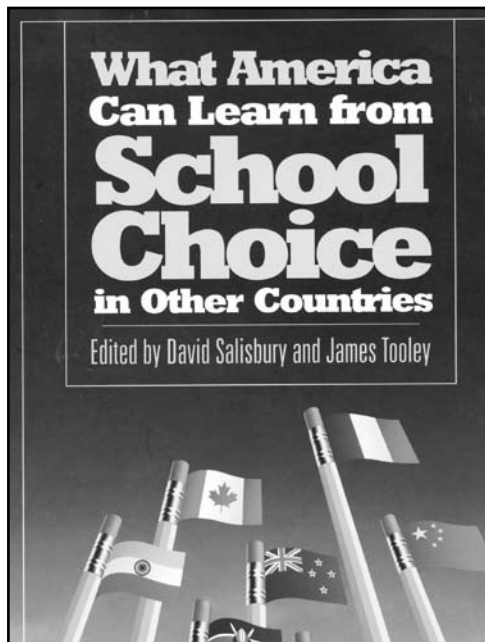
*What America Can Learn from School Choice in Other Countries* is at its best when filling in the gaps that many proponents and opponents of parental choice likely have in their understanding of the empirical data on the issue.

For example, Denmark has long allowed parents to choose public or private schools and still receive taxpayer funds to help defray much of the cost. Typically, Danish students attending private schools under the choice program cover

80 percent to 85 percent of the tuition with public dollars. Because these dollars follow students to their school of choice, thus giving public schools a strong incentive to compete effectively to retain them, Denmark's choice program has resulted in a range of public and private schools, and by all accounts is very popular with the public.

There is an interesting contrast between the Danish system and the choice program in the Netherlands, where private schools play a much larger role in the education market — making up about two-thirds of the country's elementary and secondary enrollment. While in Denmark most parents, even given a subsidized choice, seem satisfied with sending their children to government-owned schools, most Dutch parents see better alternatives in the private sector, either because of academics or because of other aspects such as a religious environment, strong discipline, or proximity. What creates benefits in both countries is the existence of that choice.

Australia's choice system, which also allows tax dollars to follow students to secular or religious private schools, has a unique element of redistribution. Students attending private schools from poorer areas in the western part of the country receive nearly full funding



of their tuition from tax dollars, while those in wealthier areas may recover only a quarter of their tuitions.

Salisbury and Tooley have assembled a wide assortment of scholars in this book. For those who worry that vouchers will endanger the independence of private schools, there are authors in the book who support as well as dismiss this

concern, citing international experience. Similarly, some of the authors favor a continued government role in funding education (as I do) while others favor a complete separation of school and state. What's productive here is that they disagree without being disagreeable, giving plenty of food for thought on both sides.

Perhaps my favorite essay is one

by Ludger Woessmann that presents his statistical model of the effect of choice on student achievement. Using international test scores in math, science, and reading, Woessmann found that students scored about half-a-grade higher for each standard deviation of increase in private-school enrollment. Also, he found that if the share of government school spending going to private schools rose by a standard deviation, there was an increase in math performance of 20 percentage points. Finally, using a different school-specific measurement, Woessmann concluded that it wasn't so much how many students attended private schools but how many did so with public subsidy that led to higher test scores, which likely reflects the extent to which choice programs give poorer students access to better schools (wealthier students would seem more likely to perform well regardless).

I can't recommend this book too highly for those interested in the school-choice issue — pro or con. CJ

*Hood is president of the John Locke Foundation and author of Selling the Dream: Why Advertising is Good Business, forthcoming from Praeger.*



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Lumberton	WFNC	FM 102.3	Saturdays 1pm
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## Commentary

## The Incentives Shell Game

The N.C. Commerce Department's most-frequently used excuse for keeping information about "economic incentive" deals from the public and state legislators — that the deals contain "trade secrets" — has been gutted. The bayonet wasn't wielded by an opponent of the bribes — but by the secretary of commerce of another Southeastern state.

The secretary, who requested (for obvious reasons) that he not be identified, said in a telephone interview on July 22 that no corporate official, fearful of bringing on the destruction of his company, would share a trade secret with a government official, or anyone else outside the organization. That



Richard  
Wagner

being the case, no company has ever divulged a trade secret to his state, the official said. The veracity of that information has long been obvious to skeptics of economic incentive deals that state officials offer to big companies. But confirmation by a secretary of commerce that state officials are not privy to trade secrets could have a significant impact on legislation that currently is on hold in North Carolina's General Assembly.

The legislation, Senate Bill 393 sponsored by Democratic Sen. David Hoyle of Gaston County and prompted by the North Carolina Press Association, would clarify public records laws and require the state Department of Revenue to publish annual reports on the use of economic development tax incentives. The Senate approved the measure in June and sent it to the House. The House Commerce Committee was to begin debate on the bill July 19, but Hoyle withdrew it after Commerce officials complained that House legislators proposed stronger public-records requirements. Hoyle did so to allow Commerce officials more time to study the new requirements. Commerce officials, no doubt, are busy dreaming up new ways to derail the legislation or to run out the clock on the legislative session.

The unidentified secretary of commerce also said that he decided against making a final offer to a corporation that North Carolina officials also were intensely courting because he feared the company would avoid paying taxes by transferring revenue made in his state to other states that didn't

levy income taxes. In that case, any economic development offer made by the state would have been a sham. Despite that highly probable development, North Carolina Gov. Mike Easley and the Commerce Department decided to offer the company incentives anyway.

The reformed legislation ostensibly would take care of part of that problem. It would require

the Department of Revenue to publish annual reports on the use of incentives. That would include the total amount paid by the Commerce Department for all incentives the previous year and an accounting of the number of jobs companies created in the state. Still missing, however, is a foolproof

method to determine how much income the company derived from its North Carolina operations. An innumerable variety of accounting gimmicks could foil any attempt by state officials to do so.

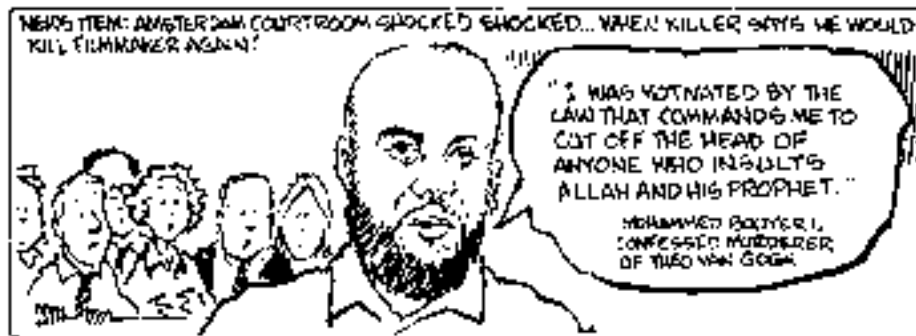
There is a difference between "trade secrets" and "confidential information," the anonymous secretary said. Companies do ask that some sensitive information be kept confidential temporarily. For example, that would include negotiations on pending real estate sales, the prices on which might escalate if landowners knew where a company wanted to build a plant. But such confidential information doesn't qualify as a trade secret, he said.

North Carolina's headlong rush into the incentives racket under the Easley administration has already cost taxpayers hundreds of millions of dollars. And the total continues to soar.

It's time for the public, and state legislators, to be brought into the deal-making process. As the public records law now stands, everyone except for a tight inner circle in the Easley administration is kept in the dark until the last minute. Then legislators are pressured to approve these deals quickly, mostly on blind trust.

But now we know that the Department of Commerce and the governor know almost as little about these deals as anyone else. It's a shell game that North Carolina can no longer afford to play. *CJ*

*Richard C. Wagner is the editor of Carolina Journal.*



## Editorial

## Road Problems Start at the Top

Every two years, the N.C. Department of Transportation updates its master list of projects. The latest iteration of the plan, commonly referred to as the TIP, was released in July and highlights the problems in state transportation policy.

Simply put, the state is short-changing its road-building programs, making bad decisions, and still having too many politicians setting "priorities" that more resemble pork while legitimate needs aren't addressed.

The overall outlook under the 2006 TIP for motorists isn't encouraging. Many of the state's most critical road projects are delayed in the new TIP, often by several years.

The problems start at the top. State transportation money is a limited resource. Gov. Mike Easley is quick to proclaim how critical having a good road network is to attracting businesses to North Carolina.

Of course, this is the same Gov. Mike Easley who has raided the highway trust fund by hundreds of millions of dollars over the past two years to close the state's budget deficit — which grew worse because of unrestrained spending on government boondoggles.

The fuzzy-headed decision-making isn't limited to road building. The NCDOT has been considering starting passenger rail service between Raleigh and Wilmington, which is a dubious proposition to begin with.

Faced with the key question of how to route the trains, via Goldsboro or Fayetteville, both of which had lobbied hard for the route, the department decided not to make the call. Instead, it decided that it will eventually run trains over both routes between Raleigh and Wilmington.

Just as important as not spending money on bad, if often politically popular projects, is assuring that necessary

projects get built in a timely manner. Too often that doesn't happen under North Carolina's current funding allocation system, which allocates money by formula, not needs.

The status quo simply lets some needs fall through the proverbial cracks. The NCDOT, for example, is widening Interstate 85 to at least six lanes between Kings Mountain and Durham. Except, perhaps, for the bridges over the Yadkin River north of Salisbury.

Big bridges are expensive and building wider spans over the Yadkin would use up the region's road-building allotment for a considerable period of time. So it's a no can do, though it will create a significant — and dangerous — bottleneck.

Further south, there's the case of I-485, the Charlotte Outer Belt. One of the first sections built in the early 1990s with only four lanes when more were required; traffic now often goes at a blistering 25 mph during rush hour.

Widening 6.6 miles of interstate for \$38 million to fix the problem would seem to be a no-brainer; a relatively low cost, easy-to-do improvement on a heavily traveled highway. The project was finally included in the new TIP — with work to begin in 2012.

Its inclusion also set off a nasty political fight that reached the General Assembly. Some politicians wanted the road widened ASAP while others, especially those from northern Mecklenburg County, were concerned that widening the congested portion of the road would delay the construction of the final portion of the interstate by a year in their portion of the county.

Until the state addresses the problems in how it selects and funds its transportation projects, there's every reason to expect that future editions of the TIP will bring equally disappointing news to the state's citizens. *CJ*



## Bad Sign for Tax Reform

*Don't let anti-business attitudes scuttle rational tax proposals*

There's a new debate in the North Carolina General Assembly that demonstrates once again the perils facing any legitimate attempt at tax reform.

For years, the statewide association for home builders has pushed for a measure to exempt just-developed but unsold properties from being subject to local taxation. Currently, a new home is assessed for property taxation regardless of whether it has been sold and occupied by residents. The same is true for other developer improvements, such as laying streets in a new neighborhood. The bill would end this practice, levying the full tax on developed property only after it is sold.

Paul Wilms, who lobbies for the association, said that a version of the bill has been introduced repeatedly since the early 1990s. The date is no accident. That was when inventories were fully exempted from local property taxes. Previously, merchandise stored in warehouses prior to sale was subject to taxation.

It is a matter of fairness, according to bill sponsor Walter Dalton, a Democratic senator from Rutherford County. "This is a builder's inventory, and the same logic should apply" as was the case for manufacturers' inventories, he said, noting that manufacturing and even

retailers have been receiving special tax incentives in recent years, so now home builders deserve consideration.

Those are some good arguments, assuming that you accept two premises: 1) inventories are not going to be pulled back into the property-tax base, and 2) lawmakers are not going to stop subsidizing other businesses via special tax breaks. Just and uniform taxation requires equal treatment for builders. We'd add a third argument, derived from the benefit principle: since unoccupied houses by definition do not impose much in the way of service demands on local governments — no utilities, no kids in public school or health clinics, only limited need for police and fire response — it makes sense that this class of property should not be taxed at the same rate as occupied homes and buildings.

On the con side, the best argument going is simply that local governments can't afford the revenue hit. Others say it's a sop to wealthy developers who don't need it, regardless of any inherent fairness in the proposal.

One can see a pattern developing here. A tax bill is offered with a clear policy rationale but because "business" benefits it is attacked as a "special break." This doesn't auger well for the prospects of serious tax reform in North Carolina. CJ

## 'Studies' Aren't Always Right

*Science is a process that includes possibility of refutation*

If there is one newspaper editorial you read this month, make it the July 15 piece in *The Wall Street Journal* entitled "The More You Hear, The Less You Know."

Essentially, it is a cautionary tale about believing every news report you hear touting a "breakthrough new study" that "proves beyond a doubt" something or other. The example here is medical, but the same insight applies to many other fields of study, including public policy.

The underlying paper, printed in the *Journal of the American Medical Association*, took a look at 49 widely touted studies reporting the results of clinical trials. Of those 49, 45 purported to provide evidence supporting the effectiveness of a medical intervention — be it a pharmaceutical, a procedure, or something else. The authors of the article considered whether follow-up studies had offered evidence supporting the original finding. That's the way science is supposed to work: scientists form an hypothesis based on existing evidence or inferences, then test the hypothesis with a controlled experiment, then they or others attempt to replicate the findings of the initial experiment.

Of the 45 cases studied, there were 14 instances in which subsequent studies contradicted rather than supported the initial findings. For example, a study found that hormone therapy reduced the incidence of coronary artery disease in women. But subsequent research linked hormone therapy to an increased risk of coronary artery disease among women. Somewhat less distressing was the example of Vitamin E, which initial research suggested might be useful as a heart protector but in subsequent studies demonstrated little effect.

The proper conclusion here is not that there are lots of incompetent scientists out there fabricating results or publishing sloppy work. It is, instead, that researchers, regulators, the media, and the general public should look before they leap.

The nature of science is to advance propositions that may be disproved through experiment but are not necessarily proved by experiment, and certainly not by a single experiment.

It is reasonable, therefore, to wait for confirmation, to withhold judgment and forego costly interventions and alarmism until our knowledge base is wider and deeper. CJ

### Commentary

## Property Rights are the Solution

In the aftermath of a controversial U.S. Supreme Court decision that upheld a government taking of private property for the purposes of "economic development," there has been a lot of political chatter about property rights.

Defenders of the court's ruling in the eminent domain case, *Kelo v. New London*, argue that governments have to be able to override the rights of property owners in cases where their intransigence might obstruct a project that will benefit the public by creating jobs or expanding the tax base. Those excoriating the ruling reply that eminent domain should never be used to take land from one private party to give to another, and that property rights serve as an important obstacle to governments wielding excessive power.

This debate is important, but I fear that it may leave too many people with the impression that property rights are simply a blocking mechanism. Many policy dilemmas stem from a lack of clear, secure individual rights to use resources. Property rights, or at least a semblance of them, are the solution, not the problem.

Take fisheries. Confronted with evidence of declining stocks of both freshwater and saltwater fish, North Carolina lawmakers have responded with a series of bills to require fishing licenses or make other changes. They've been whipsawed by the spirited efforts of lobbyists representing commercial fishermen, recreational fishermen, and other interested groups.

The dispute suffers from a lack of clarity about the source of the problem: no one owns a private property right in the fisheries. Thus the incentive is lacking for individual commercial or recreational interests to use the fisheries in a way consistent with their long-term maintenance.

The ecologist Garrett Hardin wrote a famous essay in *Science* magazine back in 1968 that bestowed a popular name on this insight: the tragedy of the commons. One of his examples was sheep-herding. If pastureland is held in common — "owned" by a community, in other words — then in fact no one owns it. Individual herders have a strong incentive to graze as many sheep as they can on the land, because otherwise someone else will. The result is overgrazing,

which hurts just about everyone in the long run. And the best solution is, of course, to allow for individual ownership of pastures so that one person's overgrazing harms only himself, not other herders.

With resources such as air and water, however, this approach is either problematic or impossible. Plenty of people own ponds or lakes fully encircled by their land, in which case the use of their water and the critters within it can remain pretty much their business. But for flowing or large bodies of water, you need a different mechanism. One approach — which is both grounded in the traditions of many sea-going cultures and in practice

in many fisheries today — is to sell tradable permits for the right to fish. If catches for commercial sale are a better use of scarce fish stocks than attracting tourists through recreational fishing, then the market for permits (or licenses, if you like) will reflect that. If not, then the mix of users of the fishery will tend towards the recreational.

What some North Carolinians can't seem to get past, however, is the notion that they should have to pay anything in order to fish in lakes, streams, or the ocean. Don't they have just as much right to do so as their unlicensed parents and grandparents did?

Well, the need to come up with a rational policy today is just a reflection of scarcity. Perhaps it didn't matter much who fished where generations ago, when North Carolina was sparsely populated. But it does now.

As long as these systems satisfy two key conditions — the right to fish must be tradable, and the revenues generated must be dedicated to activities designed to maintain the resource, not siphoned off to fund a general growth of government expenditure — they do not constitute "over-regulation" or "a tax increase," as some opponents have wrongly suggested. Instead, they reflect the application of property-rights thinking to a problem caused in large measure by its absence. CJ

*Hood is president of the John Locke Foundation, publisher of Carolina Journal.com, and host of the statewide program "Carolina Journal Radio."*



John Hood

## Editorial Briefs

## Women opt not to compete

Suppose you could eliminate the factors often blamed for the shortage of women in high-paying jobs. Suppose that promotions and raises did not depend on pleasing sexist male bosses or putting in long nights and weekends away from home. Would women make as much as men?

Economists recently tried to find out in an experiment by paying men and women to add up five numbers in their heads. At first they worked individually, doing as many sums as they could in five minutes and receiving 50 cents for each correct answer. Then they competed in four-person tournaments, with the winner getting \$2 per correct answer and the losers getting nothing.

On average, the women made as much as the men under either system. But when they were offered a choice, most women declined to compete, even the ones who had done the best in the earlier rounds. Most men chose the tournament, even the ones who had done the worst.

The men's eagerness partly stemmed from overconfidence, because on average, men rated their ability more highly than the women rated theirs. But interviews and further experiments convinced the researchers, Muriel Niederle of Stanford and Lise Vesterlund of the University of Pittsburgh, that the gender gap wasn't due mainly to women's insecurities about their abilities. It was due to different appetites for competition.

"Even in tasks where they do well, women seem to shy away from competition, whereas men seem to enjoy it too much," Niederle said to *The New York Times*. "The men who weren't good at this task lost a little money by choosing to compete, and the really good women passed up a lot of money by not entering tournaments they would have won."

## States now pushing 'Botaxes'

A number of states are considering taxing certain cosmetic surgery procedures, including face-lifts, tummy-tucks and Botox injections, reports *The Wall Street Journal*.

New Jersey passed the first cosmetic surgery tax law — dubbed "vanity taxes" or "Botaxes" by some — last summer. Since then, lawmakers in Texas, Illinois, Washington, Arkansas, Tennessee, and New York have introduced bills or budget proposals to install similar taxes, although none of those states has passed the taxes into law.

New Jersey's law levies a 6 percent tax on a litany of procedures, including hair transplants, chemical peels, and liposuction. So a tummy tuck, which has an average national price tag of \$4,505, now costs an extra \$270; a \$376 Botox injection now costs nearly \$23 more. New Jersey's law and all of the other state proposals exempt medically necessary procedures or reconstructive work after disfiguring diseases, accidents, or birth defects.

The New Jersey law already is spurring a backlash. The tax hasn't generated as much revenue as New Jersey originally hoped as patients either opt not to have the procedures done or go out of state. When the tax was signed into law last June it was expected to generate \$24 million this fiscal year. State officials now think it will take in only \$7 million.

CJ



## On-The-Job Training Not Working For Frist

On the day before Christmas in 2002, U.S. Sen. Bill Frist was given an early present by the White House and his fellow senators. He was elected majority leader of the Senate on a conference call. It was the first time in the history of the Senate that a majority leader was elected over the telephone.

Frist, from Tennessee, replaced Sen. Trent Lott as majority leader. Lott resigned after making remarks that the Left and the liberal elites deemed controversial at Sen. Strom Thurmond's 100<sup>th</sup> birthday party. Lott was engulfed in a media frenzy and in the view of many unfairly branded a racist for the words he used to praise an aging colleague who had served his country with devotion. (Thurmond, by the way, volunteered at age 38 for the paratroopers during World War II and was at D-Day). Lott was hung out to dry, and Frist was the administration's hand-picked successor.

When it comes to carrying the mantle for the White House's agenda, Frist has a mixed record, at best. On President Bush's second-term signature issue, the reform and restructuring of Social Security, he has been visibly absent, allowing the president's bill to languish in the Senate Finance Committee.

As early as Nov. 11, Frist made a speech suggesting that Senate rules should be changed to ban filibusters of judicial nominees. That measure was commonly called the "nuclear" or "constitutional" option. However, when the matter finally culminated more than six months later, the "bipartisan gang of 14," led by John McCain, drafted their own accord that excluded Frist from the room and effectively sacrificed several of Bush's more conservative judicial nominees.

Before the "McCain Mutiny," victory was at hand for the president, who had pledged to end judicial activism. Frist had the 50 votes to pass the rule that would have permitted the majority to have an up-and-down vote on each judicial nominee. By not watching the store, he effectively allowed Senate Minority Leader Harry Reid and company to keep the filibuster-veto with the promise that it would be

used only under "extraordinary circumstances." In other words, any judicial nominee that the president brought forward had to pass muster with the "liberal" minority in the Senate.

Now compounding Frist's problems is the stalled and all-but-dead nomination of John Bolton for ambassador to the United Nations. Three days after the "deal" on judicial nominations, and when the "feel-good aura" of bipartisanship was supposedly flowing through the Senate, Reid crushed the nomination of Bolton and refused to let the Senate confirm or reject him.

Since then Frist has flip-flopped on the Bolton nomination, saying he planned no further votes to try and end the long-running Democratic filibuster. Then, after a chat with the president, he "reversed himself" by essentially saying that he would keep trying to get the job done.

No later than the next day, Frist washed his hands of Bolton, saying it is really between the White House and senior Democratic Sens. Joe Biden and Chris Dodd. Bolton, by the way, is just the prescription that many conservatives believe is the right tonic for a scandal-ridden United Nations. He is blunt and effective, and he is the president's choice.

Frist has made no secret that he has presidential ambitions. Another key test for him will be how he handles the fight for the President's Supreme Court nominees. Conservatives can only hope that Frist has learned to play hardball with the opposition.

Nothing is more important to conservatives than the future direction of the Supreme Court. Should Frist fail to deliver on the president's nominees then the base of the Republican Party will surely disqualify him as a possible Republican standard bearer for president.

CJ

Marc Rotterman is treasurer of The American Conservative Union and a senior fellow at the John Locke Foundation.



Marc  
Rotterman

# Dangerous Consequences of Politically Correct Math

By DR. KAREN PALASEK

RALEIGH

As the parent of a child about to enter college, and a college instructor myself, I am horrified to read the latest from Diane Ravitch, education historian, on the politicization of mathematics. Granted, the humanities have long been in the wasteland of the politically correct and left-indoctrinating university faculties. With the partial exception of economics, the social sciences are generally devoid of thinking, reasoning faculties as well, leaving the hard sciences and math as the last bastions of logic and clarity in the university. No more.

In her *Wall Street Journal* "Ethnomathematics," Ravitch discusses how mathematics is fast becoming a tool of the mind-twisting social programmers who want your kids not to think, but to think the thoughts they put in their heads. Doing this with math, a discipline that almost everyone would presume is pure and objective, is a perfect and completely dishonest way to accomplish this, and it's in your schools and playing with your child's head now.



Karen Palasek

Beyond "innocent dumbing-down," the new, new, new mathematics is aggressively anti-West, anti-capitalist, and pro-multicultural socialist. Mathematics professors are promoting themselves as "critical theorists,"

advocating learning and using mathematics as "traditional ancestors" used it, and recasting the curriculum as tool for measuring social justice and injustice. The "critical theorists" assert that students "will learn math best if taught in ways that relate to their ancestral culture."

This approach would have us believe that we are all imprinted pre-birth with some ancestral inclinations in the area of math. If we want to be successful in life (why should this be limited to just math?) we have to observe those inclinations in our teaching and methods with students. And I thought imprinting was nature's way of ensuring that non-reasoning animals' offspring don't wander from the nest, lest they come to believe that a U.S. Postal truck is their mother.

Should one doubt that the new direction in math is turning toward a divisive, ethnocentric feeding frenzy

on Western culture and accomplishments, here are some of the items Ravitch mentions: a text titled *Rethinking Mathematics: Teaching Social Justice By the Numbers*, which includes chapters called "Sweatshop Accounting," "Chicanos Have Math in Their Blood," "Home Buying While Brown or Black," and others in this strait-jacket, antiwhite, antimarket mindset.

These are in use, not wild pipe dreams, and they will grow in use. Even a superficial look at the number and breadth of social tasks with which the schools have charged themselves guarantees this. Teachers are already using the "unit studies" — integrated teaching of all subjects in a teaching plan that revolves around a general topic area — to try to cover the vast amount of social and cultural material they are charged with.

It's but a small step to make the topic of that unit "Western Oppression of Other Cultures," in spirit, if not in name. Now multicultural racists will "prove" it, with numbers. (Ravitch calls this racism "particularism," to contrast it with the use of the populist buzzword "pluralism.")

I myself have attended parochial schools as well as public school in the K-12 years. I've been a home-school parent and a private-school parent. I

would not under any circumstances, excepting destitute poverty and welfare, place my child in a public K-12 school at this point. I could not in good conscience sign my child's mind over to the state. There are a few wonderful teachers out there, and many public schools fabulously equipped, but it's not enough, not by a long stretch, in a system that is deliberately promoting mindlessness.

As my own child, who achieved a score of 5 on the Advanced Placement test in Composition, and won one of three writing portfolio awards in a very tough writing curriculum, noted after looking over the titles of course selections for college freshmen in English, "I could never be an English or a history major at this school."

She was audibly distraught, as this is one of the most prestigious universities in North Carolina. I told her that I agreed, and that she's lucky that she is planning a career in the sciences. Now I'm not so confident.

Social and economic engineering — we've seen this before, with horrifying results. CJ

Dr. Karen Palasek is assistant editor of Carolina Journal.

## Adjusting Social Security: It's All in the Indexing

By MICHAEL L. WALDEN

RALEIGH

Have you heard about the ideas for changing the indexing of Social Security? Does this sound like something only economists and accountants could get excited about? Well, beware, because the proposals to change the way Social Security payments are indexed could be the most significant element in the debate over the 70-year-old retirement program; indeed, much more important than the clash over personal accounts.

First, what in the world is indexing? Indexing addresses a common problem in economics — how to compare dollars in different years. The problem arises because dollars usually decline in their purchasing power over time. Because of the trend of rising prices from year to year — that is, inflation — a dollar this year buys less than a dollar did 10 years ago, and it's likely a dollar 10 years in the future will purchase less than a dollar today. So it is incorrect, financially speaking, to compare dollar amounts in different

years unless an adjustment is made, and this adjustment is called indexing.

Indexing actually works in a simple way. Some "index" is chosen that reflects how the value of dollars changes over time. This index is applied to past dollars in order to make them comparable to today's dollars.

So, for example, if the index value for some past year happened to be two, then this means a dollar in that past year really had the same purchasing power as two dollars today.

There are two places in Social Security where indexing is used. One is once a person is already receiving Social Security. Here, future payments received by the person are indexed to account for price increases that have occurred. This means, for instance, that a person receiving \$1,000 a month this year would receive \$1,030 monthly next year if the inflation rate for this year turns out to be 3 percent. The index used to make this adjustment is the widely quoted Consumer Price Index.

There are no proposals to change this indexing. Instead, the sugges-

tions for change come in the second way that indexing is used in Social Security. This comes in the way a person's first Social Security payment is calculated.

Here's the arithmetic on the first payment. The history of the person's wage earnings is laid out. Since past dollars have a higher purchasing power than current dollars, past dollars are indexed, meaning they are increased, in order to make them comparable to the purchasing power of today's dollars. Once a person's past wage incomes are expressed in the purchasing power of today's dollars, an annual average is calculated, and this average is used to determine the individual's initial Social Security payment.

Stay with me! The index used to adjust those past dollars in the figuring of a person's first Social Security payment is a wage index, not a price index. The proposal floating around Washington is to drop the wage index and use a price index for many retirees.

So, you might be thinking, what difference does this make? It makes a lot of difference because wages typically increase faster than prices. In the last 10 years, wage rates increased 39

percent compared to a 27 percent increase for prices. So a shift from wage indexing to price indexing would reduce a person's initial Social Security payment, and since future payments are based from that initial payment, all future payments would also be smaller. Some analysts estimate this one change would eliminate more than two-thirds of Social Security's projected financial shortfall.

Also, there are proposals to introduce the indexing on a sliding scale with income. Lower-income households would still use wage indexing, but the change to price indexing would gradually occur as income of the Social Security recipient rose.

Nevertheless, many Social Security recipients would receive less under price indexing than with wage indexing. But supporters of the change say this is not a cut if the alternative is a bankrupt Social Security system. CJ

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# Survey Sheds Light on UNC President Compensation (a CJ parody)

By MITCH MONEYBAGS

RALEIGH

Now that UNC President Molly Broad has announced that she will be leaving the position next year and a search for a successor is under way, the question has come up, "Just how much do we need to pay to get a top-notch president?"

There has been talk of increasing the salary for the president from its current level of \$312,000 per year (plus free house and car) to as much as half a million. A big increase is supposedly necessary so that UNC can compete for superstar college administrators.

But is it? The Raleigh-based Pope Center recently conducted a survey of North Carolinians to come up with a list of names of people whom foundation officers think should be considered for the job. From the list of more than 500 names (after eliminating all fictional characters and several household pets), the foundation chose 10 well-known individuals and contacted them to ask how much of a salary it would take to get them to consider the job of UNC president.

Here's what the foundation learned:



1. Erskine Bowles. Bowles said he would take the job for a salary of \$1 per year, as long as the position were appointed. If it were ever made elective, however, he'd need "more money than Bill Gates has."

2. Gov. Mike Easley. Easley said he would take the UNC presidency for the same salary he's paid as governor, but he added two important conditions: "The UNC President's house has to be relocated to Southport, and the car has to be exchanged for a helicopter."

3. Meg Scott Phipps. Phipps said she was "tremendously flattered" that she might be considered for the job of UNC president and that she would gladly take the position at Molly Broad's current salary as soon as Phipps is out

on parole.

4. John Hood. Quite a few conservatives thought that John Locke Foundation President John Hood would be a good choice to head up UNC. When asked about the prospect, Hood raised an eyebrow and said, "I guess I'd do it for \$354,729, but only if I get to add a few courses to the curriculum, such as Philosophical Conundrums of Star-Trek and Comic Books as Genuine American Literature."

5. Phil Kirk. The esteemed chairman of North Carolina Citizens for Business and Industry said, "I would take the job for \$500,000, but maybe as low as \$200,000. Is it time for me to change jobs again?"

6. Molly Broad. Quite a few North Carolinians apparently think Broad has done such an outstanding job that she ought to stay on as president. Asked about that, she said, "Well, if they'd increase the salary to half a million, I might just consider it."

7. Bill Clinton. The ex-president is very popular with many people in the state who believe that the former Rhodes Scholar would be a good person to run UNC. When asked about his interest, Clinton said, "Oh, I might think about it if they paid me a million a year. Wait

a minute. I remember that issue of Playboy — Girls of the ACC. Make it \$750,000."

8. Frank Ballance. Voters in his district who think that Ballance was unfairly persecuted over picky little things seem to have suggested his name in large numbers. Ballance said that he'd be happy to do the UNC president thing for the same amount as he used to get paid to be a member of Congress, but added that he wasn't certain when he would be able to start.

9. Jim Hunt. North Carolina's former governor was a popular choice. When asked how much it would take to lure him into the job of UNC president, Hunt said, "Well, y'all know how much I like doing things that are for the churrun, and college kids are just sort of big churrun, you know. Not sure I really want the job, though. I might think about it at \$450,000."

10. Mike Krzyzewski. Oddly enough, Duke basketball coach Mike Krzyzewski was suggested by a large number. Reached in his office at Cameron Indoor Stadium, Coach K laughed hysterically for 10 minutes, then said, "I'd do it for ten million a year, provided that I get to send Roy Williams back to Kansas." CJ



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